

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Los Cerros Limited ('**Los Cerros**' or the '**Company**') will be held at the office of our auditors, Grant Thornton, Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000, in the Cable Beach meeting room, on 26 May 2021 at 2:00pm (WST).

Although the Corporations (Coronavirus Economic Response) Determination (No. 3) 2020 (No. 3 Determination) expired on 21 March 2021 and the Treasury Laws Amendment (2021 Measures No. 1) Bill 2021 was not enacted, ASIC announced on 29 March 2021 that they have adopted a '**no-action**' position in relation to the convening and holding of virtual meetings.

In accordance with the 'no-action' position taken by ASIC, the Notice of Annual General Meeting, accompanying explanatory statements and annexures ('the Meeting Materials') are being made available to shareholders electronically. You will be able to access the Meeting Materials using the links below or the ASX market announcements page on the Company's website.

- You can access the Meeting Materials online at the Company's website www.loscerros.com.au/site/news/ASX-Announcements/.
- A complete copy of the Meeting Materials has been posted to the Company's ASX Market announcements page at www.asx.com.au under the Company's ASX code "LCL".
- If you have provided an email address and have elected to receive electronic communications from the Company, you will receive an email to your nominated email address with a link to an electronic copy of the Meeting materials and the voting instruction form.

If you would like to receive electronic communications from the Company in the future, please update your communication elections online at: <https://investor.automic.com.au/#/home>

If you have not yet registered, you will need your shareholder information including SRN/HIN details.

If you are unable to access the Meeting Materials online please contact our share registry Automic by emailing hello@automicgroup.com.au or by phone on 1300 288 664 (within Australia) or on +61 2 9698 5414 (Outside Australia) between 8:30am and 5:30pm (AEST) Monday to Friday, to obtain a copy.

For the purpose of Listing Rule 15.5, the Board has authorised for this announcement to be released.



Blair Snowball

Joint Company Secretary

**Los Cerros Limited
ACN 119 759 349**

Notice of Annual General Meeting

The Annual General Meeting of the Company will be held at the office of our auditors, Grant Thornton, Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000, in the Cable Beach meeting room, on 26 May 2021 at 2:00pm (WST) or as otherwise specified.

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

Should you wish to discuss any matter, please do not hesitate to contact the Joint Company Secretary, Blair Snowball, by telephone on +61 8 6245 2050.

Important Notice – Accessing the Company’s 2020 Annual Report

The Company’s 2020 Annual Report is now available on the Company’s website at [Los Cerros Audited Financial Statements 31 December 2020](#).

You will only receive a printed copy of the Annual Report if you have elected to continue receiving shareholder communications in hard copy.

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

**Los Cerros Limited
ACN 119 759 349
(Company)**

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Shareholders of Los Cerros Limited ('**Los Cerros**' or the '**Company**') will be held at the office of our auditors, Grant Thornton, Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000, in the Cable Beach meeting room, on 26 May 2021 at 2:00pm (WST) (**Meeting**).

The Board is closely monitoring the rapidly changing coronavirus (COVID-19) pandemic. The health of the Company's Shareholders, employees and other stakeholders is of paramount importance.

While the Board would like to host all Shareholders in person, in order to minimise the risk to Shareholders and to the Company and its ongoing operations, the Company suggests that Shareholders do not attend the Meeting in person.

Accordingly, the Directors strongly encourage all Shareholders to lodge Proxy Forms prior to the Meeting. The Company advises that a poll will be conducted for each of the Resolutions.

The Board will continue to monitor Australian Government restrictions on public gatherings. If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at www.loscerros.com.au/site/news/ASX-Announcements and the ASX announcement platform.

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

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 24 May 2021 at 5:00pm (WST).

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

Agenda

Ordinary Business

Annual Accounts and Reports

To receive and consider the Annual Report, including the Financial Report, Directors' Report and Auditors Report of the Company for the year ended 31 December 2020.

Resolution 1 – Remuneration Report (non-binding resolution)

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

'That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report set out in the Annual Report of the Company for the financial year ended 31 December 2020 be adopted.'

Voting Prohibition

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

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

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

Resolution 2 – Re-election of Kevin Wilson as a Director

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

'That, Mr Kevin Wilson, being a director of the Company who was previously re-elected at the Annual General Meeting held on 28 May 2018 and who retires in accordance with Article 7.2(a) of the Constitution, Listing Rule 14.4 and for all other purposes, and, being eligible and offering himself for re-election, is re-elected as a director of the Company on the terms and conditions in the Explanatory Memorandum.'

