
Lodgement of New Prospectus

Dear Shareholder,

As foreshadowed in the announcement dated 17 July 2019, enclosed is a copy of the new prospectus lodged with ASIC today (**Prospectus**) to replace the prospectus withdrawn on 17 July 2019. The Prospectus relates to Metminco Limited's (**Metminco**) capital raising of \$2.332 million at an issue price of \$0.002 associated with the takeover of Andes Resources Ltd (**Andes**).

All eligible Metminco and Andes shareholders are now invited to apply (or re-apply) to participate in the capital raising in accordance with the instructions set out in section 2 of the Prospectus by 7 August 2019.

There is no individual limit on the number of shares you may apply for, noting however that the maximum number of shares on offer in aggregate is 1,166,000,000.

The Company encourages all Metminco and Andes shareholders to consider the Prospectus, and this opportunity top-up their shareholding with no brokerage costs.

If you have any queries, please contact either Kevin Wilson or Jason Stirbinskis on the details set out below:

Kevin Wilson
Executive Chairman
Metminco Limited
kwilson@metminco.com.au
+61 409 942 355

Jason Stirbinskis
Managing Director
Andes Resources Limited
jason@andesresources.com
+61 407 417 944



METMINCO LIMITED
ACN 119 759 349

PROSPECTUS

This Prospectus is being issued for the following offers:

- an offer to Eligible Shareholders of up to 500,000,000 Shares, at an issue price of \$0.002 per Share in order to raise \$1,000,000 (before costs) (**Priority Offer**);
- an offer of Shortfall Shares, being any Shares not subscribed for by Eligible Shareholders under the Priority Offer, at an issue price of \$0.002 per Shortfall Share (**Shortfall Offer**); and
- an offer of up to 666,000,000 Shares at an issue price of \$0.002 per Share to subscribers under the Placement to raise \$1,332,000 (**Placement**),

together, (the **Offers**).

The Offers:

- are underwritten by Hartleys Limited up to \$1,342,461;
- close at 5:00pm (AEST) on 7 August 2019*; and
- are subject to the Conditions set out in Section 1.10.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

AN INVESTMENT IN THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS SHOULD BE CONSIDERED OF A SPECULATIVE NATURE.

* The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date.

IMPORTANT INFORMATION

This Prospectus is a new prospectus. The Company lodged an Original Prospectus with ASIC on 18 June 2019, which it withdrew by way of supplementary prospectus on 17 July 2019. This new prospectus is dated 19 July 2019 and was lodged with ASIC on that date with the consent of all Directors and Incoming Directors. For the purposes of this document, the new prospectus will be referred to as the "Prospectus". Neither ASIC, ASX, nor any of their respective officers take any responsibility for the contents of this Prospectus.

The material changes made to the Original Prospectus are:

- (a) amendments to the allocation policy set out in the Investment Overview and at Sections 1.2, 1.3 and 1.4 in relation to each of the Offers;
- (b) amendments to the use of funds table in Section 1.6 and the Investment Overview to provide further detail around the exploration expenditure and costs of the Offers;
- (c) amendments to the dates in the Indicative Timetable, Investment Overview and Section 1.7 including changing the Closing Date of the Offers to 7 August 2019;
- (d) amendments to the presentation of the capital structure table in Section 3.1 including adding the percentage of total Shares and Options on issue after Completion;
- (e) the pro-forma balance sheet in Section 3.2 has been amended with additional disclosure in the notes to the table;
- (f) more prominent disclosure of the South African Reserve Bank regulatory approval condition, which is a condition of the RMB Debt Refinancing Agreement;
- (g) within Section 4, the risk factors have been updated to provide further details around expenditure and buy-back rights at Chuscal, land restitution and state imposed royalties in Colombia, the Company continuing as a going concern, foreign jurisdiction risk and land access risk;
- (h) additional statements in the Chairman's letter and Section 4.2(b), highlighting the dilution risk to existing Shareholders;
- (i) a new Section 6 has been added, which sets out information on the Andes Projects and summarises Andes' material contracts;
- (j) a new Section 7 has been added and contains details of the Merged Group's proposed board of directors and sets out the relevant interests and remuneration details of the proposed board;
- (k) a new Schedule 2 has been added and contains the terms of the Tranche 1 and Tranche 2 Notes;
- (l) a new Schedule 3 has been added and contains the terms of the Options that the Company intends to issue in conjunction with the Takeover Offer;
- (m) a new Schedule 4 has been added and contains a Solicitor's Report on the Andes Projects;

- (n) a new Schedule 5 has been added and contains information in relation to the Andes Projects in compliance with the JORC Code; and
- (o) a new Schedule 6 has been added and contains a Solicitor's Report on the Company's Colombian assets.

No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares and Options offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company C/- Accosec & Associates, Suite 3, Level 2, 470 Collins Street, Melbourne, Victoria during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia, New Zealand or Singapore. Applications for Securities will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia (or subject to the restrictions in Section 1.16, New Zealand or Singapore). The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in an Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. The Shares offered by this Prospectus should be considered speculative. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward-looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 9. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

CORPORATE DIRECTORY

Directors

Mr Kevin Wilson Executive Chairman
Mr Glenister Lamont Non-Executive Director
Mr Roger Higgins Non-Executive Director

Joint Company Secretaries

Mr Geoffrey Widmer
Mr Andrew Metcalfe

Registered Office & Principal Place of Business

C/- Accosec & Associates
Suite 3, Level 2
470 Collins Street
MELBOURNE VIC 3000

Telephone: +61 3 9867 7199
Email: info@metminco.com.au
Website: www.metminco.com.au

ASX Codes

Shares: MNC
Quoted Options: MNCOA

Australian Share Registry*

Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

Phone (within Australia): 1300 554 474
Phone (outside Australia): +61 2 8767 1111

Email: registrars@linkmarketservices.com.au

Auditor*

Grant Thornton
Collins Square, Tower 5,
Level 22
727 Collins Street
MELBOURNE VIC 3008

Lawyers

Bellanhouse Lawyers
Level 19, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Corporate Advisor

Hartleys Limited
Level 6, 141 St Georges Terrace
PERTH WA 6000

* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Original Prospectus with ASX and ASIC Lodgement of Appendix 3B with ASX Lodge Bidder's Statement	18 June 2019
Lodgement of Target's Statement with ASIC	20 June 2019
Takeover Offer opens	24 June 2019
General Meeting of Shareholders (the issue of all Shares the subject of this Prospectus is subject to receipt of Shareholder approval)	15 July 2019
Lodgement of Supplementary Bidder's Statement	17 July 2019
Lodgement of supplementary prospectus (withdrawing Original Prospectus)	17 July 2019
Supplementary Bidder's Statement and supplementary prospectus dispatched	18 July 2019
Lodgement of new Prospectus with ASIC Record Date	19 July 2019
New Prospectus and Application Forms dispatched to Shareholders	22 July 2019
Give status of defeating conditions	31 July 2019
Closing Date of Offers	7 August 2019
Takeover Offer closes (unless otherwise extended or withdrawn)	7 August 2019
Completion of Takeover Offer Conversion of Notes Issue date of Shares under Priority Offer and Placement	14 August 2019
Commence Consolidation timetable	10 September 2019
Anticipated issue of Bonus Options	December 2019

All dates (other than the date of the Prospectus, the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.

LETTER FROM THE CHAIRMAN

Dear Investor,

Metminco Limited (**Company**) is pleased to invite existing Shareholders, Andes Shareholders and new investors to participate in a fully committed capital raising, to raise \$2,332,000 (before costs) at an exciting time in the Company's development.

A series of landmark transactions were announced by the Company on 17 May 2019, revolving around the Company's proposed acquisition of 100% of the issued capital of Andes Resources Limited (**Andes**) through an off-market Takeover Offer and an associated recapitalisation of the Company. The recapitalisation includes raising, in conjunction with Andes, \$4 million in new equity (including \$2.3 million to be raised under this Prospectus), restructuring the Company's debt, and the introduction of a new strategic shareholder, Sandfire Resources NL (**Sandfire**).¹

It is noted that the recapitalisation requires the Company's financier to receive approval to receive Shares as consideration for the debt restructure. In the event this approval is not received, it will adversely affect the Company's ability to complete its recapitalisation. In the event approval is not forthcoming, there is no certainty that the recapitalisation will complete.

The above-mentioned transactions will see the Company emerge with a much-improved balance sheet and enhanced ability to fund a maiden diamond drilling programme at the Chuscal Gold Project in Colombia, which is conducted in joint venture with AngloGold Ashanti Colombia SA (**AngloGold**). We encourage all Shareholders to consider subscribing under the Offers to add to their investment in the Company.

It is a condition to the completion of the Takeover Offer (**Bid Condition**) that the Company and Andes jointly raise no less than \$4,000,000. The Company will satisfy this Bid Condition by raising the \$2,332,000 under the Offers.

The Shares being offered under the three Offers set out below have the same issue price and terms and conditions. The only distinction between the Offers is the manner in which the Board will allocate the Shares.

The Offers comprise:

- The Priority Offer to Eligible Shareholders to raise \$1 million before costs by the issue of 500,000,000 Shares at an issue price of \$0.002 each;
- The Shortfall Offer, being any Shares not subscribed for under the Priority Offer; and
- The Placement to Andes Eligible Shareholders, Eligible Shareholders and new investors, to raise \$1,332,000 (before costs) by the issue of 666,000,000 Shares.

The Priority Offer will only be made to Eligible Shareholders registered at the Record Date.

The Shortfall Offer and Placement will be offered, in order of preference, to Andes Eligible Shareholders (including Sandfire), Eligible Shareholders (in respect of the Placement) and new investors.

¹ For further information on Sandfire's conditional participation in the Placement and conditional intention in relation to the Takeover Offer, please see Sections 1.8 and 5.3 of this Prospectus. In the event that the Sandfire Commitment Condition and Sandfire Intention Statement Conditions are satisfied and the Company determines to allocate Shares under the Placement in accordance with the Sandfire Commitment, Sandfire will become a 15% holder of the Company at completion of the Takeover Offer and Offers.

The Company has received commitments in respect of all Shares to be issued under the Offers, with Sandfire providing conditional commitments to subscribe for 494,769,725 Shares to raise \$989,539 under the Placement, and Hartleys Limited (**Hartleys**) underwriting the issue of the remaining Shares available under the Offers, being 671,230,275 in the amount of \$1,342,461.

The Offers are subject to the Conditions set out in Section 1.10.

To apply for Shares under the Offers, you will need to complete the relevant Application Form in accordance with the instructions on the form and as outlined in this Prospectus.

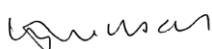
Existing Shareholders are cautioned that if you do not participate in the Offers, your holdings will be significantly diluted. However, it should be noted that existing Shareholders' holdings will be significantly diluted as a result of the Takeover Offer regardless of their participation in the Offers. See 4.2(b) for further details.

Funds raised pursuant to this Prospectus will be used to fund exploration at the Company's Quinchia Gold Project, in particular drilling of the Chuscal prospect, exploration on newly acquired projects, the costs of the Takeover Offer and Offers, as well as providing working capital for the Merged Group. For further details on the proposed use of funds please see Section 1.6 of this Prospectus.

The Prospectus includes further details of the Offers and their effect on the Company, and a statement of the risks associated with investing in the Merged Group. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offers.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully



Kevin Wilson
Executive Chairman

INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.3
<p>Risk factors</p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, and includes but is not limited to the risk that:</p> <ul style="list-style-type: none"> (a) the Takeover Offer and Offers do not proceed; (b) RMB and the Company are unable to complete the RMB Debt Refinancing Agreement, and in particular, that the South African Reserve Bank does not provide approval to RMB to receive the Debt Refinancing Shares in consideration for the entry into the RMB Debt Refinancing Agreement; (c) Shareholders are diluted as a result of the Company issuing further Securities to finance exploration; and (d) the Company is unable to conduct exploration on its assets because of funding, permitting, title, access, environmental, regulatory or other matters. <p>Existing Shareholders are further cautioned that if you do not participate in the Offers, your holdings will be significantly diluted. However, it should be noted that existing Shareholders' holdings will be significantly diluted as a result of the Takeover Offer regardless of their participation in the Offers.</p>	Section 4
<p>Priority Offer</p> <p>The Priority Offer is for up to 500,000,000 Shares at \$0.002, to raise up to \$1,000,000 (before costs) to Eligible Shareholders at the Record Date. In the event that the Company receives oversubscriptions under the Priority Offer, Applications will be scaled back on a pro-rata basis in accordance with the Shares held by the Applicant at the Record Date.</p>	Section 1.2
<p>Eligible Shareholders</p> <p>The Priority Offer is made to Eligible Shareholders only. Eligible Shareholders are those persons who are the registered holder of Shares as at 5.00pm (AEST) on the Record Date and who have a registered address in</p>	Sections 1.2 and 1.16

Key Information	Further Information
Australia or, subject to the offer restrictions in Section 1.16, New Zealand or Singapore.	
<p>Shortfall</p> <p>Any Shares not taken up pursuant to the Priority Offer will form the Shortfall Offer.</p> <p>Andes Eligible Shareholders as well as members of the public may apply for Shares under the Shortfall Offer.</p> <p>Andes Eligible Shareholders are those persons who are the registered holder of Andes Shares as at 5.00pm (AEST) on the Record Date and who have a registered address in Australia or, subject to the offer restrictions in Section 1.16, New Zealand or Singapore.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.4. There is no guarantee that Applicants will receive Shares applied for under the Shortfall Offer.</p> <p>The allocation policy for the issuance of Shares under the Shortfall Offer will be as follows, in order of priority:</p> <ul style="list-style-type: none"> (a) to Andes Eligible Shareholders; (b) to any third parties unrelated to the Company; and (c) any remaining Shares will be subscribed for by Hartleys (or its nominees or sub-underwriters) pursuant to the Underwriting Agreement, up to a maximum of the Underwritten Amount. <p>No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act</p>	Section 1.4
<p>Placement</p> <p>The Company is also conducting a Placement of 666,000,000 Shares at \$0.002 to raise \$1,332,000 (before costs).</p> <p>The allocation policy for the issuance of Shares under the Placement will be as follows, in order of priority:</p> <ul style="list-style-type: none"> (a) to Andes Eligible Shareholders (which, may include 494,769,725 Shares to Sandfire (or its nominee) in accordance with the Sandfire Commitment and is subject to the Sandfire Commitment Condition); (b) to any other Eligible Shareholders who are not related parties of the Company; (c) to any third parties unrelated to the Company (including Andes Eligible Shareholders) who apply for Shares prior to the Closing Date; and (d) any remaining Shares will be allocated to Hartleys (or its nominees or sub-underwriters) pursuant to the Underwriting Agreement, to a maximum of the Underwritten Amount. <p>No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations</p>	Section 1.3

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Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.																											
<p>Purpose of Offers</p> <p>The Offers are being undertaken in connection with the Company's proposed acquisition of 100% of the issued capital in Andes as announced to ASX on 17 May 2019 and to fund exploration of the Company and Andes' collective exploration portfolios in Colombia, and for working capital.</p>	Section 1.6																										
<p>Use of funds</p> <p>The following indicative table sets out the proposed use of funds raised under the Offers:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="background-color: black; color: white;">Use of funds</th> <th colspan="2" style="background-color: black; color: white;">Fully Subscribed (\$2.332m)</th> </tr> <tr> <th style="background-color: black; color: white;">\$</th> <th style="background-color: black; color: white;">%</th> </tr> </thead> <tbody> <tr> <td>Costs of the Offer</td> <td style="text-align: center;">182,000</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Corporate and Administrative costs</td> <td style="text-align: center;">368,431</td> <td style="text-align: center;">16%</td> </tr> <tr> <td>Working capital</td> <td style="text-align: center;">89,000</td> <td style="text-align: center;">4%</td> </tr> <tr> <td>Costs associated with the Takeover Offer</td> <td style="text-align: center;">242,549</td> <td style="text-align: center;">10%</td> </tr> <tr> <td>Exploration -existing projects</td> <td style="text-align: center;">1,250,000</td> <td style="text-align: center;">54%</td> </tr> <tr> <td>Exploration - new projects</td> <td style="text-align: center;">200,000</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>TOTAL</td> <td style="text-align: center;">2,332,000</td> <td style="text-align: center;">100</td> </tr> </tbody> </table> <p>Notes: for further information, see the table at Section 1.6.</p>	Use of funds	Fully Subscribed (\$2.332m)		\$	%	Costs of the Offer	182,000	8	Corporate and Administrative costs	368,431	16%	Working capital	89,000	4%	Costs associated with the Takeover Offer	242,549	10%	Exploration -existing projects	1,250,000	54%	Exploration - new projects	200,000	8%	TOTAL	2,332,000	100	Section 1.6
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<p>Opening and Closing Dates</p> <p>For the Offers, the Company will accept Acceptance Forms from the opening date of the Offer until 5:00pm AEST on 7 August 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.</p>	Section 1.7																										
<p>Sandfire Commitment</p> <p>Sandfire has provided a commitment to subscribe for 494,769,725 Shares under the Placement, with a value of approximately \$990,000, subject to the Company raising an additional minimum of \$1,300,000 under the Offers.</p>	Section 1.8																										

Key Information	Further Information												
<p>Partial Underwriting</p> <p>The Offers are underwritten by Hartleys up to the Underwritten Amount.</p>	Section 1.9												
<p>Conditions of the Offers</p> <p>The issue of the Shares under the Offers is conditional on upon the following events occurring:</p> <p>(a) the Company raising the Minimum Subscription pursuant to the Offers; and</p> <p>(b) the Implementation Agreement not terminating.</p>	Section 1.10												
<p>Minimum subscription</p> <p>The minimum subscription amount under the Offers is collectively 1,166,000,000 Shares at \$0.002 to raise \$2,332,000 (before costs).</p>	Section 1.11												
<p>Issue Date and dispatch</p> <p>The Shares will be issued approximately one week after the completion of the Takeover Offer, in accordance with the Indicative Timetable. Shares issued under the Offers and Takeover Offers will be freely tradeable and will not be subject to escrow restriction.</p>	Section 1.12												
<p>Effect on control of the Company</p> <p>Existing Shareholders are cautioned that if you do not participate in the Offers, your holdings will be significantly diluted. However, it should be noted that existing Shareholders' holdings will be significantly diluted as a result of the Takeover Offer regardless of their participation in the Offers. At the date of this Prospectus, the Company has one substantial Shareholder. At completion of the Offers and Takeover Offers, it is expected the Company will have the following substantial Shareholders:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: black; color: white;">Holder</th> <th style="background-color: black; color: white;">Shares (on a pre-Consolidation basis)</th> <th style="background-color: black; color: white;">Percentage</th> </tr> </thead> <tbody> <tr> <td>Sandfire²</td> <td style="text-align: center;">998,936,375</td> <td style="text-align: center;">15%</td> </tr> <tr> <td>RMB</td> <td style="text-align: center;">1,008,000,000</td> <td style="text-align: center;">15.1%</td> </tr> <tr> <td>BHC & Delta</td> <td style="text-align: center;">650,000,000</td> <td style="text-align: center;">9.8%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> For further information, see the table at Section 3.4. It is anticipated that Sandfire will be issued 504,166,650 Shares under the Takeover Offer. Sandfire has provided the Sandfire Intention Statement in respect of the Takeover Offer, which is subject to the Sandfire Intention Statement Conditions. Sandfire has also provided the Sandfire Commitment to subscribe for 494,769,725 Shares under the Placement. The Sandfire Commitment is subject to the Sandfire Commitment Condition. <p>No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers.</p>	Holder	Shares (on a pre-Consolidation basis)	Percentage	Sandfire ²	998,936,375	15%	RMB	1,008,000,000	15.1%	BHC & Delta	650,000,000	9.8%	Section 3.4
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BHC & Delta	650,000,000	9.8%											

Key Information	Further Information																								
<p>Indicative capital structure and pro-forma balance sheet</p> <p>The pro forma capital structure of the Company on completion of the Offers and changes to the capital structure connected with the Takeover Offer will be as follows (on a pre-Consolidation basis unless otherwise stated):</p> <table border="1"> <thead> <tr> <th style="background-color: black; color: white;"></th> <th style="background-color: black; color: white;">Shares</th> <th style="background-color: black; color: white;">Options / Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Current</td> <td>1,187,940,614</td> <td>642,945,422</td> </tr> <tr> <td>Consideration Shares</td> <td>2,784,135,217</td> <td>625,000,000</td> </tr> <tr> <td>RMB Debt Refinancing Shares⁴</td> <td>1,000,000,000</td> <td>0</td> </tr> <tr> <td>Capital Raising Shares⁵</td> <td>1,625,000,000</td> <td>459,000,000⁶</td> </tr> <tr> <td>Broker Securities</td> <td>62,500,000</td> <td>50,000,000</td> </tr> <tr> <td>TOTAL (pre-Consolidation)</td> <td>6,659,575,831</td> <td>1,776,945,422</td> </tr> <tr> <td>TOTAL (post Consolidation)</td> <td>166,489,396</td> <td>44,423,636</td> </tr> </tbody> </table> <p>Notes: for further information see the table at Section 3.1.</p> <p>The pro-forma balance sheet showing the indicative effect of the Offers is in Section 3.2.</p>		Shares	Options / Performance Rights	Current	1,187,940,614	642,945,422	Consideration Shares	2,784,135,217	625,000,000	RMB Debt Refinancing Shares ⁴	1,000,000,000	0	Capital Raising Shares ⁵	1,625,000,000	459,000,000 ⁶	Broker Securities	62,500,000	50,000,000	TOTAL (pre-Consolidation)	6,659,575,831	1,776,945,422	TOTAL (post Consolidation)	166,489,396	44,423,636	<p>Sections 3.1 and 3.2</p>
	Shares	Options / Performance Rights																							
Current	1,187,940,614	642,945,422																							
Consideration Shares	2,784,135,217	625,000,000																							
RMB Debt Refinancing Shares ⁴	1,000,000,000	0																							
Capital Raising Shares ⁵	1,625,000,000	459,000,000 ⁶																							
Broker Securities	62,500,000	50,000,000																							
TOTAL (pre-Consolidation)	6,659,575,831	1,776,945,422																							
TOTAL (post Consolidation)	166,489,396	44,423,636																							
<p>Directors' interests in Securities</p> <p>The Relevant Interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below:</p> <table border="1"> <thead> <tr> <th style="background-color: black; color: white;">Name</th> <th style="background-color: black; color: white;">Existing Shares</th> <th style="background-color: black; color: white;">Options</th> <th style="background-color: black; color: white;">Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Kevin Wilson</td> <td>36,905,172</td> <td>5,017,104</td> <td>46,400,000</td> </tr> <tr> <td>Glenister Lamont</td> <td>2,625,000</td> <td>10,225,000</td> <td>-</td> </tr> <tr> <td>Roger Higgins</td> <td>2,123,348</td> <td>10,017,636</td> <td>-</td> </tr> </tbody> </table> <p>Notes: for further information see the table at Section 5.8(b).</p>	Name	Existing Shares	Options	Performance Rights	Kevin Wilson	36,905,172	5,017,104	46,400,000	Glenister Lamont	2,625,000	10,225,000	-	Roger Higgins	2,123,348	10,017,636	-	<p>Sections 5.9(b)</p>								
Name	Existing Shares	Options	Performance Rights																						
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<p>Andes Projects</p> <p>Andes main projects are held in Andes Holdings SAS, an incorporated joint venture in which Andes holds a 90% majority interest:</p> <table border="1"> <thead> <tr> <th style="background-color: black; color: white;">Name</th> <th style="background-color: black; color: white;">Andes Holdings SAS beneficial interest</th> </tr> </thead> <tbody> <tr> <td>El Columpio</td> <td>90%</td> </tr> <tr> <td>San Pablo</td> <td>77%</td> </tr> </tbody> </table>	Name	Andes Holdings SAS beneficial interest	El Columpio	90%	San Pablo	77%	<p>Section 6.1</p>																		
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Key Information	Further Information																									
<p>Notes: for further information see the table at Section 6.1. A Solicitor's Report on the title is set out in Schedule 4 and JORC Table 1 information is set out in Schedule 5.</p>																										
<p>Andes Material Contracts</p> <p>Andes has the following material contracts in place:</p> <ul style="list-style-type: none"> (a) a subscription agreement with Sandfire; (b) an interest transfer agreement with BHC; (c) a shareholders' agreement with BHC and Delta, which governs Andes Holdings SAS; and (d) executive services agreements with Simon Brown and Jason Stirbinskis. 	Section 6.2																									
<p>Andes Financial Information</p> <p>The summary historical financial information from Andes' audited financial statements for the years ended 31 December 2018 and 31 December 2017, not taking into account the effect of the Takeover Offer, is set out in Section 6.3.</p>	Section 6.3																									
<p>Merged Group Board</p> <p>The Merged Group's board will comprise the:</p> <ul style="list-style-type: none"> (a) Mr Jason Stirbinskis (Managing Director); (b) Mr Kevin Wilson (Non-Executive Chairman); and (c) Mr Ross Ashton (Non-Executive Director). <p>At Completion, the relevant interests of the proposed board of the Merged Group in the Company will be as follows:</p> <table border="1" data-bbox="194 1377 1187 1762"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Interest in Shares %</th> <th>Replacement Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Kevin Wilson</td> <td>36,905,172</td> <td>0.6</td> <td>5,017,104</td> <td>46,400,000</td> </tr> <tr> <td>Jason Stirbinskis</td> <td>6,666,675</td> <td>0.1</td> <td>75,000,000</td> <td>0</td> </tr> <tr> <td>Ross Ashton</td> <td>196,455,875</td> <td>2.9</td> <td>62,500,000</td> <td>-</td> </tr> <tr> <td>TOTAL</td> <td>240,027,722</td> <td>3.6</td> <td>142,517,104</td> <td>46,400,000</td> </tr> </tbody> </table> <p>For further information, please see section 7.</p>	Director	Shares	Interest in Shares %	Replacement Options	Performance Rights	Kevin Wilson	36,905,172	0.6	5,017,104	46,400,000	Jason Stirbinskis	6,666,675	0.1	75,000,000	0	Ross Ashton	196,455,875	2.9	62,500,000	-	TOTAL	240,027,722	3.6	142,517,104	46,400,000	Section 7
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<p>The Company's Colombian Assets</p> <p>A solicitor's report on the Company's Colombian assets is set out at Schedule 6.</p>	Schedule 6																									

Key Information	Further Information
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements in this Prospectus, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	<p>Important Information and Section 4</p>

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1. Details of the Offers

1.1 The Offers

This Prospectus is being issued for the offer of Shares under the Priority Offer, Shortfall Offer and Placement, (together, the **Offers**).

All Shares issued under this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued are contained in Section 5.1. As the Shares (including the Shortfall Shares) will be issued on the same terms and at the same time, the Company reserves the right to issue Shares to Applicants under any one of the three Offers at the discretion of the Directors, regardless of the Application Form used. The Directors will however, exercise their discretion in accordance with the allocation policies set out in Sections 1.2, 1.3 and 1.4.

The Company will apply to the ASX for quotation of the Shares (including the Shortfall Shares).

The purpose of the Offers and the intended use of funds raised are set out in Section 1.5.

1.2 Priority Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 500,000,000 Shares at an issue price of \$0.002 per Share to raise \$1,000,000 (before costs) (**Priority Offer**).

In the event that the Priority Offer is oversubscribed, Applications will be scaled back on a pro-rata basis in accordance with the Shares held by the Applicant at the Record Date. If this occurs, the balance of unallocated Applications will be treated as valid Applications under the Placement.

1.3 Placement

By this Prospectus, the Company invites Andes Eligible Shareholders, Eligible Shareholders and third parties to apply for a total of 666,000,000 Shares at \$0.002 per Share in order to raise \$1,332,000 (before costs) (**Placement**).

Applicants may also apply for Shares under the Placement by completing the relevant Application Form provided by the Company with a copy of this Prospectus. In the event Eligible Shareholders apply for Shares under the Priority Offer and are scaled back, the balance of unallocated Applications will be treated as valid Applications under the Placement

The allocation policy for the issuance of Shares under the Placement will be as follows, in order of priority:

- (a) to Andes Eligible Shareholders (which, may include 494,769,725 Shares to Sandfire (or its nominee) in accordance with the Sandfire Commitment and is subject to the Sandfire Commitment Condition). In the event of oversubscriptions, Applications will be scaled back on a pro-rata basis in accordance with the Andes Shares held by the Applicant at the Record Date;

- (b) in the event that Shares are not allocated under Section 1.3(a), any other Eligible Shareholders who are not related parties of the Company;
- (c) in the event that Shares are not allocated under Section 1.3(a) and 1.3(b), any third parties unrelated to the Company; and
- (d) any remaining Shares will be allocated to Hartleys (or its nominees) pursuant to the Underwriting Agreement, to a maximum of the Underwritten Amount.

1.4 Shortfall Offer

Any Shares not taken up pursuant to the Priority Offer will become Shortfall Shares. The Shortfall Offer is a separate offer of the Shortfall Shares made pursuant to this Prospectus.

Each of the Shortfall Shares to be granted under the Shortfall Offer shall be granted on the same terms and conditions as the Shares being offered under the Priority Offer (including the issue price). Shortfall Shares will only be issued if the Priority Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall Shares will be as follows, in order of priority:

- (a) to Andes Eligible Shareholders. In the event of oversubscriptions, Applications will be scaled back on a pro-rata basis in accordance with the Andes Shares held by the Applicant at the Record Date;
- (b) to any third parties unrelated to the Company. In the event of oversubscriptions, Applications will be scaled back on a pro-rata basis in accordance with the Shares applied for; and
- (c) any remaining Shortfall Shares will be allocated to Hartleys (or its nominees) pursuant to the Underwriting Agreement as Underwriter to the Offers, to a maximum of the Underwritten Amount.

To apply for Shortfall Shares, the same Application Form as the Placement is to be filled out.

1.5 Oversubscriptions

No oversubscriptions will be accepted. The Directors, in consultation with Hartleys, retains the discretion to scale back or not accept Applications.

There is no guarantee that any Shares will be issued to Andes Eligible Shareholders, Eligible Shareholders or other third parties. Excess Application Monies for the Placement will be refunded without interest.

No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

1.6 Purpose of the Offers and use of funds

The Company and Andes have entered into an Implementation Agreement, by which the Company intends to acquire 100% of the issued capital of Andes under the Takeover

Offer. It is a condition to the Takeover Offer (**Bid Condition**) that the Company and Andes jointly raise not less than \$4,000,000 (before costs) (**Joint Capital Raising**).

Prior to the issue of the Prospectus, the Company and Andes completed the following capital raisings:

- (a) the Company raised \$918,000 (before costs) by the issue of the Tranche 1 and Tranche 2 Notes to the Noteholders, which are convertible into a maximum of 459,000,000 Shares; and
- (b) Andes completed the Andes Placement to raise \$750,000 (before costs).

The Company seeks to raise a further \$2,332,000 under the Offers to satisfy the relevant Bid Condition.

The following indicative table sets out the proposed use of funds raised under the Offers:

Use of funds	Fully Subscribed (\$2.332m)	
	\$	%
Costs of the Placement and Priority Offer ¹	182,000	8%
Corporate and Administrative costs	368,431 ²	16%
Working capital	89,000	4%
Costs associated with the Takeover Offer	242,549	10%
Exploration -existing projects ³	1,250,000	54%
Exploration - new projects ⁴	200,000	8%
TOTAL	2,332,000	100%

Notes:

1. This comprises \$162,000 towards costs associated with the Priority Offer and Placement and an underwriting fee in respect of the Priority Offer and Placement of \$20,000 payable to Hartleys.
2. This comprises payments of fixed corporate costs and the repayment of creditors in the amount of \$368,431.
3. Existing projects- the Quinchia Gold Project, see below.
4. New projects- El Culpio and San Pablo, see below.

The above table is a statement of current intentions as at the date of this Prospectus. 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 Offers, the Company will have sufficient working capital to meet its stated objectives.

The Company notes that the 'Exploration (existing projects)' funds are expected to be applied towards the maiden drilling of Chuscal in September to November 2019 and will provide the main focus of the Merged Group going forward in 2019 and 2020. Chuscal is likely to be the only target drilled in 2019, if results warrant continued expenditure. In the event that Chuscal does not provide the results to warrant this focus, the exploration effort will shift to Tesorito which was drilled by the Company in 2018 and is approximately 1km from Chuscal.

Following a review of all data on the Andes' tenements it is expected that funds up to approximately \$200,000 will be used to further define targeting at El Columpio and / or San Pablo before a decision to drill is made. That decision will be made by the new board of the Merged Group.

The \$1,250,000 to be applied to 'Exploration- existing projects' is broken down as follows:

- (a) \$850,000 towards approximately 2,500 metres of diamond core drilling at Chuscal;
- (b) \$200,000 towards final targeting geology and geophysics for Chuscal; and
- (c) \$200,000 towards completion of Miraflores' environmental impact statement and defining drill targets at Tesorito.

The use of funds table sets out the Merged Group's proposed expenditure for the period from the completion of the Takeover Offer until such time as the Merged Group is able to complete drilling at Chuscal. The Merged Group will not be funded for further exploration programs following the drilling of Chuscal (save for the \$200,000 set aside for defining targets at El Columpio and / or San Pablo).

1.7 Opening and Closing Dates

For the Offers, the Company will accept Acceptance Forms from the opening date of the Offer until 5:00pm AEST on 7 August 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

1.8 Sandfire Commitment

Sandfire has provided a commitment statement to subscribe for 494,769,725 Shares under the Placement, with a value of approximately \$990,000 (**Sandfire Commitment**), subject to the Company raising a minimum of \$1,300,000 under the Offers (before costs) (not including any amount to be subscribed by Sandfire and accepted by the Company) (**Sandfire Commitment Condition**).

1.9 Partial Underwriting

On 3 June 2019, the Company announced it had entered into an underwriting agreement with Hartleys Limited (**Underwriting Agreement**), under which Hartley underwrites the issue of 671,230,275 Shares with a value of \$1,342,461, being the full amount of available under the Offers (not including the Sandfire Commitment) (**Underwritten Amount**).

The Underwriting Agreement is subject to various conditions precedent, including but not limited to the following:

- (a) the Implementation Agreement is not withdrawn, rescinded, breached or terminated;
- (b) the Bid Conditions are satisfied (or not waived without Hartleys consent);
- (c) Sandfire provide a valid application for Shares in accordance with the Sandfire Commitment,

and is further subject to industry standard termination events. The conditions precedent and termination events of the Underwriting Agreement are set out in Schedule 1.

Hartleys has also been appointed as the corporate advisor to the Company. A summary of the terms of the appointment of Hartleys is in Section 5.2.

The Company has obtained the agreement of Hartleys to the lodgement of this replacement Prospectus as well as the extension of the Closing Date of the Offer to 7 August 2019, such that the lodgement of this replacement Prospectus and extension of the Closing Date of the Offer to 7 August 2019 will not, of itself, trigger an event of termination under the Underwriting Agreement.

Hartleys has engaged 14 parties to sub-underwrite its obligations under the Underwriting Agreement on industry standard terms.

1.10 Conditions of the Offers

The issue of the Shares under the Offers is conditional on upon the following events occurring:

- (a) the Company raising the Minimum Subscription pursuant to the Offers; and
- (b) the Implementation Agreement not terminating.

If the Conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

It is Bid Condition that the Company completes the Offers as part of the Joint Capital Raising. In the event that the Conditions are not satisfied, the Company will not satisfy the joint Capital Raising Bid Condition, and the Takeover Offer may not proceed.

1.11 Minimum subscription

The minimum subscription amount under the Offers is collectively 1,166,000,000 Shares at \$0.002 to raise \$2,332,000 (before costs) (**Minimum Subscription**).

The Company has received commitments in respect of all Shares to be issued under the Offer, by way of the:

- (a) Sandfire Commitment; and
- (b) Underwriting Agreement.

1.12 Issue Date and dispatch

All Shares to be issued under the Offers are expected to be issued on or before the date specified in the proposed timetable in this Prospectus but not before completion of the Takeover Offer.

Shareholder statements will be dispatched shortly after completion of the Takeover Offer.

Shares issued under the Offers and Takeover Offers will be freely tradeable and will not be subject to escrow restriction.

1.13 Application Monies held on trust

All Application Monies received for Shares and Shortfall Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares and Shortfall Shares are issued. All Application Monies will be returned (without interest) if the Shares and Shortfall Shares are not issued.

1.14 ASX quotation

Application has been or will be made for the Official Quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the Official Quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.15 CHESS

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement. The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your securityholder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

1.16 Residents outside Australia

(a) General

This Prospectus, and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which,

or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offers.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders and potential investors with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with the Priority Offer or Placement. The return of a completed Application Form from a Shareholder or potential investor with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the Securities to that Shareholder or potential investor.

(b) New Zealand offer restrictions

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

(c) Singapore offer restrictions

This document and any other materials relating to the Securities under the Offers have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities under the Offers may not be issued, circulated or distributed, nor may these Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Securities under the Offers being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities under the Offers. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

1.17 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

1.18 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.19 Major activities and financial information

A summary of the activities and financial information relating to the Company for the financial year ended 31 December 2018 can be found in the Company's 2018 Annual Financial Report and the Half Yearly Report for the six-month period to 30 June 2018 lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report on 15 March 2019 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company and on its website at www.metminco.com.au. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

1.20 Privacy

If you complete an Application Form, you will be providing personal information to the Company (directly or by Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder, and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

1.21 Enquiries concerning Prospectus

All enquiries concerning Application Forms and the Prospectus should be directed to the Company on +61 3 9867 7199.

For general shareholder enquiries, please contact Link Market Services Limited on 1300 554 474 (within Australia) or +61 2 8767 1111 (outside Australia).

2. Action required by Investors

The Company will send this Prospectus, together with a:

- (a) Priority Offer Application Form to all Eligible Shareholders; and
- (b) Placement and Shortfall Application Form to Andes Eligible Shareholders,

and it will also be made available on the Company's website at www.metminco.com.au and from www.asx.com. Third party investors who wish to subscribe under the Placement and Shortfall Offer can request an Application Form by the process set out in Section 2.2.

2.2 Placement and Shortfall Applicants

Persons having received a copy of this Prospectus in its electronic form, or who otherwise want to subscribe for Shares under the Placement and Shortfall Offer but are not Eligible Shareholders or Andes Eligible Shareholders may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia.

2.3 If you wish to accept Shares

Should an:

- (a) Eligible Shareholder wish to accept Shares under the Priority Offer;
- (b) Andes Eligible Shareholder or other investor wish to accept Shares or Shortfall Shares under the Placement or Shortfall Offer,

and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Application Form.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Metminco Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date with the Share Registry (by delivery or by post) at:

By Post	By Hand
Metminco Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Metminco Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the

Closing Date. If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants are encouraged to pay by BPAY.

2.4 Application Forms

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Shares.

If the Application is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via BPAY in respect of the:

- (a) Priority Offer, you will be deemed to have represented that you are an Eligible Shareholder;
- (b) Placement and Shortfall Offer, you will be deemed to have represented that you are either an Andes Eligible Holder or a person with a registered address in Australia, New Zealand or Singapore.

In addition, Applicants will also be deemed to have represented and warranted on behalf of themselves or each person on whose account you are acting that the law in their place of residence and/or where they have been given the Prospectus, does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the relevant Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) declare that they have a registered address in Australia or subject to the offer restrictions in Section 1.16, New Zealand or Singapore;
- (e) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

2.5 Enquiries concerning applications

For all enquiries concerning the Offers, Application Forms and the Prospectus, please contact the Company on +61 3 9867 7199.

For general shareholder enquiries, please contact the Share Registry on 1300 554 474 (within Australia) or +61 2 8767 1111 (outside Australia).

3. Effect of the Priority Offer & Placement

3.1 Capital structure on completion of the Priority Offer & Placement

The pro forma capital structure of the Company on completion of the Offers and changes to the capital structure connected with the Takeover Offer (on a pre-Consolidation basis unless otherwise stated) will be as follows:

	Shares	% of Share Capital on Completion	Options / Performance Rights	% of Options on issue on Completion
Current	1,187,940,614	17.8	642,945,422 ¹	36.2
Consideration Shares ²	2,784,135,217	41.8	625,000,000 ³	35.2
Debt Refinancing Shares ⁴	1,000,000,000	15.0	-	-
Capital Raising Shares ⁵	1,625,000,000	24.4	459,000,000 ⁶	25.8
Broker Securities	62,500,000	0.9	50,000,000 ⁷	2.8
TOTAL (pre-Consolidation)	6,659,575,831	100	1,776,945,422	100
TOTAL (post Consolidation)	166,489,396	-	44,423,636	-

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 by the Company 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 to be issued under the Takeover Offer as follows:
 - a. 2,602,603,925 to Andes Shareholders; and
 - b. 181,531,292 to BHC and Delta Holdings LLC (Delta) in satisfaction of a minimum participation right in Andes.
3. This figure comprises:
 - a. 250,000,000 Options exercisable at \$0.008 to be issued to replace 10,000,000 Andes Options exercisable at \$0.20; and
 - b. 375,000,000 Options exercisable at \$0.004 to be issued to replace 15,000,000 free-attaching Andes Options exercisable at \$0.10 issued under the Andes Placement.
4. The issue of the RMB Debt Refinancing Shares under the RMB Debt Refinancing Agreement.
5. Comprising:
 - a. 459,000,000 Shares issued on conversion of the Tranche 1 and Tranche 2 Notes (see Schedule 2 for terms and conditions of the Tranche 1 and Tranche 2 Notes); and
 - b. 1,166,000,000 Shares issued under the Offers.

6. 459,000,000 Options issued to Noteholders of Tranche 1 and Tranche 2 Notes 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.

The Company intends to issue Bonus Options exercisable at \$0.16 (on a post-Consolidation basis) and an expiry date two years from the date of issue in December 2019 under a separate disclosure document.

3.2 Pro forma consolidated statement of financial position

	Metminco audited 31 Dec 2018 ‘\$000	Andes audited 31 Dec 2018 ‘\$000	Group adjustments to 30 June 2019 ‘\$000	adjustments on Merger ‘\$000	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	268	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
TOTAL ASSETS	14,214	3,078	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

- (a) Includes funds raised from: the shortfall placement announced on 15 February 2019 of \$155,000; Tranche 1 and Tranche 2 Notes of \$918,000 (before costs), Andes Placement of \$750,000 (before costs); less Company and Andes estimated operating and transaction expenses of (\$1.791M).
- (b) Includes capital raisings on Completion (\$2.3M) net of costs of Offers and Takeover Offer (\$0.4M).
- (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

3.3 Effect of transaction on the unaudited pro forma statement of financial position

The pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to the Company's proposed acquisition of Andes:

- (a) The Company raising a further \$2,300,000 under the Offers (before costs);
- (b) costs of \$400,000 incurred in connection with the Takeover Offer and Offers;
- (c) a goodwill adjustment of \$2,350,000 on the acquisition of Andes; and
- (d) reduction in debt owing to RMB of \$2,000,000, and the transfer of \$1,000,000 to non-current liabilities.

3.4 Effect of the Offers on control of the Company

Following completion of the Takeover Offer and Offers, it is expected that the following will be substantial Shareholders of the Company:

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

Notes:

- 1 It is anticipated that Sandfire will be issued 504,166,650 Consideration Shares. This figure assumes that Sandfire accepts the Takeover Offer in respect of its Andes Shares. Sandfire has provided the Sandfire Intention Statement, which is subject to the Sandfire Intention Statement Conditions. Sandfire has provided the Sandfire Commitment in respect of 494,769,725 Shares. The Sandfire Commitment is subject to the Sandfire Commitment Condition.
- 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.

3.5 Market price of Shares

The highest and lowest market closing prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Lowest: \$0.002 per Share on various dates including 1 May 2019, 3 June 2019 and 19 July 2019.

Highest: \$0.0025 per Share on various dates including 25 April 2019, 21 May 2019 and 19 June 2019.

The latest available market closing sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.002 per Share on 18 July 2019.

3.6 Dividend Policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Risk Factors

4.1 Risk Factors

The Offers should be considered speculative because of the nature of, amongst other things, the Company's business activities. Consequently, the Company strongly recommends that you consider the risk factors set out in this Section 4, together with information contained elsewhere in this Prospectus, and that you consult your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest in Securities.

Set out below are a number of specific risks which relate directly to the Company and Merged Group, as well as certain industry and general risks, many of which are largely beyond the control of the Company or its Directors. The Company considers that the risks set out in this Section 4 may have a material impact on the financial performance of the Company and, specifically, the market price of the Securities.

The following is a summary of material risks. The list is not exhaustive and you should read it in conjunction with specific matters referred to in previous Company announcements and reports.

4.2 Risks specific to the Offers

(a) Risks relating to Shares

As at the date of this Prospectus, the Company is listed on the ASX. You should note that if the Shares are granted Official Quotation, they will be listed securities for the purposes of the Listing Rules and Corporations Act. Consequently, share market conditions may affect the price of the Shares regardless of operating performance. Specifically, local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally may affect the price of the Shares.

(b) Dilution

At the date of the Prospectus it is expected that Company will have 1,187,940,614 Shares on issue. Upon completion of the Offers, assuming the Offers are fully subscribed and completion of the Takeover Offer, the number of Shares in the Company will increase to 6,659,575,831. This increase equates to approximately 460.6% of all the issued Shares in the Company following completion of the Offers.

This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers and the Directors do not make any representation to such matters.

Existing Shareholders are further cautioned that if you do not participate in the Offers, your holdings will be significantly diluted. However, it should be noted that existing Shareholders holdings will be significantly diluted as a result of the Takeover Offer regardless of their participation in the Offers. 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.

In the event that the Company declares an inferred resource on the Andes Projects of a particular grade and tonnage or undertakes a successful pre-feasibility study (as set out in Section 6.2(b)), it will be required to issue Andes Shares to BHC, or alternatively, issue Shares in compliance with the ASX Listing Rules. This will either dilute the Company's interest in Andes, or alternatively, further dilute Shareholders' interests in the Company.

(c) **Underwriting**

The Company has entered into an Underwriting Agreement with Hartleys for the underwriting of the Offers up to the Underwritten Amount. The Underwriting Agreement is subject to various conditions precedent, including but not limited to the following:

- (i) the Implementation Agreement is not withdrawn, rescinded, breached or terminated;
- (ii) the Bid Conditions are satisfied (or not waived without with Hartleys consent); and
- (iii) Sandfire provide a valid application for Shares in accordance with the Sandfire Commitment.

There are various termination events within the Underwriting Agreement that may lead to Hartleys terminating its obligations under the Underwriting Agreement. Termination events include, but are not limited to a 10% or greater fall in the gold price or All Ordinaries Index, delay in the lodgement of Offer documents (without Hartleys consent), breach of the Company's material contracts, change in Shareholdings, changes in market conditions, withdrawal of ASX waivers, disclosure deficiencies in this Prospectus and other matters considered to be industry standard.

If the Underwriter terminates its obligations, the Company may not raise the full amount it is seeking to raise under the Offers. This could lead to the Bid Condition under the Implementation Agreement relating to the Joint Capital Raising being unfulfilled and the Takeover Offer not going ahead. Further information on the conditions and termination events is set out in Schedule 1.

4.3 Company and Merged Group specific risks

(a) **South African Reserve Bank regulatory approval**

The Company draws investors' attention to the fact that the issue of the RMB Debt Refinancing Shares is conditional upon RMB receiving approval from the South African Reserve Bank, to permit RMB to receive the RMB Debt Refinancing Shares as consideration under the RMB Debt Refinancing Agreement. In the event that this approval is not forthcoming, or is delayed, this will affect the Company's ability to complete the RMB Debt Refinancing Agreement.

For the avoidance of doubt, the Company confirms that the Sandfire Intention Statement is not conditional on RMB receiving approval from the South African Reserve Bank to receive the RMB Debt Refinancing Shares.