Resolution 3 – Approval of 10% Placement Facility

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

'That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities of up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution, if at the time of the Meeting, the Company is proposing to make an issue of Equity Securities under the 10% Placement Facility, by or on behalf of any persons who are expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares), or any of their respective associates.

However, this does not apply to a vote cast in favour of the Resolution by:

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

Resolution 4 – Ratification of prior issue of Placement Shares

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

'That the issue of:

- (a) 50,439,655 Shares under Listing Rule 7.1; and
- (b) 36,493,095 Shares under Listing Rule 7.1A,

is approved under and for the purposes of Listing Rule 7.4 and for all other purposes, on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 4(a) or (b) by or on behalf of a person who participated in the issue of the Placement Shares, or any of their respective associates.

However, this does not apply to a vote cast in favour of the Resolution by:

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

Resolution 5 – Approval of issue of Director Shares to Director Ross Ashton

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

'That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 260,869 Shares to Director Ross Ashton (or his nominee) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Ross Ashton (or his nominee/s), or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or any of their respective associates.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the direction given to the Chair to vote on the Resolution as the Chair decides; or

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

Resolution 6 – Ratification of prior issue of Consultant Shares to Dr Minlu Fu

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

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 167,517 Shares to Dr Minlu Fu on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Dr Minlu Fu, or any of his associates.

However, this does not apply to a vote cast in favour of the Resolution by:

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

Resolution 7– Approval of issue of Shares to S3 Consortium

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

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 721,311 Shares to S3 Consortium Pty Ltd (or its respective nominees), on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of S3 Consortium Pty Ltd (or its respective nominees) and any person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

However, this does not apply to a vote cast in favour of the Resolution by:

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

BY ORDER OF THE BOARD

Blair Snowball
Joint Company Secretary
Los Cerros Limited
Dated: 27 April 2021

Los Cerros Limited
ACN 119 759 349
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the office of our auditors, Grant Thornton, Level 43 Central Park, 152-158 St Georges Terrace, Perth WA 6000, in the Cable Beach meeting room, on 26 May 2021 at 2:00pm (WST).

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

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

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Annual Report
Section 4	Resolution 1 – Remuneration Report (non-binding resolution)
Section 5	Resolution 2 – Re-election of Kevin Wilson as a Director
Section 6	Resolution 3 – Approval of 10% Placement Facility
Section 7	Resolution 4 – Ratification of prior issue of Placement Shares
Section 8	Resolution 5 – Approval of issue of Director Shares to Director Ross Ashton
Section 9	Resolution 6 – Ratification of prior issue of Consultant Shares to Dr Minlu Fu
Section 10	Resolution 7 – Approval of issue of Shares to S3 Consortium
Schedule 1	Definitions
Schedule 2	Securities issued in the previous 12 months under rule 7.1A.2

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

2. Action to be taken by Shareholders

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

2.1 Voting in person

To vote in person, attend the Meeting on the date and at the place set out above, subject to further notice from the Company.

The Board recognises that the coronavirus (COVID-19) pandemic raises a risk that legislation or Government directives may prevent the Meeting from being convened in person, or restrict the manner in which the Meeting may be convened. In the event that in the lead up to the Meeting it appears likely that restrictions on indoor gatherings will be in effect, the Company will provide an update at least 10 business days before the Meeting, on the manner on which it will convene the meeting. The Board encourages Shareholders to monitor the ASX and the Company's website for any updates in relation to the Meeting that may need to be provided.

2.2 Proxies

(a) Voting by proxy

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

Please note that:

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

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

(b) Proxy Forms must be received by the Company no later than 2:00pm (WST) on 24 May 2021, being at least 48 hours before the Meeting. **Proxy vote if appointment specifies way to vote**

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

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

- (iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

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

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

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

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

2.3 Chair's voting intentions

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

If the Chair is appointed as your proxy, either by appointment or default, and you have not specified the way the Chair is to vote on Resolution 1 by signing and returning the Proxy Form, you are considered to have provided the Chair with an express authorisation for the Chair to exercise the proxy in accordance with the Chair's intention, even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

2.1 Remote attendance via teleconference

If the Company determines that it is necessary for the Meeting to be accessible to all Shareholders via a teleconference, it will provide an update no later than 10 business days before the Meeting.

In such circumstances, the Company will provide the Shareholders who wish to participate in the Meeting remotely with the required details to join the teleconference.

3. Annual Report

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

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

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

- (a) discuss the Annual Report which is available online at <https://www.loscerros.com.au/site/news/Annual-Reports-Archive;>

- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

4. **Resolution 1 – – Remuneration Report (non-binding resolution)**

The Remuneration Report for the financial year ended 31 December 2020 is set out in the Company's 2020 Annual Report. By way of summary, the Remuneration Report sets out the Company's remuneration policies and sets out remuneration details for each Director and other Key Management Personnel of the Company.

Shareholders attending the Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. The vote on this resolution is advisory only and does not bind the Directors or the Company.

Of itself, a failure of members to vote in favour of Resolution 1 will not require the Directors to alter any of the arrangements contemplated by the Remuneration Report. However, the Corporations Act requires that, if a company's remuneration report receives an "against" vote of 25% or more at two consecutive annual general meetings, a resolution must be put at the later of the two annual general meetings that another meeting of Shareholders be held (within 90 days) at which all Directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. In summary, members will be entitled to vote on whether a general meeting to re-elect the Board should be held if the Remuneration Report receives "two strikes".

Less than 25% of votes cast at the last Annual General Meeting of the Company were cast against the resolution to adopt the Remuneration Report for the year ended 31 December 2019.

Resolution 1 is an ordinary resolution.

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

5. **Resolution 2 – Re-election of Kevin Wilson as a Director**

5.1 **General**

Pursuant to Article 7.2(a) of the Constitution and Listing Rule 14.4, a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is longer.

Kevin was appointed Executive Chairman of the Company on 23 March 2018, when it was previously named Metminco Limited. He was re-elected at the 2018 Annual General Meeting, held 28 May 2018. He then resigned his executive role on 16 August 2019 and resigned as Chairman and became a Non-Executive Director on 28 November 2019.

Accordingly, Mr Wilson resigns as a Director at the Meeting and, being eligible, seeks re-election pursuant to Resolution 2.

If elected, the Board does not consider Mr Wilson to be an independent director. The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states, under Principle 2, that if it is less than three years since serving as an executive of the Company then the director is not considered to be independent. Mr Wilson last served as an executive in August 2019.

5.2 **Bio of Mr Wilson**

Kevin has over 30 years' experience in the minerals and finance industries and holds a Bachelor of Science and a Masters of Business Administration. He was the Managing Director of Rey Resources Limited, an Australian energy exploration company, from 2008 to 2016 and the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. 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. Mr Wilson is currently also non-executive Chairman of Navarre Minerals Limited and non-executive Chairman of Investigator Resources Limited.

5.3 **Board recommendation**

Resolution 2 is an ordinary resolution.

The Board, other than Mr Wilson, recommends that Shareholders vote in favour of Resolution 2 for the following reasons:

- (a) Mr Wilson has a wealth of experience and expertise that is valuable to the Company; and
- (b) All Directors (excluding Mr Wilson) consider it is in the best interests of the Company.

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

6.1 **General**

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

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. Based on the ASX closing price on 16 April 2021 (\$0.20 per Share) the Company has a market capitalisation of approximately \$94.25 million. The Company is an eligible entity for these purposes.

If on the date of the Meeting, the Company's market capitalisation exceeds \$300 million or it has been included in the S&P/ASX 300 Index, this Resolution 3 will be withdrawn.

The Company is now seeking Shareholder approval by way of a **special** resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.21.1(c) below).

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

If Resolution 3 is not passed, the Company will not be able to access the 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A. The Company will therefore remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1. The Board unanimously recommends that Shareholders vote in favour of Resolution 3.

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

6.2 Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

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

The Company, as at the date of the Notice, has on issue two quoted classes of Equity Securities; Ordinary Shares and Options with an exercise price of \$0.16 and expiry date of 16 August 2021.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

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

Where:

- A** is the number of fully paid ordinary securities on issue at the commencement of the relevant period,
- plus the number of fully paid ordinary securities issued in the relevant period under an exemption in Listing Rule 7.2 other than exception 9, 16 or 17,
 - plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or

- the issue of, or agreement of issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4,
- plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or 7.4,
- plus the number of any other fully paid ordinary securities issued in the relevant period with approval under Listing Rule 7.1 or 7.4,
- plus the number of partly paid ordinary securities that became fully paid in the relevant period,
- less the number of fully paid ordinary securities cancelled in the relevant period;

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

D is 10%.

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

"relevant period" means:

- if the entity has been admitted to the official list for 12 months or more, the 12 month period immediately preceding the date of the issue or agreement; or
- if the entity has been admitted to the official list for less than 12 months, the period from the date the entity was admitted to the official list to the date immediately preceding the date of the issue or agreement.