(b) **Contractual and Completion risk**

Pursuant to the Implementation Agreement the Company has agreed to acquire 100% of the issued capital in Andes 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 in order to attempt to complete the Takeover Offer, which can be costly.

(c) Transaction Completion risk

The Company seeks to acquire 100% of the issued capital of Andes by way of the Takeover Offer. The Takeover Offer 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 Offer may be deferred or not occur. Failure to complete the Takeover Offer would adversely impact the Company's financial condition and level of operations.

(d) 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 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.

(e) Sale of Shares

Under the Takeover Offer, the Company will issue a significant number of Shares. Some holders of Shares may not intend to continue to hold their Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Shares following completion of the Takeover Offer.

(f) 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 of its operations, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.

(g) 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, social licence obligations, 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.

(h) Foreign governments and legal systems risk

Colombia, where the Company and Andes' current operating assets reside and other jurisdictions in which they may operate in the future, differ from the legal system found in Australia. This could lead to exposure to any or all of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations;
- (ii) delays in redress or greater discretion on the part of governmental authorities; and
- (iii) restrictions on the potential extraction and export of mineral ores or concentrates.

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 and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

(i) **Land Restitution Risk**

There are risks arising from existing and potential claims made on the Company's tenements and Andes Projects under the Colombian land restitution process.

As a consequence of the peace process in Colombia, the Colombian National Government established a special jurisdiction to return land (surface title) to owners who had been dispossessed in the time of conflict.

This land restitution process can result in:

- (i) an annotation of this process in the National Mining Register;
- (ii) a temporary suspension of activities while the restitution is resolved;
or
- (iii) an agreement made between the beneficiaries of restitution and the mineral title holders.

Currently, two of Metminco's mining concession applications (OG2-10591 and KHL 15421) have been suspended through a decision of the Land Restitution Court of Pereira in order to prevent detriment on the land that may affect the alleged owner. Although these two areas are not regarded as priorities by the current management, and there are no current plans to explore these areas, the land restitution process could delay the grant of the mining concession contracts and thus, in the future, delay the Merged Group's exploration operations in these areas or cause the Merged Group to experience additional costs.

Similarly, two of Andes' applications (HKU-08011 and PKA-08231) and one graded exploration concession contract (5843) are suspended by a court ordered land restitution, in order to prevent any damage on land that may affect the ultimate owner. There is a risk that the Merged Group could experience additional costs in relation to this process and/or delays in the grant of the tenements.

(j) **State Imposed Royalty Risk**

Under the Colombian Mining Code (Law 685) of 2001, the Merged Group's mining concessions (depending on the nature and stage of the grant) could be subject to a state imposed royalty.

The royalty, (if applied) is 4% (paid quarterly) of the gross revenue from exploited non-renewable natural resources, paid to the Colombian government as owners of the resources.

(k) **Sovereign Security Risks**

Both the Company and Andes' operations are substantially located in Colombia and are subject to various in-country security risks. These risks and uncertainties include, but are not limited to, terrorism, trafficking narcotics, hostage taking, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, illegal mining and changing political conditions.

In 2016, after more than 50 years of conflict, the government of Colombia signed a peace agreement with the country's largest guerrilla group, the

Fuerzas Armadas Revolucionarias de Colombia (**FARC**). However, several other armed groups remain active across parts of the country.

It is not possible for the Company to predict the extent to which the abovementioned risks and uncertainties may adversely impact on the Merged Group's operations.

(l) 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.

Andes has submitted a request for an extension of one of its exploration titles (K17-14021), which was denied by the regulatory authority. This decision has been appealed by Andes. There is a risk that, if the appeal is resolved unfavorably, K17-14021 will be regarded as entering the construction and assembly stage of its title which may require a greater level of expenditure than would otherwise be undertaken if it remained at the exploration stage. There is no guarantee that the appeal will be resolved in Andes' favour. The Company estimate that, if the appeal is not resolved in favour of Andes, the minimum expenditure requirement could rise to up \$750,000 over the initial 3 or 4 year period of that stage of the title.

(m) Exploration and title 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.

Andes is the sole shareholder and owner of 100% of the interests of Andes Resources EP SAS. According to the Interest Transfer Agreement (set out in Section 6.2(b)), Andes Resources EP SAS is the shareholder of an interest in Andes Holdings SAS and according to the AMR (set out in Section 6.2(d)) Andes Resources EP SAS is a shareholder of an interest in Ni - Maria J S.A.S. (**NMJ**). Andes Resources EP SAS, Andes Holdings SAS and NMJ are all subsidiaries of Andes (**Subsidiaries**). Andes currently does not have, directly or through its

subsidiaries, registered interests in the Andes Projects. Andes Resources EP SAS will acquire 100% of the interests of the Andes Projects once the Ministry of Mines from the Department of Antioquia (**MOM**), as the relevant mining authority, approves the transfer of the interests and once the applications made by Andes are converted into granted concession contracts. Andes Holdings SAS will acquire 100% of the interests of the 36 applications Andes has made for concession contracts, once the MOM approves the transfer of the interests and of these applications once they are converted into granted concession contracts. Until the concession contracts are granted, Andes does not have a registered legal interest in the Andes Projects.

In addition, Andes Resources EP SAS entered into an agreement to acquire 100% interest in the San Pablo Permit (Special Permit for the Exploration and Exploitation P8717) from Nicanor Maria De Jesus Restrepo (**Nicanor**) for US\$569,461. As at the date of this Prospectus, Andes Resources EP SAS has paid US\$437,534 and acquired a 77% beneficial interest in the San Pablo Permit. There remains US\$131,887 outstanding for completion of the remaining 23% to NMJ at which point the legal title to San Pablo Permit will be transferred to NMJ and subsequently to Andes Holdings SAS. In the event that Andes Resources EP SAS does not make this payment then the legal title to the San Pablo Permit will not be transferred to NMJ and Andes will hold only a beneficial interest in 77% the San Pablo Permit. This could lead to difficulties in managing the Merged Group's exploration activities on the San Pablo Permit.

(n) **Chuscal expenditure risk**

The Company is party to a farm-in joint venture agreement with AngloGold, which currently owns the Chuscal project. The farm-in joint venture agreement with AngloGold was finalised in December 2018 and the exploration licences granted to AngloGold in May 2019. The earn-in period for the joint venture commenced 22 May 2019. The Company is required to spend US\$2,500,000 by 22 May 2022 in order to obtain a 51% interest in the Chuscal licences. To date, the Company has applied minimal funds towards Chuscal.

The Company intends to apply approximately \$1,050,000 funds raised under the Placement to Chuscal during the second half of 2019.

In order for the Company to satisfy the requirement of US\$2,500,000, it will be required, subject to relevant Australian Dollar/US Dollar exchange rates at the relevant future date, to raise a further approximately AUD\$2,520,000 by way of equity or other capital, and deploy this at Chuscal prior to 22 May 2022 or the interest in the Chuscal licences will not be earned.

As with all exploration, it is not possible to predict the degree of success that the Company will have at Chuscal. If exploration activities at Chuscal do not deliver encouraging results, the Company will reconsider whether it is in the best interests of the Shareholders to continue earning into the joint venture with AngloGold. In the event that the Company chooses to not fulfil the earn-in, it would not be obligated to continue spending the full US\$2,500,000 but, in this case, will not earn its interest in Chuscal.

Following execution of the joint venture agreement with AngloGold, Miraflores Compania Minera S.A.S (**MCM**) has a 10% interest in the joint venture. Until MCM earns an additional 41% interest by completing 7,500 metres of drilling and committing US\$ 2,500,000 of project expenditure within three years of the commencement of the joint venture

(**Second Earning Requirement**), MCM is solely responsible for undertaking all of the joint venture operations and AngloGold is not responsible to undertake any joint venture operations. MCM will also be appointed as manager of the joint venture. After the Second Earning Requirement, when the respective interests of the joint venture are 51% for MCM and 49% for AngloGold, MCM and AngloGold are required to contribute to project expenditure in their respective proportions. Following the Second Earning Requirement, AngloGold also has a one-off right to buy back a 21% interest in the joint venture from MCM, exercisable within 30 days of publication of a JORC resource of at least 3 million ounces of gold at a price to be agreed between the parties, or in the event a price cannot be agreed, by reference to a valuation prepared by two jointly appointed valuers. The manager of the joint venture following the Second Earning Requirement will be the party who holds a majority interest. AngloGold's obligations under the joint venture agreement are guaranteed by Compania Kedahda Limited, a company incorporated under the laws of the British Virgin Islands which is the holding company of AngloGold.

- (i) Following satisfaction of the Second Earning Requirement by MCM, there are risks that:
 - (A) AngloGold may fail, or refuse, to transfer the 41% interest in the joint venture to MCM. Amongst other remedies that might be available to MCM in this circumstance, MCM would commence the dispute resolution procedure in the joint venture agreement to require AngloGold to transfer the 41% interest;
 - (B) Agencia Nacional de Minería (**Mining Authority**) may not approve the transfer of the 41% interest in the joint venture to MCM. However, under the Mining Code of the Republic of Colombia being Law 685 of 2001, if the Mining Authority does not accept the assignment within 45 business days, the assignment will be deemed to be accepted; or
 - (C) the Mining Authority may impose conditions on the transfer of the 41% interest in the joint venture to MCM. If this happens, MCM and AngloGold will use best endeavours to satisfy the requirements of the Mining Authority to approve the transfer.
- (ii) Following the satisfaction of the Second Earning Requirement, there is a risk that AngloGold may not comply with its obligation to contribute to its respective proportion of project expenditure. Amongst other remedies that might be available to MCM in this circumstance, the interest of AngloGold under the joint venture will dilute if MCM pays any project expenditure that remains unpaid by AngloGold; and
- (iii) if AngloGold does not comply with its obligations under the joint venture agreement, and MCM and the Company have otherwise exhausted all legal rights under the joint venture agreement and under Colombian law against AngloGold, MCM and the Company may have to pursue legal rights against Compania Kedahda Limited.

(o) **Environmental risk**

Mining and exploration has become subject to increasing environmental responsibility and liability in Australia and Colombia. The potential for liability is an "ever present" risk. The use and disposal of chemicals and other materials 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.

(p) **Social Licence & Native Title**

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 or informal miners. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company or Merged Group's plans.

(q) **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, climate change, 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.

(r) **Metallurgy**

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

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

(s) **Insurance risks**

There are significant exploration and operating risks associated with exploring for gold and other metals, 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.

(t) **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.

(u) **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.

(v) **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.

(w) **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 budget and forecast cashflows and ultimately the trading price of its Securities.

(x) **Commodity Prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual

projects in which the Company has an interest as well as the Company's ability to raise capital.

(y) 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.

(z) 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 Seafield, now called Miraflores Compania Minera 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.

The Company's subsidiary, Miraflores Compania Minera S.A.S received advice from Phillipi, Prietocarrizosa Ferrero Du & Uria, an international law firm operating in Colombia, setting out that the probability that the claim against Miraflores Compania Minera S.A.S. would be successful was "low".

Separately, Andes has received a letter from its current executive director Simon Brown requesting back pay in the amount of \$100,000 and the querying whether he was entitled to Milestone Shares as a founder of Andes. Andes has responded to the letter. As at the date of the Prospectus, no formal claim has been served on Andes, nor has any settlement been reached between the parties. As per Section 6.2(e), Mr Brown remains an executive director of Andes.

(aa) 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.

(bb) 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:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

(cc) 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.

(dd) Land Access risk

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Mineral rights in Colombia are governed under the national Mining Code which defines the procedures and obligations that need to be met to obtain and maintain the mineral rights. Exploration applications are granted on a first come first served basis. Applications are subject to analysis by the authorities to define the area within the application boundary that was "available" at the time of application. There is no guarantee that all or part of the application will be granted until the authorities have conducted this study.

Mineral rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Merged Group may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it already owns.

Access to land for exploration and evaluation purposes can be obtained by: private access and compensation agreement with the landowner; purchase of

surface rights; or through judicial rulings. However, access rights to the licences can be affected by many factors including:

- (i) presence of small artisanal mining operations which are common in the gold bearing areas of Colombia;
- (ii) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdiction where the Merged Group will operate;
- (iii) sporadic lawlessness and sovereign security issues (refer to Sovereign Security Risks in Section 4.3(k));
- (iv) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions where the Merged Group will operate;
- (v) social licence to operate (refer to Social Licence Risks in Section 4.3(p)); and
- (vi) natural occurrences including inclement weather, volcanic eruptions, lahars and earthquakes.

All of these issues have the potential to delay, curtail and preclude the Merged Group's operations. Whilst the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact on the Merged Group's operations.

(ee) **Going Concern risk**

The most recent full year accounts of the Company and Andes include a material uncertainty as to each entity's ability to continue as a going concern. Even if the Priority Offer and Placement are fully subscribed, further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.

The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, share market and industry conditions and the price of relevant commodities and exchange rates.

If adequate funds are not available on acceptable terms the Company may not be able to develop its projects and it may impact on the Company's ability to continue as a going concern.

4.4 Speculative Investment

The above list of risk factors should not to be taken as an exhaustive list of the risks faced by the Company or you as an investor in the Company. The above factors, and others not specifically referred to above, may materially affect the Company's future financial performance and the value of the Shares. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

You should consider an investment in the Company as speculative and should consult your professional advisers before deciding whether to apply for Shares under the Offers.

5. Additional information

5.1 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. The Constitution does not permit Shareholders to call a general meeting, although Shareholders may call a general meeting in accordance with the provisions of the Corporations Act.

A notice of general meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a Shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and the text of the special resolution.

The quorum for a meeting of the Shareholders is two Shareholders and the quorum must be present at all times during the meeting.

(b) Voting

Subject to any rights or restrictions for the time being attached to any class of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting every Shareholder present in person or by a representative has one vote on a show of hands and every Shareholder present in person or by a representative, proxy or attorney has one vote per Share on a poll. Where there are two or more joint Shareholders and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the Shareholder whose name appears before the other(s) in the Company's register.

(c) Alteration of Capital

Subject to the Constitution, Corporations Act and the Listing Rules, the Company in general meeting may increase, divide, consolidate or reduce its share capital if it complies with the Constitution, Corporations Act and the Listing Rules.

(d) **Variation of rights**

Subject to the Constitution, Corporations Act and Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to the shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors or the ASX.

The Company must not prevent, delay or in any way interfere with the registration of a proper ASX Settlement transfer. However, the Company may decline to register a transfer of Shares in the circumstances described in the Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, the Constitution, the Listing Rules or the ASX Settlement Rules.

(f) **Dividends**

The Directors, subject to the Constitution, the Corporations Act and the Listing Rules, may determine that a dividend is payable and fix the amount, the time for payment, and the method of payment. The Directors may, before declaring any dividend, set aside out of the profits of the Company, such sums as they think proper as reserves, which may be used in the business of the Company or be invested in such investments as the Directors think fit.

5.2 **Advisor Mandate**

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

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

- (a) fees in respect of the Company's capital raising:
 - (i) 50,000,000 Broker Options conditional on the Company and Andes raising \$4,000,000 through the Joint Capital Raising; and
 - (ii) 6% of the gross amount subscribed for Shares pursuant to capital raisings undertaken while Hartleys is engaged, not including fees associated with the Andes Placement.
- (b) a success fee payable on completion of the Takeover Offer of:

- (i) \$125,000 in cash; and
 - (ii) 62,500,000 Shares (**Broker Shares**);
- (c) an abort fee of 25% of any break fee paid to the Company in respect to the Takeover Offer. For the avoidance of doubt, the abort fee and the Success Fee are mutually exclusive.

Under the Underwriting Agreement, the Company will also be required to pay Hartleys fee of \$20,000 for managing the underwriting obligations under the Underwriting Agreement (**Underwriting Fee**).

5.3 Sandfire Intention Statement

As at the date of the Prospectus, Sandfire holds 20,166,667 Andes Shares. Sandfire's intention to accept the Takeover Offer is subject to the additional conditions that:

- (a) RMB and the Company enter into a proposed refinancing agreement on substantially the same terms as announced to ASX on 17 May 2019;
- (b) The Company raise a minimum of \$1,300,000 in the Offers, not including:
 - (i) any amount to be subscribed by Sandfire and accepted by the Company;
 - (ii) funds raised under the issue of the Notes; and
 - (iii) funds raised under the Andes Placement;
- (c) the Company being entitled to proceed with compulsory acquisition of all remaining Andes shares upon acceptance of the Takeover Offer by Sandfire; and
- (d) there being no superior proposal publicly announced or breach of conditions of the Takeover Offer prior to the acceptance deadline under the Sandfire Intention Statement,

(together, the **Sandfire Intention Statement Conditions**).

As announced on 12 July 2019, the Company entered into the debt refinancing agreement with RMB on substantially the same terms as was announced to ASX on 17 May 2019, and therefore that condition has been satisfied.

Sandfire intends to accept, or cause to be accepted the Offer in full for all its Andes Shares, no later than five Business Days prior to the close of the Offer Period, subject to the Sandfire Intention Statement Conditions (**Sandfire Intention Statement**).

5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at www.metminco.com.au under the "Investors" tab.

5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the Annual Financial Report for the period ending 31 December 2018 and the Half Yearly Report for the period ending 30 June 2018, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report (29 March 2019) until the date of this Prospectus:

Date lodged	Subject of Announcement
17 July 2019	Prospectus Withdrawal Notice
17 July 2019	Lodgement of Supplementary Bidder's Statement
16 July 2019	Extension of Takeover Offer
15 July 2019	Takeover Offer Acceptances Report
15 July 2019	Results of Meeting
12 July 2019	RMB Debt Restructure and Takeover Update
12 July 2019	Takeover Offer Acceptance Report
24 June 2019	Confirmation of Dispatch of Bidder and Target Statements
20 June 2019	Andes Resources Target Statement
18 June 2019	Appendix 3B
18 June 2019	Bidder's Statement
14 June 2019	Notice of Meeting
11 June 2019	ASX Waiver
3 June 2019	Capital Raising completed to support Andes Merger
30 May 2019	Trading Halt

Date lodged	Subject of Announcement
27 May 2019	Notice of Lapsed Unlisted Options
27 May 2019	Merger Presentation
21 May 2019	Notice of Lapsed Unlisted Options
20 May 2019	Grant of Chuscal Exploration Licences
17 May 2019	Results of Meeting
17 May 2019	Execution of Bid Implementation Agreement & Capital Raising
16 May 2019	Trading Halt
14 May 2019	Appendix 3B
30 April 2019	March 2019 Quarterly Activities and App 5B Cashflow Report
16 April 2019	Notice of Annual General Meeting/ Proxy Form
1 April 2019	Appendix 3B
1 April 2019	Completion of Notes to Support Andes Merger
29 March 2019	Appendix 4G

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Bidder's Statement;
- (c) the Supplementary Bidder's Statement;
- (d) the Constitution; and
- (e) the consents referred to in Section 5.14 and the consents provided by the Directors to the issue of this Prospectus.

5.6 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

The Company advises that it has been in discussions with third parties unrelated to the Company regarding a potential divestment of some of the Company's non-core assets in Chile, however discussions are ongoing and incomplete in all cases.

5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

5.8 Substantial Shareholders

As at the date of this Prospectus, the following person is a substantial Shareholder of the Company (i.e. Shareholder that holds more than a 5% interest in the Company):

Shareholder	Number of Shares (on a pre-Consolidation basis)	% of Share Capital
Citicorp Nominees Pty Limited	80,013,418	6.7%

Following completion of the Takeover Offer, it is expected that the following will be substantial shareholders of the Company:

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

Notes:

- 1 It is anticipated that Sandfire will be issued 504,166,650 Shares under the Takeover Offer. Sandfire has provided the Sandfire Commitment to subscribe for 494,769,725 Shares under the Placement. The Sandfire Commitment is subject to the Sandfire Commitment Condition. This figure also assumes that Sandfire accepts the Takeover Offer, which is subject to the Sandfire Intention Statement Conditions.
- 2 Through the issue of the RMB Debt Refinancing Shares and RMB's existing 8,000,000 Shares.
- 3 Through the issue of Shares under the Takeover Offer to BHC and Delta.

The Directors of the Company have a Relevant Interest in 41,653,520 Shares, being approximately 3.5% of the total number of Shares on issue prior to completion. The individual interests of each Director are set out in Section 5.9.

5.9 Interests of Directors

(a) Information disclosed in this Prospectus

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

(b) **Security holdings**

The Relevant Interests of each of the Directors in Securities as at the date of this Prospectus are set out below:

Director	Shares	%	Quoted Options ¹	Unquoted Options ²	Performance Rights ³
Kevin Wilson	36,905,172	3.1	5,017,104	-	46,400,000
Glenister Lamont	2,625,000	0.2	625,000	9,600,000	-
Roger Higgins	2,123,348	0.2	417,636	9,600,000	-
TOTAL	41,653,520	3.5	6,059,740	19,200,000	46,400,000

Notes

1. Quoted Options with an exercise price of \$0.011 expiring 1 June 2020;
2. 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.
3. Performance rights (as per the terms announced on 26 April 2018); and

(c) **Remuneration**

The Constitution of the Company provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors in a general meeting, to be divided among the Directors and in default of agreement then in equal shares. The current sum payable to Directors, including executive directors, is \$300,000 per annum.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship.

The Company currently has one Executive Director, Mr Kevin Wilson, the Company's Executive Chairman. Mr Wilson's base executive remuneration is \$200,000 per annum (including statutory superannuation) and he is entitled to annual bonuses based on his performance in meeting targets and goals as determined by the Board.

Directors received the following remuneration for the preceding two financial years:

Director		Salary, fees & leave (\$)	Super-annuation (\$)	TOTAL (\$)
Kevin Wilson ¹	2018	139,786	14,182	153,968

Director		Salary, fees & leave (\$)	Super-annuation (\$)	TOTAL (\$)
	2017	-	-	-
Glenister Lamont ²	2018	27,092	2,799	29,891
	2017	-	-	-
Roger Higgins ³	2018	37,500	-	37,500
	2017	37,500	-	37,500

Notes:

1. Mr Wilson was appointed as Executive Chairman on 23 March 2018 and is remunerated at \$200,000 per annum (including statutory superannuation) plus annual bonuses based on performance as determined by the Board. Mr Wilson has also been granted Performance Rights under the Company's Long-Term Incentive Plan.
2. Mr Lamont was elected as a Non-Executive Director on 28 May 2018 and is remunerated via a directors' fee of \$50,000 per annum (including statutory superannuation). Mr Lamont has also been granted unquoted Options under the Company's Long-Term Incentive Plan.
3. Mr Higgins has also been granted unquoted Options under the Company's Long-Term Incentive Plan.

5.10 Related party transactions

There are no related party transactions involved in the Offers.

5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

Hartleys has been appointed by the Company as Corporate Advisor in relation to the Offers and the Takeover Offer and pursuant to the Underwriting Agreement will underwrite the Offers up to the Underwritten Amount. The Company will pay and issue, Hartleys the fees described in Section 5.2 (unless otherwise stated), comprising approximately:

- (c) \$225,548 in cash for services rendered in relation to the Takeover Offer, Offers and Underwriting Agreement;
- (d) \$51,540 in respect of the issue of the Notes, which has been paid;
- (e) 50,000,000 Broker Options; and
- (f) 62,500,000 Shares.

Bellanhouse Lawyers will be paid approximately \$150,000 (plus GST) in fees for legal services in connection with the Offers and Takeover Offer.

Link Market Services Limited has been appointed to conduct the Company's Australian share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

5.12 Expenses of Offers and Takeover Offer

The estimated expenses of the Offers and the Takeover Offer are as follows:

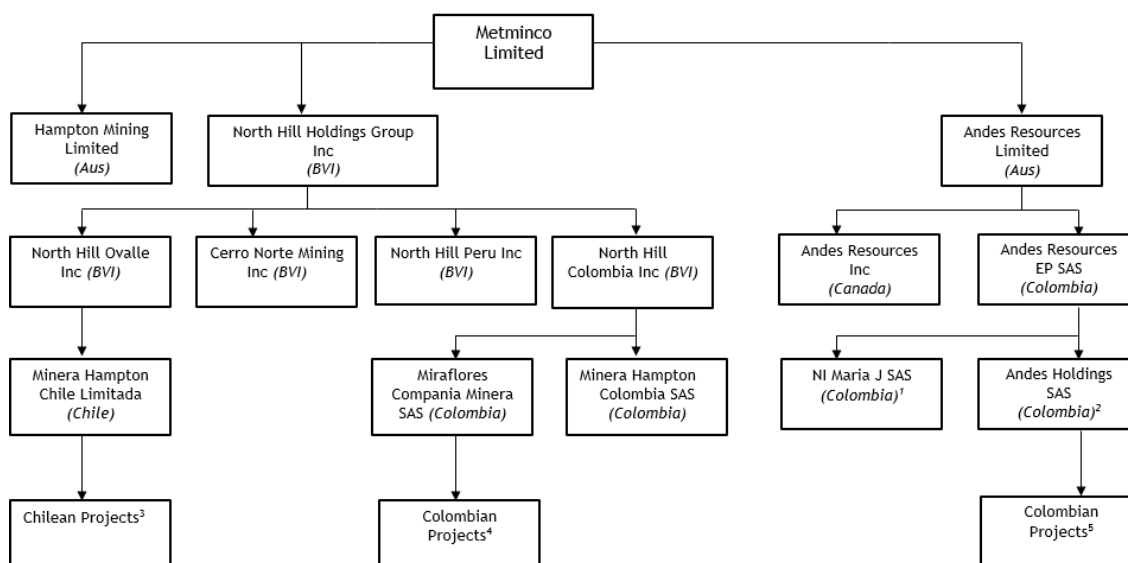
Estimated expenses of the Offers and Takeover Offer	\$
ASIC lodgment fees ¹	8,470
Legal expenses	150,000
Advisor fees and costs of offer ²	225,548
Printing, mailing and other expenses	17,487
ASX listing fees ³	23,044
TOTAL	\$424,549

Note:

1. Comprised of \$5,264 fee for the lodgment of the Bidder's Statement and \$3,206 for the lodgment of the Prospectus.
2. Advisor fees estimated at:
 - a. approximately \$80,548 (being 6% of \$1,342,000 to be raised under the Offers (before costs));
 - b. \$20,000 in respect of the Underwriting Fee; and
 - c. \$125,000 success fee payable in respect of completion of the Takeover Offer, (see Section 5.2 for further details).
3. This figure assumes 5,471,635,217 Company Shares are to be quoted at \$0.002 per Share comprised of:
 - a. 2,784,135,217 Consideration Shares;
 - b. 1,000,000,000 RMB Debt Refinancing Shares;
 - c. 1,625,000,000 Shares under the Offers and on conversion of the Notes; and
 - d. 62,500,000 Broker Shares.

5.13 Structure of the Merged Group

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



Note:

1. For further information on Andes Resources EP SAS's 77% beneficial interest in NMJ, please refer to Section 6.2(d).
2. Owned 90% by Andes Resources EP SAS, with the remaining 10% held by BHC (9%) and Delta (1%).
3. Mollacas, Vallecillo and Loica projects, owned as to 100% by Minera Hampton Chile Limitada.
4. Miraflores, Tesorito and Dosquebradas projects, owned as to 100%; Chuscal Project earning 51% interest in joint venture with AngloGold.
5. Includes 800km² of applications and granted exploration permits including the El Columpio prospect.

5.14 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, Incoming Directors, the Underwriter, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bellanhouse Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Bellanhouse Lawyers has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Hartleys has given its written consent to being named as Corporate Advisor and Underwriter in this Prospectus. Hartleys has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Link Market Services Limited has given its written consent to being named as the Australian share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Simon Brown has given his written consent to being named as the Competent Person to the Company in this Prospectus. Simon Brown has not withdrawn his consent prior to the lodgment of this Prospectus with ASIC.

Phillipi, Prietocarrizosa Ferrero Du & Uria has given its written consent to being named as the Colombian solicitors to the Company in this Prospectus in respect of the litigation set out in Section 4.3(z) of this Prospectus. Phillipi, Prietocarrizosa Ferrero Du & Uria has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

M&NC Consultoria as author of the solicitor's reports contained in Schedule 4 and Schedule 6 (together, the **Solicitor's Reports**) has given his written consent to being named as the Colombian solicitors to the Company in this Prospectus with respect to matters covered in the Solicitor's Reports. M&NC Consultoria has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Messrs Jason Stirbinkis and Ross Ashton have given their written consent to being named as the incoming directors to the Company in this Prospectus and have not withdrawn their consent prior to the lodgment of the Prospectus with ASIC.

6. Andes Information

6.1 Andes Projects

Andes have 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. Andes completed drilling its first of many targets in late 2018. Approximately, only 10% of Andes' land holding has been explored.

Andes main projects comprise:

(a) El Columpio

El Columpio is a mining title (5630) 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 Columpio 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). Andes Holdings SAS, an incorporated joint venture in which Andes has a 90% interest, holds a 100% beneficial interest in the mining title to El Columpio.

(b) San Pablo

San Pablo lies two kilometres to the south of El Columpio and within an interpreted 11 km long mineralised corridor (refer Figure 2). San Pablo is a granted licence (P8717) 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 Holding SAS, an incorporated joint venture in which Andes has a 90% interest, currently has a 77% beneficial right to San Pablo and capacity to secure 100% of the rights on payment of a final milestone payment in the amount of US\$131,887.²

(c) 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

² Equal to approximately \$189,547 Australian Dollars, according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019 where 1 Australian Dollar equals 0.6958 US Dollars.

mining 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 Au-Ag-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 kilometres south of Nuevo Chaquiro.

(d) Competent Person's Statement

The technical information related to Andes Projects contained in this Prospectus that relates to Exploration Results is based on information compiled by Mr Simon Brown, who is a Member of the Australasian Institute of Mining and Metallurgy and who is an employee, a director and shareholder of Andes Resources with a beneficial interest of 9.0%. Mr Brown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Brown has not been formally engaged by the Company, but subject to the completion of the Takeover Offer and Simon Brown accepting the Takeover Offer in respect of his Andes Shares, his employer will become a subsidiary of the Company and he will receive Consideration Shares. Simon Brown consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.

(e) Title and JORC Code information

Further information on the Andes Projects is set out at:

- (i) Solicitor's Report -Schedule 4;
- (ii) Drill results from El Columpio -Section 1 of Schedule 5;
- (iii) Map of 2018 drill holes at El Columpio - Section 2 of Schedule 5; and
- (iv) JORC 2012 Table 1, Sections 1 and 2 - Sections 3 and 4 of Schedule 5.

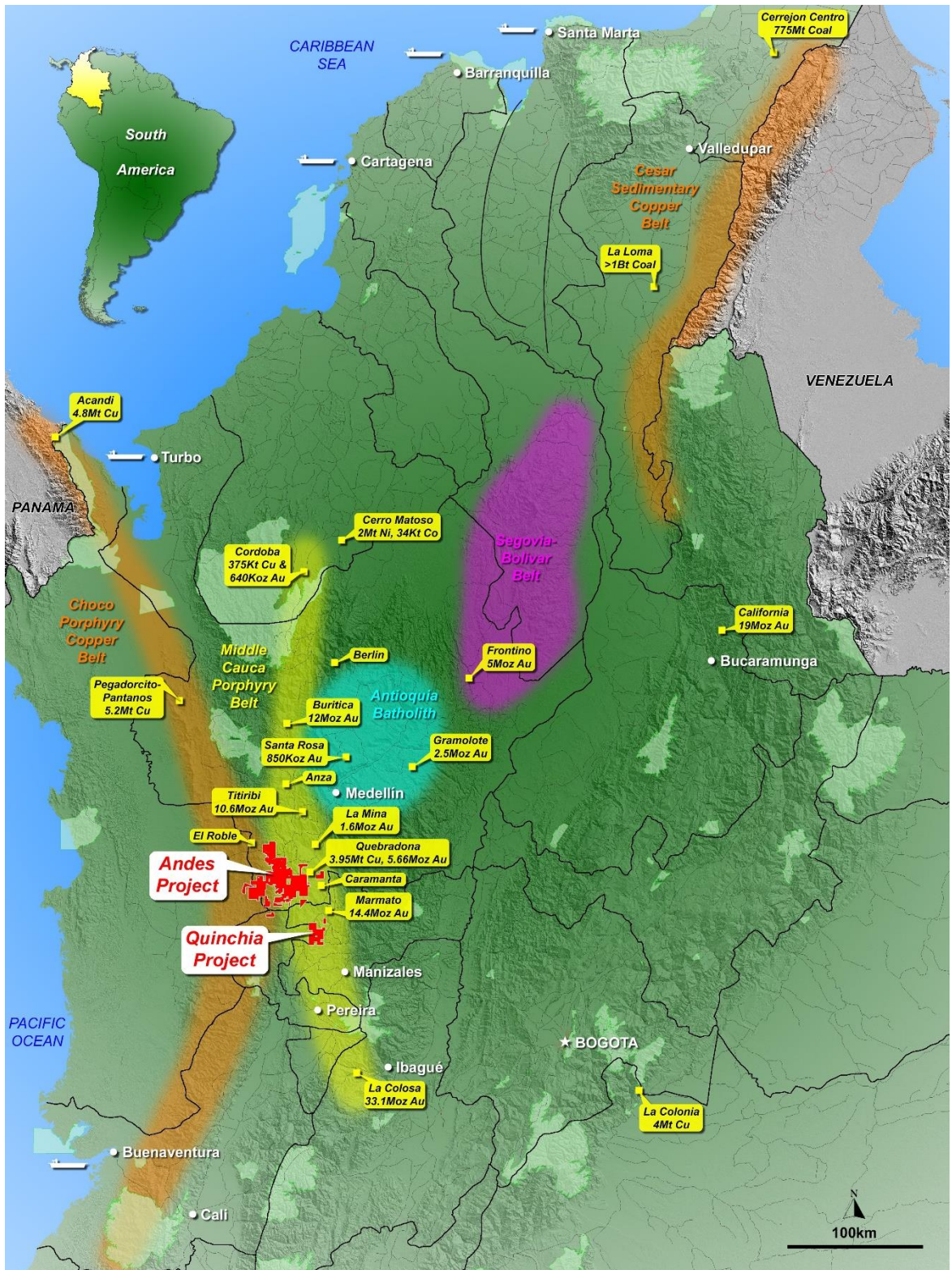


Figure 1: Location of Andes' exploration ground and the Company's ground in the Mid-Cauca Gold Belt, along with major nearby gold discoveries. Source: various company public reports.

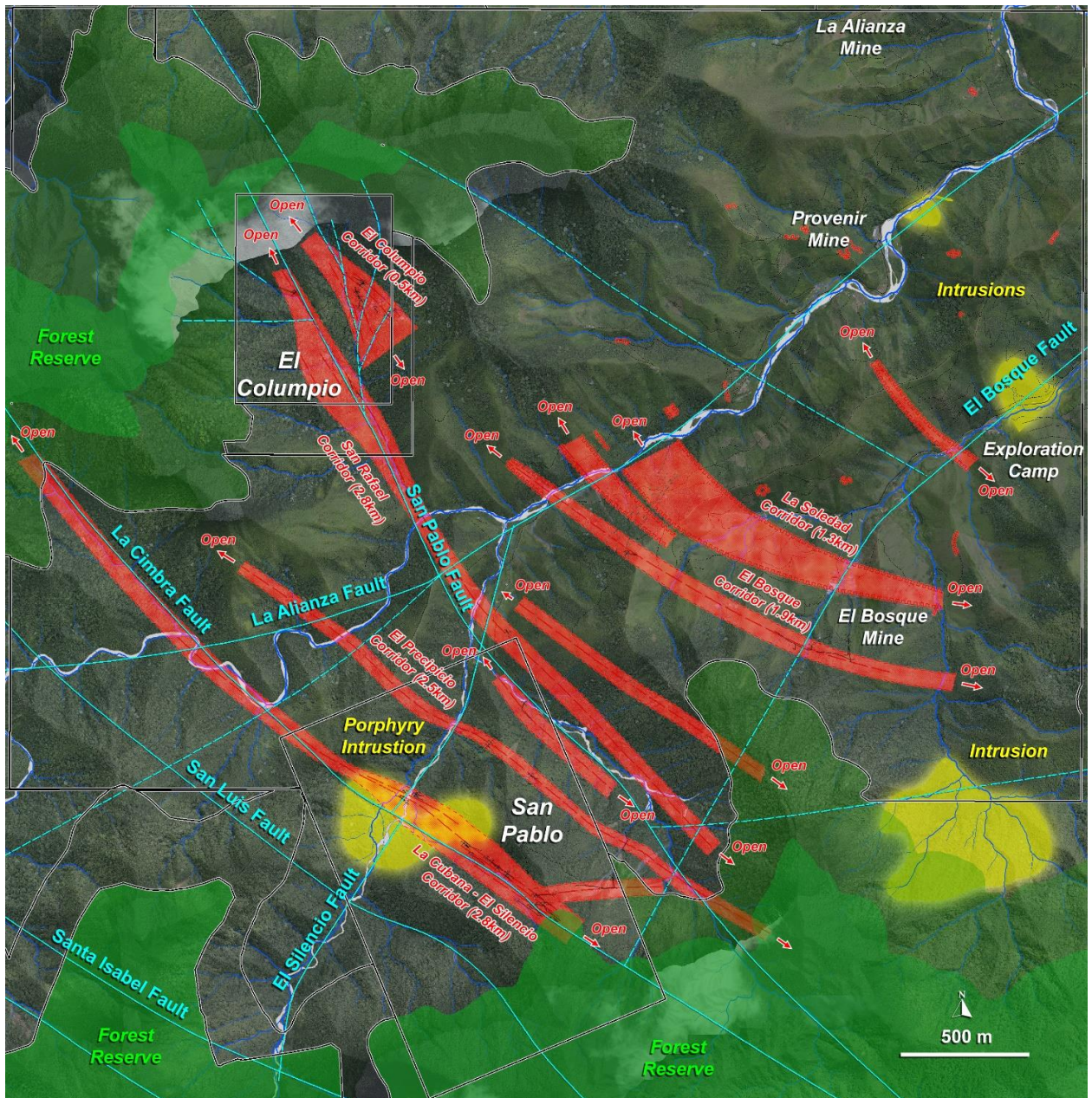


Figure 2: El Columpio and San Pablo / El Bosque cover parallel mineralised corridors. The valley at San Pablo contains an intrusion (potentially a porphyritic diorite subject to petrography) traced over an area of 500m x 300m. Observed alteration zonation combined with element signatures are consistent 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 Columpio and San Pablo/El Bosque area indicates the potential for a significant mineralized NW oriented corridor.

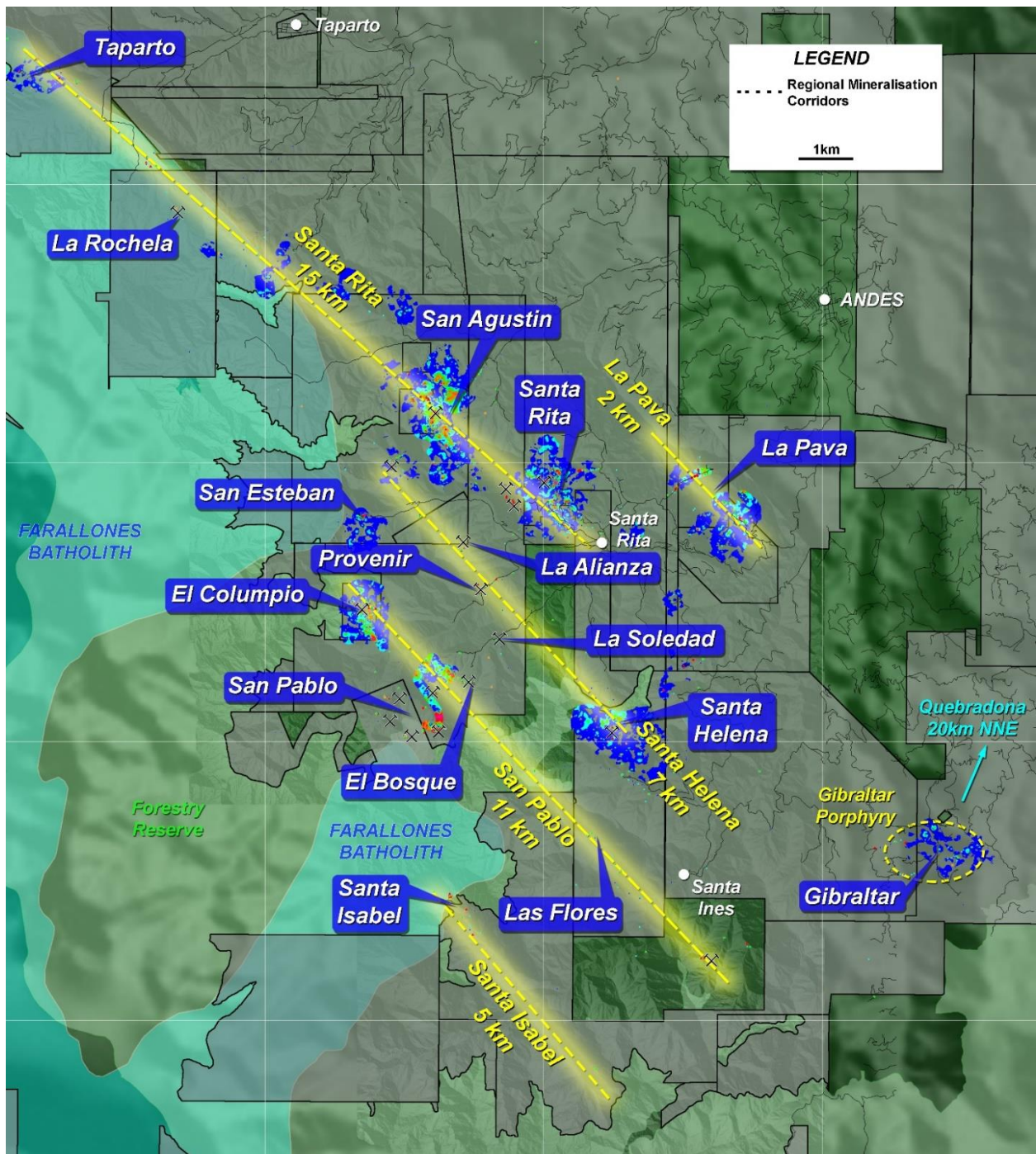


Figure 3: A subsection of Andes' portfolio. Surface mapping and sampling has defined 12 targets interpreted to lie with five NW trending mineralised corridors. Much of Andes' portfolio remains unexplored by modern techniques.

6.2 Andes Material Contracts

(a) Sandfire Subscription Agreement

On 13 June 2018, Andes entered into a subscription agreement with Sandfire (Sandfire Agreement), in which Sandfire agreed to subscribe for 15,000,000 shares at an issue price \$0.12 for a total value of \$1,800,000.

Pursuant to the Sandfire Agreement, Sandfire had an anti-dilution right that entitled it to maintain its holding in Andes.

Further, pursuant to the Sandfire Agreement, Andes and Sandfire agreed to form a technical committee in respect of the Andes' projects. Sandfire also had the right to appoint one representative to the technical committee and board of Andes pursuant to the Sandfire Agreement.

Sandfire also had the right to be notified of any proposal for third party debt financing in relation to the Andes' assets and to submit a competing proposal.

It also contains other terms usual for an agreement of that nature.

By virtue of the Takeover Offer, Sandfire will cease to hold an interest in Andes' and the terms of the agreement set out in this Section 6.2(a) will come to an end. The Company has entered into a Collaboration Agreement with Sandfire on terms substantially similar to the agreement set out in this Section 6.2(a).

(b) **Interest Transfer Agreement**

On 11 December 2017, Andes entered into to an agreement with BHC to transfer mining permits to and acquire additional permits through a joint venture (**Interest Transfer Agreement**).

Pursuant to the Interest Transfer Agreement, BHC (or its nominee) has the right to maintain its 18% interest in Andes via the subsequent issue of new Shares at no cost to BHC (**BHC Anti-Dilution Right**).

If either Andes or BHC defaults, the non-defaulting party may rescind the agreement.

On the date that Andes or its ultimate parent company is admitted to a recognised exchange via an initial public offer, the total value of shares issued pursuant to the agreement must be at least \$1.3 million, and BHC (or its nominee) will be entitled to receive such number of additional shares in Andes so that the total value of shares issued under the agreement is \$1.3 million (**BHC Minimum Participation Right**).

The Company will issue Shares in satisfaction of, proportionate to and no more favourable than, the BHC Anti-Dilution Right and BHC Minimum Participation Right as part of the Takeover Offer. The Shares will be issued to BHC and Delta, as the nominee of BHC. The BHC Minimum Participation Right and the BHC Anti-Dilution Right will cease to be on foot at completion of the Takeover Offer.

Under the Interest Transfer Agreement, Bullet or its nominee are entitled to milestone shares in the capital of Andes or its ultimate holding company (**Milestone Shares**). Under the Interest Transfer Agreement, the Milestone Shares as to be issued as follows:

- (i) **Milestone 1:** being, such number of Andes Shares or shares in its ultimate holding company equal to \$500,000 divided by the VWAP of the shares trading on a recognised exchange immediately prior to the date of satisfaction of Milestone 1, upon the declaration of an inferred mineral resource in relation to the Andes Projects, of:
 - (A) 500,000 oz of AuEq at greater than 1.75 gpt of AuEq; or
 - (B) 1,000,000 oz of AuEq at greater than 0.9 gpt of AuEq;

- (ii) **Milestone 2:** being such number of Andes Shares or shares in its ultimate holding company equal to \$500,000 divided by the VWAP of the shares trading on a recognised exchange immediately prior to the date of the satisfaction of Milestone 2, upon the declaration of an inferred mineral resource, in relation to the Andes Projects, of:
 - (A) 1,000,000oz AuEq at greater than 1.75 gpt of AuEq; or
 - (B) 2,000,000oz AuEq at greater than 0.9 gpt of AuEq; and
- (iii) **Milestone 3:** being such number of Andes Shares or shares in its ultimate holding company equal to \$1,000,000 divided by the VWAP of the shares trading on a recognised exchange over the 21 days immediately prior to the completion of a pre-feasibility study with a positive net present value is reported in relation to the Andes Projects.

The Company is not a party to the Interest Transfer Agreement; however, the rights will remain enforceable against Andes as a subsidiary of the Company. In the event the Company, as the ultimate parent company of Andes, sought to issue Shares in satisfaction of the obligations owing under the Interest Transfer Agreement while the Company remains listed on the ASX the issue of those Shares will need to be issued in compliance with the ASX Listing Rules.

For the avoidance of doubt, the Milestone Shares do not vest upon the declaration of resources or successful disclosure of a pre-feasibility study on projects in which Andes does not have an interest.

(c) **Andes Holdings SAS Shareholder's Agreement**

Andes Holdings SAS is a majority owned subsidiary of Andes, that is governed by a shareholders' agreement between Andes Resources EP SAS dated 13 January 2018 (**Shareholders Agreement**). The Shareholders Agreement provides for the following proportional shareholdings in Andes Holdings SAS:

- (i) Andes Resources EP SAS (a wholly owned subsidiary of Andes) - 90%;
- (ii) Andes JV LLC (a subsidiary of BHC) - 9%; and
- (iii) Delta Holdings LLC - 1%.

Andes Holdings SAS is the entity that holds the Andes Projects (save for the interests in San Pablo, as set out in Section 6.2(d)).

Pursuant to the Shareholders Agreement, Andes JV LLC has the right to exploit any non-metallic minerals including sands, gravels and other construction materials within the joint venture permits (as long as this doesn't interfere with Andes' efforts to exploit minerals and develop infrastructure).

The Shareholders Agreement also contains a pre-emptive right, whereby the selling shareholder must give other Andes Holdings SAS shareholders the opportunity to buy the relevant shares prior to the sale of the relevant shares, as well as drag along and tag along rights.