(d) **Listing Rule 7.1 and Listing Rule 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 6.2(c)).

(e) **Minimum Issue Price**

Any Equity Securities issued under Listing Rule 7.1A must be issued for a cash consideration per security which is not less than 75% of the VWAP of Equity

Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

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

(Minimum Issue Price).

(f) 10% Placement Period

An approval under Listing Rule 7.1A commences on the date of the annual general meeting at which the approval is obtained and expires on the first to occur of the following:

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

(10% Placement Period).

(g) What is the effect of Resolution 3?

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

6.3 Specific information required by Listing Rule 7.3A

In accordance with Listing Rule 7.3A, information is provided as follows:

(a) Minimum issue price

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

(b) Risk of economic and voting dilution

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

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

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

The below table shows:

- (iii) the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of the Notice (see note 8 below for further details);
- (iv) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue; and
- (v) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2*		Dilution		
		\$[0.100]	\$[0.200]	\$[0.400]
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Variable A 472,233,230 Shares	10% Voting Dilution	47,223,323 Shares	47,223,323 Shares	47,223,323 Shares
	Funds raised	\$4,722,332	\$9,444,665	\$18,889,329
50% increase in current Variable A 708,349,845 Shares	10% Voting Dilution	70,834,985 Shares	70,834,985 Shares	70,834,985 Shares
	Funds raised	\$7,083,498	\$14,166,997	\$28,333,994
100% increase in current Variable A 944,466,460 Shares	10% Voting Dilution	94,446,646 Shares	94,446,646 Shares	94,446,646 Shares
	Funds raised	\$9,444,665	\$18,889,329	\$37,778,658

* The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro rata rights issue, scrip issued under a takeover offer or upon exercise of convertible securities) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting.

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.

2. No convertible Securities (including any issued under the 10% Placement Facility) are exercised or converted into Shares before the date of the issue of the Equity Securities.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Quoted Options, it is assumed that those Quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
7. The issue price is the current market price (\$0.20), being the closing price of the Shares on ASX on 16 April 2021, being the last day that the Company's Shares traded on the ASX before this Notice was printed. [
8. Variable A is 472,233,230, comprising:
 - (i) 471,251,050 existing Shares on issue as at the date of this Meeting, assuming the Company has not issued any Shares in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2 or with Shareholder approval under Listing Rule 7.1 and 7.4; and
 - (ii) a total of 982,180 Shares issued if Resolutions 5 and 7 are passed at the Meeting.

(c) **Final date for issue**

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

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

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

The Company may seek to issue the Equity Securities for cash consideration, in which case the Company intends to use funds raised for the acquisition of new assets or investments (including expenses associated with such acquisition), continued exploration and scoping and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

(e) **Allocation policy**

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

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

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

(f) **Issues in the past 12 months**

The Company has previously obtained Shareholder approval under Listing Rule 7.1A at its annual general meeting held on 23 June 2020.

In the 12 months preceding the date of the Meeting and as at the date of this Notice, the Company has issued 36,493,095 Equity Securities under rule 7.1A. This represents 11% of the total number of Equity Securities on issue at the commencement of that 12 month period.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

(g) **Voting exclusion statement**

A voting exclusion statement is included in the Notice.

At the date of the Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A and has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

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

7. **Resolution 4 – Ratification of prior issue of Placement Shares**

7.1 **General**

On 15 September 2020, the Company announced that it had received binding commitments for a placement of \$10 million (before costs) (**Placement**) by the issue of a total of 86,932,750 Shares at \$0.115 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**). In addition to the Placement, the Company announced that, subject to Shareholder approval (the subject of Resolution 5), Director Mr Ross Ashton will subscribe to \$30,000 (**Director Participation**).

At the time, this was the Company's maximum capacity under Listing Rules 7.1 and 7.1A. On 22 September 2020, the Placement Shares were issued as follows:

- (a) 50,439,655 Shares under Listing Rule 7.1; and
- (b) 36,493,095 Shares under Listing Rule 7.1A.

Hartleys Limited acted as lead manager to the Placement (**Lead Manager**).

Resolution 4(a) and Resolution 4(b) seeks the approval of Shareholders to ratify the issue of the Placement Shares under and for the purposes of Listing Rule 7.4.

7.2 **Listing Rules 7.1, 7.1A and 7.4**

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

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company obtained this approval at its annual general meeting held on 23 June 2020.