(d) **Acquisition for Agreement for Mining Rights**

On 27 October 2017, Andes Resources EP SAS (a wholly owned subsidiary of Andes) entered into an acquisition agreement (**AMR**) with Nicanor for the

acquisition of 100% of the rights derived from the permit for exploration and exploitation of gold exploration at San Pablo.

Legal title to the San Pablo permit is currently held by Minera Integral De Colombia Minicol SAS (**Minicol**).

Completion of the AMR is subject to Andes Resources EP SAS and Nicanor satisfying the terms of an option agreement between Nicanor and Minicol dated 25 February 2011. To satisfy this option and complete the consideration payments to Nicanor, Andes Resources EP SAS is required to make a final milestone payment, as set out in Section 6.1(b).

Once the milestone payment is made, Ni Maria SAS will be assigned 100% of the beneficial and legal title to San Pablo, and the permit will be transferred to Andes Holdings SAS.

In the event the milestone payment is not made, the Andes will continue to hold a 77% beneficial interest in San Pablo.

(e) **Executive Services Agreement - Simon Brown**

Mr Simon Brown, a current Executive Director of Andes, has entered into an executive services agreement with Andes on or about 25 October 2017 pursuant to which Mr Brown is engaged as an executive Director of Andes, based in Colombia (**Brown Agreement**).

Under the Brown Agreement, Mr Brown currently receives remuneration of \$200,000 per annum (excluding statutory superannuation). Mr Brown is also entitled to reimbursement for reasonable expenses incurred in the performance of his services. Mr Brown is also entitled to receive incentive options, and Andes has issued 3,000,000 options to Mr Brown exercisable at \$0.20 on or before 1 July 2023 (subject to vesting conditions) pursuant to this Brown Agreement. The incentive options issued to date by Andes to Mr Brown will be subject to cancellation as part of the Takeover Offer and will be replaced by replacement options with similar exercise price and expiry dates.

The term of the Brown Agreement expires in October 2020, however Mr Brown is entitled to remain a director of Andes (with his consent) at the expiration of the Brown Agreement and a new agreement shall be negotiated.

Where Mr Brown's current role with Andes is made redundant as a result of a change of control transaction, Mr Brown is entitled to a payment equal to 12 months' salary (subject to limits imposed under statute and the ASX Listing Rules).

The Brown Agreement otherwise contains terms that are standard for an agreement of this nature, including in relation to termination of the agreement with and without notice, confidentiality, non-competition and other general clauses.

In relation to Mr Brown's ongoing role, as at the date of this Prospectus no formal decision has been agreed with Mr Brown, however it is the Company's current intention, given Mr Brown's knowledge and role in relation to the Andes Colombian assets that Mr Brown will continue to be engaged with the Company after the completion of the Takeover Offer. Any final decision will be made, in consultation with Mr Brown, following completion of the Takeover Offer.

(f) **Executive Services Agreement - Jason Stirbinskis**

Andes entered into an executive services agreement with Mr Jason Stirbinskis on 25 October 2017 (**Stirbinskis Agreement**).

Under the Stirbinskis Agreement, Mr Stirbinskis is engaged by Andes to provide executive services through his role as a Managing Director of Andes.

The remuneration payable to Mr Stirbinskis under the Stirbinskis Agreement is \$200,000 (excluding statutory superannuation). In addition, Mr Stirbinskis is entitled to the incentive Options subject to vesting conditions. The incentive options issued to date by Andes to Mr Stirbinskis will be subject to cancellation as part of the Takeover Offer and will be replaced by replacement options with similar exercise price and expiry dates.

Mr Stirbinskis is also entitled to reimbursement for reasonable expenses necessarily incurred in the performance of his services as Executive Director.

The Stirbinskis Agreement will terminate on or about 25 October 2020 but may be extended at the election of Andes. Andes may terminate the Stirbinskis agreement by giving 3 months' written notice of payment of salary in lieu of the notice period. In the event Mr Stirbinskis' position is made redundant as the result of a control transaction, Mr Stirbinskis is entitled to a payment equivalent of 12 months' salary.

The Stirbinskis Agreement contains additional provisions considered standard for agreements of this nature.

6.3 Andes Financial Information

The summary historical financial information below has been extracted from Andes' audited financial statements for the years ended 31 December 2018 and 31 December 2017 and does not take into account the effect of the Takeover Offer.

Copies of Andes' annual reports from which the financial information was extracted can be obtained by contacting Andes' Company Secretary on +61 (8) 6245 2050.

(a) **Consolidated Statement of Financial Position of Andes Group**

	31-Dec-18 Audited	31-Dec-17 Audited
	\$	\$
Current assets		
Cash and cash equivalents	245,917	14,832
Trade and other receivables	21,838	(5,792)
Total current assets	267,755	9,040
Non-current assets		
Plant and equipment	42,003	20,537
Exploration and evaluation assets	2,767,871	-

Total non-current assets	2,809,874	20,537
Total assets	3,077,629	29,577
Current liabilities		
Trade and other payables	69,671	214,985
Borrowings	-	494,722
Provisions	65,137	40,553
Total current liabilities	134,808	750,260
Total liabilities	134,808	750,260
Net assets	2,942,821	(720,683)
Equity		
Issued capital	9,340,699	3,430,223
Reserves	398,266	(32,493)
Accumulated losses	(6,712,455)	(4,118,413)
Equity attributable to owners	3,026,510	(720,683)
Non-controlling interest	(83,689)	-
Total equity	2,942,821	(720,683)

(b) Consolidated Statement of Profit or Loss and Other Comprehensive Income of Andes Group

	31-Dec-18 Audited	31 Dec-17 Audited
	\$	\$
Continuing operations		
Revenue from continuing operations	260	759
Administration expense	(59,191)	(93,185)
Consultants expense	(133,719)	(96,265)
Depreciation expense	(5,368)	(9,141)
Directors' fees, salaries and superannuation	(341,303)	(36,500)
Employee benefits expense	(192,101)	(103,207)
Exploration expenditure	(1,142,185)	(446,870)
Share based payment expense	(497,755)	-
Interest Expense	(35,414)	(17,222)
Marketing and public relations	(48,489)	(14,019)
Occupancy expense	(21,859)	(24,348)
Other expense	(127,405)	(155,350)
Travel expense	(73,202)	(55,138)

Loss before income tax expense	(2,677,731)	(1,050,486)
Income tax (benefit)/expense	-	-
Loss for the year from continuing operations	(2,677,731)	(1,050,486)
Other comprehensive loss		
Items that will be reclassified to profit or loss		
Exchange differences on translating foreign operations	(66,996)	(19,999)
Other comprehensive loss for the period, net of tax	(66,996)	(19,999)
Total comprehensive loss for the period	(2,744,727)	(1,070,485)
Loss for the year attributable to:		
Owners of the parent	(2,594,042)	(1,050,486)
Non-controlling interest	(83,689)	-
	(2,677,731)	(1,050,486)
Total comprehensive loss attributable to:		
Owners of the parent	(2,661,038)	(1,070,485)
Non-controlling interest	(83,689)	-
	(2,744,727)	(1,070,485)

(c) Consolidated Statement of Cash Flow

	31-Dec-18 Audited	31 Dec-17 Audited
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(2,311,216)	(910,499)
Interest received	260	759
Net cash used in operating activities	(2,310,956)	(900,740)
Cash flows from investing activities		
Payments for property, plant and equipment	(27,546)	-
Payment for tenements acquisition	(933,155)	-
Net cash used in investing activities	(960,701)	-
Cash flow from financing activities		
Proceeds from issues of shares	3,464,519	-
Proceeds from borrowings	36,211	477,500
Net cash generated by financing activities	3,500,730	477,500

Net (decrease)/increase in cash and cash equivalents	229,073	(423,240)
Cash and cash equivalents at the beginning of the year	14,832	362,738
Effects of foreign exchange	2,012	75,334
Accumulated losses	245,917	14,832

6.4 Further information on Andes

Andes maintains a website, www.andesresources.com, which contains further information about Andes and its operations.

Andes is an unlisted public company and, as such, is subject to regular financial reporting obligations under the Corporations Act. Andes is required to lodge various documents with ASIC. Copies of documents lodged with ASIC by Andes may be obtained from, or inspected at, an ASIC office.

7. Merged Group Board and Key Management Personnel

7.1 Composition of Merged Group Board

Upon completion of the Takeover Offer, it is intended that the Merged Group's Board will comprise of:

- (a) Mr Jason Stirbinskis - Managing Director;
- (b) Mr Kevin Wilson - Non-Executive Chairman; and
- (c) Mr Ross Ashton - Non-Executive Director.

7.2 Profiles of the Merged Group Board

Mr Kevin Wilson - currently Executive Chairman (moving at Completion to Non-Executive Chairman)

BSc, MBA

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.

Jason Stirbinskis - incoming 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.

Ross Ashton - incoming 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.

7.3 Interests of the Merged Group's board

The relevant interests of the proposed board of the Merged Group in the Company, at the date of this Prospectus, are set out below:

Director	Shares	% interest in Shares	Quoted Options ¹	Performance Rights ²
Kevin Wilson	36,905,172	3.1	5,017,104	46,400,000
Jason Stirbinskis	0	0	0	0
Ross Ashton	0	0	0	0
TOTAL	36,905,172	3.1	5,017,104	46,400,000

Notes

1. Quoted Options with an exercise price of \$0.011 expiring 1 June 2020.
2. Performance rights (as per the terms announced on 26 April 2018).

The relevant interests of the proposed board of the Merged Group in Andes are set out below:

Name	Andes Shares	% interest in Andes Shares	Andes Options
Kevin Wilson	0	0	0
Jason Stirbinskis ¹	266,667	0.3	3,000,000
Ross Ashton	7,858,235	7.5	2,500,000 ^{2,3}
TOTAL	8,124,902	7.8	5,500,000

Notes:

1. 3,000,000 Andes Options exercisable at \$0.20 and expiring on 1 July 2023, subject to vesting conditions.
2. 1,000,000 Andes Options exercisable at \$0.20 and expiring on 1 July 2023.
3. 1,500,000 Andes Options exercisable at \$0.10 and expiring 2 years from the date of issue.

On Completion, no Director of the Merged Group will hold an interest of more than 5% in the shares of the Merged Group.

The relevant interests of the proposed board of the Merged Group, at Completion, assuming all the Consideration Shares are issued, are set out below:

Director	Shares	% interest in Shares	Replacement Options	Performance Rights ²
Kevin Wilson ¹	36,905,172	0.6	5,017,104	46,400,000
Jason Stirbinskis ³	6,666,675-	0.1	75,000,000	0
Ross Ashton ^{4 and 5}	196,455,875-	2.9	62,500,000	0
TOTAL	240,027,722	3.6	142,517,104	46,400,000

Notes

1. Quoted Options with an exercise price of \$0.011 expiring 1 June 2020;
2. Performance rights (as per the terms announced on 26 April 2018).
3. 3,000,000 Replacement Class A Options, with a pre-Consolidation exercise price of \$0.008 and an expiry date of 1 July 2023, on the terms set out in Schedule 3.
4. 1,000,000 Replacement Class A Options, with a pre-Consolidation exercise price of \$0.008 and an expiry date of 1 July 2023, on the terms set out in Schedule 3.
5. 1,500,000 Replacement Class X Options, with a pre-Consolidation exercise price of \$0.004 and an expiry date 2 years from the date of issue, on the terms set out in Schedule 3.

7.4 Proposed Remuneration of the Merged Group's Board

The Company has not entered into formal executive services agreement with Jason Stirbinskis. It is the current intention of the Board to offer Jason Stirbinskis an executive services contract on terms consistent with his existing executive services contract with Andes, whereby the Company would offer Mr Stirbinskis \$200,000 per annum plus superannuation, with the opportunity to participate in the Company's employee incentive plan and may be terminated by the Company by providing 12-months' written notice or the payment of an amount equivalent to 12-months' salary.

Kevin Wilson will move into the role of non-executive chairman.

It is the current intention of the Board, upon appointment of Kevin Wilson and Ross Ashton, to pay Kevin Wilson and Ross Ashton as non-executive directors an annual salary of \$50,000 per annum plus superannuation, with the right to participate in the Company's employee incentive plan.

7.5 Key Management Personnel

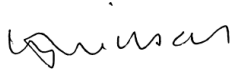
Nick Winer has entered into a consultancy agreement with the Company on 1 March 2019 as key explorationist of the Company, a role that is expected to continue in the Merged Group. Nick Winer may terminate the consultancy agreement by providing one month's notice. Nick Winer is no longer employed by AngloGold.

Simon Brown's relationship with the Merged Group is set out in Section 6.2(e).

8. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Kevin Wilson
Executive Chairman
Dated: 19 July 2019

9. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Acquisition Agreement has the meaning given in Section 6.2(d).

Advisor Mandate has the meaning given in Section 5.2.

AEST means Australian Eastern Standard Time, being the time in Melbourne, Victoria.

Ag means silver.

All Ordinaries Index means the index of the same name as published by ASX and as tracked by the ASX code "XAO".

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

Andes Eligible Shareholder means a person registered as the holder of Andes Shares on the Record Date whose registered address is in Australia, New Zealand or Singapore.

AMR has the meaning given in Section 6.2(d).

Andes Option means an option to acquire an Andes Share.

Andes Optionholders means all persons who hold Andes Options.

Andes Placement means the placement by Andes raising \$750,000 (before costs) by the issue of 15,000,000 Andes Shares and Andes Options.

Andes Projects means Andes' mineral rights and interests in the following titles, contract and applications:

- (a) Mining Title - T5630005;
- (b) Contracts - P8717011, HINC-03 & KI7-14021; and
- (c) Applications: - JII-08221, 18821, 19697, 20982, HD6-08151X, HD6-08152X, HD6-08153X, HD6-08154X, HD6-086, HKU-08011, JC4-08003X, JC4-08007X, JC4-08008X, JC4-08004X, JC4-08005X, JC4-08006X, JCC-16191X, JGS-16391, JGS-16394X, JGS-16393X, JIT-08381, JIT-08382X, JJR-08052X, KCJ-08041, KGD-08051, KGD-08052X, KI7-14022X, KI7-14023X, KI7-14024X, LJQ-08007, OG2-08124, OG2-08159, OG2-081813, OG2-09375, TII-08021, TGI-08001, PG3-08332X, RHA-08101, PD3-08071, PCK-08321, PCK-08191, TGH-08001, PCK-08193X, SE3-08001, RI2-08011, RDT-08001, QL4-08002, PK6-08271, PCK-08282, UAF-08011, RK2-08031, RJC-08001, QHP-08411, QHP-08371, QHP-08321, PJM-15111, PG3-08331, PCK-08192, TG9-08001, RA4-08001, PCK-08261, TJO-08031, THF-080011, TGD-08001, RI2-08012X, RGP-080001, QL2-12161, TLB-08151, TGC-08001, RHA-08061, UA2-10471, TGG-08001, RHA-08102X, QA7-08131, PG3-08211, RIN-08351 & PLC-14581.

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

Andes Shareholder means a holder of an Andes Share.

AngloGold means AngloGold Ashanti Colombia SA.

Applicant means an applicant for Shares offered under this Prospectus.

Application means a valid application for Securities made on an Application Form.

Application Form means the relevant application form for an Offer provided by the Company with a copy of this Prospectus.

Application Monies means the amount of money in dollars and cents payable for Shares at \$0.002 per Share pursuant to the Priority Offer, Shortfall Offer and Placement.

ASIC means Australian Securities and Investments Commission.

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

Au means gold.

AuEq means gold or gold equivalent.

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

BHC Anti-Dilution Right has the meaning given in Section 6.2(b).

BHC Minimum Participation Right has the meaning given in Section 6.2(b).

Bid Condition means a condition to the Takeover Offer.

Bidder's Statement means the document prepared by the Company in conjunction with the Takeover Offer, dated on or around 18 June 2019.

Board means the Directors meeting as a board.

Bonus Options means an Option that the Company intends to issue in December 2019 under a separate disclosure document, with an exercise price of \$0.004 and an expiry date two years from the date of issue.

Broker Options means unquoted options exercisable at \$0.006 (on a pre-Consolidation basis) with an expiry date three years from the date of completion of the Takeover Offer and has the meaning given in Section 5.2, issued on the terms set out in Schedule 3.

Broker Shares has the meaning given in Section 5.2.

Broker Securities means the Broker Shares and Broker Options.

Brown Agreement has the meaning given in Section 6.2(e).

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date has the meaning given to it in Section 1.7.

Collaboration Agreement means the Agreement between the Company and Sandfire dated 16 May 2019.

Company or Metminco means Metminco Limited (ACN 119 759 349).

Conditions has the meaning given in Section 1.10.

Consideration Shares means Shares offered to Andes Shareholders as Takeover Offer consideration.

Consolidation means the consolidation of the capital of Company on a 1:40 basis.

Constitution means the constitution of the Company as at the date of this Prospectus.

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

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

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares on the Record Date whose registered address is in Australia, New Zealand or Singapore.

Free Attaching Option means an unquoted Option with an exercise price of \$0.008 and an expiry date 2 years from the date of issue.

General Meeting means the general meeting of Shareholders to be convened on or around 15 July 2019 to approve the issue of the Shares under the Offers, amongst other things.

Gpt means grams per tonne.

Hartleys means Hartleys Limited (ACN 104 195 057).

Incoming Directors means Messrs Jason Stirbinskis and Ross Ashton.

Interest Transfer Agreement has the meaning given in Section 6.2(b).

Issuer Sponsored means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Implementation Agreement means the agreement between the Company and Andes pursuant to which the Company agreed to make the Takeover Offer, a copy of which was announced by the Company on 16 May 2019.

Indicative Timetable means the indicative timetable on page iv of this Prospectus.

Joint Capital Raising has the meaning given in Section 1.6.

JORC Code means the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and the terms **Exploration Results, Measured, Indicated, Inferred, Proved, Probable, Resource and Reserve** have the meanings given by the JORC Code.

Listing Rules means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended

or replaced from time to time, except to the extent of any express written waiver by ASX.

Long Term Incentive Plan means the Company's Long Term Incentive Plan as approved by Shareholders at the 2017 annual general meeting.

Merged Group means Company and its subsidiaries after successful completion of the Takeover Offer, including without limitation, Andes.

Milestone 1 has the meaning given in Section 6.2(b)(i).

Milestone 2 has the meaning given in Section 6.2(b)(ii).

Milestone 3 has the meaning given in Section 6.2(b)(iii).

Milestone Shares has the meaning given in Section 6.2(b).

Minicol has the meaning given in Section 6.2(d).

Minimum Subscription has the meaning given in Section 1.11.

Mo means molybdenum.

Nicanor has the meaning given in Section 4.3(m).

Ni - Maria J S.A.S means Ni - Maria J S.A.S., an entity incorporated in Colombia.

Notice of Meeting means the Company's notice of meeting dated 14 June 2019.

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

Offer Period has the meaning given in Section 1.7.

Offers means the Priority Offer, Shortfall Offer and Placement.

Official List means the official list of ASX.

Official Quotation means quotation of Securities on the Official List.

Option means an option to acquire a Share.

Original Prospectus means the Company's prospectus dated 18 June 2019.

Ozs means ounces.

Placement means the placement of 666,000,000 Shares at \$0.002 each to raise \$1,332,000 (before costs).

Placement Subscribers means each applicant who subscribed for and was issued Shares under the Placement.

Priority Offer means the issue of 500,000,000 Shares at \$0.002 to Eligible Shareholders to raise \$1,000,000 (before costs).

Prospectus means this replacement prospectus dated 19 July 2019.

Record Date means 5:00pm (AEST) on the date identified in the indicative timetable.

Relevant Interest has the meaning given in Sections 608 and 609 of the Corporations Act.

Replacement Option Class A means an unquoted Option, (issued on a pre-Consolidation basis) with an exercise price of \$0.008 and an expiry date of 1 July 2023, issued on the terms set out in Schedule 3.

Replacement Option Class X means an unquoted Option, (issued on a pre-Consolidation basis) with an exercise price of \$0.004 and an expiry date two years from the date of issue, issued on the terms set out in Schedule 3.

RMB means RMB Australia Holdings Limited ACN 003 201 214.

RMB Debt Refinancing Agreement means a debt refinancing agreement between RMB and the Company dated 11 July 2019.

RMB Debt Refinancing Shares means the issue of 1,000,000 Shares (on a pre-Consolidation basis) pursuant to the RMB Debt Refinancing Agreement (or its nominees).

Sandfire means Sandfire Resources NL (ACN 105 154 185).

Sandfire Agreement has the meaning given in Section 6.2(a).

Sandfire Commitment has the meaning given in Section 1.8.

Sandfire Commitment Condition has the meaning given in Section 1.8.

Sandfire Intention Statement has the meaning given in Section 5.3.

Sandfire Intention Statement Conditions has the meaning given in Section 5.3.

San Pablo Permit means the special permit for exploration and exploitation, number P8717 granted by the

Section means a section of this Prospectus.

Securities mean any securities, including Shares, Options and Performance Rights, issued or granted by the Company.

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

Share Registry means Link Market Services Limited (ACN 083 214 537).

Shareholder means a holder of Shares.

Shareholders Agreement has the meaning given in Section 6.2(c).

Shortfall Offer means the offer of the Shortfall Shares under this Prospectus.

Shortfall Shares means Shares not taken up under the Priority Offer.

Solicitor's Reports has the meaning given in Section 5.14.

Stirbinskis Agreement has the meaning given in Section 6.2(f).

Supplementary Bidder's Statement means the supplementary bidder's statement document prepared by the Company as a supplement to the Bidder's Statement in conjunction with the Takeover Offer, dated on or around 17 July 2019.

Takeover Offer means the Company's proposed acquisition of 100% of the issued capital in Andes through an off-market takeover bid.

Tranche 1 Notes means 115 Notes on the terms and conditions set out in the Notice of Meeting.

Tranche 2 Notes means 191 Notes issued on the terms and conditions set out in the Notice of Meeting.

Underwriter means Hartleys.

Underwriting Agreement means the meaning given in Section 1.9.

Underwriting Fee means \$20,000 payable to Hartleys under the Underwriting Agreement.

Underwritten Amount has the meaning given in Section 1.9.

VWAP means the volume weighted average closing price.

Schedule 1 - Underwriting Agreement Key Terms

Note in this Schedule the following defined terms apply:

Allotment Date means the proposed date of allotment of Offer Shares specified in the Timetable.

Applicable Laws includes the Corporations Act (including the requirements of any applicable ASIC class orders, regulatory guidance and policies including the guidance of the Takeovers Panel), the Listing Rules, ASX Waivers (if applicable), ASIC Modifications (if applicable) and all other applicable laws, policies and regulation relevant to a fact, matter or thing.

Application means an application to subscribe for Offer Shares duly made in accordance with the Prospectus accompanied by payment of the Offer Price in respect of each Offer Share for which an application is made.

ASIC Modifications means any exemptions from, modifications (including class orders) of or declarations under the Corporations Act which are necessary.

ASX Waivers means any waiver of the Listing Rules which is necessary or desirable to enable the Company to conduct the Offer in compliance with Applicable Laws and as described in the Prospectus.

Application Form means the application form attached to the Prospectus in relation to the Offer.

Authorisation means any approval, authorisation, consent, declaration, exemption, notarisation, concession, licence, permit, order, registration, qualification, decree or waiver, however described, and any condition attaching to it, including any renewal, consolidation, replacement, extension or amendment of any of them.

Bid Implementation Agreement means the bid implementation agreement between the Company and Andes Resources Limited on or about 17 May 2019.

Bid Condition means the condition to the takeover bid announced by the Company on 17 May 2019 as set out in schedule 1 of the Bid Implementation Agreement.

Certificate means a certificate signed on behalf of the Company which certifies to the Underwriter as at the date of the certificate that to the best of the Company's knowledge and information after due enquiry:

- (a) the Company has complied with all obligations on its part to be performed as at the date of the certificate:
 - (i) under this document; and
 - (ii) under statute or otherwise in respect of the Offer;
- (b) other than as previously notified to the Underwriter in writing, none of the Termination Events have occurred; and
- (c) other than as previously notified to the Underwriter in writing, the representations and warranties set out in schedule 1 of the Underwriting Agreement are true and correct.

Closing Date means 5.00pm on the date referred to as the Closing Date in the Timetable or such other date as the Underwriter and the Company may agree in writing.

Debt Facility means any external debt facility or similar financial accommodation provided to the Company or its Subsidiaries or any part thereof.

Due Diligence Committee means the due diligence committee formed by the Company in connection with the Offer.

Due Diligence Committee Report means the report of the Due Diligence Committee to the Company, its directors and the Underwriter including all annexures.

Due Diligence Investigations means the activities below: Until Completion, the Company must:

- (a) make such enquiries as are prudent and reasonable; and
- (b) exercise due diligence, to ensure that
- (c) there are no omissions from the Offer Materials (including the Prospectus) of material required to be included by Applicable Laws;
- (d) the content, issue and distribution of any Offer Materials does not constitute conduct by any person which is misleading or deceptive or likely to mislead or deceive (whether by reason of statements included in, or omissions from, those Offer Materials or otherwise) and that those Offer Materials do not become false or misleading in any material respect (including by omission); and
- (e) the Company becomes aware of any information or circumstances which may render the Offer Materials misleading or deceptive or need to be disclosed to ASX or incorporated into any Supplementary Prospectus as soon as such information or circumstances arise.

Due Diligence Planning Memorandum means the memorandum including its schedules, annexures and attachments setting out the responsibilities and purpose of the Due Diligence Committee, the final form of which is annexed to the Due Diligence Committee Report.

Force Majeure means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

Government Agency means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Offer, including ASX, ASIC and the Takeovers Panel.

Lodgement Date means the date referred to as the Lodgement Date in the Timetable.

Offer means the public offer of up to 1,166,000 Offer Shares under the Prospectus to raise \$2,332,000 at the Offer Price which public offer includes the Priority Offer.

Official Quotation means the grant by ASX of "Official Quotation" (as that term is used in the Listing Rules).

Opening Date means the opening date for the Offer specified in the Timetable or such other date as the Underwriter and the Company may agree in writing.

Offer Materials means:

- (a) Any roadshow presentation materials in connection with the Offer;
- (b) All announcements released to ASX by the Company in connection with the Offer;
- (c) The Prospectus and any Application Form;
- (d) All correspondence delivered to Shareholders in respect of the Offer and approved by the Company (or on its behalf with its consent); and
- (e) Public Information.

Offer Price means \$0.002 per Offer Share.

Offer Shares means a Share to be issued under the Offer.

oz means ounces.

Public Information means any press releases, presentation materials, or public or media statement or other public disclosure made (on or after the Lodgement Date and up to and including the Settlement Date) in relation to the Group or the Offer, including amendments or updates to or supplementary disclosure in respect of any other Offer Materials, or in relation to bids or applications received for Offer Shares or the progress or results of the Offer, in each case by the Company (or on its behalf).

Prescribed Occurrences means any of the events listed in section 652C(1)(a) to (h) of the Corporations Act.

Sandfire Commitment Offer Shares means 494,769,725 Offer Shares which Sandfire has publicly stated it will subscribe for under the Offer.

Settlement Date means the date referred to as the Settlement Date in the Timetable.

Underwriter means Hartleys Limited.

Takeovers Panel means the body established under the Australian Securities and Investments Commission Act 2001 (Cth) as the primary forum for resolving disputes about takeovers.

Terminate means the termination by the Underwriter of all further obligations of the Underwriter under this document in accordance with clauses 2.4 or 10.1 of the Underwriting Agreement, in each case without loss or liability to it and Termination has a corresponding meaning.

Termination Events are those events listed in clause 3.

Valid Application means an Application:

- (a) that is made by or on behalf of a person in a manner that complies with (and the relevant allotment would comply with) Applicable Laws;

- (b) that is made in conjunction with an application form accompanying the Prospectus, and that is properly completed in accordance with the instructions in that form and in the Prospectus;
- (c) that is accompanied by any supporting documents required by the Prospectus to accompany that form;
- (d) that is received by the Company on or before 5.00pm on the Closing Date at the place specified in the Prospectus for lodgement of forms or is otherwise duly received in accordance with the provisions of the Prospectus for electronic lodgement of applications;
- (e) that is not withdrawn before it ceases to be capable of being withdrawn (if it is so capable of being withdrawn); and
- (f) in respect of which payment of the Offer Price for the relevant number of Offer Shares is received and is cleared (either before or after the Closing Date) when presented (either before or after the Closing Date) for payment by the relevant financial institution on which the payment is drawn.

1. Conditions precedent

The obligations of the Underwriter under the Underwriting Agreement to manage and underwrite the Offer are conditional on:

- (a) **(Due Diligence Investigations)** the Due Diligence Investigations being completed to the satisfaction of the Underwriter (in its absolute discretion) by 11.00am on the Lodgement Date;
- (b) **(Due Diligence Committee Report)** the Underwriter receiving a copy of the Due Diligence Committee Report contemplated by the Due Diligence Planning Memorandum in a form and substance satisfactory to the Underwriter (in its absolute discretion) by 11.00am on the Lodgement Date, which is also to be addressed to, and expressed to be for the benefit of, each of the members of the Due Diligence Committee and the Underwriter and signed by each member of the Due Diligence Committee;
- (c) **(legal opinion)** an opinion dated on the Lodgement Date addressed to, and expressed to be for the benefit of, the Company and the Underwriter, in a form and substance satisfactory to the Underwriter (in its absolute discretion) being delivered to the Underwriter by 11.00am on the Lodgement Date from Bellanhouse Lawyers, counsel to the Company;
- (d) **(ASIC Modifications and ASX Waivers)** the Company either:
 - (i) obtaining by 9.00am on the Lodgement Date all ASIC Modifications and ASX Waivers, in a form and substance satisfactory to the Underwriter and which have not been withdrawn or revoked; or
 - (ii) certifying in writing to the Underwriter that no ASIC Modifications or ASX Waivers are required in connection with the Offer;
- (e) **(consent to be named)** the Underwriter being satisfied with the form of the Prospectus (in its absolute discretion) and having given its consent to be named in the Prospectus by 11:00 am on the Lodgement Date as evidence thereof;

- (f) **(Prospectus lodgement)** the Company lodging the Prospectus with ASIC prior to 5.00pm on the Lodgement Date;
- (g) **(Certificate)** the Underwriter receives a Certificate in accordance with clause 4.1 of the Underwriting Agreement;
- (h) **(Official Quotation)** the Company applying for Official Quotation of the Offer Shares prior to the commencement of trading on the Business Day after the date of lodgement of the Prospectus and ASX not having indicated that it will not grant Official Quotation of the Offer Shares on or before 9.00am on the Settlement Date;
- (i) **(Offer)** the Company becoming capable of accepting Applications in respect of the Offer by the Opening Date;
- (j) **(Bid Implement Agreement)** the Bid Implementation Agreement not having been withdrawn, rescinded, breached, terminated, altered or amended prior to the Settlement Date (other than with the prior written consent of the Underwriter);
- (k) **(Satisfaction of all Bid Conditions)** in respect of each Bid Condition:
 - (i) each Bid Condition that is required to be satisfied has been satisfied and remained at all times satisfied prior to and up and until 10am on the Settlement Date;
 - (ii) no Bid Condition has been breached prior or otherwise become incapable of being satisfied prior to 10am on the Settlement Date;
 - (iii) no Bid Condition has been waived, altered or amended prior to 10am on the Settlement Date (other than with the prior written consent of the Underwriter);
- (l) **(Compulsory acquisition)** prior to 10am on the Settlement Date the Company's takeover offer for all of the issued shares in Andes Resources Limited has closed with the Company having a Relevant Interest in more than 90 per cent of the issued shares then on issue in Andes Resources Limited and the Company has lodged with ASIC a form 6021 notice of compulsory acquisition;
- (m) **(Sandfire Commitment)** Sandfire has prior to the Closing Date lodged with the Company a Valid Application for the Sandfire Commitment Offer Shares and not sought to revoke, rescind or otherwise withdraw that Valid Application; and
- (n) **(RMB Refinancing Agreement)** the RMB Refinancing Agreement having been executed by the relevant parties, and those documents not having been withdrawn, rescinded, breached, terminated, altered or amended prior to the Settlement Date (other than with the prior written consent of the Underwriter).

2. Termination of the Underwriter's obligations

The Underwriter may, by notice given to the Company and without cost or liability to the Underwriter, immediately Terminate if any one or more of the Termination Events occurs or has occurred on or before Completion (or such other time as specified in such event) and:

- (a) **(unqualified)** that Termination Event is not marked with an “*”; or
- (b) **(qualified)** that Termination Event is marked with an “**” and in the reasonable opinion of the Underwriter the event:
 - (i) has had, or could be expected to have, individually or in aggregate a material adverse effect on:
 - (A) the financial position or performance, shareholder’s equity, profits, losses, results, condition, operations or prospects of the Company or a Subsidiary either individually or taken as a whole; or
 - (B) the success or outcome of the Offer, the market price of Offer Shares or the Shares or the ability of the Underwriter to market, promote or settle the Offer (including matters likely to have an effect on a decision of an investor to invest in Offer Shares or Shares);
 - (ii) leads (or is, in the Underwriter’s opinion, reasonably likely to lead) to the Underwriter’s obligations under this document becoming materially more onerous than those which exist at the date of this document;
 - (iii) has had, or could be expected to have, individually or in aggregate a material adverse effect on the tax position of:
 - (A) the Company or its Subsidiaries either individually or taken as a whole; or
 - (B) an Australian resident shareholder of the Company; or
 - (iv) leads (or is, in the Underwriter’s opinion, reasonably likely to lead) to:
 - (A) a material liability for the Underwriter (when assessed in the context of the fees payable to the Underwriter under this document); or
 - (B) the contravention, or involvement in a contravention of, or a liability under the Corporations Act or any other applicable law.

3. Termination Events

- (a) **(Change in gold price)** the spot “ask” A\$ gold price as quoted by The Perth Mint is at any time after the date of this document, 10.0% or more below its price as at the close of business on the Business Day before the date of this document;
- (b) **(index fall)** the All Ordinaries Index as published by ASX is for two consecutive Business Days after the date of this document 10.0% or more below its level as at the close of business on the Business Day prior to the date of this document;
- (c) **(Debt Facility)** a Debt Facility is breached by any party to the agreement or it is revoked, rescinded, avoided, amended (including by way of any standstill arrangements), varied, superseded or replaced in any way, the lender under

a Debt Facility seeks to enforce any security granted in connection with, or accelerate or otherwise require repayment of any amounts under, the Debt Facility or an event of default or potential event of default (however defined) occurs under a Debt Facility, in each case without the prior written consent of the Underwriter (in the Underwriter's absolute discretion);

- (d) **(Prospectus)** the Company does not lodge the Prospectus on the Lodgement Date or the Offer is withdrawn by the Company without the prior written consent of the Underwriter;
- (e) **(breach of material contracts)** any of the contracts described in the Prospectus (other than this document) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus;
- (f) **(board and senior management composition)** there is a change in the composition of the board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter (which consent is not to be unreasonably withheld) except as announced to ASX or fully and fairly disclosed to the Underwriter prior to the date of this document;
- (g) ***(change in shareholdings)** other than as a result of the Offer and the proposed merger with Andes Resources Limited there is a change in the major or controlling shareholdings of a Group Member or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Group Member;
- (h) ***(market conditions)** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, commercial banking activities or political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or any other international financial market;
- (i) **(Offer Materials)** a statement contained in the Offer Materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer Materials omit any information they are required to contain (having regard to sections 711, 713 and 716 of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the Offer Materials relating to future matters;
- (j) **(listing)** ASX announces or informs the Company (including verbally) that the Company will be removed from the official list or that Shares will be delisted or suspended from quotation by ASX for any reason, for the avoidance of doubt this does not include any voluntary suspension or trading halt that has been obtained by the Company with the Underwriter's prior written consent;
- (k) **(notification)** any of the following notifications are made:
 - (i) an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other Government Agency, in relation to the Offer Materials or the Offer; or
 - (ii) ASIC or any other Government Agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or any of the Offer Materials or prosecutes or

commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,

and in either case:

- (iii) where the Government Agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within five Business Days of the date of the application or by the Allotment Date; or
- (iv) where the Government Agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by the Allotment Date;
- (l) **(Authorisation)** any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked, or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (m) **(quotation)** ASX announces or informs the Company (including verbally) that unconditional approval (or approval subject to customary listing conditions) by the ASX for Official Quotation of the Offer Shares will be refused, or not granted by the Allotment Date or, if granted, such approval is withdrawn on or before the Allotment Date;
- (n) **(unable to issue Offer Shares)** the Company is prevented from allotting and issuing the Offer Shares in accordance with this document and the Timetable;
- (o) ***(hostilities)** there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China, Indonesia, India, Pakistan, Russia, Israel, any member of the European Union, the Democratic People's Republic of Korea, the Republic of Korea or Japan, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (p) ***(Timetable)**
 - (i) subject to clause (p)(ii) below, any event specified in the Timetable is delayed by the Company for more than one Business Day without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
 - (ii) the Lodgement Date and Allotment Date is delayed by the Company, in any way, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (q) **(ASIC or ASX action)** the Offer is prevented from proceeding (without amendment on terms acceptable to the Underwriter) by reason of:
 - (i) or in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;
 - (ii) an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction; or

- (iii) an investigation or inquiry or proceedings initiated by either ASIC or ASX into the conduct of the Company;
- (r) **(withdrawal of consent)** any:
 - (i) person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or any Supplementary Prospectus or to be named in the Prospectus or any Supplementary Prospectus, withdraws that consent; or
 - (ii) accounting or legal adviser to the Company refuses to give its consent or having previously consented to be named in the Prospectus, withdraws that consent;
- (s) **(supplementary prospectus):**
 - (i) the Underwriter forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (t) **(Certificate)** any certificate which is required to be delivered by the Company under this document (including a Certificate) is not delivered when required (other than as permitted under (p)(i) above) or is untrue, incorrect or misleading in a material respect;
- (u) **(suspension of debt payments)** except as fully and fairly disclosed to the Underwriter prior to the date of this document, the Company suspends payment of its debts generally;
- (v) **(insolvency)** any one of the following occurs:
 - (i) except as fully and fairly disclosed to the Underwriter prior to the date of this document, the Company (or any of its Subsidiaries):
 - (A) being or stating that it is unable to pay its debts as and when they fall due; or
 - (B) failing to comply with a statutory demand;
 - (ii) any step being taken which will or is likely to result in any of the following:
 - (A) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Subsidiaries);
 - (B) the Company (or any of its Subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an

- assignment for the benefit of its creditors or any class of them;
- (C) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its Subsidiaries) under section 459C(2) of the Corporations Act; or
 - (D) anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its Subsidiaries);
- (w) ***(judgment against the Company)** a judgment in an amount exceeding \$50,000 is obtained against the Company and is not set aside or satisfied within 7 days;
 - (x) **(ASIC Modifications and ASX Waivers)** approval for any ASIC Modifications or ASX Waivers is subsequently withdrawn, or is varied in a way that in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Offer;
 - (y) **(conduct)** the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer;
 - (z) ***(Director):**
 - (i) a director or senior manager of any Group Member (in that capacity) is charged with an indictable offence, or any Government Agency or regulatory body commences any public action against a director or senior manager of any Group Member (in that capacity) or announces that it intends to take any such action; or
 - (ii) a director of any Group Member is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;
 - (aa) **(adverse change)** in the reasonable opinion of the Underwriter, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to the Underwriter (whether or not it becomes public) which individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Group taken as a whole, or is likely to have a materially adverse effect on the marketing, settlement or outcome of the Offer;
 - (bb) ***(litigation)** litigation, arbitration, administrative or industrial proceedings are after the date of this document commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus, or Due Diligence Program or otherwise disclosed during the Due Diligence Investigations;
 - (cc) ***(breach of obligations)** the Company is in breach of any terms and conditions of this document (other than with respect to compliance with the Timetable);

- (dd) ***(breach of representations)** any of the representations or warranties made or given by the Company in schedule 1 is or becomes incorrect, untrue or misleading;
- (ee) ***(information supplied to Underwriter)** the information supplied by or on behalf of the Company to the Underwriter including as part of the Due Diligence Program is, or the results of the Due Diligence Investigations are, in the reasonable opinion of the Underwriter, false, misleading or deceptive (including by omission);
- (ff) ***(change in law)** there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than a law or policy which has been announced prior to the date of this document);
- (gg) ***(investigation)** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (hh) ***(capital structure)** the Company alters its capital structure in any manner not contemplated by the Prospectus or as announced by the Company on or before the date of this document;
- (ii) **(certain resolutions passed)** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (jj) ***(force majeure)** a Force Majeure affecting the Company's business or any obligation under this document lasting in excess of 7 days occurs;
- (kk) ***(Prescribed Occurrence)** a Prescribed Occurrence occurs;
- (ll) ***(contravention of law)** a contravention by any Group Member of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
- (mm) **(compliance)** any aspect of the Offer, including the Prospectus or the underwriting and any sub-underwriting of the Offer, does not comply with the Corporations Act, the Listing Rules, the ASIC Modifications or the ASX Waivers or any other applicable law or regulation, or requires an approval or other authorisation that has not been obtained at the date of this document.

Schedule 2 - Terms of Tranche 1 Notes and Tranche 2 Notes

1. Definitions

Company means Metminco Limited (ACN 119 759 349).

Free Attaching Option means a free attaching option to acquire a Share, with an exercise price of \$0.004 on a pre-consolidation basis and an expiry date 2 years from the date of issue.

Notes means the Tranche 1 and Tranche 2 Notes

Noteholder means a holder of a Note.

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

Shareholder means a holder of a Share.

Tranche 1 Notes means the Notes set out on the terms below, including clause 2(m) and not including clause 2(n).

Tranche 2 Notes means the Notes set out on the terms below, including clause 2(n) and not including clause 2(m).

2. Terms

- (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 \$0.002 upon Completion.
- (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 \$0.002.
- (o) 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.

* Shareholder approval to issue the Tranche 2 Notes as equity Securities was received at the General Meeting of the Company on 15 July 2019.

Schedule 3 - Terms of Options

The following terms and conditions apply to the Company's options that will be issued in conjunction with the Takeover Offer (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
Broker 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	\$0.16	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	\$0.004	\$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 current intention of the Company is to apply for official quotation on ASX of the Bonus Options, Free Attaching Options and Replacement Options-Class X in conjunction with the issue of the Bonus Options, which it is intended to occur in or around December 2019.

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 4 - Solicitor's Report on Andes' Colombian Assets



Medellin July 17, 2019

Sirs

DIRECTORS

Metminco LIMITED

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

Dear Directors,

Metminco Limited

Solicitor's Report - Exploration and Mining Tenements

This report (the "**Report**") has been prepared for inclusion in the New Prospectus ("**Prospectus**") to be issued by Metminco Limited (ACN 119 759 349) ("**Company**") dated on or about July 12, 2019 by the merger ("**Merger**") of Metminco Limited and Andes Resources Ltd ("**Andes**") (jointly "**Companies**"); where the Company will acquire 100% of Andes through an off-market takeover bid with an offer of 25 Company shares for 1 Andes share. In conjunction with, and subject to, the Merger completing, the Company will also: raise equity of \$ 2.3 million at price of \$ 0.002 per share via the Prospectus offer; and restructure its debt to RMB Australia Holdings Limited ("**RMB**") via a swap of debt for equity and by realigning future payments to project milestones out to 2025.

1. SCOPE The Company has asked M&NC Consultoria S.A.S. ("**M&NC**") as an independent law firm, to report on legal title, securities and applications for mining contracts and exploration concession contracts, jointly the "**Tenements**", where Andes Resources EP S.A.S. ("**AREP**") is a beneficiary. The Tenements are located in the municipality of Andes, Ciudad Bolivar, Salgar, Hispania, Bethany, Garden, Jericho, Thames, Valparaiso and Pueblorrico - Department of Antioquia; Municipalities of Bagadó and El Carmen, Department of Chocó, the municipality of Mistrato - Department of Risaralda and Municipality of Riosucio in the department of Caldas, in the Republic of Colombia. AREP will be the beneficiary of the interests resulting from the Tenements, through private binding agreements executed with the registered holder of the Tenements.

They include:

- 1.1 certain titles and concession contract applications located in the departments of Antioquia, Risaralda, Caldas and Chocó, Colombia ("**Andes Tenements**") of which **AREP** will be a beneficiary directly and through the "**Andes Agreements**"; and



- 1.2 certain titles and applications located in the departments of Antioquia, Choco and Risaralda ("**Other Andes Tenements**") of which Andes will be a beneficiary through Andes Holding S.A.S. ("**AH**") via the Interest Transfer Agreement ("**ITA**") entered into on December 11, 2017 between Andes and Bullet Holding Corp ("**BHC**") and its Subsidiaries Groups.

2. OPINION

As a result of:

- 2.1 our review of the **Andes Agreements** and **ITA**;
- 2.2 our searches and research on the Tenements,

and, subject to legal cases, requirements and exceptions stated in paragraph 8 of this **Report**, we are of the opinion that, at the time of this study, this paper provides accurate information regarding:

- 2.3 (**Company's interest**) interest of Andes in the Tenements;
- 2.4 (**Good standing**) the validity and compliance of the Tenements; and
- 2.5 (**Third Party Interests**) interests of third parties, including charges (if any) in relation to the Tenements.

3. EXECUTIVE SUMMARY

The Tenements comprise 4 mining granted titles (one Exploitation License (5630), a Special Permit for the Exploration and Exploitation (P8717), and two Mining Concession Contracts (5843 and KI7-14021)) together with 48 Applications for Concession Contracts; organized as follows:

3.1 Andes Tenements

- i) 1 exploitation license (5630) (El Columpio) the "**Exploitation License**";
- ii) 1 Special Permit for the Exploration and Exploitation (P8717) (San Pablo) "**Permit**" jointly "**Andes Titles**"; and
- iii) 12 applications for mining concession contracts (TG9-08001, TGC-08001, TGD-08001, TGG-08001, TGH-08001, TGI-08001, THF-08011, TII-08021, TJO-08031, TLB-08151, UA2 and UAF-08011 -10471) "**Andes Applications**".

3.2 Other Andes Tenements

- i) 2 mining concession contracts (KI7-14021 and 5843), "**Other Andes Contracts**";
- ii) 36 applications for concession contracts (18821, 18821X, 19697, 20982, HD6-08151X, HD6-08152X, HD6-08153X, HD6-086, PKA-08231, HKU-08011, JC4-08003X, JC4-08004X, JC4-08005X, JC4-08006X, JC4- 08007X, JC4 - 08008X, JC4-



08009X, JCC-16191X, JGS-16391, JGS-16394X, 16393X-JGS, JII-08221, JII-08221, JJR-08052X, KCJ-08041, KGD-08051, KGD-08052X, KI7-14022X, KI7-14023X, KI7-14024X, LIQ-08007, OG2-08124, OG2-08159, OG2-081813, OG2-09375 sec 2, PDN-09001) "**Other Andes Applications**"

Subject to the qualifications, assumptions and exceptions set out in this Report, we consider the following to be a summary of the key issues in relation to the Tenements:

- a) **(Company's interests)** Andes is the sole shareholder and owner of 100% of the interests of AREP. According to the Interest Transfer Agreement "**ITA**", AREP is the shareholder of an interest in AH and according to the "Acquisition of The Mining Rights Agreement" ("**AMR**") AREP is the shareholder of an interest in Ni - Maria J S.A.S. ("**NMJ**"). AERP, AH and NMJ are all subsidiaries of Andes ("**Subsidiaries**"). Andes currently does not have, directly or through its subsidiaries, registered interests in the Tenements. AREP will acquire 100% of the interests of the **Andes Titles** once the Ministry of Mines from the Department of Antioquia ("**MOM**"), as mining authority, approves the transfer of the interests and once the Andes Applications are converted into granted Concession Contracts. AH will acquire 100% of the interests of the Other Andes Tenements, once the **MOM** approves the transfer of the interests and of the Other Andes Applications once they are converted into granted Concession Contracts. Further details of the Andes Agreements and ITA are provided in paragraphs 4 and 5;
- b) **(environmentally protected areas)** according to public databases of the mining authorities, some Tenements have overlaps with areas of national parks and forest reserves, which will mean the holder is required to perform various procedures for the environmental authorities in order to achieve the exploitation stage of the Tenement. For further details refer to paragraph 8;
- c) **(Prior consultation)** within the area of influence of the Other Andes Applications exists the ethnic group Embera Katio ("**Indigenous Community**") in accordance with the public databases of the competent authorities. Once the Applications are converted into Concession Contracts, AH must conduct prior consultation processes with the community for the exploitation phase.
- d) **(Land Restitution Processes)** As a result of historical armed conflict in Colombia, some regions have seen situations where the occupants and owners of land were dispossessed. The Colombian National Government, as a consequence of the peace process, established a special jurisdiction to return land to owners who had been dispossessed in the time of conflict. Some of the surface title under which some of the Tenements are located, have been subject to a request for the restitution of lands under this process.



The owner of surface title does not have any rights over the subsoil (mining title). Some Judges in the land restitution process make an annotation of this process in the RMN; others have suspended mining activities temporarily while the restitution is resolved; and others have authorized agreements to be made between the beneficiaries of the restitution and mineral title holders.

4. SUMMARY OF ANDES AGREEMENTS:

4.1 PURCHASE CONTRACT AND TRANSFER OF MINING TITLES ("PCTI") – EXPLOITATION LICENSE 5630 (El Columpio)

- 4.1.1 On July 7, 2015, AREP entered into a purchase agreement and transfer of mining titles with Andres Elias Ruiz Balvin ("**AERB**") to acquire the Exploitation License, located in the municipality of Andes, Department of Antioquia;
- 4.1.2 AERB agreed to transfer 100% of the interests of the Exploitation License to AREP;
- 4.1.3 The purchase price was USD \$ 300,000 and the payment of AREP to AERB was:
 - i) on execution of the of the PCTI, payment of USD \$ 25,000, and AREP will be authorized to start exploration for 6 months;
 - ii) at the end of the 6 months period, and if AREP decides to continue with the agreement, pays USD \$ 25,000 and AREP may continue exploration for 6 additional months;
 - iii) at the end of 6 the months period, AREP may decide to continue exploration for 6 months and , if so, must pay USD \$ 100,000; and
 - iv) at the end of the period, if AREP decides to continue with the contract, AREP must pay USD \$ 150,000.
- 4.1.4 from the execution date of the PCTI, AREP, as assignee of the interest, is in charge of the administration of the Exploitation License and assumes the exclusive exploration of the area;
- 4.1.5 if the MOM does not approve the full transfer of interests by a reason not attributable to AREP, AREP will be entitled to suspend payments and suspend investment without payment of compensation;
- 4.1.6 According to Amendment No. 4 executed on April 7th, 2017, AERB granted warranty to AREP for any damage arising from the breach of contract and the parties agreed to modify the way of making the last payment to acquire 100% interests, and the following was to be paid:



- i) USD \$ 66,666 on April 7, 2017; and
- ii) USD \$ 66,668 on October 7, 2017.

4.1.7 According to the amendment No. 5 of October 11, 2017, the parties modified the second agreed payment of amendment No. 4 to be paid on 7 December 2017 and Andes have advised that this amount has been paid.

4.2 ACQUISITION AGREEMENT OF THE MINING RIGHTS (AMR) - PERMIT P8717 (San Pablo)

4.2.1 On October 27, 2017, AREP entered into a purchase agreement with Nicanor Restrepo Maria de Jesus ("**NMJR**") whereby 100% of the Permit, located in the municipality of Andes - Department of Antioquia, would be transferred to NMJ;

4.2.2 At the time of incorporation, AREP owned 50% of the shares of NMJ and NMJR owned the remaining 50% of NMJ. NMJR will be diluted as AREP makes payments to NMJR and Minería Integral de Colombia "**MININCOL**" and AREP will remain as NMJ's sole shareholder on payment of 100% of the agreed values. At the date of this Report, AREP is the holder of 77% of the shares of NMJ;

4.2.3 NMJR agreed to transfer 100% of the interests in the Permit to NMJ in two phases:

- i) **First phase:** Transfer of 90% of the Permit's interests from "MININCOL" to NMJ;
- ii) **Second stage:** Transfer of 10% of the Permit's interests from NMJR to NMJ.

4.2.4 The total value for the AMR is USD \$ 569,461 (AUD \$ 818,426.27 approx.). As at the date of this Report the amount of USD \$ 131,887 (AUD \$ 189,547 approx.) remains outstanding under the AMR.

4.2.5 NMJR guaranteed AREP's payments.

5. **SUMMARY OF THE INTEREST TRANSFER AGREEMENT ("ITA")**

5.1 on December 11, 2017 Andes entered into an ITA with BHC and Andes Group Subsidiaries ("**AG Subsidiaries**") and Bullet Holding Corp. Subsidiary ("**BHC Subsidiaries**") together ("**Parties**"). The ITA replaced a term sheet executed between the Parties on December 16, 2013, under which Andes acquired, through its subsidiaries, a 50% (unregistered) interest in certain securities ("**Initial Securities**") as the Parties acquired and applied to acquire securities near to the Initial Securities, ("**Additional Securities**"), together Andes Tenements and Other Andes Tenements;

5.2 until the feasibility stage Andes will be a 90% owner of AH, as holding company, and BHC will hold 10% (and then BHC is required to contribute funds on a pro rata basis or its interest will be diluted);



5.3 at settlement in relation to the Initial Securities and BHC Additional Securities, Andes paid to BHC:

- i) USD \$ 200,000; and
- ii) The issue of Andes shares corresponding to an 18% interest in Andes.

5.4 Milestone payments. Andes must issue to BHC shares in Andes as follows:

- i) On delivery of 500,000 oz of AuEq (gold equivalent) Inferred Resource at a grade of greater than 1.75g/t AuEq; or 1,000,000 oz AuEq at a grade greater than 0.9g/t AuEq; Andes shares equal to a value of AU \$ 500,000;
- ii) On delivery of 1,000,000 oz of AuEq Inferred Resource at greater than 1.75g/t AuEq; or 2,000,000 oz AuEq at a grade greater than 0.9g/t AuEq, Andes shares equal to a value of AU \$ 500,000; and
- iii) On completion of an independently reviewed Pre-Feasibility Study with a positive net present value; Andes shares equal to a value of AU \$1,000,000.

6. ANDES TENEMENTS

6.1 EXPLOITATION LICENSE (5630) (El Columpio)

6.1.1 **Regulations applicable and competent authority:**

National Decree 2655 of 1988 ("**Decree**") establishes a number of ways by which the right to exploit and operate a nonrenewable natural resource may be granted.

With the issuance of Law 685 of 2001, the Decree was annulled. From the effective date of the Code the right to explore and exploit state-owned resources may only be undertaken by a mining Concession Contract. However, the Code stipulates that the rights from exploration licenses, permits or licenses, operating contracts and contracts on contribution areas, which were in force on the Introduction of the Code, would not be amended and will continue to be governed by the Decree until the end of their contract.

National Mining Agency ("**ANM**") and MOM are the competent bodies to regulate the mining activities of the Tenements. The MOM is the competent authority to regulate Tenements located in the Department of Antioquia, and ANM is competent authority to regulate Tenements located outside Antioquia. For the Exploitation License, the authority is the MOM.



6.1.2 Grant and duration:

The Decree states that the holder must initially apply for an exploration license in order to perform the initial stage. Once completed, the holder shall be entitled to convert their title to an exploitation license, provided it has complied with the obligations required by law.

By Resolution No. 013568, MOM granted an exploration license with a duration of 2 years and then, having met all the requirements of the law, the MOM authorized the change to Exploitation License on January 17, 2007. When approved, this will generate the right to AREP to subscribe for a Mining Concession Contract for a duration of 30 years, which runs from the date of registration in the National Mining Registry ("RMN"). Concession contracts, after the expiry of the initial term of 30 years, may be extended for 30 additional years.

6.1.3 Interest acquisition and transfer of mining rights

To make a transfer of rights, the mining holder must comply with the requirements set forth in the Decree which establishes that the assignment must require prior permission from the competent authority.

Through the PCTI, AREP acquired a 100% interest in the Exploitation License belonging to AERB. The transfer of rights was submitted for approval to MOM on July 12, 2018, and, at the date of this Report, is pending approval.

6.1.4 Transformation to concession contract

Law 1753 of 2015 - National Development Plan, established that once the term of the exploitation license commences, the mining holder may request to change to a mining concession contract. To carry out this process, the holder must submit a Program of Works ("PTO") to regulate its mining activity in the concession contract. The mining authority evaluates the PTO and, if approved, the holder will be requested to sign the Concession Contract, with duration of 30 years.

AREP, as assignee of the 100% interest in the license, filed before the mining authorities the change to concession contract request, presenting the PTO that will govern its exploration and exploitation program under the mining concession contract. At the date of this Report, the MOM has not acted on this application. However, according to the law, the PTO being presented means it is approved by the passage of time without ruling. It is expected that the MOM will require the mining company to sign the concession agreement, as it has met all the requirements of the law.

6.1.5 Authorized minerals

The categories of minerals granted for the Exploitation License are:



- a) Silver ores and concentrates;
- b) Zinc ores and concentrates;
- c) Gold ores and concentrates; and
- d) Copper ores and concentrates.

6.1.6 Duration and extension

- i) **Duration:** Exploitation licenses have a duration in accordance with the following terms:
 - a) 1 year for a license whose original area is up to 100 hectares, extendable up to one additional year;
 - b) 2 years for a license whose original area is between 100 hectares and 1,000 hectares, extendable up to one additional year; and
 - c) 5 years for a license whose original area is greater than 1,000 hectares, extendable up to five additional years.

The Exploitation License has existed for a total of 10 years according to the RMN records. It is expected that AREP, as assignee of the 100% interest in the licence, will sign a Concession Contract under the terms of Law 685 of 2001 in accordance with the request before the MOM. If the concession contract is signed and recorded this year (2019), the initial duration of the contract is for 30 years, i.e. until 2049.

- ii) **Extension:** Before the expiration of the period of operation, the holder may request an extension of the contract for up to 30 years. Once the concession contract is granted to AREP, if it meets its obligations it may request before the expiration of the initial term an extension request of the contract extension for 30 additional years.

6.1.7 Termination:

The concession contract or the exploitation license may be terminated for the following reasons:

- i) On expiry of the terms established in the law and the contract without an extension;
- ii) If the grantee requests the termination by mutual agreement;
- iii) Death of the holder (if the holder is a company the dissolution and liquidation of the company);
- iv) By declaration of forfeiture: this is a sanction imposed on the holder by the repeated breach of obligations, which results in loss of the right to explore and



exploit the area granted and restriction of the ability to execute new concession contracts; and

- v) Relinquishment: Further details on paragraph 6.1.13.

6.1.8 Terms and conditions:

The obligations of an exploitation license are to:

- i) comply with environmental regulations;
- ii) comply with the provisions of the works and investments program “PTI”;
- iii) comply with mining health and safety obligations;
- iv) comply with reporting standards eg 6-monthly Basic Mining Forms – “FBM”;
- v) Present due royalties.

According to information inspected, the Exploitation License is up to date in fulfilling the obligations.

6.1.9 Conditions and obligations under the concession contract when granted:

Mining concessions are granted subject to compliance with conditions and obligations established by the Mining Code (Law 685) of 2001. Overall, the concession holder will have the primary duty of executing mining activity, and must:

- i) comply with environmental regulations: Refer paragraph 6.1.11;
- ii) comply with the provisions of the technical matters and scope of work "PTO": AREP submitted a PTO to the MOM on February 16, 2018, which is understood to be approved by the passage of time.
- iii) comply with mining health and safety obligations;
- iii) comply with reporting standards eg 6-monthly Basic Mining Forms – “FBM”: refer to paragraph 6.1.8, ii); and
- iv) present due royalties: refer to paragraph 6.1.8, i).

6.1.10 Minimum Expenditures

According to the particular conditions of each of the titles and stage, the owner must invest the necessary resources to ensure the viability of the project and operation it owns.

In this case, the minimum investment is described by the PTO presented to support the change in status to concession contract. In this program a minimum investment for the exploitation phase over the first 5 years is COP \$ 1,842,000,000, which is approximately AUD \$ 825,309.55.

The minimum expenditures committed before the MOM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD



(American Dollar) according to the official Market Representative Rate "**TRM**" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
[https://www.rba.gov.au/statistics/historical-data.html#exchange-rates.](https://www.rba.gov.au/statistics/historical-data.html#exchange-rates)

6.1.11 Environmental authorization

The environmental license is the authorization granted by the competent environmental authority for the implementation of a project, work or activity, according to the law and regulations. All projects affecting the environment must have an environmental permit.

The Autonomous Regional Corporation of Antioquia "**CORANTIOQUIA**" awarded AERB an environmental license for the Exploitation License by order 130CI-5531, which as at the date of this Report is valid.

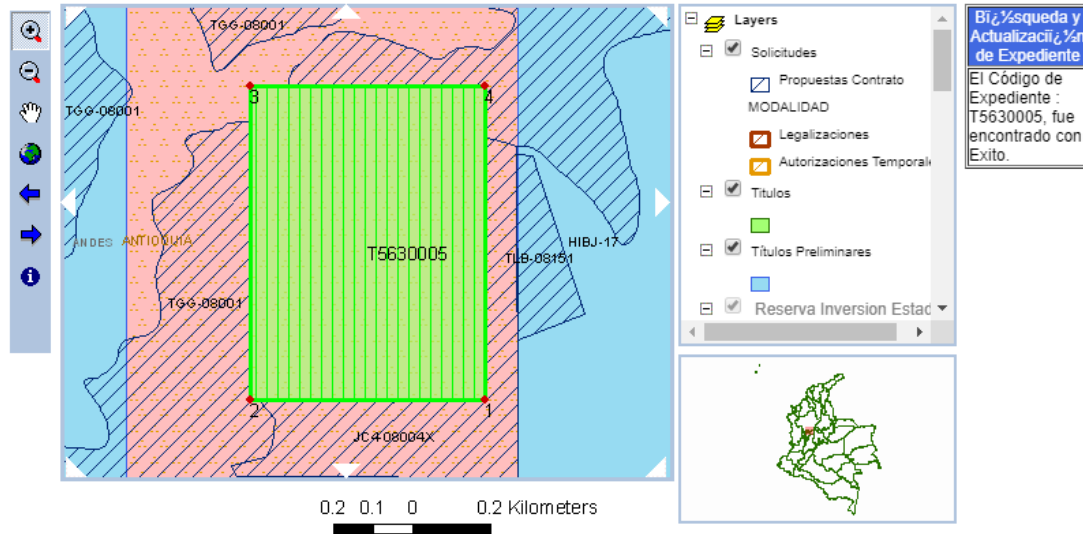
6.1.12 Granted area

The Exploitation License has an area of 48 hectares located in the municipality of Andes, Department of Antioquia, as shown below:

Información Geográfica

Código Expediente	T5630005	Clasificación	TITULO	Modalidad Actual	LICENCIA DE EXPLOTACION
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



6.1.13 Relinquishments:

At any time the holder may relinquish the mining title and remove machinery, equipment and items, leaving buildings and facilities permanently to the ground if they cannot be removed without detriment. MOM must authorize the relinquishment.

6.1.14 Suspensions:

The mining authority may suspend licenses:

- i) when there is a court ruling for land restitution; or
- ii) where national authorities take provisional measures order in order to decide on, for instance, if an area is to become a national park.

6.1.15 Illegal mining:

These are exploratory mining practices or mineral extraction, developed without proper mining title or without authorization of the owner of private property where the project is located, and undertaken outside legal regulations established by the State. There are no reports of illegal mining within the area of the Exploitation License.



6.2 PERMIT (Special Permit for the Exploration and Exploitation (P8717) (San Pablo))

6.2.1 **Applicable regulations and competent authority:**

National Decree 2477 of 1986 contains within its provisions ways to exploit and explore a nonrenewable natural resource. Amongst these are the special permit mining that allows the holder exploit mineral resources owned by the state.

With the issuance of Law 685 of 2001, the right to explore and exploit state-owned resources may only be undertaken by a mining Concession Contract. However, the Code stipulates that the rights from exploration licenses, permits or licenses, operating contracts and contracts on contribution areas, which were in force on the Introduction of the Code, would not be amended and will continue to be governed by the Decree until the end of their contract.

The regulatory authority for the Permit is the MOM.

6.2.2 **Granting and duration of permits**

The decree states that the holder must apply for special permission for exploration and exploitation in order to undertake investigations for identifying where mineral deposits are located. Once this initial phase is completed, the holder is entitled to move to the operational phase provided it has complied with the obligations required by law.

The Permit was granted by Resolution No. 5509 of 1989 with a duration of 5 years. However the title was held by public order problems from May 31, 1990 to August 22, 2007, and the holder requested the MOM to authorize the change to a mining concession contract on September 1, 2011, for the signing of a Concession Agreement.

6.2.3 **Interest acquisition and transfer of interest**

To make a transfer of rights, the mining holder must comply with the requirements set forth in the Decree which establishes that the assignment must require prior permission from the competent authority.

NMJ by the AMR acquired 100% of the interests of the Permit, from NMJR and MININCOL, The assignment of these rights which was submitted to the MOM and is still pending.

6.2.4 **Transformation to concession contract**

NMJ as assignee of 100% interest of the Permit, filed before the MOM the change request form, presenting the PTO that will govern its exploration program when the title changes to mining concession contract. However, the MOM to date has not acted on this application and the process remains to be resolved.



6.2.5 **Granted mineral:**

The mineral granted to the Permit is gold.

6.2.6 **Duration and Extension:**

- i) **Duration:** The initial duration of the permit is 5 years, renewable for 5 more years upon application, if the holder is up to date with its obligations.

As mentioned above, it is expected that NMJ, as assignee of the 100% interest in the Permit, will sign the concession contract under the terms of Law 685 of 2001 in accordance with the change request to the MOM. If the concession contract is signed and recorded this year (2019), the duration of the contract will be until 2049.

Extension: Before the expiration of the period of operation, the licensee may request an extension of the contract up to thirty (30) years. Once the concession contract is granted to NMJ, it may request before the expiration of the initial term of 30 years a contract extension for 30 additional years.

6.2.7 **Cancellation:**

The MOM will cancel the Permit in the following cases:

- i) By imposing successive fines;
- ii) By the death of the holder or dissolution of the recipient entity, as appropriate;
- iii) On financial incapacity of the holder, presumed when judicially declared bankrupt or the opening of insolvency proceedings;
- iv) By the holder's failure to establish or suspend work for more than one continuous year without just cause;
- v) For giving permission to or entering into a lease or sublease without prior permission from the Ministry of Mines and Energy;
- vi) For failing to submit reports despite the imposition of fines dealt with in Article 121 of Decree 2477;
- vii) Not to receive the respective zone within the time limit for such purpose by the Ministry of Mines and Energy;
- viii) By carrying out exploration or exploitation in areas of those listed in Decree 2477 of 1986;
- ix) For unjustified breach of the rules on hygiene and mine safety; or
- x) For environmental degradation.



6.2.8 Obligations:

Permits are granted subject to compliance with the conditions and obligations established by the Decree 2477 1986. Overall, the holder has the obligation to explore and exploit, and the need to:

- i) Comply with environmental regulations;
- ii) Comply with the provisions of the technical proposal and scope of work;
- iii) Fulfill the obligations of mining health and safety;
- iv) Comply with reporting standards, eg every 6 months basic forms of mining - "FBM";
- v) Declare due royalties;
- vi) Comply with all legal provisions established in mining.

According to the information inspected, the Permit it is up to date with its obligations.

6.2.9 Minimum Expenditures

According to the particular conditions of each of the titles and the stage, the owner must invest the necessary resources to ensure the viability and operation of the project it owns.

In this case, the minimum investment is described by the PTO presented for the change to concession contract. This program establishes a minimum investment for the exploitation phase, of COP \$ 2,783,523,350, which is about AUD \$ 1,247,159.84 for the first 10 years of the Contract.

The minimum expenditures committed before the MOM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "**TRM**" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
- <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

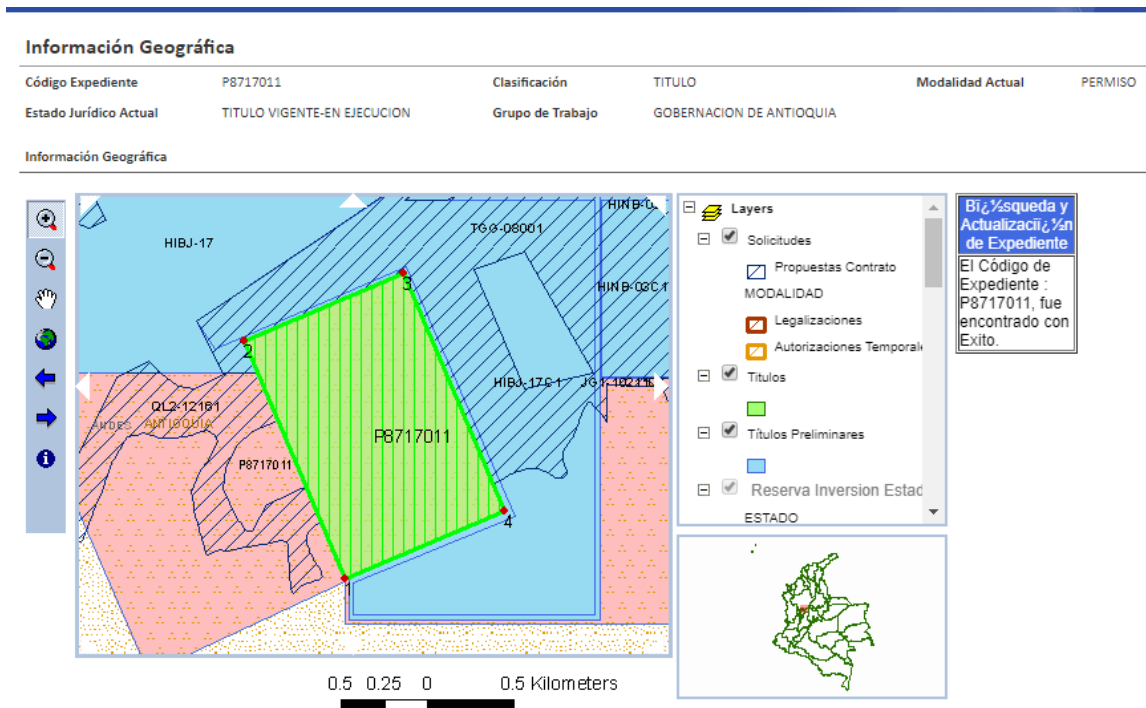
6.2.10 Environmental authorization

Instruments for environmental management are tools of public policy, through regulations, that contribute to environmental protection and to prevent, mitigate or improve environmental problems.

CORANTIOQUIA initiated a procedure for granting of a discharge permit for domestic type wastewater from mining activities.

6.2.11 Granted area

The Permit has an area of 150.926 Ha and is located in the Municipality of Andes – Department of Antioquia, as shown below:



6.2.12 Relinquishments:

Same regulations applicable to the Exploitation License.

6.2.13 Suspensions:

Due to problems of public order in the Municipality of Andes, MININCOL requested the suspension of activities in the Permit from 1990 to 2007.

6.2.14 Illegal mining:

Illegal mining occurs in the license and NMJ has filed administrative injunctions before the MOM.



6.3 ANDES APPLICATIONS:

AREP has 12 applications for mining concession contracts. Once they are approved by the MOM, AREP will acquire the right to explore, exploit and benefit from the minerals under a mining concession contract. A summary of the key issues for applications in Colombia follows:

6.3.1 **Applicable regulations:**

Law 685 of 2001 (Code of Mines) is the general law governing the mining sector in Colombia, which regulates the procedure and protocol for the grant of applications.

6.3.2 **Application procedure and the competent authority:**

In order to explore and exploit minerals in Colombia it is necessary to hold a mining concession contract duly executed and registered in the National Mining Register (Article 14 of Law 685 of 2001 - Mining Code). To grant a mining concession, an applicant must submit a proposal for a concession contract before the Mining Authority in order that its feasibility is assessed according to Colombian law.

The proposed concession is presented to the authority which, in accordance with the provisions of National Decree 4134 of November 3, 2011, is the state agency responsible for administering mineral resources owned by the state. On receipt of documentation supporting economic capacity, the location coordinates of the polygon of interest and the Minimum Exploratory Program for the requested area, the authority performs a feasibility analysis comprising:

- i) **Legal feasibility:** including quality of the proposer, as well as its object and legal representation if corporations are concerned.
- ii) **Economic viability:** financial sufficiency to advance the proposal in the concession area.
- iii) **Technical viability:** concerned with the study of the requested area, including the plan and estimated investments to be made.

We cannot give a view on compliance with all these requirements of AREP because the second point depends on financial information (or that of its parent company) and the third point depends on assessments made by the competent authorities who determine technical viability of the applications.

Once the holder has met the initial requirements of the standard, the mining authority will order a hearing in order to promote citizen participation and guarantee the right of objection. Once this requirement has been satisfied, the mining authority indicates



whether the proposal is feasible and the signing of a memorandum of concession contract that results in the immediate grant of title is ordered.

Currently, all applications are under study by the competent authority to establish whether they comply with the requirements of legal, economic and technical feasibility.

For applications located in the Department of Antioquia, the competent authority is the MOM mining. For applications located outside the Department of Antioquia the competent authority is the ANM. For the Andes Applications, the competent authority is the MOM, for all applications except TGC-08001, where the ANM is the competent mining authority.

6.3.3 Minerals authorized:

The Mining Code has established that the grantee of a concession contract has the right to exploit minerals expressly included in the contract, such as:

- i) Coal
- ii) Precious metals and precious stones: gold, silver, platinum and emeralds.
- iii) Metallic minerals: nickel, copper, iron, manganese, lead, zinc and titanium.
- iv) Non-metallic minerals: earth salt, sea salt, gravel, sand, clay, limestone, sulfur, barite, bentonite, feldspar, fluorite, asbestos, magnesite, talc, chalk, rock phosphate and ornamental rocks.

The categories of minerals to be granted for the applications are precious metal ores and concentrates.

6.3.4 Duration and request completion mining title:

The concession contract applications do not have a set time for duration, as the process time for grant depends on the compliance with the requirements of law. However, once the application is approved and the concession contract is signed and registered in the Colombian Mining Cadaster (CMC), the mining concession contract has a duration of 30 years, renewable for another 30 years.

6.3.5 Minimum Expenditures

On filing an Application, the holder must submit to the ANM a Minimum Exploratory Program “MEP”. The MEP sets out the terms of reference for minimum investment applied to exploration work within the first three installments of the contract, taking into account the type of mineral and number of hectares requested.



The minimum investment set out in the MEP for the first 3 annuities once the concession contracts are awarded for the **Andes Applications** are:

Application	Total minimum expenditure in COP over first 3 years	Total minimum expenditure in AUD (Approx.) over first 3 years
TG9-08001	\$ 1,197,808,450	\$ 536,679.02
TGC-08001	\$ 626,917,412	\$ 280,890.84
TGD-08001	\$ 1,766,276,955	\$ 791,381.78
TGG-08001	\$ 1,526,502,812	\$ 683,950.79
TGH-08001	\$ 1,979,321,698	\$ 886,836.65
TGI-08001	\$ 1,019,936,109	\$ 456,983.18
THF-08011	\$ 2,007,441,798	\$ 899,435.88
TII-08021	\$ 5,167,352,413	\$ 2,315,236.33
TJO-08031	\$ 4,346,610,084	\$ 1,947,502.08
TLB-08151	\$ 2,057,849,027	\$ 922,020.88
UAF-08011	\$ 4,125,832,661	\$ 1,848,582.58
UA2-10471	\$ 2,057,849,027	\$ 922,020.88
TOTAL	\$ 27,879,698,446	\$ 12,491,520.91

The minimum expenditures committed before the authority in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
- <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

6.3.6 Area granted:

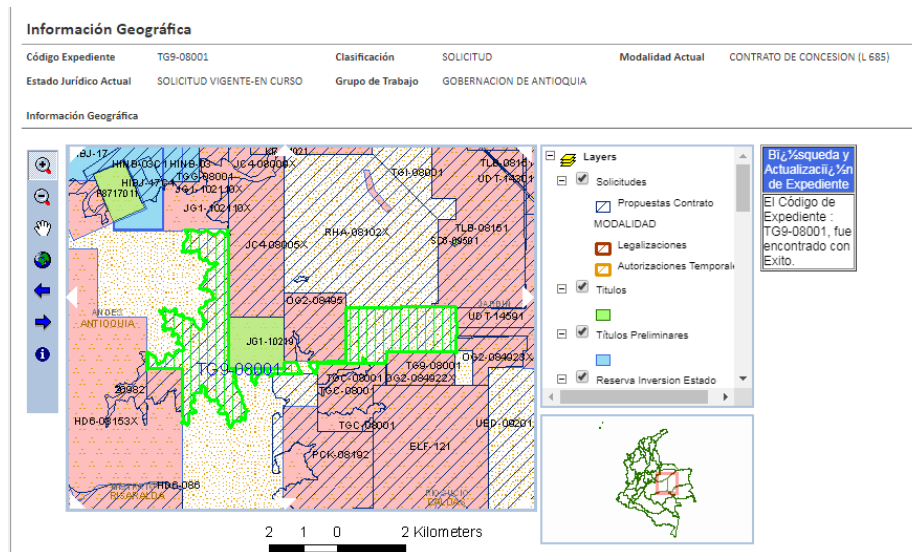
The Mining Code establishes that the concession contracts do not transfer to the beneficiary a right of ownership of minerals, but establishes, exclusively and temporarily, within the area granted, an area in which the concession holder may carry out mining exploration, exploitation and benefit from the minerals found there.

The granted areas are:

i) **TG9-08001**

Area: 1,172.8792 Has.

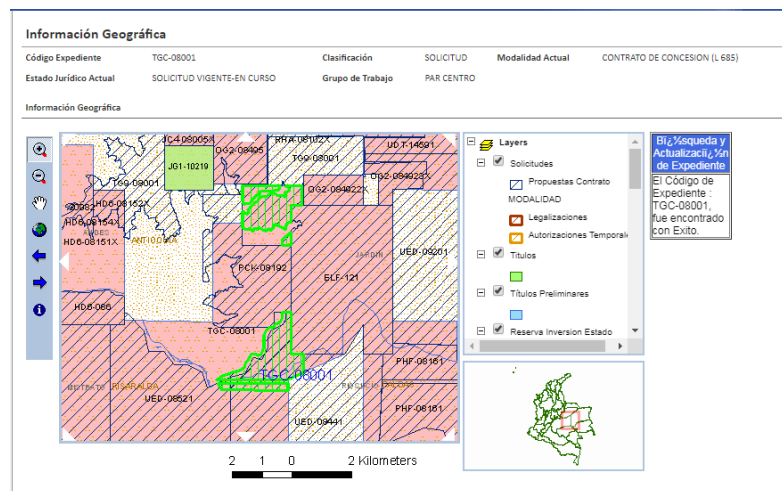
Location: Municipality Andes, Department of Antioquia (90.17 %) – Municipality of Jardín, Department of Antioquia (9.82%).



ii) **TGC-08001:**

Area: 560.6807 Has.

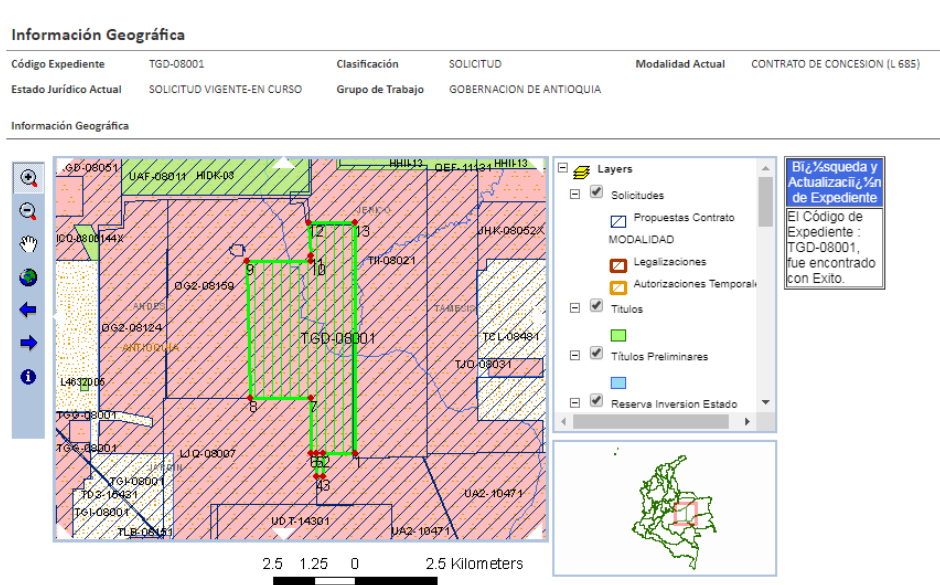
Location: Municipality Andes, Department of Antioquia, (73.88%) – Municipality of Jardín, Department of Antioquia (21.11%) – Municipality of Mistrato, Department of Antioquia (4.8%).



iii) **TGD-08001**

Area: 1,783.6011 Has.

Location: Municipality Andes, Department of Antioquia, (48.37%) - Municipality of Jardín, Department of Antioquia (25.75%) – Municipality of Jerico Department of Antioquia (25.14%) - Municipality of Tamesis, Department of Antioquia (0.725%).



iv) **TGG-08001**

Area: 1,526.4902 Has.

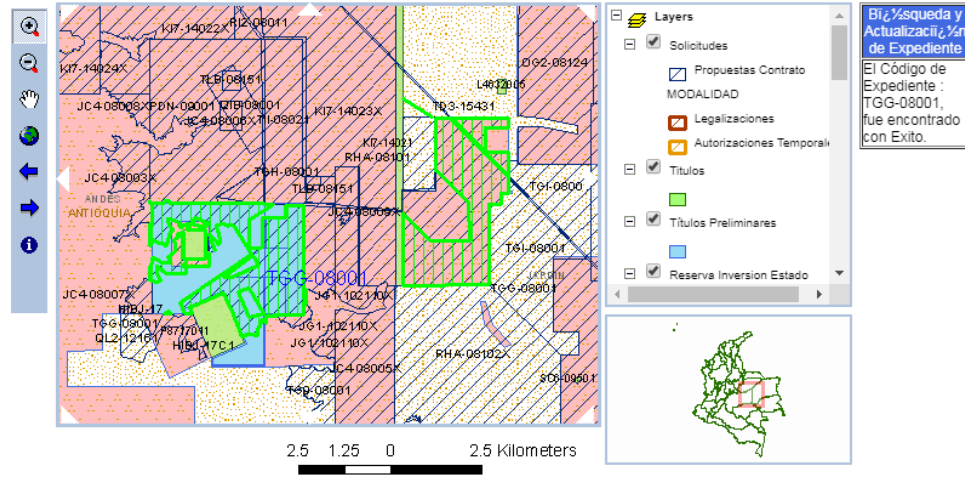
Location: Municipality of Andes, Department of Antioquia, (98.36%) – Municipality of Jardin, Department of Antioquia (1.63%)

Información Geográfica

Código Expediente TGG-08001 Clasificación SOLICITUD Modalidad Actual CONTRATO DE CONCESION (L 685)

Estado Jurídico Actual SOLICITUD VIGENTE-EN CURSO Grupo de Trabajo GOBERNACION DE ANTIOQUIA

Información Geográfica



v) **TGH-08001**

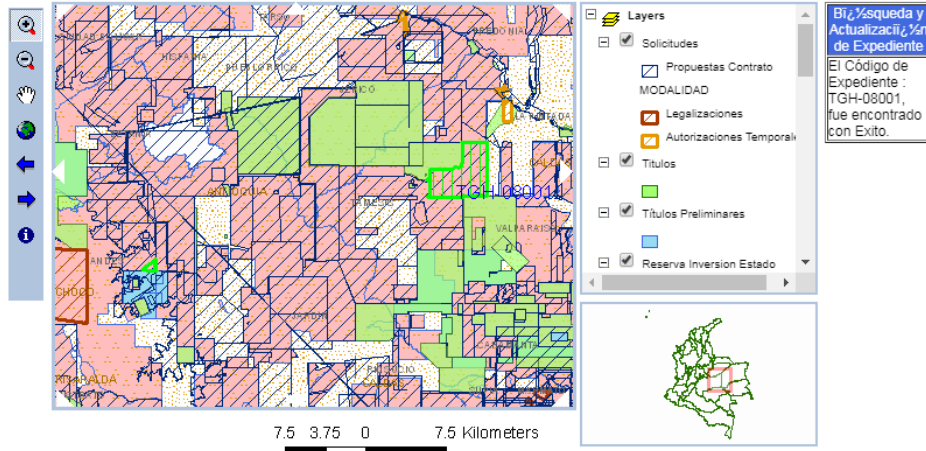
Area: 2,012.0114 Has.

Location: Municipality of Andes, Department of Antioquia, (3.94%) - Municipality of Tamesis, Department of Antioquia (90.98%) – Municipality of Valparaiso, Department of Antioquia (5.06%)

Información Geográfica

Código Expediente	TGH-08001	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



vi) **TGI-08001:**

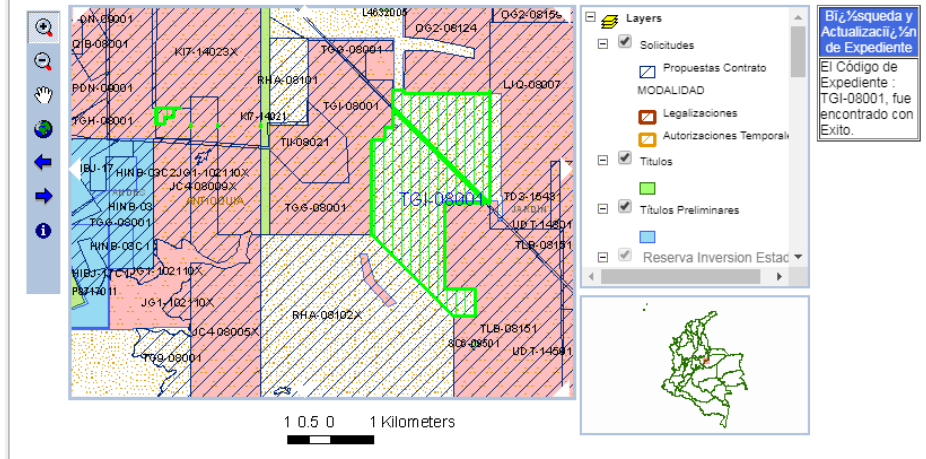
Area: 982.3166 Has.

Location: Municipality of Andes, Department of Antioquia, (10.09%) – Municipality of Jardin, Department of Antioquia (89.90%)

Información Geográfica

Código Expediente	TGI-08001	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

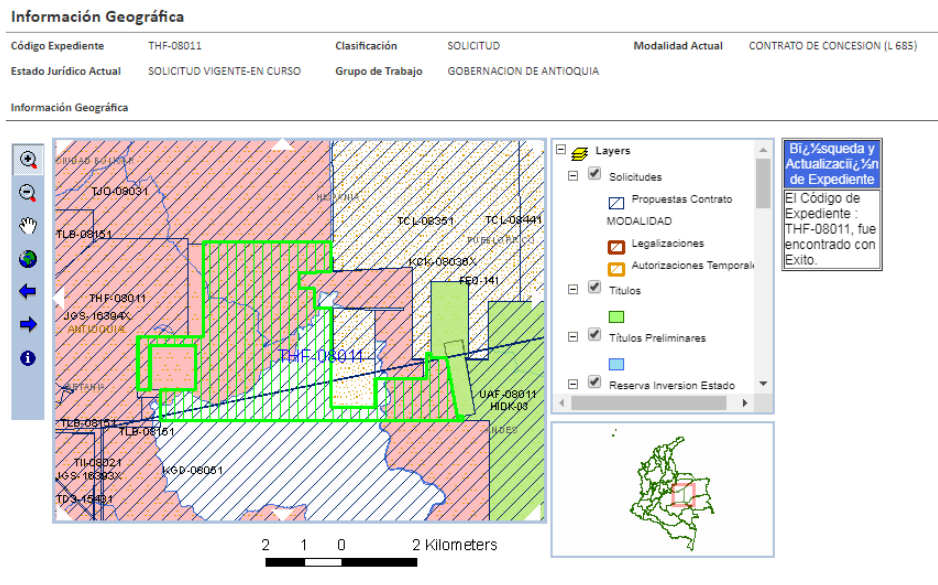
Información Geográfica



vii) **THF-08011:**

Area: 2,042.2696 Has.

Location: Municipality of Andes, Department of Antioquia, (11.33%) - Municipality of Betania, Department of Antioquia (58.83%) – Municipality of Hispania, Department of Antioquia (29.82%)



viii) TII-08021:

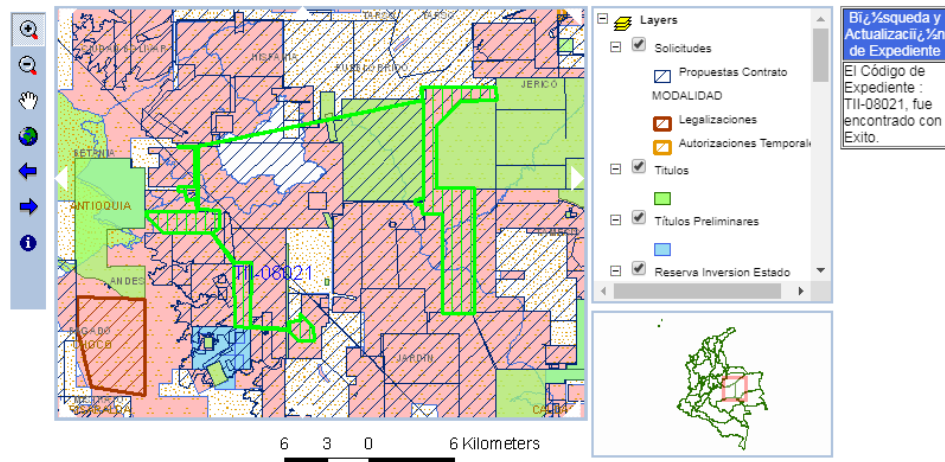
Area: 5,396.373 Has.

Location: Municipality of Andes, Department of Antioquia, (30.05%) – Municipality of Jardin, Department of Antioquia (13.18%) – Municipality of Thamesis, Department of Antioquia, (12.24%) – Municipality of Jerico, Department of Antioquia (41.13%) – Municipality of Betania, Department of Antioquia, (3.12%) - Municipality Pueblorrico, Department of Antioquia (0.253%).

Información Geográfica

Código Expediente	TII-08021	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



ix) **TJO-08031:**

Area: 4,553.6501 Has.

Location: Municipality of Andes, Department of Antioquia, (0.55%) – Municipality of Jardin, Department of Antioquia (10.75%) – Municipality of Thamesis, Department of Antioquia, (22.18%) - Municipality of Jerico, Department of Antioquia (6.39%) – Municipality of Betania, Department of Antioquia (9.61%) – Municipality of Pueblorrico, Department of Antioquia (0.10%) – Municipality of Hispania, Department of Antioquia (36.96 %) - Municipality of Ciudad Bolivar, Department of Antioquia (13.91%).



x) **TLB-08151:**

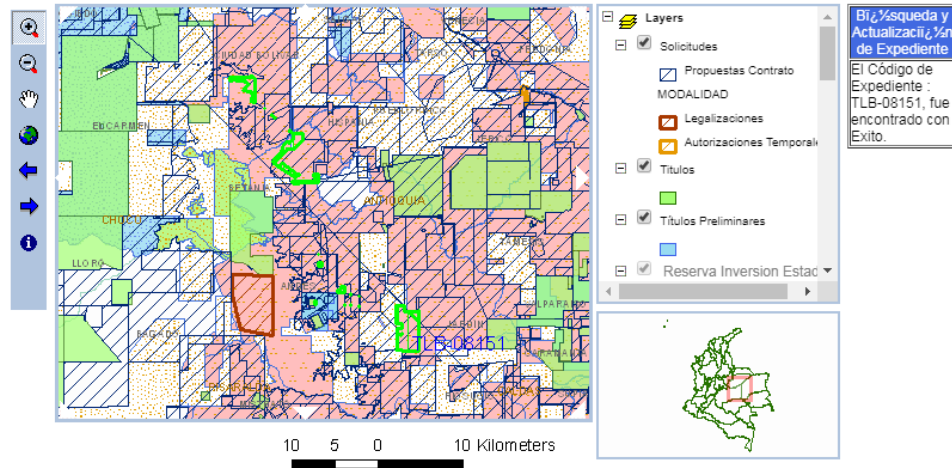
Area: 2,097.1805 Hs.

Location: Municipality of Andes, Department of Antioquia, (8.67%) – Municipality of Jardin, Department of Antioquia (49.59%) – Municipality of Betania, Department of Antioquia, (30.41%) - Municipality of Ciudad Bolivar, Department of Antioquia (11.31%).

Información Geográfica

Código Expediente	TLB-08151	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



xi) **UA2-10471:**

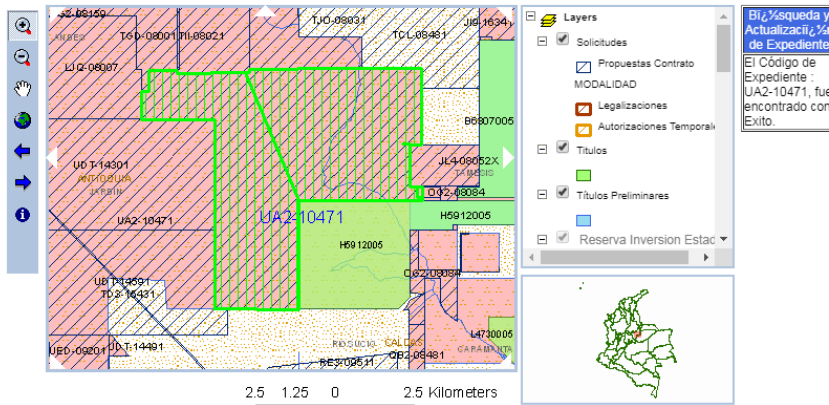
Area: 3,872.616 Has.

Location: Municipality of Tamesis, Department of Antioquia, (23.84%) – Municipality of Jardín, Department of Antioquia (76.15%)

Información Geográfica

Código Expediente	UA2-10471	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

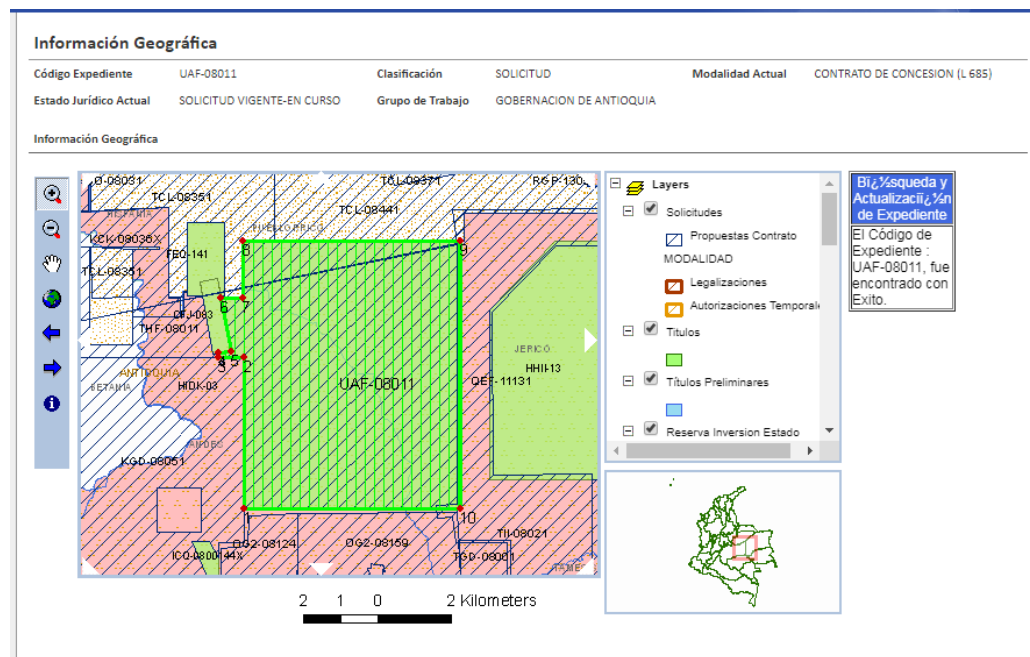
Información Geográfica



xii) **UAF-08011:**

Area:4,316.5791 Has.

Location: Municipality of Andes, Department of Antioquia, (46.62%) – Municipality of Jerico, Department of Antioquia (28.89%) - Municipality of Pueblorrico, Department of Antioquia (24.48%)



6.3.7 **Relinquishment of an application:**

The applications, in accordance with the law 685 of 2001, are subject to relinquishment by the applicant. It is a free and unilateral act. The applicant expresses its desire to resign and that it is accepted by the competent mining authority.

6.3.8 **Loss of right and suspensions:**

The applications are future entitlements which, if all the requirements of the law are met, become a mining concession contract. The applications may be rejected or suspended by the competent mining authority according to the following grounds:

- i) **Rejection:** The mining authority may reject the application if:
 - a) The applicant does not comply with the legal capacity required by law;
 - b) the applicant does not meet the financial capacity and cost required by law;



- c) When the mining authority conducts assessments and establishes that the area susceptible is not large enough to develop a mining concession contract;
- d) When the mining authority requirements are not met in a timely manner by the applicant; and
- e) When by national command authority an area excludable under contract mining is declared.

** When the mining authority rejects an application for the reasons given above the applicant may appeal the decision.

- iii) **Suspension:** The mining authority may suspend the application when:
 - a) When there is a court sentence concerning land restitution.
 - b) When national authorities take provisional measures order of which depends on a resolution of fund to continue the recruitment process.

Currently, applications are being processed in accordance with paragraph 5.3.2, i). This implies that none of the applications are currently suspended.

7. OTHER ANDES TENEMENTS

7.1 OTHER ANDES CONTRACTS (KI7-14021 and 5843)

BHC Subsidiaries is the holder of 2 concession contracts (KI7-14021 and 5843), which will be transferred to AH. A summary of the key issues of the concession contract in Colombia follows. Specific conditions will be described for Other Andes Contracts:

7.1.1 **Regulations applicable to the matter and competent authority:**

Law 685 of 2001 (Mining Code) is the general law governing the mining sector in Colombia. This code regulates the application of concession contracts, which allow individuals to exploit non-renewable resources of the country.

For the Other Andes Contracts, MOM is the competent body to regulate relations between the various agencies and state entities, of individuals among themselves, concerning prospecting, exploration, exploitation, processing, utilization and marketing of non-renewable natural resources on the ground or in the subsoil.



7.1.2 Stages and duration of the concession contract

The concession contract is the contract concluded by the State and an individual to perform, at the risk of the latter, studies, works and works of exploration and exploitation of state-owned minerals that can be found within a given area. This contract includes within its object the steps of:

- i) **Exploration:** Mineral exploration, the initial stage of mining, aims to identify areas where mineral deposits are located which are then - depending on their size and composition - exploited in a mining project. The initial term is for 3 years, and 8 years of extension for a maximum term of 11 years.
- ii) **Construction and Assembly:** Construction works are those works of infrastructure essential for normal functioning of the work of support and management of the mining company. For its part, the mining assembly consists of the preparation of mining fronts and installation works, services, equipment and fixed equipment needed to start and advance the extraction or collection of minerals, their collection, internal transport and benefit. The initial term is for 1 year, and 3 years of extension, for a total term of the stage that might be granted of 4 years.
- iii) **Exploitation:** The operation phase comprises all mining operations found in the concession area, gathering, benefit, and abandonment and closure assemblies and infrastructure. The general term is 24 years which is the remaining term after the exploration and construction and assembly stages, and 3 years of extension, for a total term of the stage that might be granted of 4 years.

The law established that the duration of the concession contracts, shall be thirty (30) years from its registration in the Mining Register.

The Other Andes Contracts these are in different stages and annuities, as detailed below:

Contract:	Stage:	Annuity:	Date of expiration (initial term)
5843	Exploration	3rd annuity	August 7, 2038
K17-14021 *	Exploration	3rd annuity	October 18, 2042

* K17-14021 BHC Subsidiary submitted a request for the extension for the exploration stage, which was denied by the MOM, and BHC Subsidiary submitted an administrative appeal. As at the date of this Report the MOM has not yet resolved the appeal so that



the contract remains in the exploration stage. If the appeal is resolved unfavorably, KI7-14021, will be on the first annuity of construction and assembly stage.

7.1.3 Authorized mineral

The categories of minerals that were granted are gold, silver and platinum.

7.1.4 Causes of termination:

The concession contracts may be terminated for the following reasons:

- i) On expiry of the terms established in the law and the contract without an extension;
- ii) If the holder requests the termination;
- iii) Death of the holder (if the holder is a company the dissolution and liquidation of the company).
- iv) By declaration of forfeiture: which is a sanction imposed on the mining company by the repeated failure of requests made, or breaches of obligations, which results in loss of the right to explore and exploit the area granted and results in the holder not being able to sign further concession contracts for five (5) years

7.1.5 Minimum Expenditures

The holder must submit to the ANM a Minimum Exploratory Program “MEP” when

Concession Contract	Total minimum expenditure in COP over first 3 years	Total minimum expenditure in AUD (Approx.) over first 3 years
5843	\$ 1,908,392,873	\$ 855,056
KI7-14021	\$ 119,328,825	\$ 53,456
TOTAL:	\$ 2,027,721,698	\$ 908,513

making extensions of exploration stages. The minimum investment established in the MEP governed by the time of reporting are presented in the table.



The minimum expenditures committed before the MOM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
<https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

7.1.6 Assignment of mining titles with their respective terms and conditions transferees:

The transfer of mining rights is the legal act by which the beneficiary of a mining title (transferor) voluntarily transfers to a third party its rights over the title or part of it, in which the transferee, takes the position of the transferor in the obligations under the contract. This assignor must inform the mining authority, who will verify that the transferee meets the requirements of a concession holder. Once the authority verifies this information, it authorizes the transfer of the concession contract with all its obligations.

7.1.7 Conditions and obligations of the contract

Concession contracts have a number of obligations under the Mining Code (Law 685 of 2001) which must be met in order to retain the concession. These obligations are divided in stages as follows:

	STAGE		
	Exploration	Construction and assembly	Exploitation
	Surface fee	Surface fee	Royalties



OBLIGATION:	Mining and Environmental policy	Mining and Environmental policy	Mining and Environmental policy
	File Basic Mining Form	File Basic Mining Form	File Basic Mining Form
	File PTO at the end of the exploration phase	Once approved the PTO start the environmental authorization	PTO and Environmental License

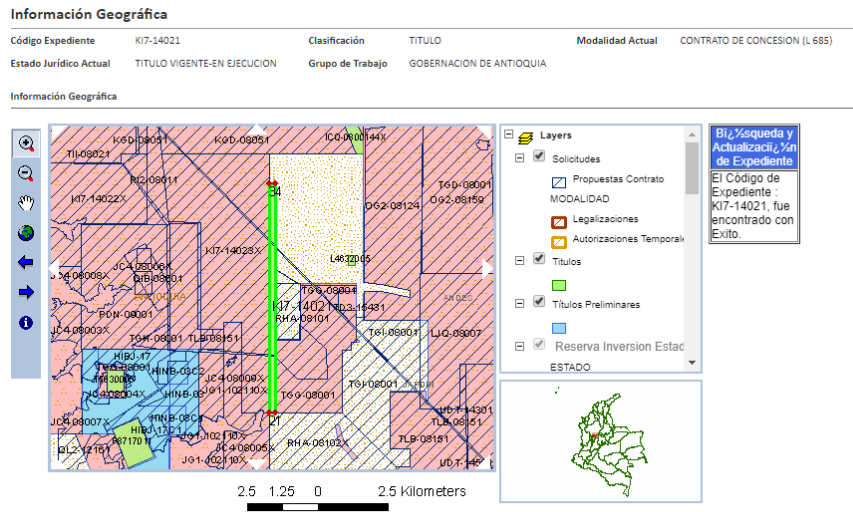
- i) **Royalties:** 4% , paid quarterly;
- ii) **Surface fee:** consideration charged by the procuring entity over the entire concession area during scanning, assembly and construction or extensions thereof that retains the contractor to explore during the operating period;
- iii) **Mining and environmental policy:** that covers compliance with mining and environmental obligations, payment of fines and forfeiture;
- iv) **FBM:** the tool that the ANM has to collect information on expenditures and advances;
- v) **Plan of Works and Works (PTO):** is the result of studies and exploration work, presented by the dealer before the final expiration of this period is a document that compiles both technical information and legal and budget earmarked for all the operational phase;
- vi) **Environmental license:** It is the authorization granted by the competent environmental authority for the execution of a project, work or activity, according to the law and regulations, can cause severe deterioration of renewable natural resources or the environment, or introduce substantial modifications or notable landscape.

All the Other Andes Contracts are in good standing regarding the main obligations required of it. If not yet approved by the MOM, all obligations have been submitted.

7.1.8 **Area of Concession Contracts, conditions under which the holder for exploration approved by the MOM allowed.**

The areas belonging to each specified Other Andes Contracts are:

- i) **KI7-14021**
 area 169,6604 Has.
 Location: Municipality of Andes, Department of Antioquia (100%)

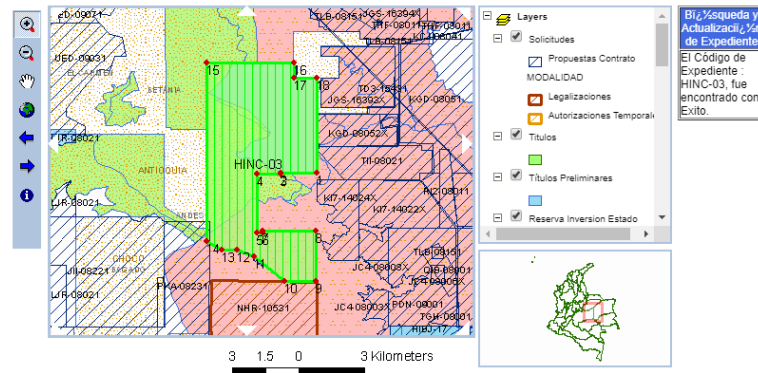


- ii) **5843 (HINC-03)**
 Area: 3785,4833 Has.
 Location: Municipality of Betania, Department of Antioquia (70.43%),
 Municipality of Andes, Department of Antioquia (29.43%), Municipality of
 Bagado, Department of Choco (14%)

Información Geográfica

Código Expediente	HINC-03	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L.685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



7.1.9 Illegal mining:

Currently, the Other Andes Contracts do not have illegal mining in their areas.

7.1.10 Suspensions:

Concession contracts may be suspended by the competent mining authority, on the following grounds:

- i) **Suspension:** The mining authority may suspend the application:
 - c) When there is a court sentence concerning land restitution; or
 - d) When national authorities take provisional measures order of which depends on a resolution of fund to continue the recruitment process.

By order issued by the first Civil Court Specialized in Land Restitution of Quibdó Circuit, the suspension of the processing of the Concession Contract 5843 was ordered from the February 9, 2011 to date, in order to prevent physical detriment which may affect the properties that will be returned to their owners.

7.2 ANDES OTHER APPLICATIONS

BHC and BHC Subsidiaries have 36 applications for mining contracts. These seeks the grant of a right to explore, exploit and benefit from minerals under a Mining Concession Contract. A summary of the key issues for applications in Colombia follows:



7.2.1 The applicable regulations:

The same regulations apply to Andes Applications. For further information refer to paragraph 6.3.

7.2.2 Application procedure and the competent authority:

Applications:

- i) 18821, 18821X, 19697, 20982, HD6-08151X, HD6-08152X, HD6-08153X, HD6-086, HKU-08011, JC4-08003X, JC4-08004X, JC4-08005X, JC4-08009X, JGS-16394X, JGS-16393X, JII-08221, JII-08221Sec2, JJR-08052X, KGD-08051, KGD-08052X, KI7-14022X, KI7-14023X, KI7-14024X, OG2-08124, OG2-08159, OG2-081813, PDN-09001, are under study by the competent authority to establish whether they meet the requirements of legal, economic and technical feasibility, considering that BHC and BHC Subsidiaries have complied with all the requirements made by the authorities;
- ii) JC4-08007X, JC4-08008X, JC4-08006X, JCC-16191X, JGS-16391, KCJ-08041 were declared by the ANM as feasible applications, i.e., all these applications met all the requirements set by the authority. The next legal step is to sign Mining Concession Contracts with the mining authority. This is subject to the timing of the relevant authority; and
- iii) PKA-08231 and HKU-08011 are suspended for land restitution processes.

7.2.3 Category authorized minerals:

The categories of minerals to be granted for the Applications are:

- i) Silver and concentrates;
- ii) Gold and platinum, and concentrates; and
- iii) Copper and concentrates.

7.2.4 Minimum expenditures

The minimum investment set out in the MEP for the first 3 annuities once the concession contracts are awarded for the **Other Andes Applications** are:

Application	Total minimum expenditure in COP over first 3 years	Total minimum expenditure in AUD (Approx.) over first 3 years
18821	\$ 312,472,331	\$ 140,003.47



18821X	\$ 238,282,591	\$ 106,762.70
19697	\$ 936,548,109	\$ 419,621.12
20982	\$ 503,452,266	\$ 225,572.19
HD6-08151X	\$ 100,423,352	\$ 44,994.76
HD6-08152X	\$ 179,591,624	\$ 80,466.17
HD6-08153X	\$ 190,108,748	\$ 85,178.37
HD6-086	\$ 103,450,163	\$ 46,350.93
PKA-08231	\$ 1,837,889	\$ 823.47
HKU-08011	\$ 663,576,120	\$ 297,315.80
JC4-08003X	\$ 180,194,378	\$ 80,736.23
JC4-08007X	\$ 195,463,924	\$ 87,577.77
JC4-08008X	\$ 195,463,924	\$ 87,577.77
JC4-08004X	\$ 191,323,324	\$ 85,722.57
JC4-08005X	\$ 364,096,760	\$ 163,133.84
JC4-08009X	\$ 210,204,460	\$ 94,182.27
JC4-08006X	\$ 84,739,437	\$ 37,967.57
JCC-16191X	\$ 2,859,774,400	\$ 1,281,324.18
JGS-16391	\$ 644,663,816	\$ 288,842.13
JGS-16394X	\$ 857,683,884	\$ 384,285.94
JGS-16393X	\$ 430,539,588	\$ 192,903.60
JII-08221	\$ 1,806,819,820	\$ 809,547.05
JII-08221Sec2	\$ 1,247,065,908	\$ 558,748.86
JJR-08052X	\$ 198,224,324	\$ 88,814.56
KCJ-08041	\$ 193,393,624	\$ 86,650.17
KGD-08051	\$ 2,294,941,352	\$ 1,028,250.29
KGD-08052X	\$ 308,143,452	\$ 138,063.92
KI7-14023X	\$ 921,117,876	\$ 412,707.59
KI7-14022X	\$ 486,548,104	\$ 217,998.26
KI7-14024X	\$ 395,703,340	\$ 177,295.19
LJQ-08007	\$ 1,691,191,067	\$ 757,739.49
OG2-08124	\$ 662,164,752	\$ 296,683.44
OG2-08159	\$ 663,600,160	\$ 297,326.58
OG2-081813	\$ 633,732,632	\$ 283,944.41
OG2-09375 sec 2	\$ 259,301,519	\$ 116,180.25
PDN-09001	\$ 510,591,188	\$ 228,770.79
TOTAL	\$ 21,716,430,206	\$ 9,730,063.70

The minimum expenditures committed before the authority in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM"

of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

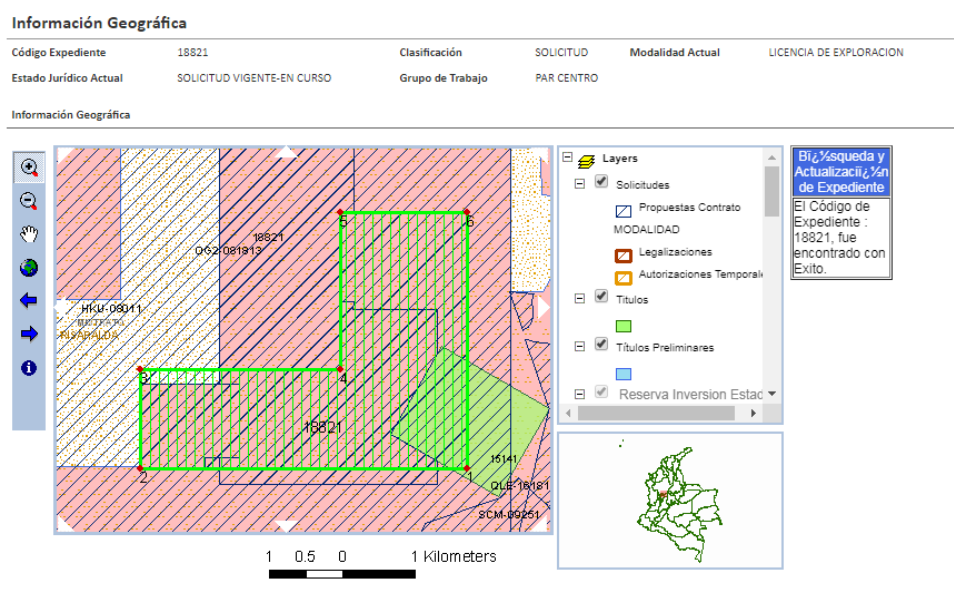
- <http://www.banrep.gov.co/es/estadisticas/trm>
- <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>

7.2.5 Area granted

i) **18821:**

Area: 2,342.746 Ha.

Location: Municipality of Mistrato, Department of Caldas (100%)



ii) **18821X:**

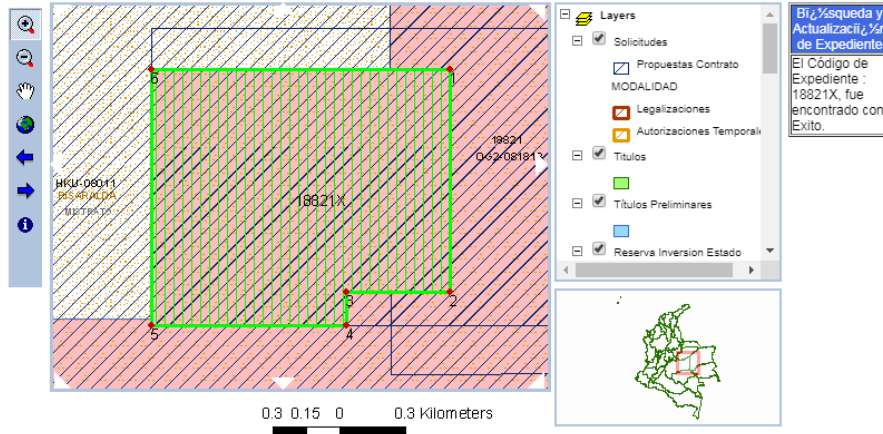
Area: 150.665 Ha.

Location: Municipality of Mistrato, Department of Caldas (100%)

Información Geográfica

Código Expediente	18821X	Clasificación	SOLICITUD	Modalidad Actual	LICENCIA DE EXPLORACION
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica

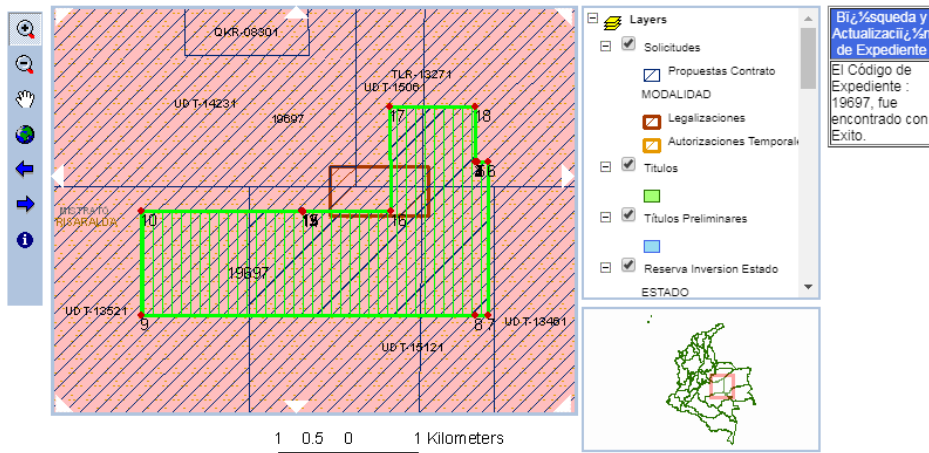


- iii) **19697**
 Area: 9,432.603 Ha.
 Location: Municipality of Mistrato, Department of Caldas (100%)

Información Geográfica

Código Expediente	19697	Clasificación	SOLICITUD	Modalidad Actual	LICENCIA DE EXPLORACION
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

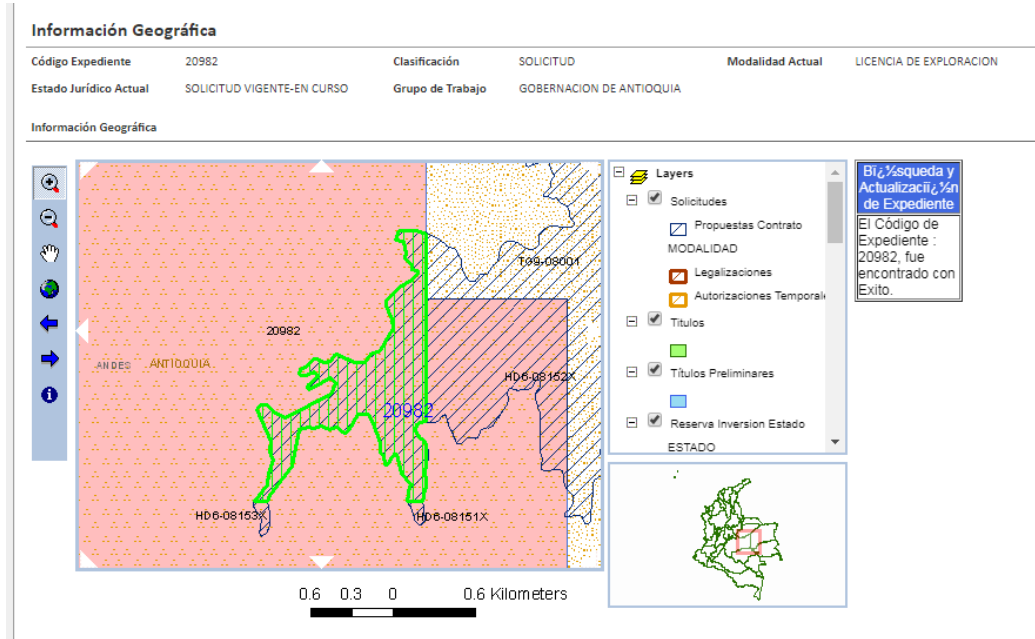
Información Geográfica



- iv) **20982**

Area: 12,153.873 Ha.

Location: Municipality of Andes, Department of Antioquia (100%)



v)

HD6-08151X

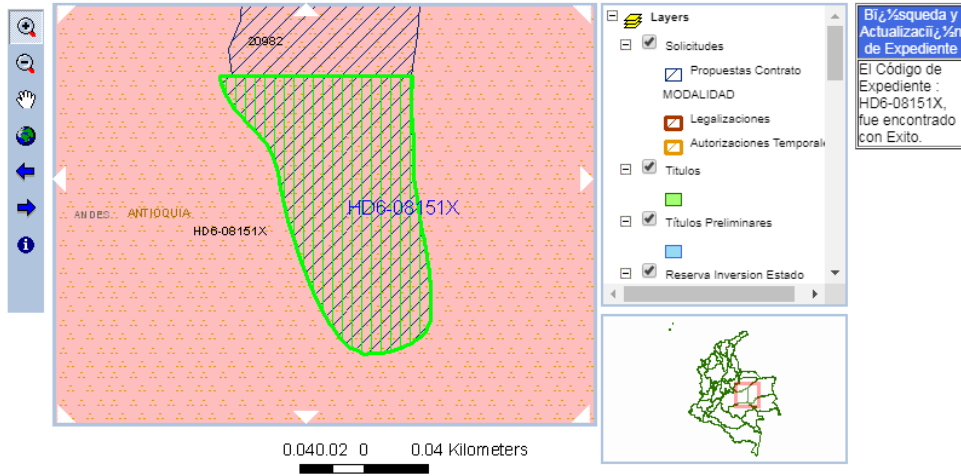
Area: 14,326 Ha.

Location: Municipality of Andes, Department of Antioquia (100%)

Información Geográfica

Código Expediente	HD6-08151X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

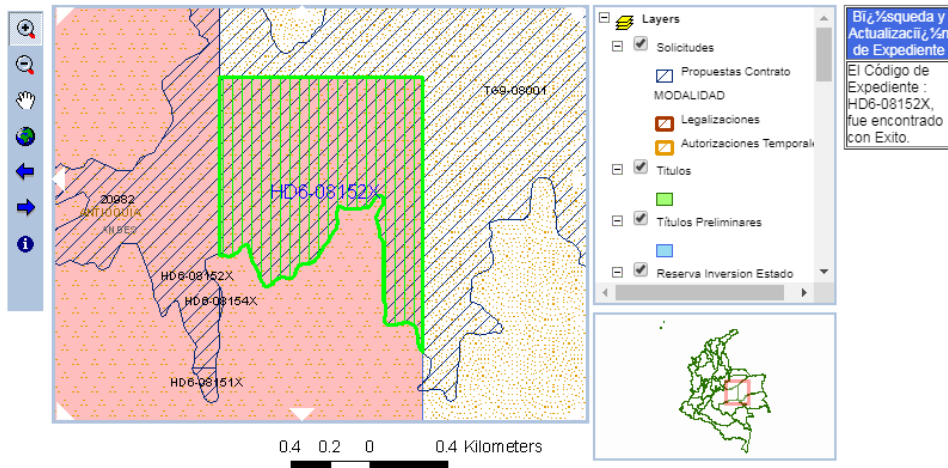


- vi) **HD6-08152X**
 Area: 975.933 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

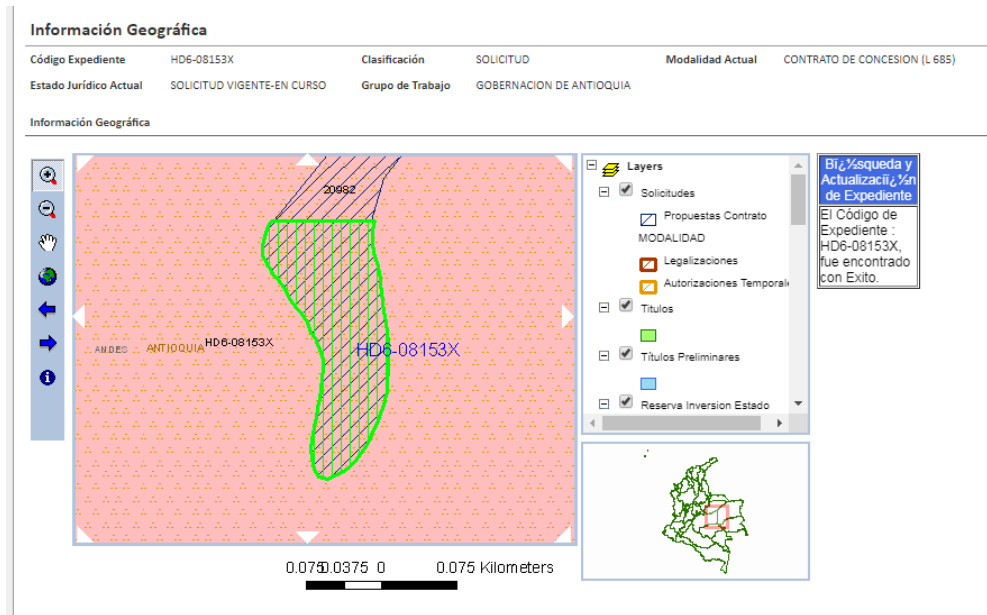
Información Geográfica

Código Expediente	HD6-08152X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



- vii) **HD6-08153X**
 Area: 19.529 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

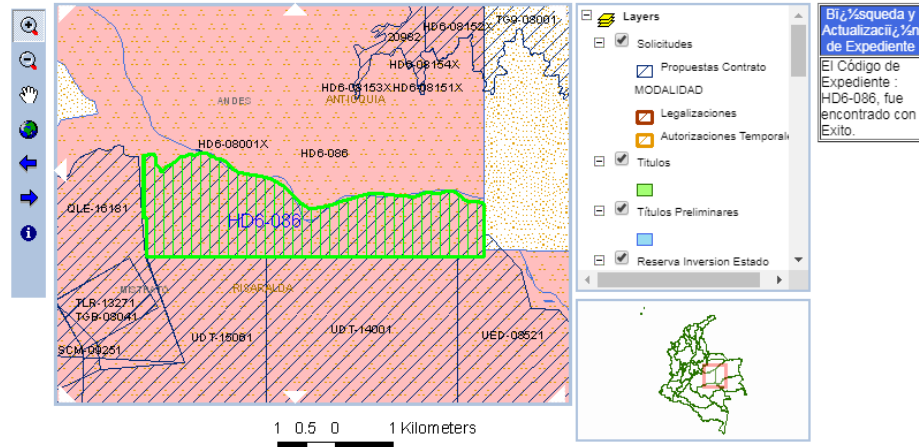


- viii) **HD6-086**
 Area: 7,545.053 Ha.
 Location: Municipality of Andes, Department of Antioquia (1.71%) - Municipality of Mistrato, Department of Risaralda (98.28%)

Información Geográfica

Código Expediente	HD6-086	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



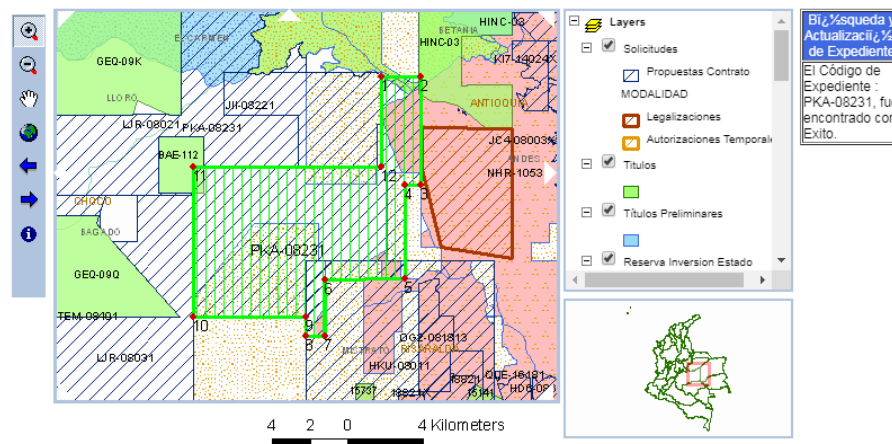
Busqueda y Actualización de Expediente
El Código de Expediente : HD6-086, fue encontrado con Exito.

- ix) **PKA-08231**
 Area: 93,300.807 Ha.
 Location: Municipality of Andes, Department of Antioquia (0.85%) - Municipality of Bagado, Department of Choco (99.15%)

Información Geográfica

Código Expediente	PKA-08231	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

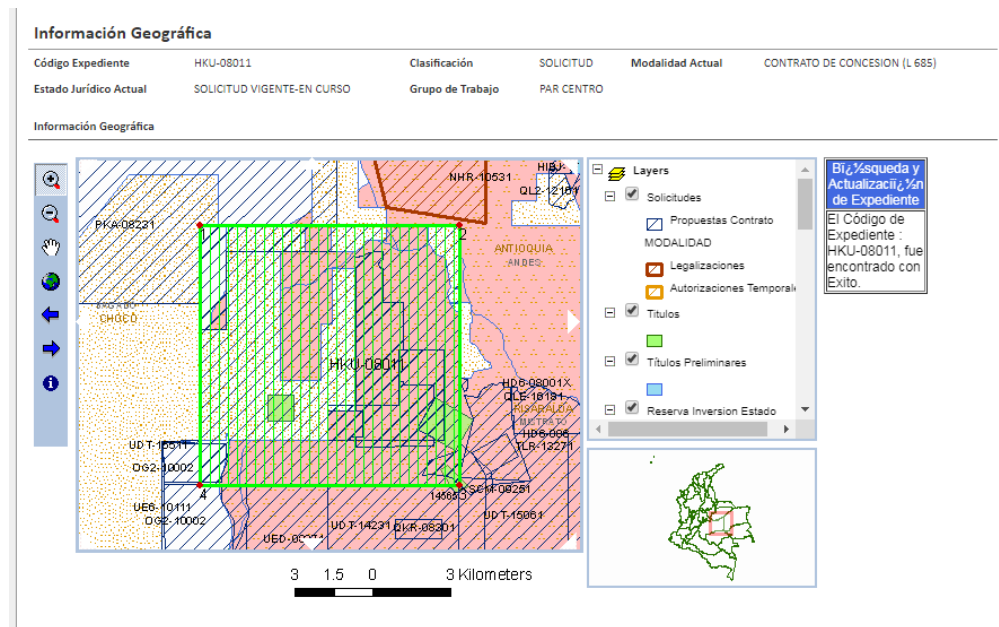
Información Geográfica



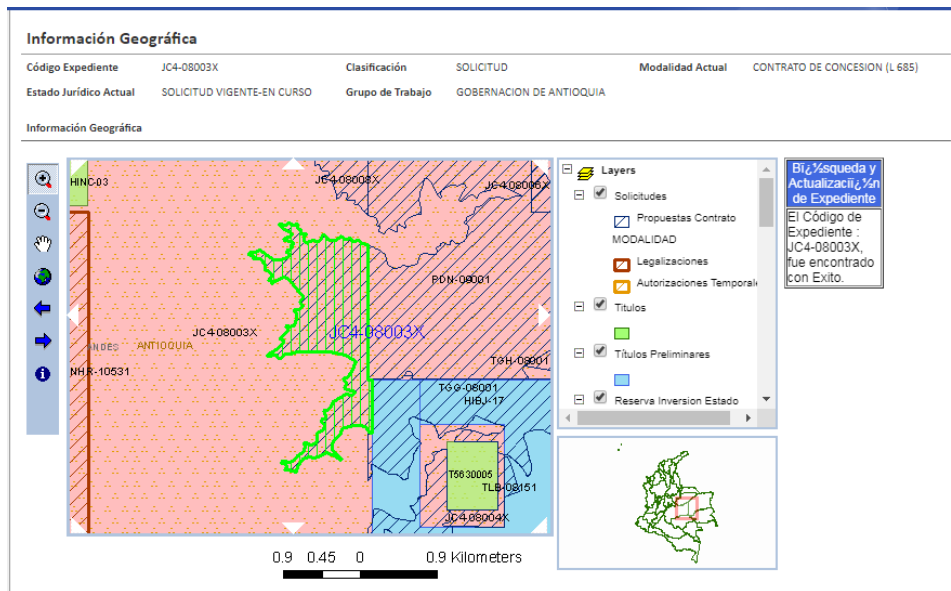
Busqueda y Actualización de Expediente
El Código de Expediente : PKA-08231, fue encontrado con Exito.

- x) **HKU-08011**
 Area: 14,838.609 Ha.

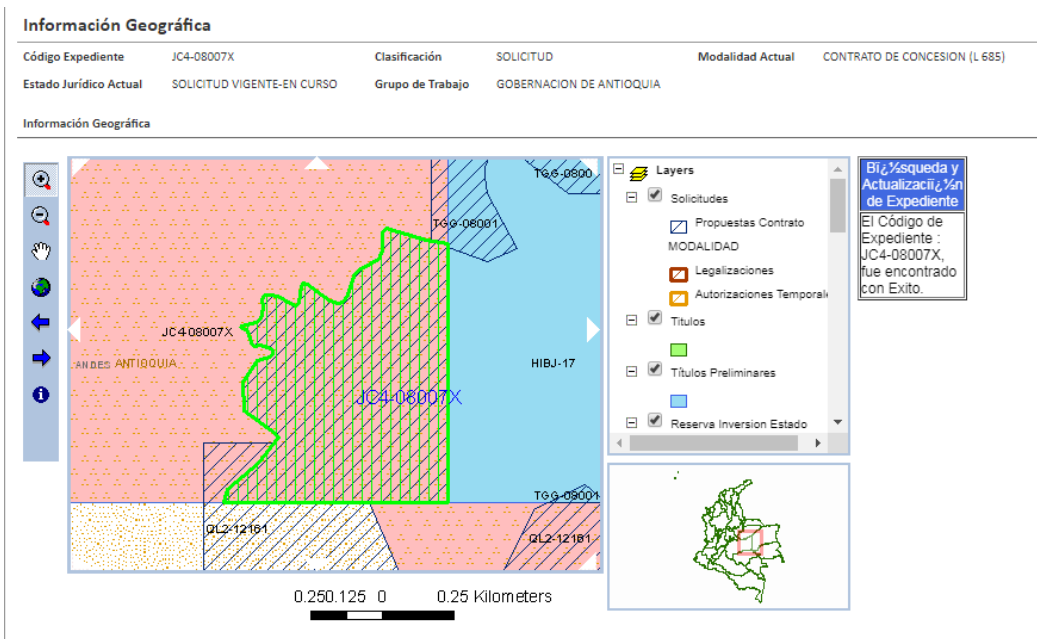
Location: Municipality of Andes, Department of Antioquia (0,61%) - Municipality of Bagado, Department of Choco (28.24%) - Municipality of Mistrato, Department of Risaralda (71.14%)



- xi) **JC4-08003X**
 Area: 1,739.989 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)



- xii) **JC4-08007X**
 Area: 547.547 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

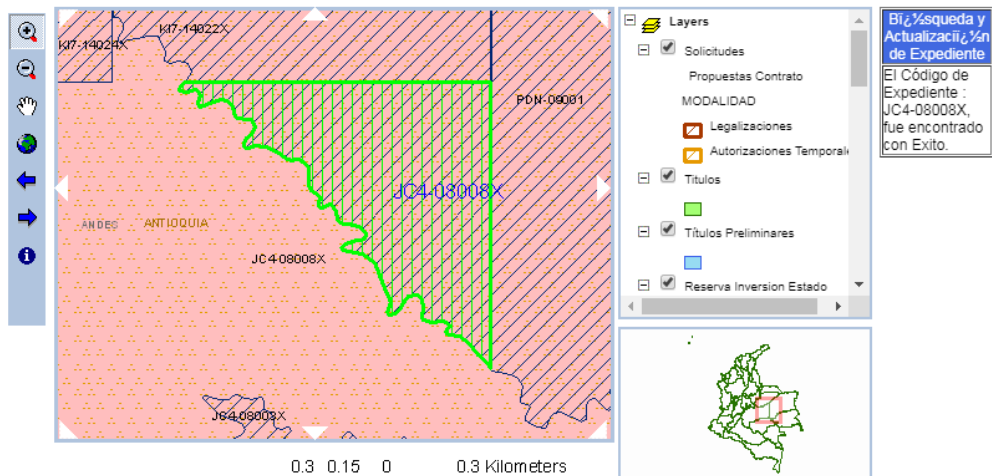


- xiii) **JC4-08008X**
 Area: 559.704 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

Información Geográfica

Código Expediente	JC4-08008X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

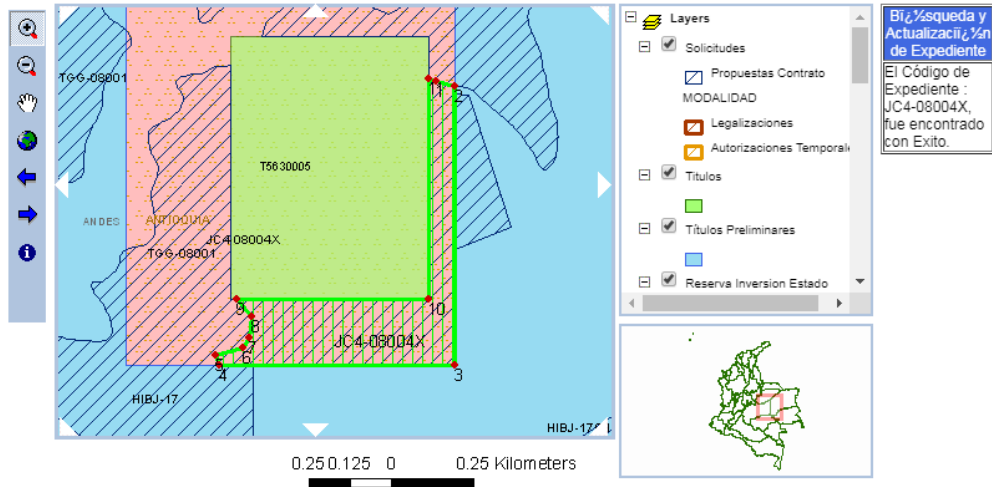


- xiv) **JC4-08004X**
 Area: 182.922 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

Información Geográfica

Código Expediente	JC4-08004X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

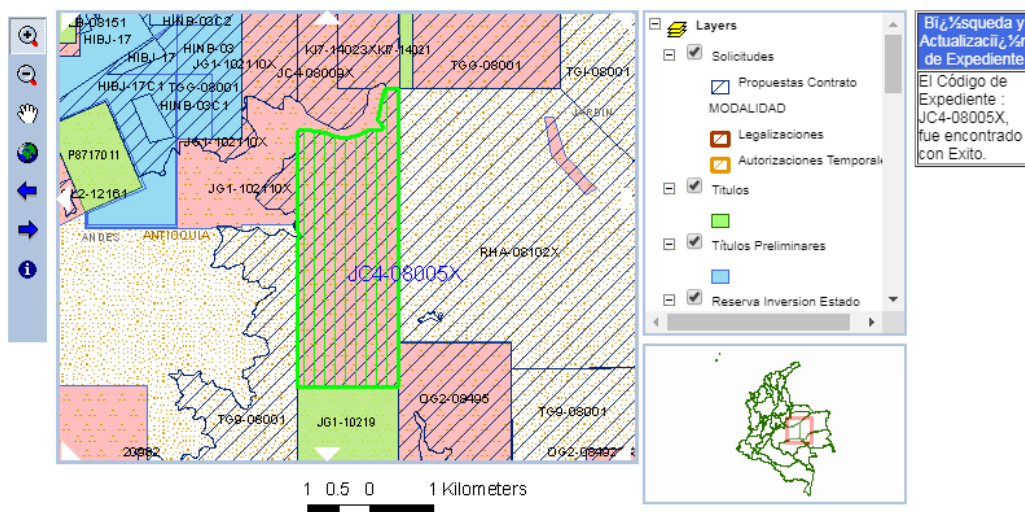


- xv) **JC4-08005X**
 Area: 6,828.597 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

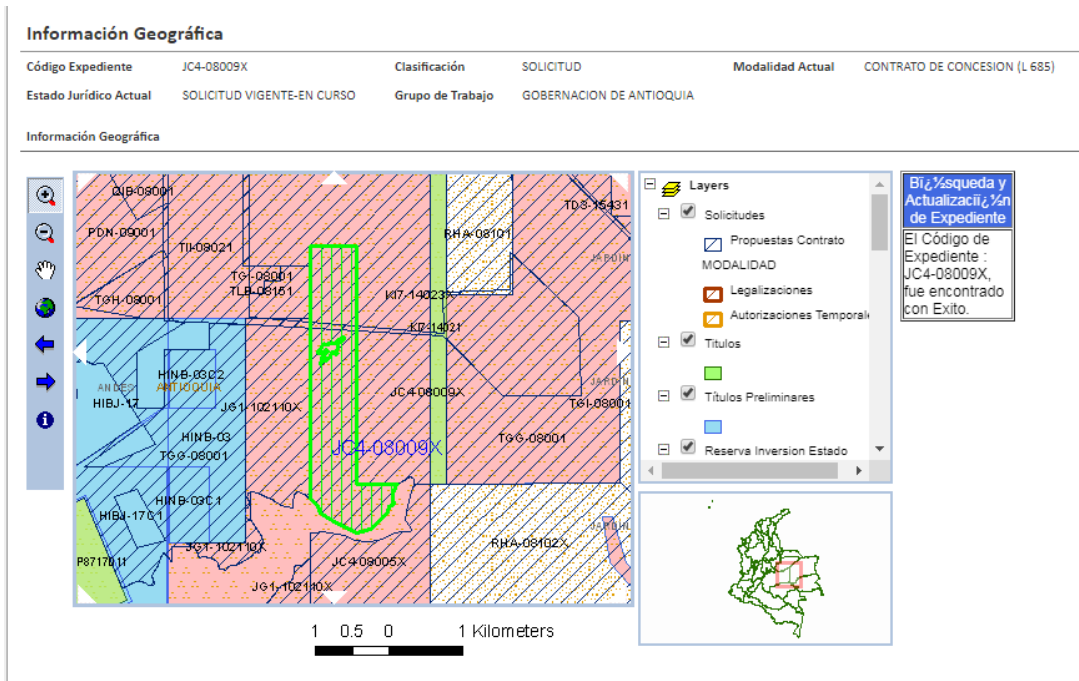
Información Geográfica

Código Expediente	JC4-08005X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



- xvi) **JC4-08009X**
 Area: 2,593.296 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

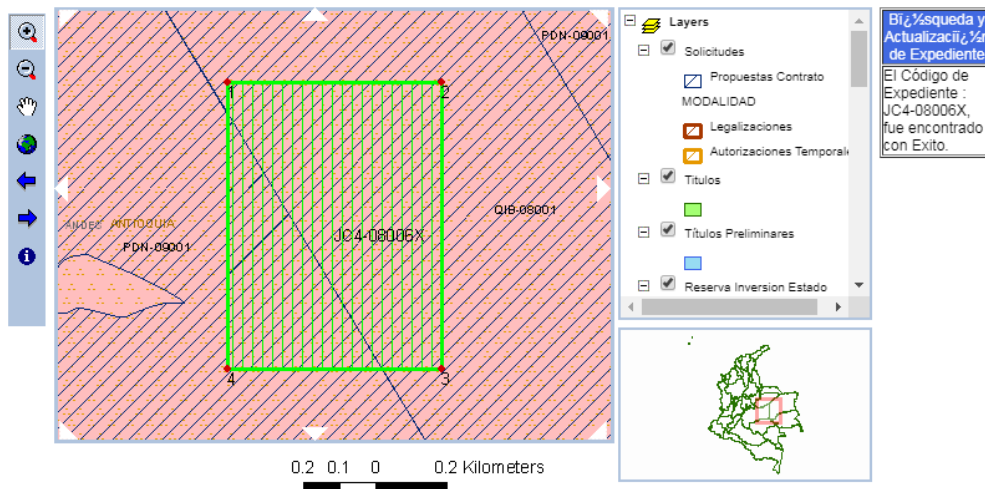


- xvii) **JC4-08006X**
 Area: 47.913 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)

Información Geográfica

Código Expediente	JC4-08006X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



xviii) **JCC-16191X**

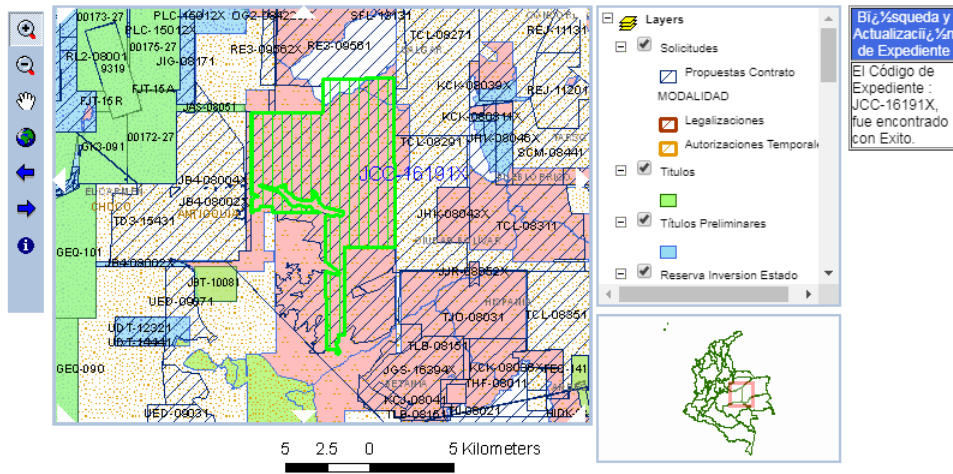
Area: 72,619.725 Ha.

Location: Municipality of Salgar, Department of Antioquia (6.4%) - Municipality of Ciudad Bolivar Department of Antioquia (93.6)

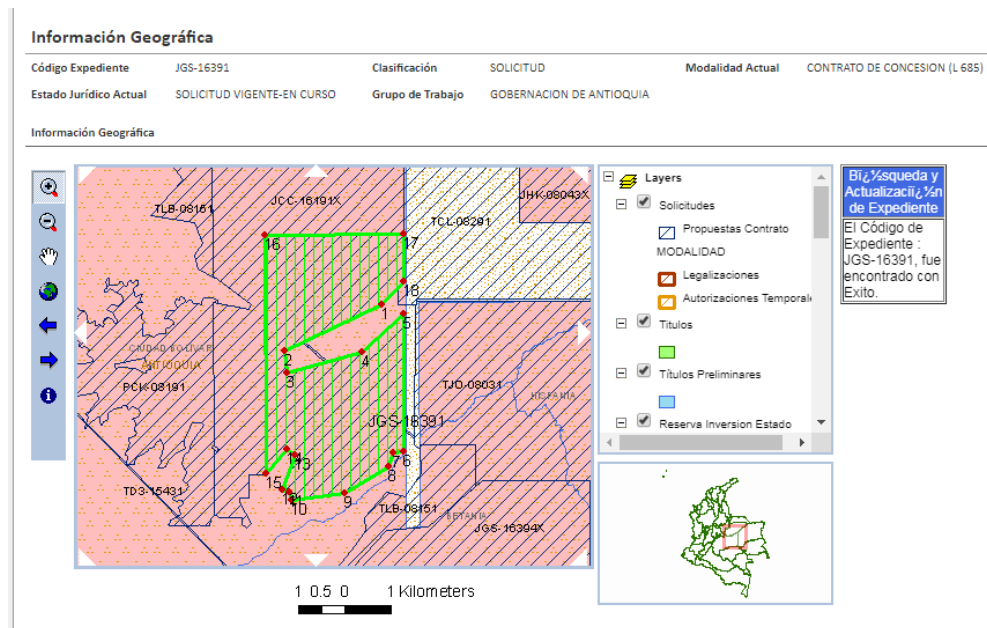
Información Geográfica

Código Expediente	JCC-16191X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



- xix) **JGS-16391**
 Area: 14,294.668 Ha.
 Location: Municipality of Ciudad Bolivar, Department of Antioquia (100%).

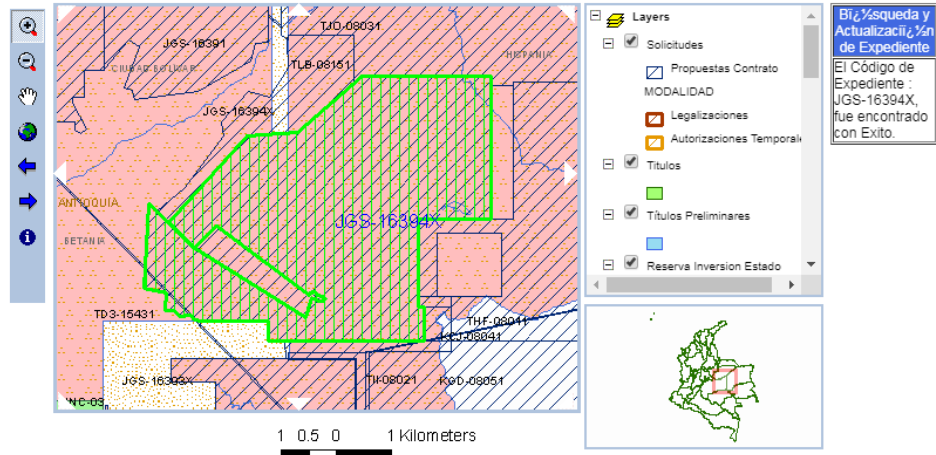


- xx) **JGS-16394X**
 Area: 19,998.556 Ha.
 Location: Municipality of Hispania, Department of Antioquia (0.724%) - Municipality of Betania, Department of Antioquia (99.27%).

Información Geográfica

Código Expediente	JGS-16394X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

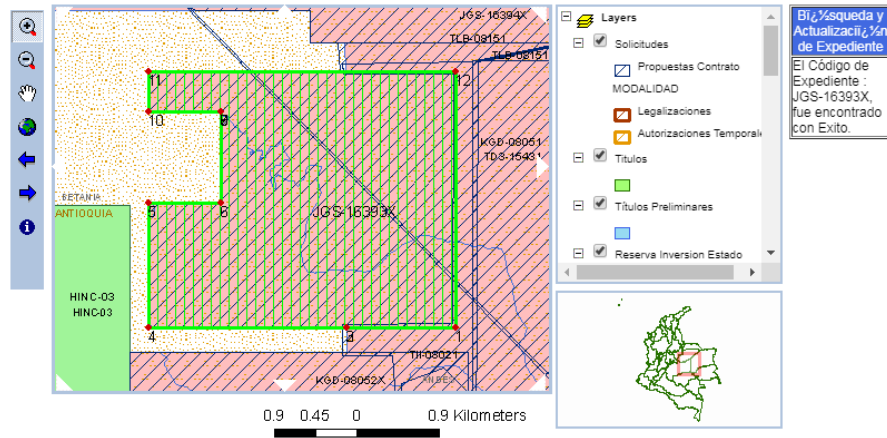


xxi) **JGS-16393X**
 Area: 861.323 Ha.
 Location: Municipality Betania, Department of Antioquia (100%).

Información Geográfica

Código Expediente	JGS-16393X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



xxii) **JII-08221**
 Area: 3,193.043 Ha.

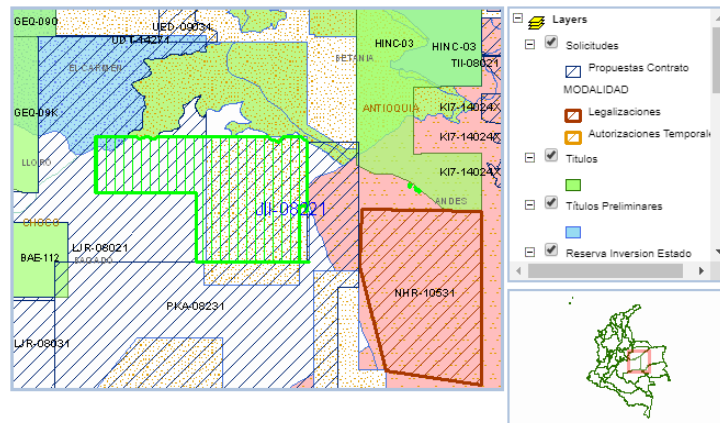


Location: Municipality Andes, Department of Antioquia (1.04%) - Municipality of El Carmen, Department of Choco (1.76%) - Municipality of Bagado, Department of Choco (97.2%)

Información Geográfica

Código Expediente	JII-08221	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	REGIONAL MEDELLIN		

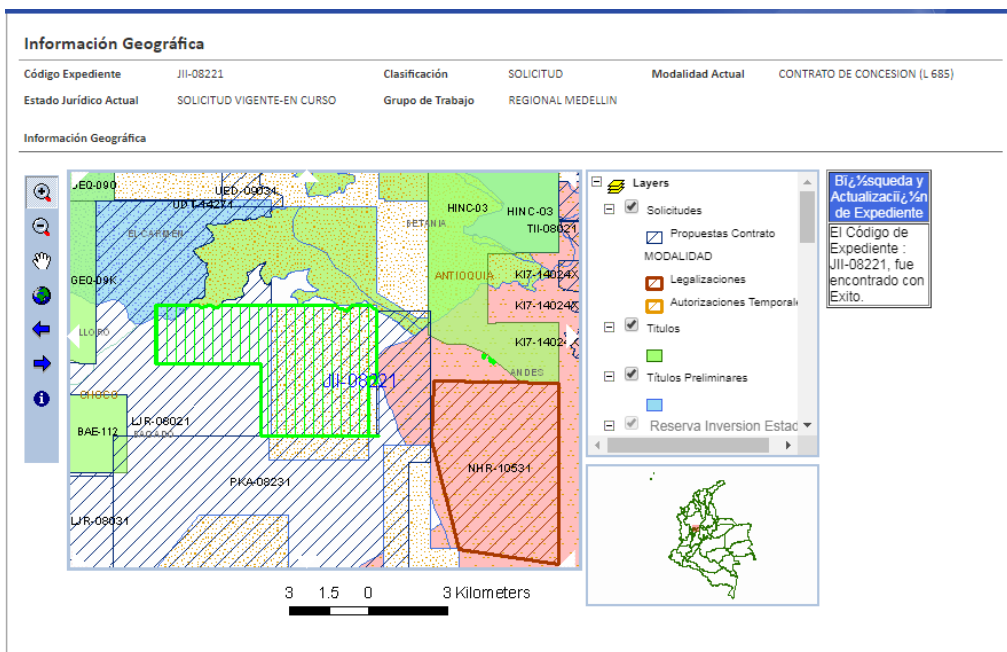
Información Geográfica



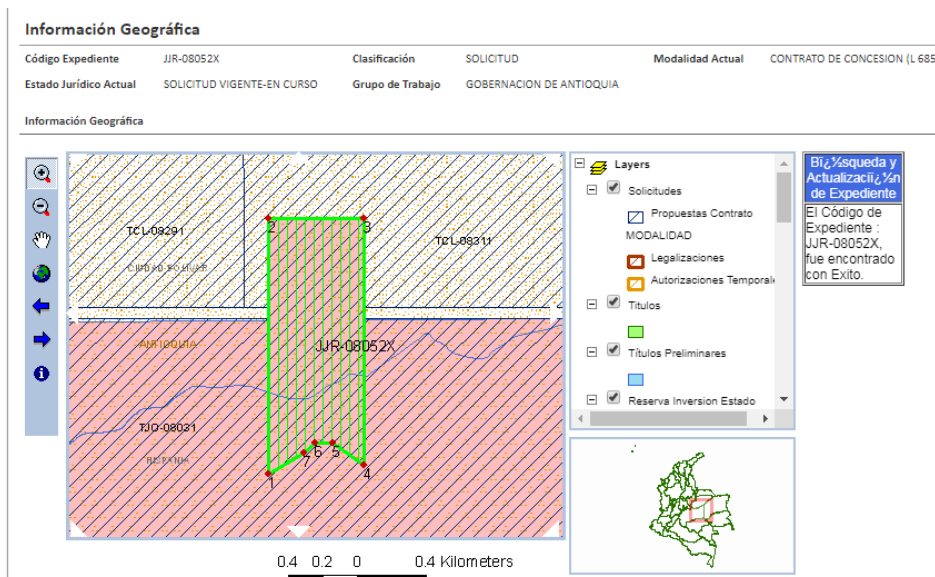
xxiii) **JII-08221**

Area: 304,391.334 Ha.

Location: Municipality Andes, Department of Antioquia (1.04%) - Municipality of El Carmen, Department of Choco (1.76%) - Municipality Bagado, Department of Choco (97.2%)

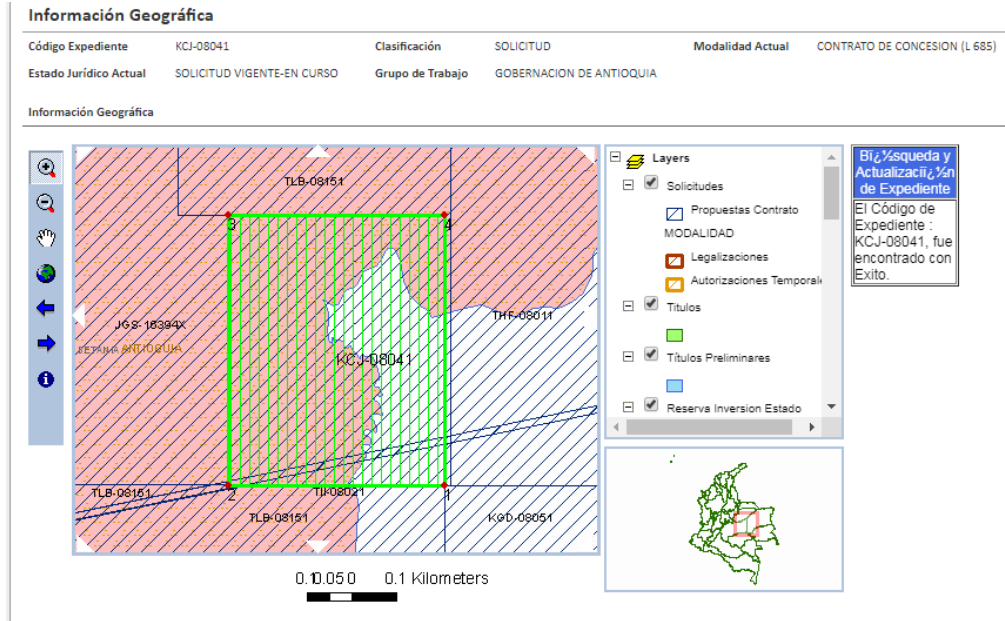


- xxiv) **JJR-08052X**
 Area: 768.654 Ha.
 Location: Municipality of Ciudad Bolivar, Department of Antioquia (72.42%) -
 Municipality of Hispania, Department of Antioquia (27.58%)

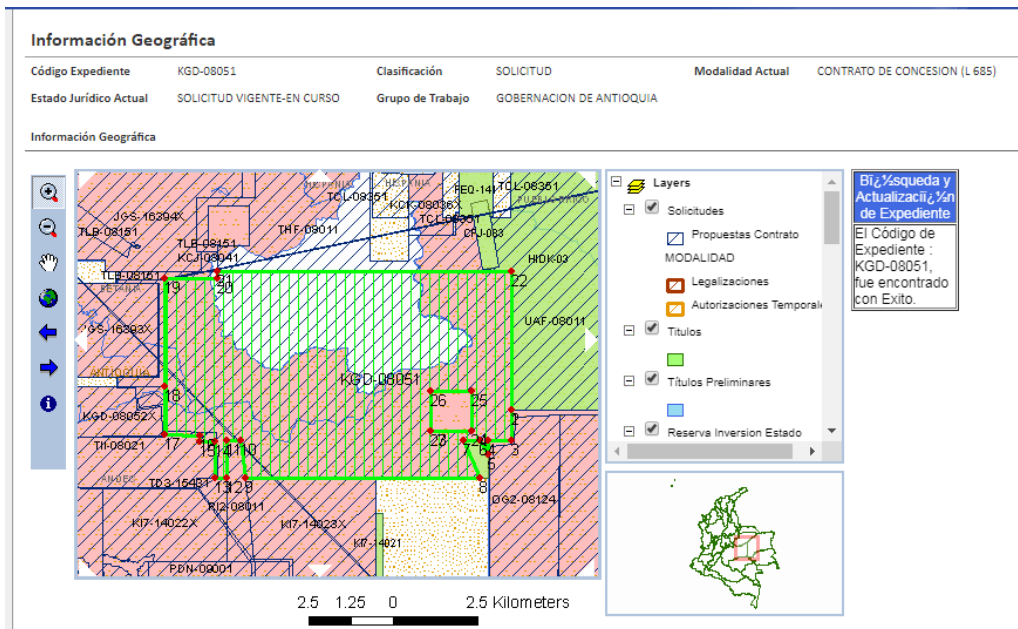


- xxv) **KCJ-08041**
 Area: 294.091 Ha.

Location: Municipality of Betania, Department of Antioquia (100%)



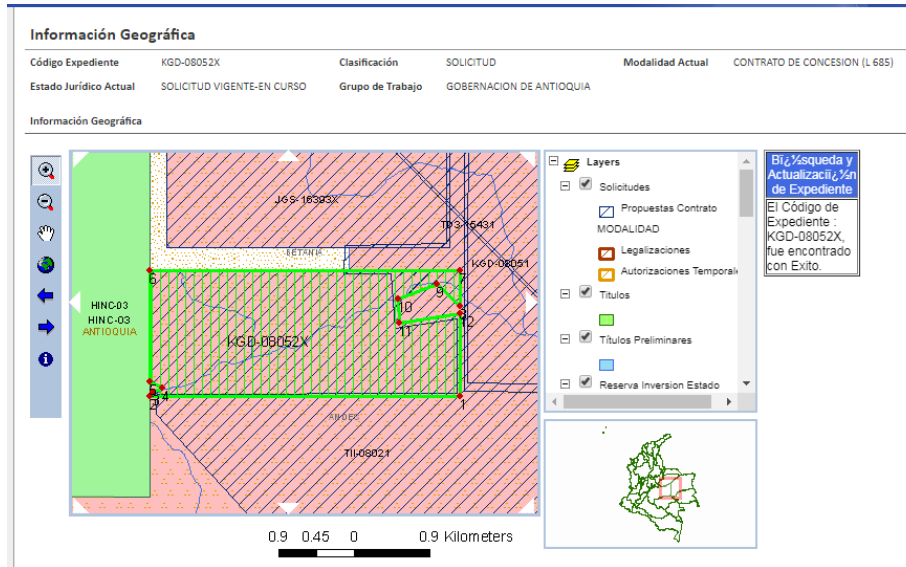
- xxvi) **KGD-08051**
 Area: 5,748.098 Ha.
 Location: Municipality of Betania, Department of Antioquia (56.16%) - Municipality of Andes, Department of Antioquia (43.84%)



xxvii) **KGD-08052X**

Area: 5,311.649 Ha.

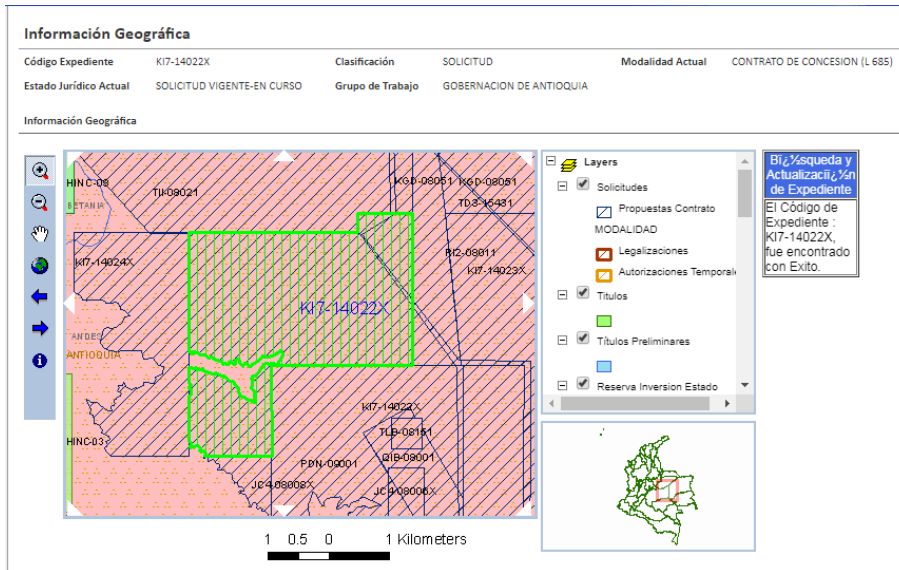
Location: Municipality of Betania, Department of Antioquia (54.2%) - Municipality of Andes, Department of Antioquia (45.8%)



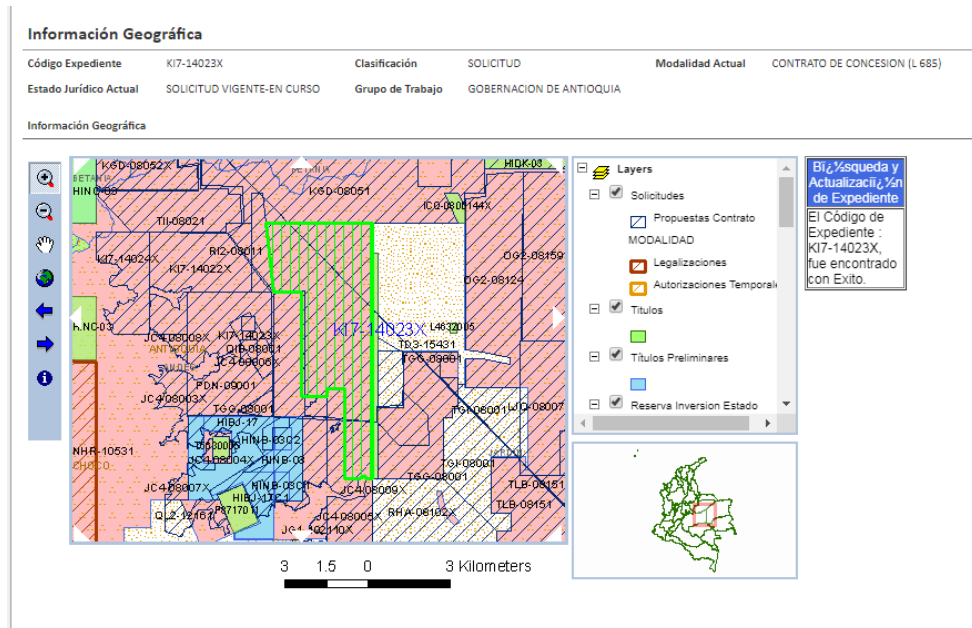
xxviii) **KI7-14022X**

Area: 10,003.455 Ha.

Location: Municipality of Andes, Department of Antioquia (100%)



xxix) **KI7-14023X**
 Area: 21,706.742 Ha.
 Location: Municipality of Andes, Department of Antioquia (100%)



xxx) **KI7-14024X**
 Area: 5,102.609



Location: Municipality of Andes, Department of Antioquia (98.17%) - Municipality of Betania, Department of Antioquia (1.82%)

Información Geográfica

Código Expediente	KI7-14024X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

xxxii)

LJQ-08007

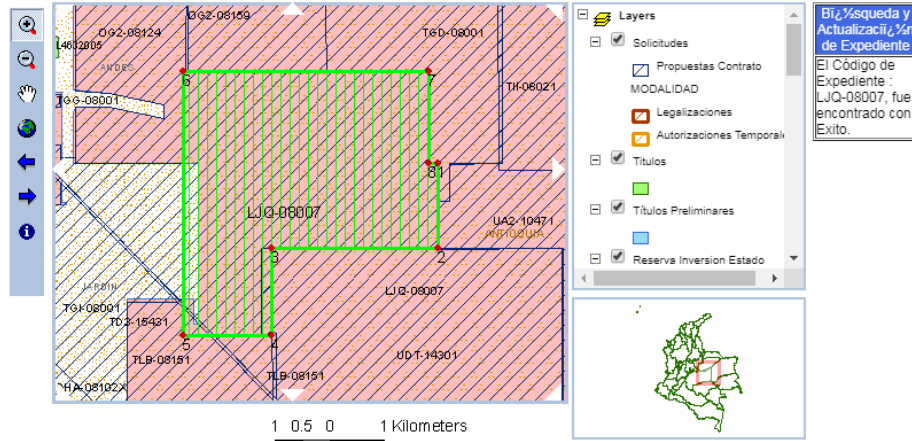
Area: 17,517.336 Ha.

Location: Municipality of Andes, Department of Antioquia (27.64%) – Municipality of Andes, Department of Antioquia (72.35%)

Información Geográfica

Código Expediente	LJQ-08007	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica

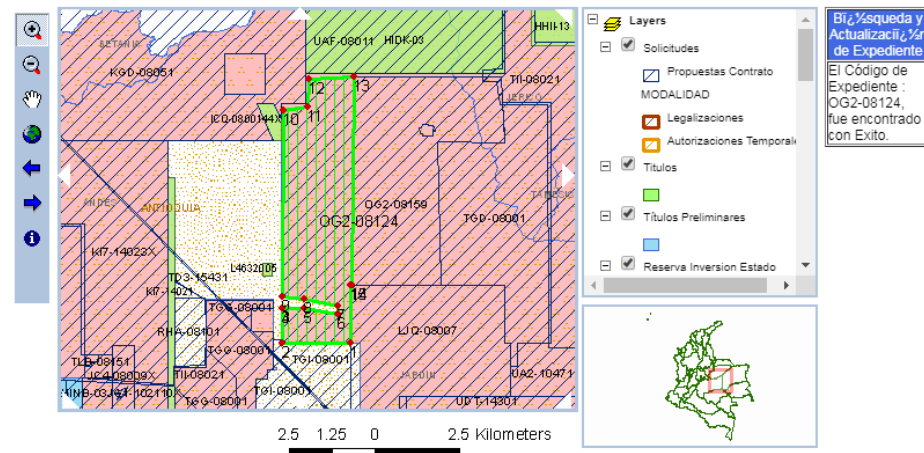


- xxxii) **OG2-08124**
 Area: 14,782.129
 Location: Municipality of Andes, Department of Antioquia (87.39%) – Municipality of Andes, Department of Antioquia (12.61%)

Información Geográfica

Código Expediente	OG2-08124	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



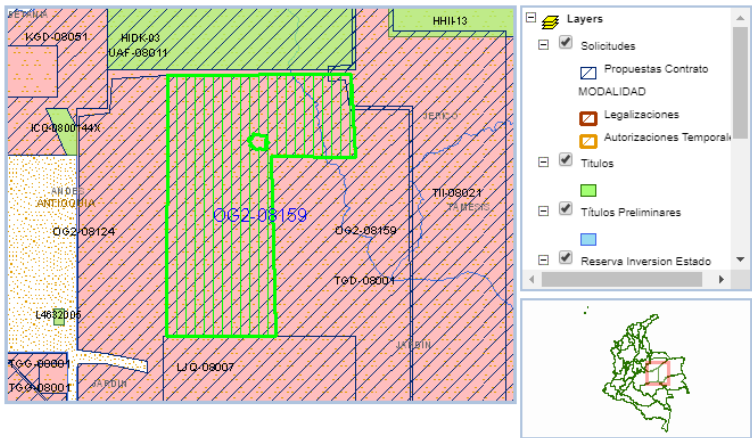
- xxxiii) **OG2-08159**
 Area: 18,906.227

Location: Municipality of Andes, Department of Antioquia (91.68%) – Municipality of Jerico, Department of Antioquia (8.32%)

Información Geográfica

Código Expediente	OG2-08159	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L.685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	GOBERNACION DE ANTIOQUIA		

Información Geográfica



xxxiv) **OG2-081813**

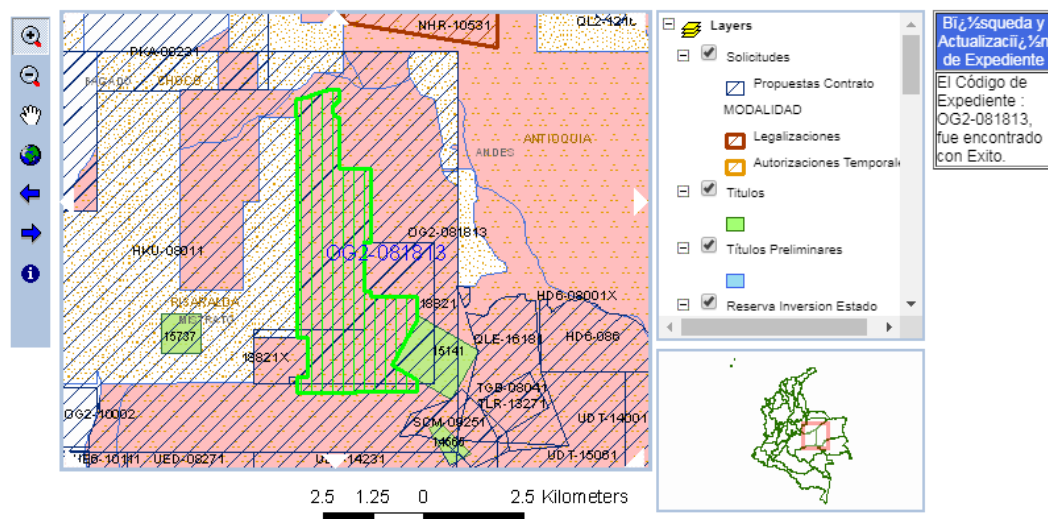
Area: 14,024.258 Ha.

Location: Municipality of Mistrato, Department of Risaralda (100%)

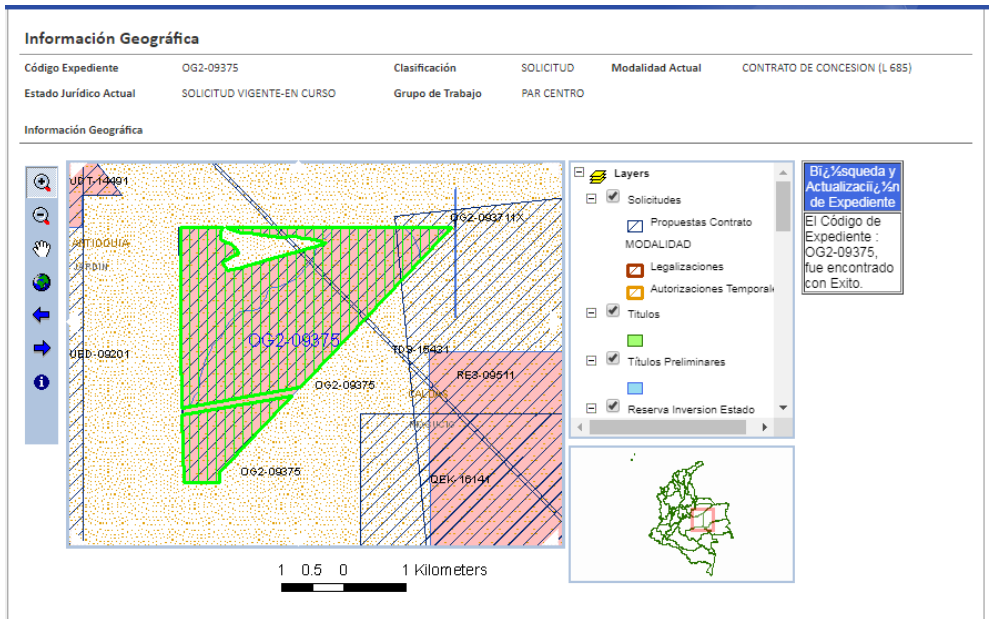
Información Geográfica

Código Expediente	OG2-081813	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



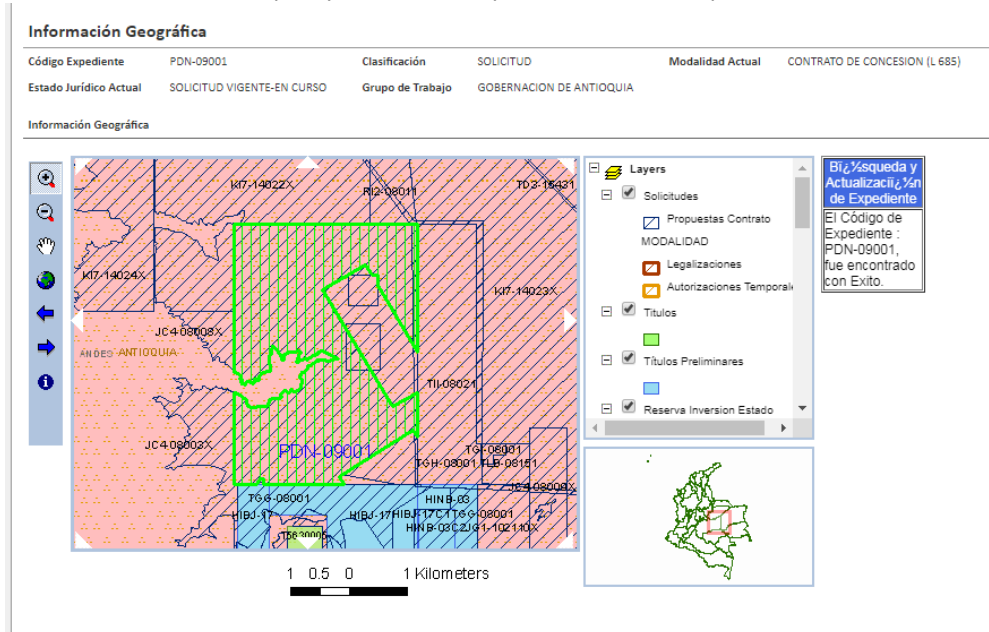
- xxxv) **OG2-09375**
 Area: 12,569.575 Ha.
 Location: Municipality of Jardin, Department of Antioquia (35.07%) - Municipality of Riosucio, Department of Caldas (64, 92%)



xxxvi) **PDN-09001**

Area: 10,734.385 Ha.

Location: Municipality of Andes, Department of Antioquia (100%)





7.2.6 Suspensions:

- i) PKA-08231 application is suspended, as it is located in a declared area in favor of the indigenous community Andágueda; and
- ii) HKU-08011 application is suspended by a court ordered Land Restitution, in order to prevent any damage on land that may affect the ultimate owner.

8 ENVIRONMENTALLY PROTECTED AREAS

In Colombia there are areas delimited by environmental authorities for special protection including areas of forest reserves and national parks. Forest or nature reserves may be a public or private land protected by the state, due to its importance as a habitat for wildlife, flora and fauna. A national park is a protected area category which enjoys legal status that protects and conserves its rich flora and fauna. It is characterized as being representative of a particular phytozoogeographic region and have scientific interest.

Some of the Tenements have overlap with delimited areas as forest reserves or national parks. Regarding Tenements partially overlap national parks, the mining authority will excise from the Tenements those areas which overlap, leaving Tenement areas free of any limitations. It should be noted that, according to the particular statement made by each environmental authority of the national park, there exist "transitional" areas which are not areas that are excised but allow mining activities.

For Tenement areas that overlap with forest reserve, the mining authority will not make excisions but requires an additional step before requesting the issuance of environmental clearance. This is a procedure of "area subtraction" before the competent environmental authority, which determines the existence of the forest species to be protected, and sets impact mitigation measures.

9 QUALIFICATONS AND ASSUMPTIONS

This Report includes the material legal issues that affect the mining titles and does not intend to cover all possible issues and problems that may affect the titles. This report is based on, and subject to, the following requirements and assumptions (in addition to any assumptions expressed elsewhere in this report):

- a) we have relied on information provided by third parties, including several departments, in response to searches made, or having them adopted, and queried by us and based on that information, including search results, being accurate, updated and complete on the date of its receipt by us;
- b) references located in in the public lists are taken from data that appear in the searches we have obtained from the services of the competent authorities in the



country of origin of the mining titles such as: National Mining Agency, National Mining Cadaster, Ministry of the Interior , CORANTIOQUIA, Judicial branch of the Public Power (Special Jurisdiction of the Restitution of Lands);

- c) statements made in relation to the position of the mining titles are based solely on the information contained in the relevant search on the file of each mining title;
- d) when the compliance with the terms and conditions of the mining titles and all applicable provisions of the mining legislation and regulations in Colombia and all other relevant laws and regulations, or a possible claim in relation to the mining titles would not have occurred. disclosed in the searches that were referred to in the previous point, we do not express an opinion with respect to said compliance or claim;
- e) where the consent of the national mining authority is required, we do not express an opinion as to whether such consent will be granted, or the consequences of its consent were denied, although we are not aware of all that could cause the consent to be rejected;
- f) indigenous or Afro-descendant communities may exist in the areas of mining applications, but knowledge of this situation will only be revealed by the authorities when the contract is granted, since only then will it be in the Andes' interest to perform the required procedures for prior consultation;
- g) there are no other documents or materials other than those that were made known to us and that instructed us to review, related to the matters examined;
- h) the information for material contracts was obtained from details of the agreements provided by Andes and we have assumed that:
 - i) the contracts referred to in this report were within the capacity and powers of, and were validly authorized, stamped or filed for stamp (when necessary), executed, delivered by and are legally binding on the parties thereto and comprise the entire agreement of the parties in each of them with respect to their respective matters (except where otherwise indicated);
 - ii) the signatures in the contracts mentioned in this report are authentic;
 - iii) there are no material documents or information that must be provided other than the contracts mentioned in this report;
 - iv) the contracts referred to in this report are completed, precisely revealed the details of those agreements and conforms to the original documents of all the copies reviewed;

10 CONCLUSION

M&NC has prepared this report for the purposes of the Prospectus only, and for the benefit of the Company and the directors of the Company in connection with the issuance of the Prospectus and it must not be disclosed to any other person or the program used for any other



purpose or cited or mentioned in any public document or presented before any governmental agency or another person without our prior consent.

We consider that the information contained in this report provides an accurate statement on the state of mining rights as at the date of the date of relevant searches.

A handwritten signature in black ink, appearing to read 'Carolina Florez G', is written over a horizontal line.

CAROLINA FLOREZ G
CEO
M&C CONSULTORIA S.A.S.



BIOGRAPHY

CAROLINA FLÓREZ GARCÍA, UdeA Law, Master in Business Law, Master of Law with emphasis on taxation and specialized in environmental law of the UEC. Carolina is registered with the Colombian government's National Lawyers Registry, registration no. 253554 (Registro Nacional de Abogados y Auxiliares de la Justicia - certificado de Vigencia N.: 253554).

Carolina is CEO of Mines & Business Consultancy - M&NC, firm that provides consultancy in legal and financial matters to private sector companies, specifically in the energy and mining sector regarding corporate, legal, mining and environmental issues. With its affiliate M&NC Compliance, she is a pioneer in Colombia in implementing the System Against Money Laundering and Financing of Terrorism AML/CFT - for the real sector, adjusted to the dynamics of each industry.

During her 15 years of experience in the mining sector, Carolina has consolidated her experience in the private sector as a legal director and CEO of companies like Gran Colombia Gold Corp - Zandor Capital S.A., directing process managements and contracting business.

Under her responsibility, has coordinated and advised important projects negotiations between Colombian and international mining companies, like:

- Sale of all the assets of Frontino Gold Mines LTD to Zandor Capital SA (Medoro Resources - Gran Colombia Gold);
- Transfer of certain shares of Four Points Mining S.A.S. and American Gold Mines to PARA Resources for LTD;
- Total sale of shares of CIIGSA to Sun Valley Industries LLC; and
- Mining operation contract between Zandor Capital S.A. Colombia (Gran Colombia Gold Corp) and Operaciones Mineras de Antioquia.

According to the above, Carolina has the legal, mining and environmental knowledge and expertise necessary to prepare this report.

Schedule 5 - JORC Table 1, Sections 1 and 2

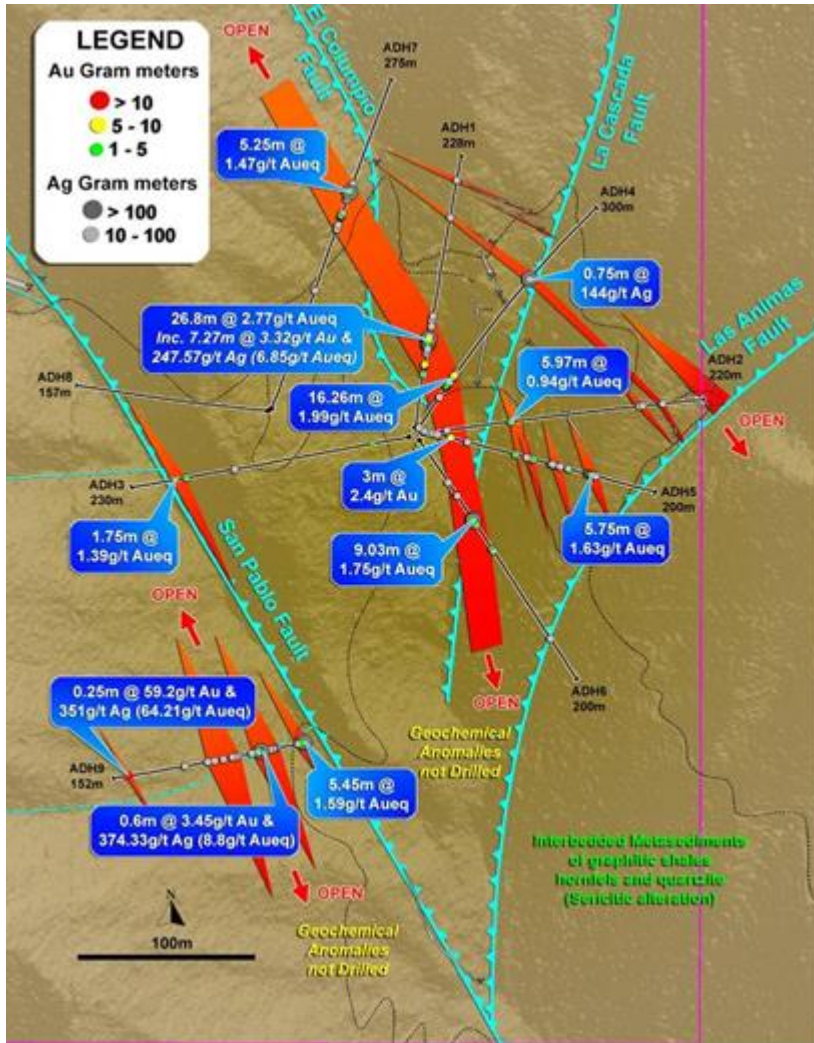
1. 2018 El Columpio Drill Results

Hole	East	North	RL (m)	Depth (m)	Dip (°)	Azimuth (°)	From (m)	To (m)	Width (m)	Au (gpt)	Au (gm) ¹	Aueq (gpt) ²	Ag (gpt)	Ag (gm) ¹
ADH1	394491	619800	2015	228	-45	008	45.53	45.98	0.45	5.27	2.37	5.71	31	13.95
<i>Including and Including</i>							52.40	79.19	26.79	1.58	42.33	2.77	83.17	2228.12
							52.40	55.20	2.80	4.68	13.10	5.61	65.5	183.40
							72.07	79.34	7.27	3.32	24.14	6.85	247.57	1799.83
							72.07	76.77	4.70	4.65	21.86	9.38	331	1555.70
ADH2	394495	619799	2015	220	-45	084	63.75	64.14	0.39	1.38	0.54	-	-	-
							69.70	75.67	5.97	0.78	4.66	0.94	11.19	66.80
ADH2							188.24	190.61	2.37	0.80	1.90	1.13	22.91	54.30
ADH3	394490	619796	2015	230.5	-45	264	187.25	188.60	1.25	1.73	2.16	2.29	39.12	48.90
ADH3							195.60	197.35	1.75	1.30	2.28	1.39	6.03	10.55
ADH4	394492	619799	2015	300	-60	035	57.60	73.86	16.26	1.43	23.25	1.99	38.84	631.54
<i>Including and and and ADH4</i>							57.60	59.80	2.20	3.72	8.18	5.03	91.84	202.05
							62.78	64.00	1.22	1.39	1.70	1.98	41.48	50.61
							66.20	66.80	0.60	1.22	0.73	1.67	36	21.60
							68.60	73.86	5.26	1.93	10.15	2.59	45.83	241.07
							203.95	204.70	0.75	-	-	-	144	108.00
ADH5	394496	619798	2015	200	-45	110	24.00	27.00	3.00	2.42	7.26	2.50	5.69	17.07
ADH5							81.61	82.80	1.19	1.94	2.31	-	-	-
ADH5							95.00	98.80	3.80	1.01	3.84	1.25	16.91	64.26
ADH5							143.72	149.47	5.75	0.98	5.64	1.63	45.94	264.16
ADH6	394495	619795	2015	240	-45	145	56.93	90.98	34.05	0.40	13.62	0.69	19.68	670.10
<i>Including and and ADH6</i>							67.23	70.40	3.17	0.95	3.01	-	-	-
							81.95	84.16	2.21	1.62	3.58	5.32	258.75	571.84
							81.95	90.98	9.03	0.78	7.04	1.75	67.26	607.36
							111.65	114.55	2.90	0.74	2.03	0.93	13.77	39.93
ADH7	394407.5	619812	2097	275.5	-45	020	164.38	165.27	0.89	1.75	1.56	3.34	111.02	98.81
<i>and included in</i>							178.75	184.00	5.25	0.29	1.52	1.47	81.98	430.40
							164.38	185.00	20.62	-	-	-	32.78	675.92
ADH8	394405.5	619810.5	2097	157	-45	285				NSR	-		NSR	-
ADH9	394428	619613	1971	151.8	-45	260	0.00	5.45	5.45	0.85	4.63	1.59	51.75	282.04
<i>and included in</i>							37.50	38.10	0.60	3.45	2.07	8.80	374.33	224.60
ADH9							24.43	40.05	15.62	-	-	-	28.54	445.80
							139.70	139.95	0.25	59.20	14.80	64.21	351	87.75

1. gm (gram metres) is calculated by multiplying the gold grade (gpt) by the mineralisation intercept in metres.

2. Aueq (gold equivalent) is calculated by multiplying the gold grade (gpt) plus the silver grade (gpt) divided by 70, refer JORC Table 1 below.

2. Figure 4: Map of 2018 drill holes at El Columpio, with selected intercepts



3. Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>The results from the below stream sediment, soil sediment, rock chip and samples (Samples) have not been included in this announcement. The below information relating to the Samples is provided by way of background information only. Metminco intends to analyse and release the Samples once a full review has been undertaken.</p> <ul style="list-style-type: none"> A total of 1,682 stream sediment samples; 11,019 soil samples; 2,684 rock chip / adit samples and 1,527 diamond drill core samples were taken within the Andes project. A total of 16,912 assays have been returned to date. Soil samples are collected using a 3" hand-auger targeting the C-horizon then passed through a ½ inch sieve to obtain a 1-2kg representative sample. Sample depth range for 20cm to 80cm depending on regolith weathering depths. Stream sediment samples area collected at a central location below the stream water level and passed through a 20-mesh sieve to obtain a 1-2kg representative sample. Adit vein channel sampling line is first planned by a geologist perpendicular to the strike of the mineralisation to best represent the true width then collected by hammer and chisel technique. A 2-5kg sample is collected. Selective rock and stream float sampling is limited because it is not insitu and only considered representative of mineralisation styles in the area. The diamond drill core has been sampled at marked intervals by the geologist and cut into half and quarter core depending on the sample length. Maximum sample length is 4 meters for non-mineralised core.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core 	<ul style="list-style-type: none"> The 9 diamond holes were drilled with HQ3 sized core (nominal 61.1mm core diameter). The drill core for ADH-7 to ADH-9 is orientated by the drilling contractor with

Criteria	JORC Code explanation	Commentary
	<p><i>is oriented and if so, by what method, etc).</i></p>	<p>spear technique. ADH-1 to ADH-6 is orientated by lining up drill vein intercepts.</p>
<p>Drill sample recovery</p>	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i> 	<ul style="list-style-type: none"> • The drill core samples are orientated, length measured and compared to core blocks placed in the tray by the drillers, any core loss or other variance from that expected from the core blocks is logged and recorded in the database. Sample loss or gain is reviewed on an ongoing basis and feedback given to the drillers to enable the best representative sample to always be obtained. • The drilling contractors use a core barrel and wire line to recover the core, they aim to recover all core at all times and adjust their drilling methods and rotation speed to minimize core loss. • The study of sample recovery vs. gold and silver grade does not show any bias towards different sample recoveries. The drilling contractor uses standard industry drilling techniques to ensure minimal loss of any size fraction.
<p>Logging</p>	<ul style="list-style-type: none"> • <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • There are different detailed logging sheets for stream sediments, soils and rock chip sampling. These logs include parameters such as GPS coordinates/accuracy, sample depth/length, exposure type, geomorphology, regolith, oxidation, weathering, alteration, grain size, colour, sorting, angularity, cementation, veining, structural orientation, primary rock type and primary/secondary minerals types and percentages observed. • All samples including stream sediments and soils are also photographed. • The drill core is logged for core loss, orientated, marked into sampling and logging intervals then logged with a hand lens and binocular microscope with the following parameters recorded where observed; weathering, oxidation, rock type, grain size, colour, alteration, mineralisation, shearing/foliation structures and any other features that are present. • All drill core is photographed before and after cutting. • The entire length of the drill core is logged with intervals marked based on geological unit boundaries. Any core loss or voids intersected are recorded.

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • All samples are collected under the supervision of a geologist by trained technicians. Every effort is made to minimize sampling bias, contamination and keep sampling methodology consistent. • With soil sampling, 1 in 20 soil field duplicates are collected for QA/QC plus a certified quartz blank inserted at a ratio of 1 in 50. • Soil sampling was collected at the base of the hole and as close to upper saprolite as possible. Slope angle and direction are recorded in the field and geomorphology recorded to determine the amount and direction of sample transport or creep. • Underground rock chip channel samples are taken at chosen intervals by the geologist perpendicular to the length of the underground development where a representative sample can be taken. However it doesn't have the same precision as a cut saw channel sample and should be regarded as being indicative of the magnitude and extent of mineralisation. • Exploration results reported for drill core are half core or quarter core taken from the right hand side of the core looking down hole. Core is cut by trained technicians under the supervision of the geologist. • Drill core blanks and standards are inserted into the sample stream at a rate of 1:40 or every 20th sample as they are alternated. • Core duplicates of quarter core are taken at a rate of 1:20th sample. • The sample sizes are considered to be appropriate for the type, style, thickness and consistency of mineralisation. The sample size is also appropriate for the sampling methodology employed and the gold and silver grade ranges returned.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of</i> 	<ul style="list-style-type: none"> • The SGS laboratory based in Medellin, Colombia is used for assaying and is internationally registered and certified for element analysis. • The assaying method used is designed to measure total gold of the sample. The gold assayed for all samples were obtained using a lead collection 30g fire assay technique (FAA313 & FAG303) with the drill core samples assayed for an additional 50 elements using multi-acid (4-acid) digest with ICM finish

Criteria	JORC Code explanation	Commentary
	<p><i>accuracy (ie lack of bias) and precision have been established.</i></p>	<p>(ICM40B). Soil, stream and rock samples were assayed for an additional 36 elements using multi-acid (4-acid) digest with ICP finish (ICP40B).</p> <ul style="list-style-type: none"> • No field non-assay analysis instruments were used. • For soil sampling, certified blanks are inserted at a rate of 1:50 with certified blanks and standards inserted at a rate of 1:40 for drill core. As a part of normal procedures all standards and blanks results are examined to ensure they are within tolerance limits. Additionally, field duplicate results are examined to ensure no bias to assay grades exist. • Laboratory QA/QC controls during the analysis process include 1:10 duplicates for reproducibility, blank samples for contamination and standards for bias. The laboratory is accredited and use their own certified reference materials.
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • Consultant Geologist Eddy Escalante and Andes site geologists have inspected the drill core to verify the correlation of mineralised zones between assay results and lithology, alteration and mineralisation. At this time the core has not been independently inspected. • No twinning of drill holes has been conducted to date. • Geological logging is captured on paper logging sheets and sent to the company head office in Medellin for entry into a central database via a validation process. Sampling locations, GPS tracks and laboratory assays are captured electronically and stored in a central database. All data is stored and backed up in Medellin with additional copies stored on a cloud server and in Australia. All data is reviewed and verified by an experienced geologist. • Areas of high-grade soil results (>1ppm) are in-filled at 10m spacing by a different sampling crew to reduce sampling bias. Assay results are compared to the 1st pass sampling results. • No adjustments is required to the data except for GPS elevation correction from LiDAR elevations.
<p>Location of data points</p>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral</i> 	<ul style="list-style-type: none"> • Sampling locations are recorded by hand-held Garmin GPSs with a statistical median accuracy of ±5m.

Criteria	JORC Code explanation	Commentary
	<p><i>Resource estimation.</i></p> <ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • Adit sample locations are surveyed using a tape measure and compass method in relation to the mine adit. • All drill holes have their collar location recorded from a hand-held Garmin GPS then later tape measured from LiDAR topographic features. Drill hole surveys measurements downhole and uphole were recorded at 5m intervals using a gyro. • All data is collected and stored in UTM/WGS84 Zone 18N projection. • 22,500Ha of the project has been LiDAR surveyed with a topographic accuracy of $\pm 50\text{cm}$ in the horizontal and $\pm 10\text{cm}$ in the vertical. This is used to adjust GPS recorded elevations. • 8cm resolution LiDAR imagery is used for mapping and sampling locations and is considered accurate to $\pm 20\text{cm}$. Topographic maps were generated down to 1:500 scale. It is adequate for the reporting of exploration results and subsequent mineral resource estimates.
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • Soil sampling is taken along ridge/spur lines and elevation contours at 20m spacing for safety due to steep and difficult terrain. 10m spaced infill is then done over anomalous areas. Soil samples are however not representative of geological and grade continuity. • Drill spacing to date isn't adequate for Mineral Resource and Ore Reserve estimation however the spacing, spacial distribution and quality of assay results is sufficient to support JORC classification and appropriate for the nature and style of mineralisation been reported. • No sample composites were taken.
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> • <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i> 	<ul style="list-style-type: none"> • The majority of the drilling is to the east or west of the drilling platforms as the bulk of the mineralisation has a NW-SE strike. Due to the extreme terrain only 3 platforms could be constructed with fan drilling from the platforms. Structural logging of orientated drill core is recorded as the orientation of the intersection of the mineralised lodes is at an oblique angle, resulting in wider drill intercepts than the true width of the mineralised lodes.

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • In this case there is a sampling bias whereby intercept widths are greater than the true widths of mineralised lodes. • It is unknown if there is a correlation between vein orientation and topographic/structural controls for soil sampling as there is limited vein outcrops. The regional soil anomalies indicate a general NW-SE mineralisation trend so where possible soil lines are planned perpendicular to this strike. • Adit channel samples are taken perpendicular to mineralisation strike to best represent the true widths. • Stream sediments and grab samples are not representative of structural orientation
Sample security	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> • Each field sampling crew consists of a geologist and two trained technicians with each sample bag pre-labelled with a corresponding tear tag from the logging sheets. All samples are under the watch of the geologist until delivery at the Medellin office where sample numbers are re-checked against the central database before submission to the laboratory. The laboratory then re-confirms sample numbers. No samples have ever been misplaced, lost or suspected to be tampered with. • Drill core cutting is supervised under the watch of a geologist then bagged and tagged, transported to the Medellin office for inspection and checked against the central database prior to submission to the laboratory. All samples submitted to the laboratory are sorted and reconciled against the submission documents provides by Andes.
Audits or reviews	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> • No external or 3rd party audit reviews of sampling techniques and data have been conducted however internal review of sampling results are continuously monitored for any sampling bias.

4. Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<p>Mineral tenement and land tenure status</p>	<ul style="list-style-type: none"> • <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i> • <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i> 	<ul style="list-style-type: none"> • Andes Resources retain 90% equity in all concessions within the Andes land package with Grupo de Bullet retaining the remaining 10%. • Land holding consists of the following: <ul style="list-style-type: none"> ○ Mining Title – T5630005 (ARL 90%) ○ Contracts – P8717011, HINC-03 & KI7-14021 (ARL 90%) ○ Applications - JII-08221, 18821, 19697, 20982, HD6-08151X, HD6-08152X, HD6-08153X, HD6-08154X, HD6-086, HKU-08011, JC4-08003X, JC4-08007X, JC4-08008X, JC4-08004X, JC4-08005X, JC4-08006X, JCC-16191X, JGS-16391, JGS-16394X, JGS-16393X, JIT-08381, JIT-08382X, JJR-08052X, KCJ-08041, KGD-08051, KGD-08052X, KI7-14022X, KI7-14023X, KI7-14024X, LJQ-08007, OG2-08124, OG2-08159, OG2-081813, OG2-09375, TII-08021, TGI-08001, PG3-08332X, RHA-08101, PD3-08071, PCK-08321, PCK-08191, TGH-08001, PCK-08193X, SE3-08001, RI2-08011, RDT-08001, QL4-08002, PK6-08271, PCK-08282, UAF-08011, RK2-08031, RJC-08001, QHP-08411, QHP-08371, QHP-08321, PJM-15111, PG3-08331, PCK-08192, TG9-08001, RA4-08001, PCK-08261, TJO-08031, THF-080011, TGD-08001, RI2-08012X, RGP-080001, QL2-12161, TLB-08151, TGC-08001, RHA-08061, UA2-10471, TGG-08001, RHA-08102X, QA7-08131, PG3-08211, RIN-08351 & PLC-14581 (ARL 90%). • There is no reason to believe applications will not be successfully granted. • Some concessions overlap part of the Farallones National Park to the west of the project where mining and exploration isn't permitted within the park however mining and exploration are permitted within the transition zone surrounding the park boundary. The majority of the forest reserve lies within the Farallones Batholith and isn't considered prospective ground. • No known security issues or anticipated impediments to obtain a license to operate in the area. <p>Metminco has signed bid implementation agreement and made an offer to</p>

Criteria	JORC Code explanation	Commentary
		acquire up to 100% of the issued capital in Andes Resources. At present, Metminco has no rights to the mineral tenements reported.
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> • In 2006 AngloGold Ashanti took approximately 600 stream sediment and 775 rock samples within the Andes concession area. • In 2012 Group de Bullet / Thunderbolt collected 251 stream sediment and 936 rock samples including mapping and airborne geophysics over the east of the project.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> • El Culpio, San Agustin, Santa Rita and San Pablo are single or sheeted-vein, low-sulfidation epithermal Au-Ag deposits with a mineralised porphyry-style intrusion at the lower elevations at San Pablo. Gibraltar is an Au-Ag +/-Cu-Zn Miocene quartz diorite porphyry.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> ○ <i>easting and northing of the drill hole collar</i> ○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> ○ <i>dip and azimuth of the hole</i> ○ <i>down hole length and interception depth</i> ○ <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	<ul style="list-style-type: none"> • See table for summary of information. • Easting and Northing define the collar location in WGS84 Zone 18N map projection. Collar elevations are RLs (elevation above sea level). • Dip is the inclination of the hold from the horizontal. Azimuth is reported in true-north degrees as the direction towards which the hole is drilled. • Downhole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace in meters. Intercept depth is the distance down the hole as measured along the drill trace. Intersection width is the downhole distance of an intersection as measured along the drill trace.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> 	<ul style="list-style-type: none"> • The results are weighted average by sample length. No high-grade cuts have been applied. • Lengths of low-grade results have been incorporated where the adjacent higher grade results are of sufficient tenor such that the weighted average remains close to or above the lower cut-off grade. • Gold equivalent (Aueq) is calculated using the price ratio of Au : Ag of 1 : 70

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<p>with the following formula:</p> <ul style="list-style-type: none"> $Aueq = (Au\ gpt) + (Ag\ gpt)/70$ Ag recovery, for the purposes of this calculation, is assumed to be 100%
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The intersection width is measured down the hole trace, it is not usually the true width however adit sampling is representative of true widths as they are measured and taken perpendicular to the strike of the lode. All drill results announced are downhole intervals only and true widths are not reported. In general, the drillholes were drilled with α-angle of $\sim 45^\circ$ therefore mineralisation intercepts rarely represent true widths.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> All diagrams include grids and scales for reference (if appropriate).
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> Noted and complied with.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	<ul style="list-style-type: none"> It is suspected that some soil samples may be contaminated by mining activities however these areas of contamination are mapped and results should be interpreted with caution. No other exploration data is considered meaningful and material.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Further sampling, mapping and geophysics surveys is recommended prior to drilling programs of other prospects. At El Columpio further sampling and mapping is recommended to vector the mineralisation source prior a follow up drilling program.

Schedule 6 - Solicitor's Report on Metminco's Colombian assets



Medellin, July 17, 2019

Sirs

DIRECTORS

Metminco LIMITED

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

Dear Directors,

Metminco Limited

Solicitor's Report - Exploration and Mining Tenements

This report (the "**Report**") has been prepared for inclusion in the Supplementary Bidders Statement to be issued by Metminco Limited (ACN 119 759 349) ("**Company**") dated on or about July 12, 2019 by the merger ("**Merger**") of Metminco Limited and Andes Resources Ltd ("**Andes**") (jointly "**Companies**"); where the Company will acquire 100% of Andes through an off-market takeover bid with an offer of 25 Company shares for 1 Andes share. In conjunction with, and subject to, the Merger completing, the Company will also: raise equity of \$ 2.3 million at price of \$ 0.002 per share via a prospectus offer; and restructure its debt to RMB Australia Holdings Limited ("**RMB**") via a swap of debt for equity and by realigning future payments to project milestones out to 2025. The Company also proposes to undertake a bonus offer of listed options after close of the Merger on the basis of 1 option for every 5 Company shares held.

1. SCOPE

The Company has asked M&NC Consultoria S.A.S. ("**M&NC**") as an independent law firm, to report on legal title, securities and applications for mining contracts and exploration concession contracts for which Miraflores Compañía Minera S.A.S. ("**MCM**") is a beneficiary, jointly the "**Tenements**", located in the municipality of Quinchia in the department of Risaralda; and the municipalities of Riosucio, Neira and Anserma in the department of Caldas, Republic of Colombia. MCM is beneficiary to the mineral rights through contracts signed with the national government in conformity with the Colombian Mining Code or, where MCM is not the registered beneficiary, through private, binding agreements with the registered contract/tenement holder. They include:

1.1 certain titles and concession contract applications located in de Departments of Quinchia and Caldas, Colombia of which MCM is beneficiary ("**Miraflores Tenements**"); and



1.2 certain titles that make up the "**Chuscal Project**" through the Joint Venture Agreement ("**JV Agreement**") dated November 8, 2018 entered between MCM, AngloGold Ashanti Colombia S.A. "**AGAC**", the Company and Compañía Kedahda Ltd ("**Kedahda**").

2. OPINION

As a result of:

- 2.1 our review of the JV Agreement for Chuscal Project,
- 2.2 our searches and research on the **Tenements**,

and, subject to legal cases, requirements and exceptions stated in paragraph 8 of this **Report**, we are of the opinion that, at the time of this study, this paper provides accurate information regarding:

- 2.3 (**Company's interest**) interest of the Company in the Tenements;
- 2.4 (**Good standing**) the validity and compliance of the Tenements;
(**Third Party Interests**) interests of third parties, including charges (if any) in relation to the Tenements.

3. EXECUTIVE SUMMARY

The **Tenements** comprise 20 granted mining titles (one mining contract plus 19 exploration concession contracts), of which 12 are current, plus 4 in relinquishment process (DLK-141, FCG-08354X, FHH-083 and FCG-082) and 4 in liquidation process (following relinquishment) (FKH-141, FKH-145511X, FKH-145512X and FKH-145513X); together with 11 applications for exploration concession contracts; organized as follows:

3.1 Miraflores Tenements

- i) 1 Mining Contract (010-87M) "**Miraflores Contract**";
- ii) 16 exploration concession contracts (DLK-141, DLK-14544X, FCG-08353X, FCG-08354X, FCG-08355X, FCG-08356X, FCG-08357X, FCG-08358X, FHH-083, FCG-082, FKH-141, FKH-145510X, FKH-145511X, FKH-145512X, FKH-145513X, GC4-150010X) being MCM the registered holder, except for the last concession which documents for transfer to MCM will be submitted but, on the current date, AGAC is the current holder, "**Other Contracts**";
- iii) 11 applications for exploration concession contracts (OG2-08073, OG2-08112, OG2-10591, TDR-11411, KHL-15421, GC4-15001X, GC4-15004X, GC4-15006X, GC4-15007X, GC4-15008X and GC4-15009X) "**Miraflores Applications**"; and



3.2 three exploration concession contracts, which encompass the JV Agreement - Chuscal Project (DLK-142, GC4-15002X and GC4-15005X) ("**Chuscal Project**") where AGAC is the registered holder.

Subject to the qualifications, assumptions and exceptions set out in this Report, we consider the following to be a summary of the key issues in relation to the Tenements:

a) (**Company's interests**) According to the "Sale and Purchase Deed", ("**SPD**") signed on 30 May 2016, between RMB, and North Hill Colombia Inc. ("**NHC**"), NHC owns 100% of the shares of MCM (formerly Minera Seafield SAS) which is 100% owned by the Company, with the Company having the ultimate benefit of the Tenements.

According to the above, the Company, through its affiliate MCM, has rights as registered on the Tenements, as follows:

i) Regarding the **Miraflores Contract**, MCM owns 100% of the rights and obligations. MCM will receive 100% of the rights and obligations to be derived from the **Miraflores Applications**, as all conditions have been satisfied. MCM do not owe or have obligations to third parties regarding these titles and applications.

While currently AGAC is the owner of some of the **Applications** before the National Mining Agency ("**ANM**") (Mining Authority), it has the obligation to transfer to MCM the titles once they are granted and registered in the National Mining Register ("**RMN**") as exploration concession contracts; with the exception of the securities that make up the

ii) **Chuscal Project** where MCM has securities over the exploration concession contracts **DLK-142, GC4-15005X GC4-15002X**, through which MCM's initial beneficial participation is 10% and, subject to the satisfaction of certain conditions, MCM will acquire an additional 41% interest in the title. It should be noted that a request for the integration of the three tenements (to create one title) has been submitted and is currently pending before the ANM.

Currently, AGAC is the owner of the 3 Concession Contracts that encompasses the Chuscal Project, so it is the beneficiary of the rights to explore them technically, to exploit them economically and to benefit the minerals that are extracted from them, therefore, is currently responsible for the mining and environmental liabilities that might be caused, before the relevant authorities.



The integration of Concession Contracts is currently underway before the ANM, which, if approved, will cease to be 3 mining titles and will become a single contract "**Chuscal Contract**", which will be granted on behalf of AGAC. According to the JV Agreement, once integrated, AGAC will formally grant to MCM before the ANM, 10% of the rights derived from the Chuscal Contract, same rights currently held by AGAC in the 3 Concession Contracts. After fulfilling the conditions, AGAC will assign an additional 41% to MCM of the Chuscal Contract, to be the majority holder of exploration, exploitation and benefit rights together with AGAC. Further details of the **JV Agreement** are set out in paragraph 4 of this Report;

- b) (**Artisanal miners**) in the area of the **Miraflores Contract** have been undertaking unauthorized mining activities for over 20 years. Since 2011 MCM has advanced negotiations and signed agreements ("**Social Agreements**") with the relevant artisanal miners with the objective of providing alternative livelihoods. Individual agreements have been signed with the majority of the members of the community such that when the Company enters into an operational phase and commences production, the artisanal miners are able to gain employment with the Company or otherwise be provided with subsidies for activities that allow their alternative livelihood to continue. Further details of the Social Agreements are set out in paragraph 7 of this Report;
- c) (**Prior consultation**) In the area of influence of the **Miraflores Tenements** are two indigenous groups: Embera Karamba and Embera Chami, jointly ("**Indigenous Communities**") according to certification issued by the Department of Consultation of the Ministry of Interior in March 2015. Consultations with the Indigenous Communities have occurred from May 19, 2015, which resulted in agreements with the Embera Chami community and no agreement with Embera Karamba. As a result of not finalizing agreement with Embera Karamba, a validation of the impact assessment that meets the parameters established by the Ministry of the Interior was requested to the National University of Colombia, which was issued on July, 2018.
- d) (**Land Restitution Processes**) As a result of historical armed conflict in Colombia, some regions have seen situations where the occupants and owners of land were dispossessed. The Colombian National Government, as a consequence of the peace process, established a special jurisdiction to return land to owners who had been dispossessed in the time of conflict. Some of the surface title under which some of the Tenements are located, have been subject to a request for the restitution of lands under this process.



The owner of surface title does not have any rights over the subsoil (mining title). Some Judges in the land restitution process make an annotation of this process in the RMN; others have suspended mining activities temporarily while the restitution is resolved; and others have authorized agreements to be made between the beneficiaries of the restitution and mineral title holders.

4. SUMMARY OF THE JV AGREEMENT:

- 4.1 On 8 November 2018, MCM and the Company (acting in the capacity of guarantor of MCM) entered into a joint venture to explore and develop the Chuscal Gold Prospect in Quinchia, Colombia with AGAC and Kedahda (acting in the capacity of guarantor of AGAC);
- 4.2 The Company and Kedahda, as guarantors of their respective subsidiaries shall be jointly and severally liable for MCM's and AGAC's, obligations under the agreement. Kedahda unconditionally and irrevocably guarantees to the Company and MCM the payment of the AGAC Guaranteed Moneys;
- 4.3 At establishment of the Joint Venture, the Company has a 10% beneficial interest and AGAC has a 90% beneficial interest in the title to be integrated once the ANM approves the Unified Exploration Program whereby the three Chuscal concessions are to be integrated and reissued as one concession (PUE);
- 4.4 The Company can earn a further 41% by spending \$ 2.5 million US over 3 years, including at least 7,500m of drilling;
- 4.5 Once the Company obtains 51% interest, the parties may participate pro-rata or dilute. Once a party has diluted to 9.9%, the participation of the diluting party reverts to a 2% net profit royalty;
- 4.6 The Company acts as manager of the joint venture (except in the interest of the AGAC's buy back right being exercised as below);
- 4.7 The manager of the joint venture is responsible for the care of the Chuscal Project;
- 4.8 AGAC has a one-off right to buy back a 21% interest from the Company, exercisable within 30 days of publication of a JORC resource of at least 3 million ounces of gold:
 - i) the price of this 21% interest is to be agreed between the parties or be determined by an independent valuer;
 - ii) upon exercise of the right, ownership in the joint venture will be 70% and 30% in favour of AGAC and the Company and AGAC will act as manager.



iii) AGAC will free-carry the Company through feasibility until permits have been granted for a development proposal of not less than 250,000oz annual production of gold.

4.9 If either party defaults its material obligations under the JV Agreement then upon delivery of written notice, the non-defaulting party may have the right to terminate the JV Agreement, subject to the dispute resolution process as set out in the JV Agreement;

4.10 Neither party under the JV Agreement may dispose of all or part of its interest under the JV Agreement without prior written consent from the other party (with such consent not to be unreasonably withheld);

4.11 If a party gets a bona fide offer from a third party to sell all or part of its interest in the JV agreement, then the other party has pre-emptive rights in relation to that interest.

The JV Agreement also contains other terms usual for agreements of this kind.

5. MIRAFLORES TENEMENTS:

5.1 MIRAFLORES CONTRACT:

5.1.1 Regulations and competent authority:

National Decree 2655 of 1988, by which the Mining Code, subsequently repealed by Law 685 of 2001, aims to encourage exploration of the national territory and jurisdictional maritime areas, fully manages mineral resources owned by the state, and promotes the optimal and sustainable utilization of the mineral resources.

Acting in accordance with the Constitution of Colombia, all non-renewable soil and subsoil natural resources belong to the nation as inalienable and imprescriptible. In order to explore and exploit the natural resources, mechanisms have been established to award rights to individuals for the development of exploration and mining activities.

Exploration concession contracts are granted on a first claimed, first served basis over open ground. During the exploration phase the concessions are valid for 3 years, renewable for additional 2 year periods up to a total of 11 years. During the exploration phase the concession holder may submit a technical justification and environmental impact study in order to progress to a mining concession. The total life of a concession, including exploration and mining, is 30 years. If justified, the mining concession can be renegotiated with the Mining Authorities.



5.1.2 **Transfer of rights:**

The contract under contribution is a category of mining concession, by means of which the ANM gives its affiliated or related entities temporary and exclusive power to mine, explore and exploit deposits of one or more minerals that may exist in a given area.

- i) October 13, 1987, the Colombian mining company Ecomin and the Miners Association of Miraflores signed a contract over concession No. 010-87M (1043) for the exploration and exploitation of precious metals. This was registered with the National Mining Register (RMN) on 3 December 1991.
- ii) On December 6, 2006 by ADDENDUM the contract was extended by the Colombian Institute of Geology and Mining, for a term of 15 years, for exploration and exploitation of precious metals, and duly registered with the RMN on 11 February of 2013.
- iii) Exercised preferential rights on April 28, 2016, MCM submitted a technical mine plan request, "PTO" (Act 685 of 2001) on January 26, 2018 and, in response to the request for additional information (Auto PARMZ No. 153, on April 10, 2018) a supplementary report was presented.
- iv) On June 15, 2018 following the approval of the Technical Concept (No. 236) by the mining authorities, the drafting of the mining contract was approved and, at the date of this Report, is awaiting signing.

5.1.3 **Category authorized mineral:**

The licensee is entitled to exploit minerals specifically mentioned in the contract, as well as those that may be associated with them or result as by-products.

The minerals awarded in the **Miraflores Contract** are gold, silver, its concentrates and related minerals.

5.1.4 **Contract procedure under contribution and competent authority responsible:**

The registration of an exploration or mining contract for a specific area (tenement) in the National Mining Register is the administrative act that gives an entity the exclusive and temporary right to explore and exploit the soil or subsoil, considered national property, and extract minerals in quantities and quality as determined by studies submitted to, and approved, by the relevant authorities. The contract also provides the right of access to the surface property of third parties and the use of



easements where necessary for the proper exercise of such activities within the tenement.

On June 27, 1988, the **Miraflores Contract** was registered in the RMN. The current status is VALID - pending on signing of Mining Concession Contract under Law 685 of 2001. The competent authority to authorize all mining proceedings regarding the **Miraflores Contract** is the ANM.

5.1.5 **Term and termination of the concession of the mining title:**

The ANM is the competent body to regulate relations between the various agencies and state entities, of individuals among themselves, concerning prospecting, exploration, exploitation, processing, utilization and marketing of unrenovable natural resources on the ground or in the subsoil.

The Mining Code established that the duration of the concession contracts, shall be thirty (30) years from its registration in the National Mining Register.

Currently, MCM, is expected to sign the concession contract under the terms of Law 685 of 2001. If the concession contract is signed and registered this year (2019), the duration of the contract is until 2049.

- i) **Term:** the duration of the concession contract to be signed will be 30 years, divided into the following stages:
- Construction and assembly stage: 3 years; and
 - Operational phase (Exploitation): 27 years.

The deadlines for the stages commence on the date of registration of the concession contract in the RMN.

- ii) **Extension:** once the concession contract is granted, MCM, before the expiration of the initial term of 30 years and, if compliant with their obligations, may request an extension of the contract for 30 additional years.

5.1.6 **Conditions and obligations under which the contract is given:**

Mining concessions are granted subject to compliance with conditions and obligations established by the Mining Code (Law 685) of 2001. Overall, the concession holder will have the primary duty of executing mining activity, and must:



- i) Comply with environmental regulations.
- ii) Comply with the provisions of the technical proposal and scope of work “PTO”.
- iii) Comply with mining health and safety obligations.
- iv) Comply with reporting standards eg 6-monthly Basic Mining Forms – “FBM”.
- v) Present due royalties.
- vi) Establish and maintain an effective mining and environmental policy.

Accordingly, and depending on the nature and stage of the grant, the following conditions may apply:

- i) **Royalties:** Royalties are a percentage of the gross revenue from exploited non-renewable natural resources, paid to the nation as owners of the resources. The royalty is 4%, paid quarterly.

The authorities have approved (AUTO PAR Manizales No.275 of April 30, 2019) Miraflores' royalty submissions for the III and IV quarters of 2018.

- iii) **Mining and Environmental Policy:** the mining operator shall provide a guarantee that covers compliance with mining and environmental obligations which shall be maintained throughout the duration of the concession contract. MCM submitted its policy on May 7, 2018, which as at the date of this Report, is still in the approval process with the ANM.

- iv) **FBM:** It is the duty mining companies to report to the ANM information on investments and work undertaken for each six-month period. MCM presented its annual FBM 2018, which to date is still in the approval process with the ANM.

5.1.7 Minimum expenditure

According to the particular conditions of each of the titles and stage, the holder must invest the necessary resources to ensure the viability and operation of the project it owns.

In the case of the PTO approved by the ANM, MCM established an investment, for the construction phase and installation within three (3) years, the sum of one billion, two hundred and fourteen million, eight hundred and thirty-three thousand, eight hundred twenty-five pesos COP (\$1,214,833,825.00), which is approximately AUD \$ 544,307.25.



The minimum expenditures committed before the MOM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
<https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

5.1.8 **Transfer of mining titles with their respective terms and conditions transferees:**

The transfer of mining rights is the legal act by which the beneficiary of a mining title (transferor) voluntarily transfers to a third party the rights on the title or part of it, through a private business transaction, in which the transferee takes the position of the transferor in the obligations under the contract. Disposals and acquisitions of Miraflores Contract are described below:

- (i) On June 3, 2010, January 24, 2013 and September 25, 2013 the ANM approved the transfer of ten percent (10%), thirty percent (30%) and sixty percent (60%), respectively, of the rights and obligations of the **Miraflores Contract** from the Miners Association of Quinchia to Minera Seafield S.A.S. (now MCM) for a total transfer of 100% of the rights corresponding to **Miraflores Contract**. All transfers have been registered in the RMN.

5.1.9 **Land ownership**

MCM has acquired certain rights to surface title where the Miraflores Contract is located, acquiring the lands 29312175, 293119867, 20313836, 2934219 and 293540, therefore not needing the approval of third parties to access these areas for mineral development.

5.1.10 **Report on detailed environmental conservation program and specific conditions.**

The ANM, with the purpose of regulating mining within the conditions of grant, enacts the implementation of an environmental plan as a tool in the evaluation of the process of mining within the concession. This is part of the Environmental Impact

Study that considers the actions of prevention, mitigation or compensation to be conducted during an activity, work or project.

This program is approved as a condition for granting the environmental permit, which seeks to control potential impacts on flora and fauna by mining projects.

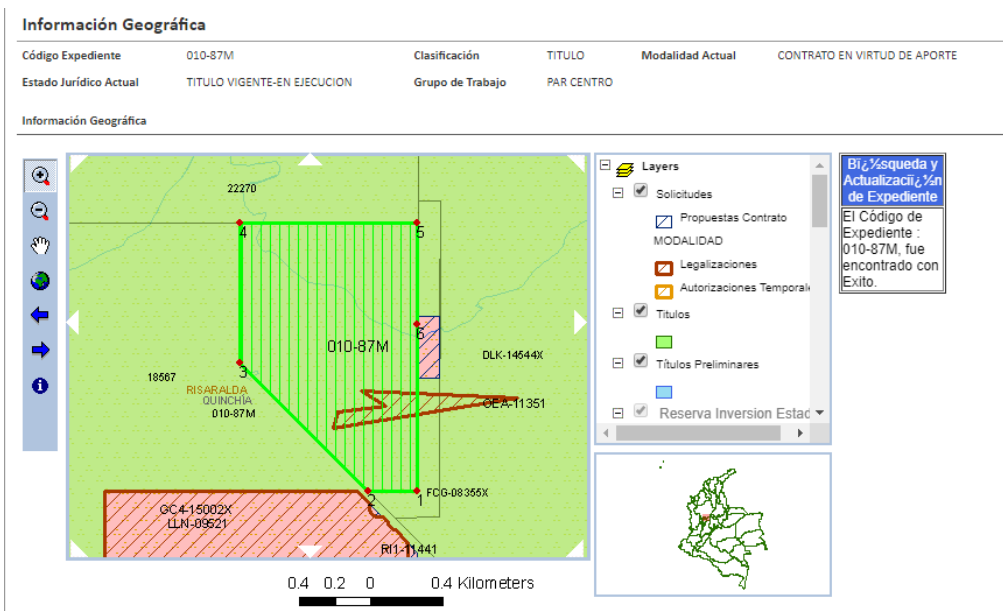
MCM is currently preparing an Environmental Impact Study under the following conditions:

- (i) CARDER by Resolution 563 of October 21, 1997, the environmental management plan to the society of miners with NIT Miraflores contract was awarded. 800000437-7.
- (ii) By resolution 839 of 19 July 2004, the Autonomous Regional Corporation of Risaralda CARDER imposes environmental management measures to advance exploitation by the Mining Association of Miraflores contract for five (5) years.
- (iii) PARMZ by Order No. 431 of July 30, 2018, the Program of Works and Works approved - PTO, in accordance with the technical concept PARMZ No 236 of 15 June 2018, for the time being pending the preparation of the minutes.

5.1.11 Granted area

Miraflores Contract area is granted as follows: an area 124.93 hectares located in in the municipality of Quinchia, Risaralda as evidenced below in the map of reference:

5.1.12





ts:

At any time, MCM may relinquish the **Miraflores Contract** and remove machinery and equipment of the area. As **Miraflores Contract** is in the operational phase, MCM should execute closure and abandonment according to the PMA, which would then guarantee that the area will not have environmental liability and that the area is in good condition.

In order to relinquish, the ANM must approve that request by verifying that the title is in good standing and all environmental liabilities have been addressed.

5.1.13 Suspensions:

Mining authorities must react by administrative action regarding a specific suspension, establishing the term and conditions thereof. To date, Miraflores contract has requested the following suspensions to the obligations under the supply contract for six-month periods as follows:

- i) Between 27 May 2014 and 26 November 2014.
- ii) Between February 16, 2015 to August 15, 2015.
- iii) Between August 16, 2015 to February 15, 2017.

5.1.14 Illegal mining:

These are exploratory mining practices or mineral extraction, developed without proper mining title or without authorization of the owner of private property where the project is located, and undertaken outside legal regulations established by the State.

MCM have filed the reports required for obtaining administrative protection under the terms of Law 685 of 2001, asking for the authorities to: set dates for verification visits by the authorities to the disturbances in the title area, in order to demonstrate to the ANM that any environmental damage, or general damage caused to third parties, is not caused by MCM; and to cause stoppage to illegal activities in the area of the **Miraflores Contract**.

5.2 OTHER CONTRACTS:



MCM holds 19 exploration concession contracts, which give the holder the right to pursue an economic activity, exploiting a product and subsequently removing an economic benefit from it. A summary of the key issues is provided as follows:

5.2.1 Regulations applicable to the matter and competent authority:

Law 685 of 2001 (Mining Code) is the general law governing the mining sector in Colombia. This code regulates the application of concession contracts, which allow individuals to exploit non-renewable resources of the country.

The ANM is the competent body to regulate relations between the various agencies and state entities, of individuals among themselves, concerning prospecting, exploration, exploitation, processing, utilization and marketing of non-renewable natural resources on the ground or in the subsoil.

5.2.2 Stages and duration of the concession contract

The concession contract is the contract concluded by the State and an individual to perform, at the risk of the latter, studies, works and works of exploration and exploitation of state-owned minerals that can be found within a given area. This contract includes within its object the steps of:

- i) Exploration: Mineral exploration, the initial stage of mining, aims to identify areas where mineral deposits are located which are then - depending on their size and composition - exploited in a mining project. The initial term is for 3 years, and 8 years of extension for a maximum term of 11 years.
- ii) Construction and Assembly: Construction works are those works of infrastructure essential for normal functioning of the work of support and management of the mining company. For its part, the mining assembly consists of the preparation of mining fronts and installation works, services, equipment and fixed equipment needed to start and advance the extraction or collection of minerals, their collection, internal transport and benefit. The initial term is for 1 year, and 3 years of extension, for a total term of the stage that might be granted of 4 years.
- iii) Exploitation: The operation phase comprises all mining operations found in the concession area, gathering, benefit, and abandonment and closure assemblies and infrastructure. The general term is 24 years which is the remaining term after the exploration and construction and assembly stages,



and 3 years of extension, for a total term of the stage that might be granted of 4 years.

The law established that the duration of the concession contracts, shall be thirty (30) years from its registration in the Mining Register.

5.2.3 Current status and expiration date of concession contracts:

Contract	Stage	Annuity	Expiry date
DLK-14544X	Exploration	10th annuity	November 30, 2039
FCG-08353X	Exploration	10th annuity	17 December 2039
FCG-08354X	Exploration	7th annuity	February 5, 2043
FCG-08355X	Exploration	9th annuity	December 27, 2039
FCG-08356X	Exploration	8th annuity	16 December 2040
FCG-08357X	Exploration	8th annuity	September 20, 2040
FCG-08358X	Exploration	9th annuity	December 27, 2039
FKH-145510X	Exploration	4th annuity	May 5, 2045
GC4-15002X	Exploration	1st annuity	May 19, 2049
GC4-15005X	Exploration	1st annuity	May 20, 2049
GC4-150010X	Exploration	1st annuity	May 23, 2049

Before the termination of the initial term granted for the concession contract, the holder may request the contract extension for an additional 30 years.

5.2.4 Category authorized mineral:

The categories of minerals that were granted for the **Other Contracts** are:

- i) Silver and concentrates;
- ii) Zinc and concentrates;
- iii) Gold and concentrates,
- iv) Platinum and concentrates;
- v) Copper and concentrates;
- vi) Molybdenum and concentrates.



5.2.5 Causes of termination:

The concession contracts may be terminated for the following reasons:

- i) On expiry of the terms established in the law and the contract without an extension;
- ii) If the holder requests the termination;
- iii) Death of the holder (if the holder is a company the dissolution and liquidation of the company).
- iv) By declaration of forfeiture: which is a sanction imposed on the mining company by the repeated failure of requests made, or breaches of obligations, which results in loss of the right to explore and exploit the area granted and results in the holder not being able to sign further concession contracts for five (5) years.

5.2.6 Minimum Expenditures

The holder must submit to the ANM a Minimum Exploratory Program when making extensions of exploration stages. The minimum investment established in the Minimum Exploratory Program or Format B governed by the time of reporting are:

Concession Contract	Total investment in COP, over the 2 years of the exploration extension term	Minimum expenditure in AUD (Approx.) over the 2 years of the exploration extension term
DLK-14544X	\$ 135,415,280	\$ 60,672.92
FCG-08353X	\$ 122,915,408	\$ 55,072.35
FCG-08354X	\$ 47,200,000	\$ 21,148.00
FCG-08355X	\$ 141,144,388	\$ 63,239.85
FCG-08356X	\$ 103,500,000	\$ 46,373.26
FCG-08357X	\$ 63,500,000	\$ 28,451.23
FCG-08358X	\$ 139,139,200	\$ 62,341.43
FKH-145510X	\$ 139,738,152	\$ 62,609.79
GC4-150010X	\$ 10,889,413	\$ 4,879.01
TOTAL:	\$ 903,441,841 COP	\$ 404,787.83 AUD

expenditures committed before the ANM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019,



published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
- <https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

5.2.7 Transfer of mining titles with their respective terms and conditions transferees:

The transfer of mining rights is the legal act by which the beneficiary of a mining title (transferor) voluntarily transfers to a third party its rights over the title or part of it, in which the transferee, takes the position of the transferor in the obligations under the contract. The assignor must inform the mining authority, who will verify that the transferee meets the requirements of a concession holder. Once the ANM verifies this information, it authorizes the transfer of the concession contract with all its obligations.

5.2.8 Conditions and obligations of the contract

Concession contracts have a number of obligations under the Mining Code (Law 685 of 2001) which must be met in order to retain the concession. These obligations are divided into stages as follows:

	STAGE		
	Exploration	Construction and assembly	Exploitation
OBLIGATION:	Surface fee	Surface fee	Royalties
	Mining and Environmental policy	Mining and Environmental policy	Mining and Environmental policy
	File Basic Mining Form	File Basic Mining Form	File Basic Mining Form
	File PTO at the end of the exploration phase	Once approved the PTO start the environmental authorization	PTO and Environmental License

Summary of each obligation:



- i) **Royalties:** a 4% is paid quarterly;
- ii) **Surface fee:** consideration charged by the procuring entity over the entire concession area during scanning, assembly and construction or extensions thereof that retains the contractor to explore during the operating period;
- iii) **Mining and environmental policy:** that covers compliance with mining and environmental obligations, payment of fines and forfeiture;
- iv) **FBM:** the tool that the ANM has to collect information on expenditures and advances;
- v) **Plan of Works and Works (PTO):** is the result of studies and exploration work, presented by the dealer before the final expiration of this period is a document that compiles both technical information and legal and budget earmarked for all the operational phase;
- vi) **Environmental license:** It is the authorization granted by the competent environmental authority for the execution of a project, work or activity, according to the law and regulations, can cause severe deterioration of renewable natural resources or the environment, or introduce substantial modifications or notable landscape.

All the Other Contracts are in good standing regarding the main obligations derived of it. If not yet approved by the ANM, all obligations have been submitted.

5.2.9 Relinquished concessions:

In accordance with Law 685 of 2001, the concession contracts are subject to waiver (relinquishment) by the mining company. The mining authority will determine the viability of the waiver considering the obligations due at the time of request.

Currently, the relinquished titles are:

- i) DLK-141.
- ii) FCG-08354X.
- iii) HBF-083.
- iv) FCG-082.

However, although relinquished, environmental obligations remain for 3 years after relinquishment of title.

5.2.10 Concessions finished and in process of liquidation:

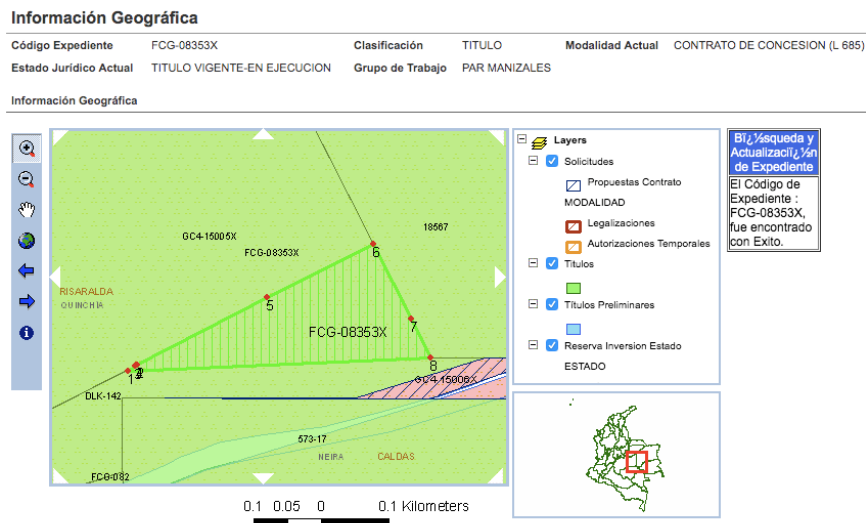
While the titles have been withdrawn following relinquishment, mining concession contracts then undergo liquidation within twelve (12) months following the issuance of the administrative act declaring completion. Four titles are undergoing this process:

- i) FKH-141
- ii) FKH145511X
- iii) FKH-145512X
- iv) FKH-145513X

5.2.11 Area granted

The areas granted to the current valid Concession Contracts, that have not been relinquished are:

- i) **FCG-08353X**
Area: 3,9379.6 Ha.
Location: Risaralda, Quinchia (100%)

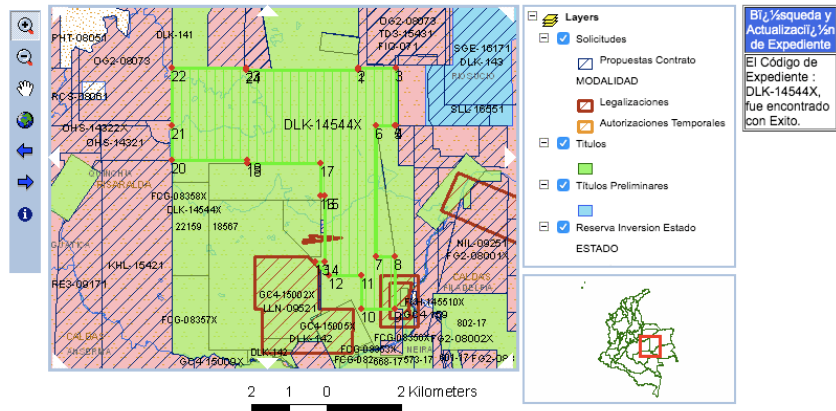


- ii) **DLK-14544X**
Area: 1982,5594 Ha.
Location: Risaralda, Quinchia (100%) (COLOMBIA)

Información Geográfica

Código Expediente	DLK-14544X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

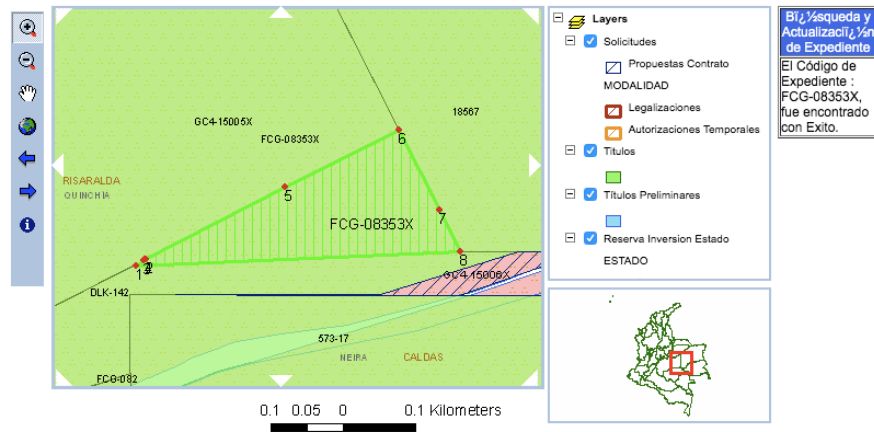


- iii) **FCG-08355X**
 Area: 20,9147 Ha.
 Location: Risaralda, Quinchia (100%)

Información Geográfica

Código Expediente	FCG-08353X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

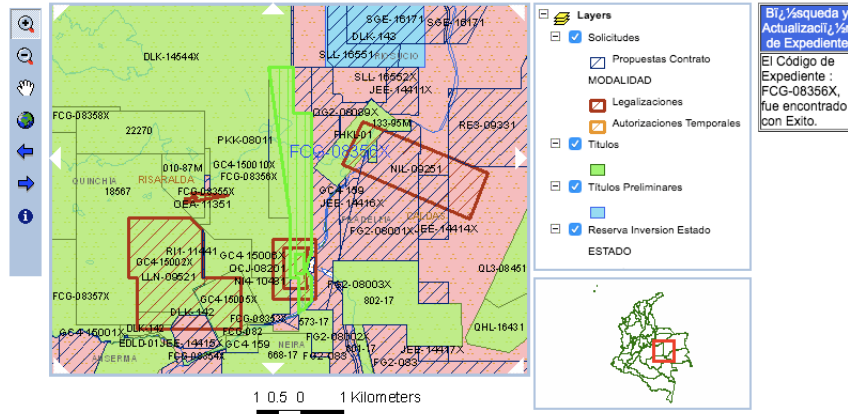


- iv) **FCG- 08356X**
 Area: 295,4448.9 Ha.
 Location: Filadelfia, Caldas (0.8%) – Quinchia, Risaralda(99.92%)

Información Geográfica

Código Expediente	FCG-08356X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L.685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

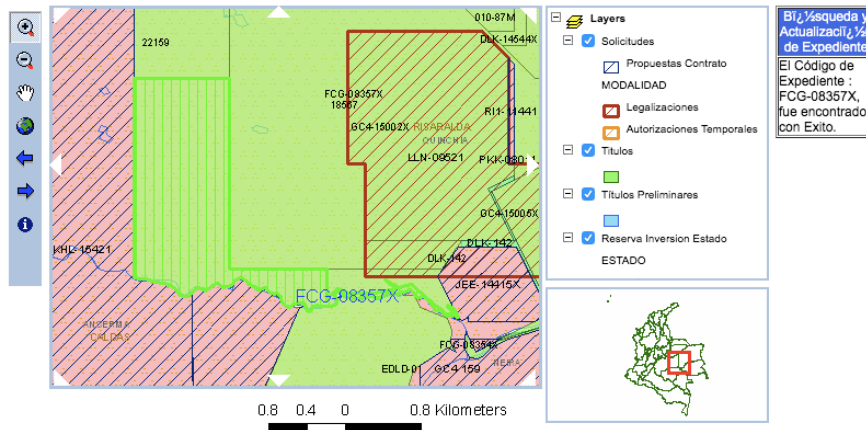


- v) **FCG-08357X**
 Area 6131.8 m2.
 Location: Quinchia, Risaralda (99.27%) – Anserma, Caldas (0.73%)

Información Geográfica

Código Expediente	FCG-08357X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L.685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

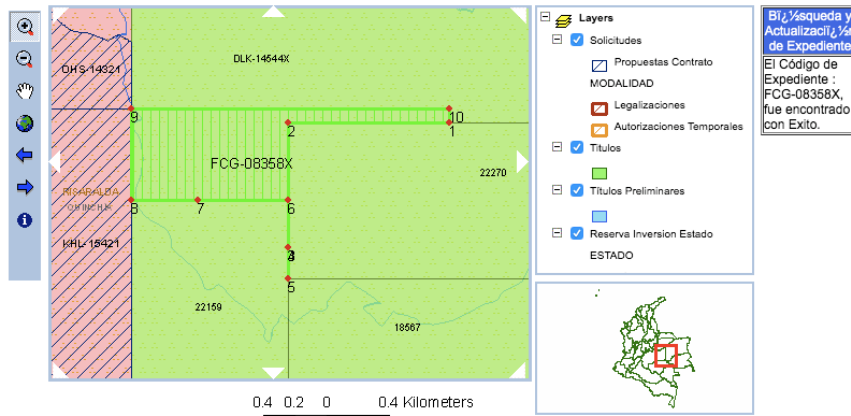


- vi) **FCG-08358X**
 Area: 67,5204 Ha.
 Location: Quinchia, Risaralda (100%)

Información Geográfica

Código Expediente	FCG-08358X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

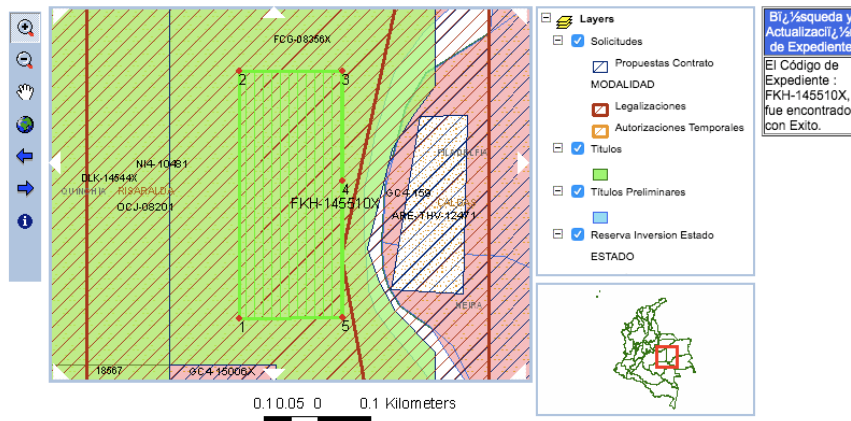


- vii) **FKH-145510X**
 Area: 8.9262 Ha.
 Location: Risaralda, Quinchia (100%)

Información Geográfica

Código Expediente	FKH-145510X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

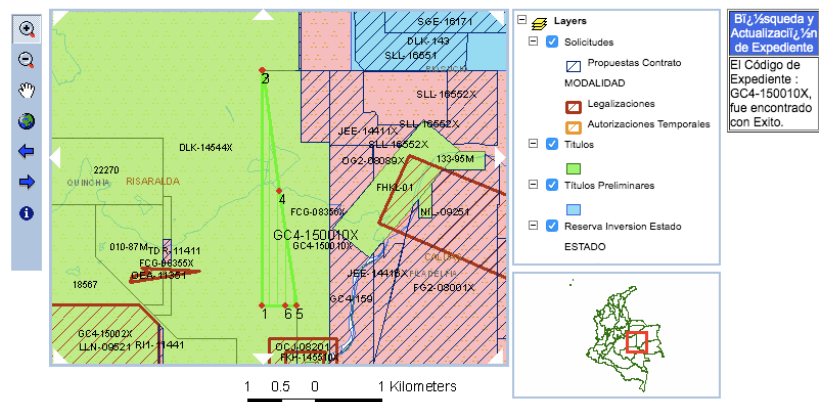


- viii) **GC4-150010X**
 Area: 88.5741 Ha.
 Location: Risaralda, Quinchia (100%)

Información Geográfica

Código Expediente	GC4-150010X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L.685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



5.1.12 Illegal mining:

Currently, the Other Contracts do not have illegal mining in their areas.

5.3 APPLICATIONS:

MCM has 11 applications for mining concessions. These seeks the grant of a right to explore, exploit and benefit from minerals under a Mining Concession Contract. A summary of the key issues for applications in Colombia follows:

5.3.1 Regulations applicable:

Law 685 of 2001 (Mining Code) is the general law governing the mining sector in Colombia. There are several decrees and resolutions governing the matter in key areas, such as assigning areas or titles (contractual arrangements), the production control, settlement and collection of royalties and compensation, distribution and transfer of revenue, the environment and social investment.

5.3.2 Application procedure and competent authority:

In order to explore and exploit minerals in Colombia it is necessary to hold a mining concession contract duly executed and registered in the National Mining Register (Article 14 of Law 685 of 2001 - Mining Code). To grant a mining concession, an



applicant must submit a proposal for a concession contract before the Mining Authority in order that its feasibility is assessed according to Colombian law.

The proposed concession is presented to the ANM which, in accordance with the provisions of National Decree 4134 of November 3, 2011, is the state agency responsible for administering mineral resources owned by the state. On receipt of documentation supporting economic capacity, the location coordinates of the polygon of interest and the Minimum Exploratory Program for the requested area, the ANM performs a feasibility analysis comprising:

- i) **Legal feasibility:** including quality of the proposer, as well as its object and legal representation if corporations are concerned.
- ii) **Economic viability:** financial sufficiency to advance the proposal in the concession area.
- iii) **Technical viability:** concerned with the study of the requested area, including the plan and estimated investments to be made.

Once the initial requirements of standard have been met, the ANM orders the holding of a hearing in order to promote citizen participation and guarantee the right of objection. Once this requirement has been satisfied, the mining authority indicates whether the proposal is viable and the signing of memorandum of concession contract that results in the immediate grant of title is ordered.

- i) OG2-08112, OG2-08073 and TDR-11411, are under study by the ANM to establish whether they meet the requirements of legal, economic and technical feasibility, considering that MCM has complied with all the requirements made by the ANM.
- ii) GC4-15001x, GC4-15004X, GC4-15006X, GC4-15007X, GC4-15008X, GC4-15009X were declared by the ANM as feasible applications, i.e., all these applications met all the requirements set by the ANM and held the hearing for third parties on March 3, 2019. The next legal step is to sign Mining Concession Contract with the ANM, and is subject to the ANM's times.
- iii) OG2-081059 and KHL-15421 are currently suspended. Further details are set in paragraph 5.3 h), ii).

5.3.3 Category authorized mineral:



The Mining Code has established that the grantee of a concession contract has the right to exploit minerals expressly included in the contract, such as :

- i) Coal
- ii) Precious metals and precious stones: gold, silver, platinum and emeralds.
- iii) Metallic minerals: nickel, copper, iron, manganese, lead, zinc and titanium.
- iv) Non-metallic minerals: earth salt, sea salt, gravel, sand, clay, limestone, sulfur, barite, bentonite, feldspar, fluorite, asbestos, magnesite, talc, chalk, rock phosphate and ornamental rocks.

The categories of minerals to be granted for the Applications are:

- i) Silver and concentrates;
- ii) Zinc ores and concentrates;
- iii) Gold and platinum, and concentrates;
- iv) Copper ores and concentrates; and
- v) Molybdenum and concentrates.

5.3.4 Term and termination of the application for the mining title:

The concession contract applications do not have a set time for duration, as the process time for grant depends on the compliance with the requirements of law. However, once the application is approved and the concession contract is signed and registered in the Colombian Mining Cadaster (CMC), the mining concession contract has a duration of 30 years, renewable for another 30 years.

5.3.5 Minimum Expenditures

At the moment to file an Application, the holder must submit to the ANM a Minimum Exploratory Program “MEP”. The MEP sets out the terms of reference for minimum investment applied to exploration work within the first three installments of the contract, taking into account the type of mineral and number of hectares requested.

The minimum investment set out in the MEP for the first 3 annuities once the concession contracts are awarded for the **Applications** are:

Application	Total minimum expenditure in COP over first 3 years	Total minimum expenditure in AUD (Approx.) over first 3 years



OG2-08112	\$ 275,671,569	\$ 123,514.86
OG2 - 08073	\$2,649,431,920	\$ 1,187,080.06
OG2-10591	\$ 883,466,020	\$ 395,837.65
TDR-11411	\$ 191,760,571	\$ 85,918.48
GC4-15004X	\$ 195,829,447	\$ 87,741.54
GC4-15006X	\$ 195,807,083	\$ 87,731.52
GC4-15007X	\$ 194,086,793	\$ 86,960.74
GC4-15008X	\$ 194,167,815	\$ 86,997.04
GC4-15009X	\$ 211,913,568	\$ 94,948.04
KLH-15421	\$ 479,188,080	\$ 214,700.60
GC4-15001X	\$ 139,271,764	\$ 62,400.82
TOTAL	\$ 5,610,594,547	\$ 2,513,831.35

The minimum expenditures committed before the ANM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:

- <http://www.banrep.gov.co/es/estadisticas/trm>
<https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

5.3.6 Area granted for the Application

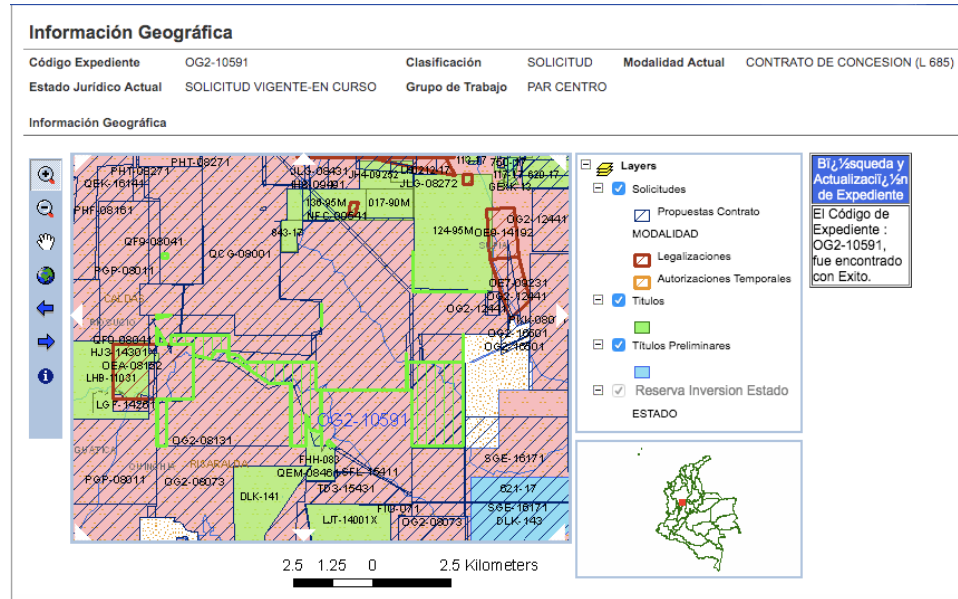
The Mining Code establishes that the concession contracts do not transfer to the beneficiary a right of ownership of minerals, but establishes, exclusively and temporarily, within the area granted, an area in which the concession holder may carry out mining exploration, exploitation and benefit from the minerals found there.

The areas are:

- i) **OG2-10591:**
226.41657 area Ha.,



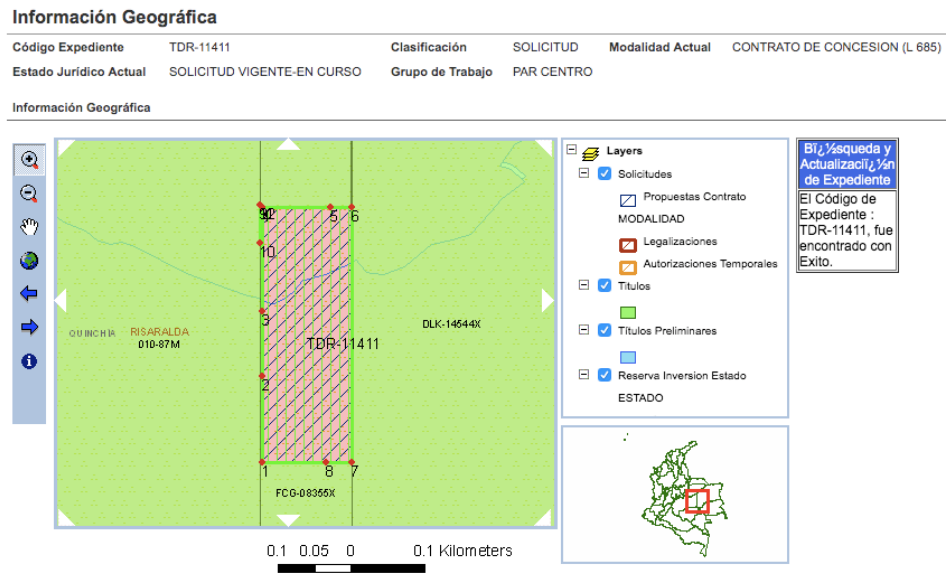
Location: Municipality of Riosucio, Department of Caldas, (72%) – Municipality of Risaralda, Department of Quinchia (17%) – Municipality of Supia, Department of Caldas (10%)



ii) **TDR-11411**

area of 4,3014 ha.

Location: Municipality of Risaralda, Department of Quinchia (100%)



iii) **OG2-08112**

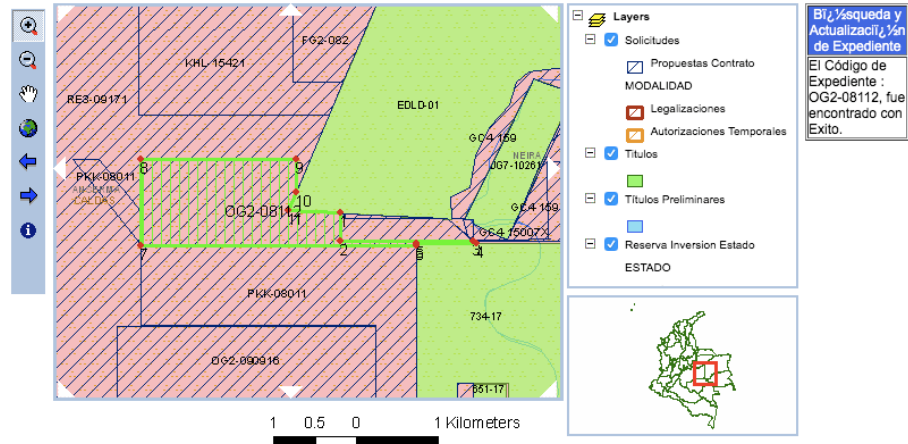
Ha 226.41657 area.

Location: Municipality of Anserma, Department of Caldas (100%)

Información Geográfica

Código Expediente	OG2-08112	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



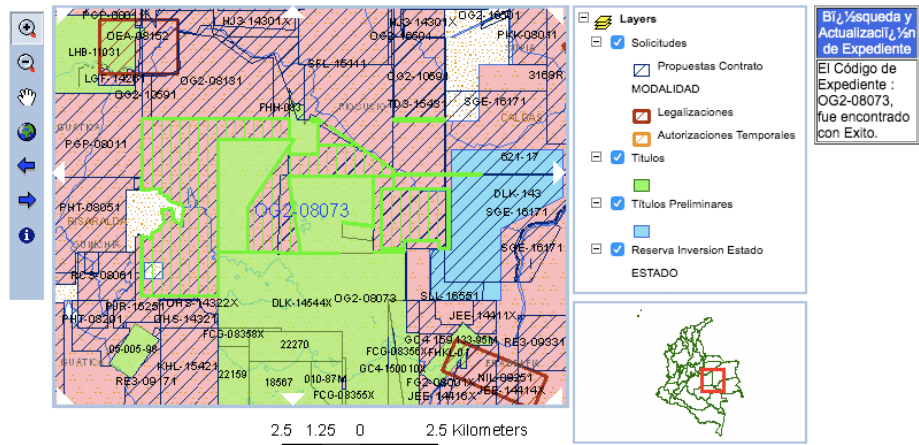
iv) **OG2-08073**
area: 250.65653 Ha.

Location: Municipality of Anserma, Department of Caldas (2.05%) – Municipality of Risaralda, Department of Quinchia (97.95%)

Información Geográfica

Código Expediente	OG2-08073	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



v) **KHL-15421:**

Area: 226.41657 Ha.

Location: Municipality of Risaralda, Department of Quinchia (53%) – Municipality of Anserma, Department of Caldas (47%)

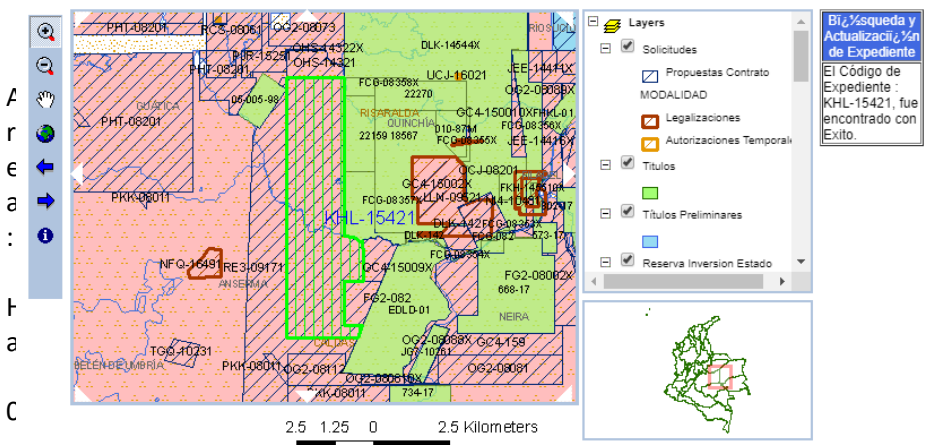
Información Geográfica

Código Expediente	KHL-15421	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

vi) **GC4-**

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Información Geográfica



4397 area.

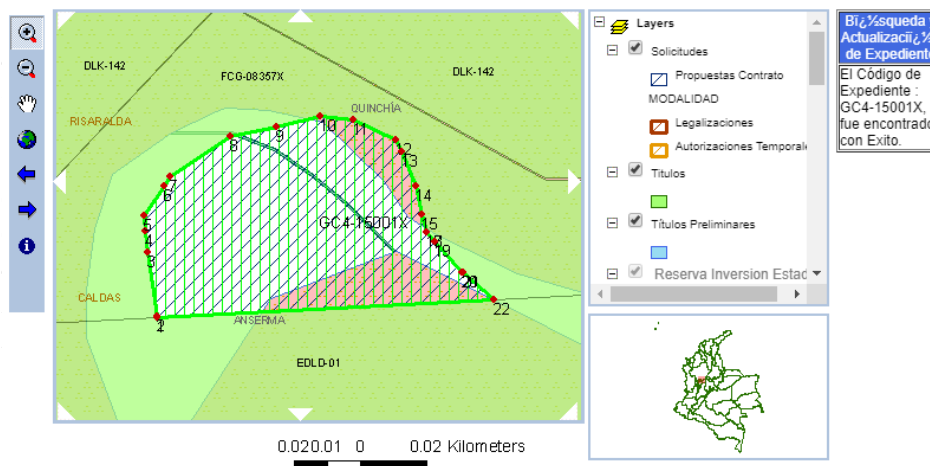
Location: Municipality of Anserma, Department of Caldas (72.05%) – Municipality of Risaralda, Department of Quinchia (27.95%)

Información Geográfica

Código Expediente	GC4-15001X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

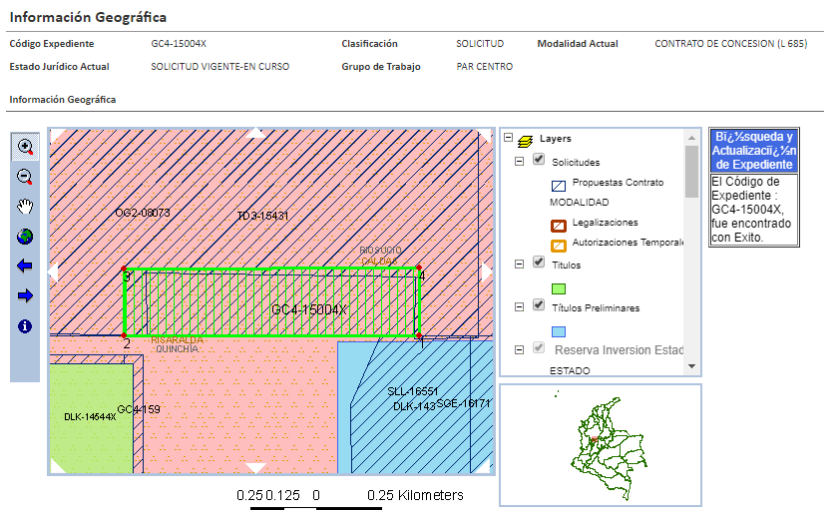
vii)

Información Geográfica



: 29.1463 Ha.

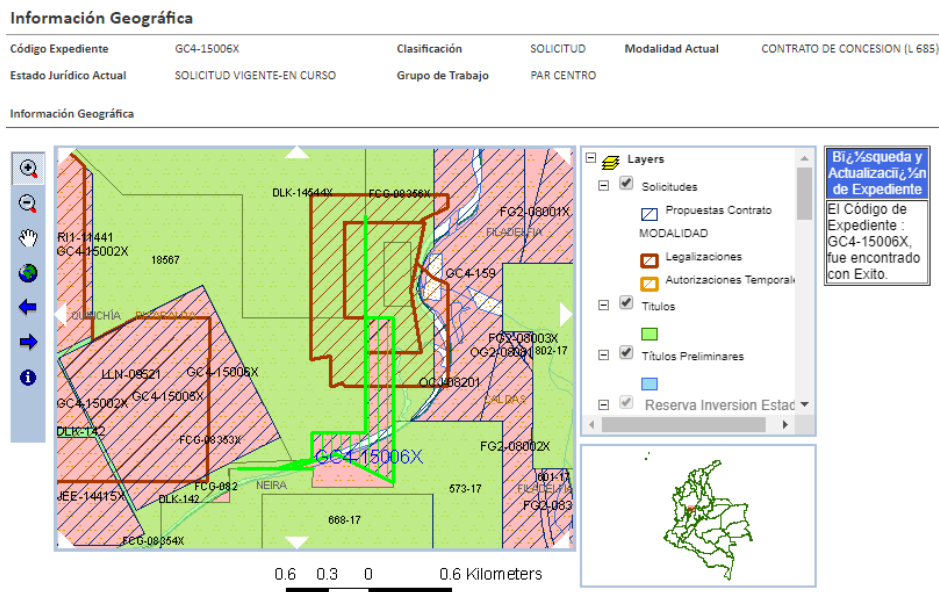
Location: Municipality of Riosucio, Department of Caldas (45%) – Municipality of Risaralda, Department of Quinchia (55%)



viii) **GC4-15006X**

Area: 31.14746 Ha.

Location: Municipality of Neira, Department of Caldas (20.33%) – Municipality of Risaralda, Department of Quinchia (79.67%)



ix) **GC4-15007X**

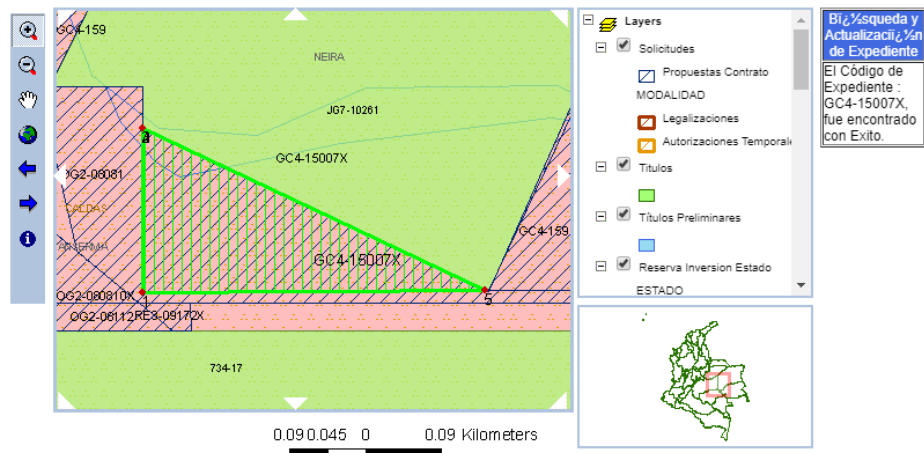
Area: 3.9432 Ha.

Location: Municipality of Anserma, Department of Caldas (100%)

Información Geográfica

Código Expediente	GC4-15007X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica

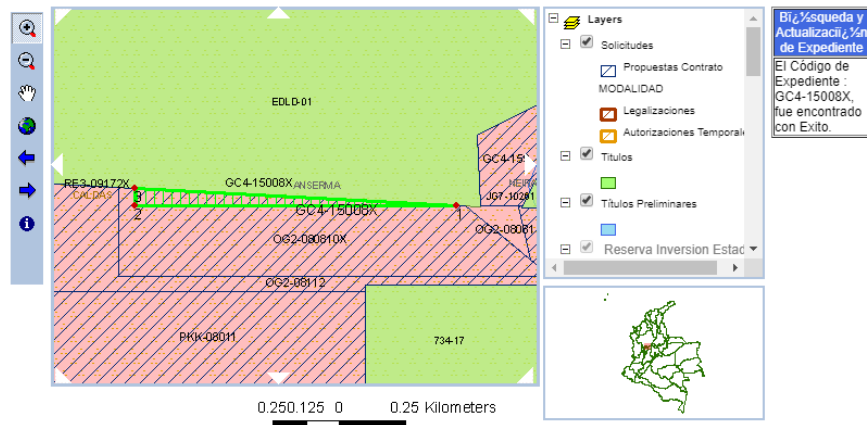


- x) **GC4-15008X**
 Area: 3.8336 Ha.
 Location: Anserma, Caldas (100%)

Información Geográfica

Código Expediente	GC4-15008X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica

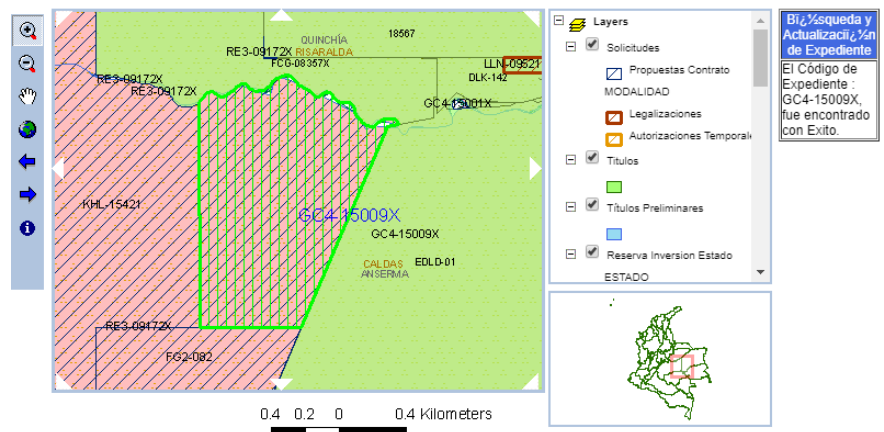


- xi) **GC4-15009X**
 Area: 123.6513 Ha.
 Location: Municipality of Anserma, Department of Caldas (90%) – Municipality of Risaralda, Department of Quinchia (10%)

Información Geográfica

Código Expediente	GC4-15009X	Clasificación	SOLICITUD	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	SOLICITUD VIGENTE-EN CURSO	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



5.3.7 Relinquishment of an application:

The applications, in accordance with the law 685 of 2001, are subject to relinquishment by the applicant. It is a free and unilateral act. The applicant expresses its desire to resign and that it is accepted by the competent mining authority.

5.3.8 Loss of right and suspensions:

The applications are future entitlements which, if all the requirements of the law are met, become a mining concession contract. The applications may be rejected or suspended by the competent mining authority according to the following grounds:

- i) **Rejection:** The mining authority may reject the application if:
 - The applicant does not comply with the legal capacity required by law;
 - The applicant does not meet the financial capacity and cost required by law;
 - When the mining authority conducts assessments and establishes that the area susceptible is not large enough to develop a mining concession contract;
 - When the mining authority requirements are not met in a timely manner by the applicant;
 - When by national command authority an area excludable under contract mining is declared.

** When the mining authority rejects an application for the reasons given above the applicant may appeal the decision.



- ii) **Suspension:** The mining authority may suspend the application when:
- When there is a court sentence the authorities land restitution.
 - When national authorities take provisional measures order of which depends on a resolution of fund to continue the recruitment process.

Currently the Applications OG2-10591 and KHL-15421 are suspended through a decision of the Land Restitution Court of Pereira in order to prevent detriment on the land that may affect the alleged owner.

6. CHUSCAL PROJECT ((DLK-142, GC4-15002X and GC4-15005X)

6.1 Regulations and competent authority:

Law 685 of 2001 (Mining Code) is the general law governing the mining sector in Colombia. This code regulates the application of concession contracts, which allow individuals to exploit non-renewable resources of the country.

The ANM is the competent body to regulate all the matters related to the Chuscal Project titles, because of its location in Colombia.

6.2 Stages and duration of the concession contract

The concession contract is the contract concluded by the State and an individual to perform, at the risk of the individual, studies, and works of exploration and exploitation of state-owned minerals that can be found within a given area. This contract includes within its object the stages of:

- i) **Exploration:** technical exploration, the initial stage of mining, aims to identify areas where mineral deposits are located which are then - depending on their size and composition - exploited in a mining project. The initial term is 3 years, and 8 years of extension for a maximum term of exploration of 11 years;
- ii) **Construction and Assembly:** Construction is understood as those works of infrastructure essential for normal functioning of the work of support and management of the mining company. On the other hand, the mining assembly consists of the preparation of mining fronts and installation works, services, equipment and fixed equipment needed to start and advance the extraction or collection of minerals, their collection, internal transport and benefit. The initial term is for 1 year, and 3 years of extension, for a total term of the stage that might be granted of 4 years;



- iii) **Exploitation:** The operation phase comprises all mining operations found in the concession area, gathering, benefit, and abandonment and closure assemblies and infrastructure. The general term is 24 years which is the remaining term after the exploration and construction and assembly stages, but the definitive duration is the remaining time after the exploration and construction and assembly stage not exceeding 30 years from its registration in the Mining Register.

6.3 Current status and expiration date of concession contracts:

Contract	Stage	Annuity	Expiry date
DLK-142	Construction and assembly	1st annuity	October 22, 2039
GC4-15002X	Exploration	1st annuity	May 21, 2049
GC4-15005X	Exploration	1st annuity	May 19 2049

6.4 Transfer of mining titles with their respective terms and conditions transferees:

The transfer of mining rights is the legal act by which the beneficiary of a mining title (transferor) voluntarily transfers to a third party its rights over the title or part of it, in which the transferee, takes the position of the transferor in the obligations under the contract. The assignor must inform the mining authority, who will verify that the transferee meets the requirements of a concession holder. Once the ANM verifies this information, it authorizes the transfer of the concession contract with all its obligations.

None of the titles that comprise the Chuscal Project have been transferred, since they were applied by AGAC and is the current mining holder. Once they are integrated and converted into the Chuscal Contract, AGAC and MCM must submit before the ANM the request for partial transfer of rights in the percentages according to the JV Agreement, for which the ANM will verify compliance with the legal and economic capacity of MCM in the proportion to be assigned and once the assignment is approved, MCM will be registered in the RMN as the holder of the percentages acquired from the Chuscal Contract.

6.5 Category authorized mineral:



The contract is entitled to exploit minerals specifically mentioned in the contract, as well as those that may be associated with them or result as by-products.

The minerals granted to the Chuscal Project titles are:

- i) Silver and concentrates;
- ii) Zinc and concentrates;
- iii) Gold and concentrates,
- iv) Platinum and concentrates;
- v) Copper and concentrates; and
- vi) Molybdenum and concentrates.

6.6 Causes of termination:

The concession contracts may be terminated for the following reasons:

- i) On expiry of the terms established in the law and the contract without an extension;
- ii) If the holder requests the termination;
- iii) Death of the holder (if the holder is a company the dissolution and liquidation of the company).
- iv) By declaration of forfeiture: which is a sanction imposed on the mining company by the repeated failure of requests made, or breaches of obligations, which results in loss of the right to explore and exploit the area granted and results in the holder not being able to sign further concession contracts for five (5) years.

6.7 Minimum Expenditures

The minimum total investment in Chuscal Project over the first three years, once the PUE is approved and the 3 concession contracts become Chuscal Contract will be of COP \$ 3,079,209,649 (AUD \$ 1,379,624 approx.).

The minimum expenditures committed before the ANM in COP (Colombian Peso) are expressed approximately in AUD for the purposes of this Report. In order to provide the most accurate and official rate, we conducted the conversion from COP to USD (American Dollar) according to the official Market Representative Rate "TRM" of July 9, 2019, published by the Bank of the Republic of Colombia: COP \$ 3,207.66, and subsequently that value in USD was converted to AUD according to the official exchange rate published by the Reserve Bank of Australia for July 9, 2019: 0.6958 (Series ID FXRUSD).

Sources:



- <http://www.banrep.gov.co/es/estadisticas/trm>
<https://www.rba.gov.au/statistics/historical-data.html#exchange-rates>.

6.8 Conditions and obligations of the contract

Concession contracts have a number of obligations under the Mining Code (Law 685 of 2001) which must be met in order to retain the concession. These obligations are divided into stages as follows:

	STAGE		
	Exploration	Construction and assembly	Exploitation
OBLIGATION:	Surface fee	Surface fee	Royalties
	Mining and Environmental policy	Mining and Environmental policy	Mining and Environmental policy
	File Basic Mining Form	File Basic Mining Form	File Basic Mining Form
	File PTO at the end of the exploration phase	Once approved the PTO start the environmental authorization	PTO and Environmental License

Summary of each obligation:

- i) **Royalties:** a 4% is paid quarterly;
- ii) **Surface fee:** consideration charged by the procuring entity over the entire concession area during scanning, assembly and construction or extensions thereof that retains the contractor to explore during the operating period;
- iii) **Mining and environmental policy:** that covers compliance with mining and environmental obligations, payment of fines and forfeiture;
- iv) **FBM:** the tool that the ANM has to collect information on expenditures and advances;
- v) **Plan of Works and Works (PTO):** is the result of studies and exploration work, presented by the dealer before the final expiration of this period is a



document that compiles both technical information and legal and budget earmarked for all the operational phase;

- vi) **Environmental license:** It is the authorization granted by the competent environmental authority for the execution of a project, work or activity, according to the law and regulations, can cause severe deterioration of renewable natural resources or the environment, or introduce substantial modifications or notable landscape.

All the titles that encompasses the Chuscal Project are in good standing regarding the main obligations derived of it. If not yet approved by the ANM, all obligations have been submitted.

6.9 Area granted:

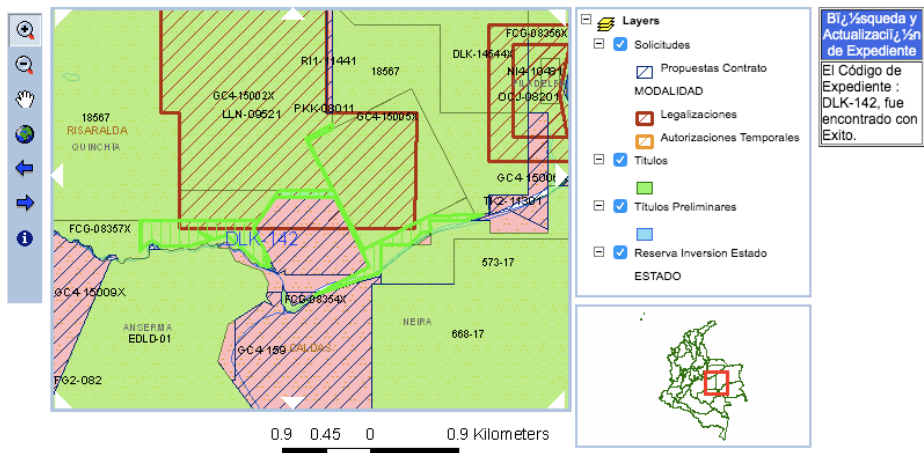
As the integration has not yet been approved by the ANM, the 3 areas are still independent, as follows:

- i) **DLK-142**
Area: 56,890 Ha.
Location: Anserma, Caldas (00.27%) – Quinchia, Risaralda (99.37%) – Neira, Caldas, (0.62%)

Información Geográfica

Código Expediente	DLK-142	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR MANIZALES		

Información Geográfica

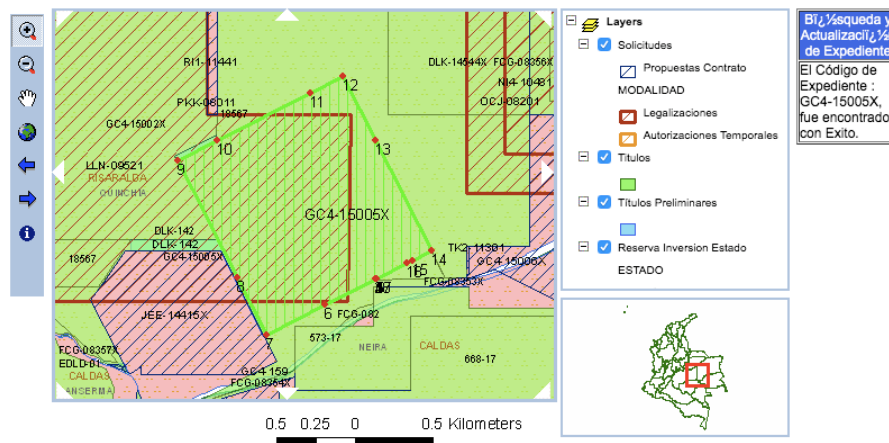


- ii) **GC4-15005X**
Ha 147.4701 area.
Location: Risaralda, Quinchia (100%)

Información Geográfica

Código Expediente	GC4-15005X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR CENTRO		

Información Geográfica

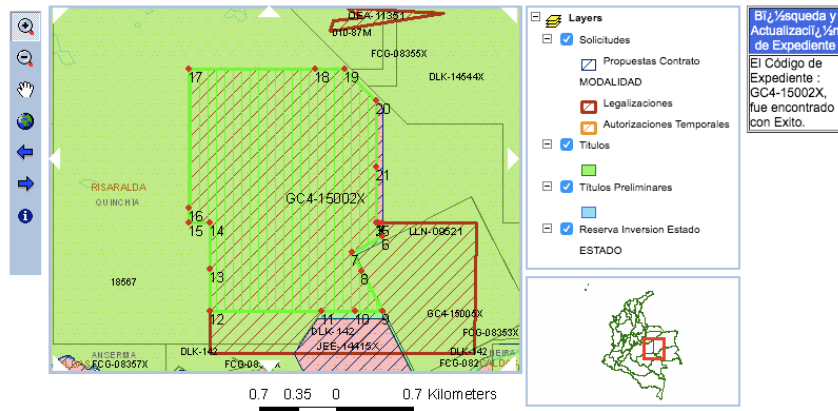


- iii) **GC4-15002X**
Ha 350.2834 area.
Location: Risaralda, Quinchia (100%)

Información Geográfica

Código Expediente	GC4-15002X	Clasificación	TITULO	Modalidad Actual	CONTRATO DE CONCESION (L 685)
Estado Jurídico Actual	TITULO VIGENTE-EN EJECUCION	Grupo de Trabajo	PAR CENTRO		

Información Geográfica



6.10 Land ownership

MCM has acquired certain rights to surface title where the Contract DLK-142 is located, acquiring the land No. 29323857, therefore not needing the approval of third parties to access the area of that title for mineral development.

6.11 Report on detailed environmental conservation program and specific conditions.

Given the current status in which each of the titles is, which are not in the exploitation stage in which they require the issuance of an environmental license and for that purpose a study of environmental impacts must be carried out, including the Environmental Management Plan, where environmental mitigation plans are prepared, these titles do not yet have such studies because they are in the exploration stage, where compensation and environmental mitigation plans are not required because they are not generating impacts to the environment. In the area of Chuscal Project titles there is currently no record in CMC's public bases, of overlaps with areas of environmental special measured that require special environmental conservation measures.



6.12 Relinquishments:

At any time, the Chuscal Project titles may be relinquished. If it happens before the operational stage there are no further obligations than to remain valid an environmental policy for 3 more years after the relinquishment. If the relinquishment happens during or after the operational stage, the holder should execute closure and abandonment according to the Environmental Management Plan, which would then guarantee that the area will not have environmental liability and that the area is in good condition.

In order to relinquish, the ANM must approve that request by verifying that the title is in good standing and all environmental liabilities have been addressed.

6.13 Suspensions:

As of the date of this Report, there have been no suspensions or requested by the owner or declared by the ANM, therefore the titles have completed their normal procedure according to the contractual stages.

6.14 Illegal mining:

These are exploratory mining practices or mineral extraction, developed without proper mining title or without authorization of the owner of private property where a project is located, and undertaken outside legal regulations established by the State.

There is not any report that in the area of the Chuscal Project titles are located any illegal miners that develop mining activities. However, a small underground mine (currently inactive) is present in the Chuscal area.

7. SOCIAL AGREEMENTS

In the area of the **Miraflores Contract** there are approximately 200 traditional ancestral miners that make up 7 Mining Units. In order to carry out the Miraflores mining project, MCM hired a recognized firm to make a characterization of each artisanal miner and following this has signed letter of intent agreements with approximately 136 miners where they agree to vacate their mining activities under the following parameters:

- i) All will receive a monthly benefit for 12 months, that varies according to the age of each miner.



- ii) Some will be employed by MCM as miners once an exploitation stage begins with MCM to provide suitable training.
- iii) Some will not be employed at the MCM project and MCM has agreed to investigate alternative projects for their operation.

8. QUALIFICATIONS AND ASSUMPTIONS

This Report includes the material legal issues that affect the mining titles and does not intend to cover all possible issues and problems that may affect the titles. This report is based on, and subject to, the following requirements and assumptions (in addition to any assumptions expressed elsewhere in this report):

- a) we have relied on information provided by third parties, including several departments, in response to searches made, or having them adopted, and queried by us and based on that information, including search results, being accurate, updated and complete on the date of its receipt by us;
- b) references located in the public lists are taken from data that appear in the searches we have obtained from the services of the competent authorities in the country of origin of the mining titles such as: National Mining Agency, National Mining Cadaster, Ministry of the Interior, CARDER, Judicial branch of the Public Power (Special Jurisdiction of the Restitution of Lands);
- c) statements made in relation to the position of the mining titles are based solely on the information contained in the relevant search on the file of each mining title;
- d) when the compliance with the terms and conditions of the mining titles and all applicable provisions of the mining legislation and regulations in Colombia and all other relevant laws and regulations, or a possible claim in relation to the mining titles would not have occurred. disclosed in the searches that were referred to in the previous point, we do not express an opinion with respect to said compliance or claim;
- e) where the consent of the national mining authority is required, we do not express an opinion as to whether such consent will be granted, or the consequences of its consent were denied, although we are not aware of all that could cause the consent to be rejected;
- f) indigenous or Afro-descendant communities may exist in the areas of mining applications, but knowledge of this situation will only be revealed by the authorities when the contract is granted, since only then will it be in the Company's interest to perform the required procedures for prior consultation;
- g) there are no other documents or materials other than those that were made known to us and that instructed us to review, related to the matters examined;
- h) the information for material contracts was obtained from details of the agreements provided by the Company and we have assumed that:



- i) the contracts referred to in this report were within the capacity and powers of, and were validly authorized, stamped or filed for stamp (when necessary), executed, delivered by and are legally binding on the parties thereto and comprise the entire agreement of the parties in each of them with respect to their respective matters (except where otherwise indicated);
- ii) the signatures in the contracts mentioned in this report are authentic;
- iii) there are no material documents or information that must be provided other than the contracts mentioned in this report;
- iv) the contracts referred to in this report are completed, precisely revealed the details of those agreements and conforms to the original documents of all the copies reviewed;
- v) the parties to each of the contracts mentioned in this report are complying with and will continue to comply with and comply with the terms of each of the contracts mentioned in this report.

9. CONCLUSION

M&NC has prepared this report for the purposes of the Supplementary Bidders Statement only, and for the benefit of the Company and the directors of the Company in connection with the issuance of the Supplementary Bidders Statement and it must not be disclosed to any other person or the program used for any other purpose or cited or mentioned in any public document or presented before any governmental agency or another person without our prior consent.

We bear in mind that the information contained in this report provides an exact statement about the status of the mining titles as on the date of the date of the relevant searches.

A handwritten signature in black ink, appearing to read 'Carolina Florez G', is written over a horizontal line.

CAROLINA FLOREZ G
CEO
M&NC CONSULTORIA S.A.S.



BIOGRAPHY

CAROLINA FLÓREZ GARCÍA, UdeA Law, Master in Business Law, Master of Law with emphasis on taxation and specialized in environmental law of the UEC. Carolina is registered with the Colombian government's National Lawyers Registry, registration no. 253554 (Registro Nacional de Abogados y Auxiliares de la Justicia - certificado de Vigencia N.: 253554).

Carolina is CEO of Mines & Business Consultancy - M&NC, firm that provides consultancy in legal and financial matters to private sector companies, specifically in the energy and mining sector regarding corporate, legal, mining and environmental issues. With its affiliate M&NC Compliance, she is a pioneer in Colombia in implementing the System Against Money Laundering and Financing of Terrorism AML/CFT - for the real sector, adjusted to the dynamics of each industry.

During her 15 years of experience in the mining sector, Carolina has consolidated her experience in the private sector as a legal director and CEO of companies like Gran Colombia Gold Corp - Zandor Capital S.A., directing process managements and contracting business.

Under her responsibility, has coordinated and advised important projects negotiations between Colombian and international mining companies, like:

- Sale of all the assets of Frontino Gold Mines LTD to Zandor Capital SA (Medoro Resources - Gran Colombia Gold);
- Transfer of certain shares of Four Points Mining S.A.S. and American Gold Mines to PARA Resources for LTD;
- Total sale of shares of CIIGSA to Sun Valley Industries LLC; and
- Mining operation contract between Zandor Capital S.A. Colombia (Gran Colombia Gold Corp) and Operaciones Mineras de Antioquia.

According to the above, Carolina has the legal, mining and environmental knowledge and expertise necessary to prepare this report.