The issue of the Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% and 10% limits under each of Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under Listing Rule 7.1 or 7.1A.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, the resolutions which form part of Resolution 4 seeks Shareholder approval to the issue of 86,932,750 Placement Shares under and for the purposes of Listing Rule 7.4.

If the resolutions which form part of Resolution 4 are passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% and 10% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Placement Shares.

If Resolution 4(a) is not passed, 50,439,655 Placement Shares will be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue or agree to issue without obtaining Shareholder approval over the 12 month period following the issue of those Placement Shares.

If Resolution 4(b) is not passed, 36,493,095 Placement Shares will continue to be included in calculating the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval, until the earlier of:

- (a) 23 June 2021;
- (b) the Company's next annual general meeting; or
- (c) the date the Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2

7.3 **Specific information required by Listing Rule 7.5**

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

- (a) the Placement Shares were issued to the Placement Participants (or their respective nominees), being sophisticated and professional investors introduced to the Company by Hartleys Limited, none of whom is a related party of the Company.;
- (b) a total of 86,932,750 Placement Shares were issued on 22 September 2020 as follows:
 - (i) 50,439,655 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and
 - (ii) 36,493,095 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued at an issue price of \$0.115 per Share;
- (e) the proceeds from the issue of the Placement Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital; and
- (f) a voting exclusion statement is included in the Notice.

7.4 **Board recommendation**

Each of the resolutions which forms part of Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the resolutions which forms part of Resolution 4.

8. **Resolution 5 – Approval of issue of Director Shares to Director Ross Ashton**

8.1 **General**

A summary of the 15 September 2020 Placement and the Director Participation is set out in Section 7.1.

In addition to the Placement, Director Mr Ross Ashton wishes to subscribe for up to 260,869 Shares at an issue price of \$0.115 per Share (**Director Shares**), subject to Shareholder approval being obtained.

Pursuant to Resolution 5, the Company is seeking Shareholder approval pursuant to Listing Rule 10.11 for the issue of 260,869 Director Shares to Director Mr Ross Ashton (or his nominee/s) arising from his Director Participation.

8.2 **Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to any of the following persons without the approval of its Shareholders:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is or was at any time in the 6 months before the issue or agreement to issue, a substantial (10%+) holder in the entity and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of any of the persons referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5).

Resolution 5 seeks the required Shareholder approval to the issue of 260,869 Director Shares to Mr Ross Ashton (or his nominee/s) under and for the purposes of Listing Rule 10.11.

Mr Ashton is a related party of the Company by virtue of his position as Director. As his participation in the Placement involves the issue of Shares to a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Shares to Mr Ashton (or his nominee/s) will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Director Shares to Mr Ashton (or his nominee/s) and the Company will raise up to a total of \$30,000 (before costs).

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Director Shares to Mr Ashton (or his nominee/s), and will not receive the additional funds committed by Mr Ashton, until such time as further Shareholder approval is obtained.

8.3 **Specific information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of Director Shares to Mr Ashton (or his nominee/s):

- (a) 260,869 Director Shares will be issued to Mr Ross Ashton (or his nominee/s);
- (b) Mr Ross Ashton is a director of the Company and as such falls within the category stipulated under Listing Rule 10.11.1;
- (c) the 260,869 Director Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares will be issued at an issue price of \$0.115 each, being the same price at which the Placement Shares were issued;
- (e) the proceeds of the Director Shares will be used to continue and expand the drilling programme within the Quinchia and Andes portfolio as well as for costs of the Placement and general working capital;
- (f) the Director Shares will be issued to Mr Ashton (or his nominee/s) no later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (g) the proposed issue of the Director Shares are not intended to remunerate or incentivise Mr Ashton;
- (h) the Director Shares are not being issued under an agreement; and
- (i) a voting exclusion statement is included in the Notice.

8.4 **Chapter 2E of the Corporations Act**

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

- (a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

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

Mr Ashton's Director Participation will result in the issue of Shares which constitutes giving a financial benefit and Mr Ashton is a related party of the Company by virtue of being a Director.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Shares because the Shares will be issued to Mr Ashton (or his nominee/s) on the same terms as the Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

8.5 **Board recommendation**

Resolution 5 is an ordinary resolution.

The Board (other than Mr Ross Ashton, who has a material personal interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 5.

9. **Resolution 6 – Ratification of prior issue of Consultant Shares to Dr Minlu Fu**

9.1 **General**

On 29 March 2021, the Company issued 167,517 Shares (**Consultant Shares**) to Dr Minlu Fu under the terms and conditions of a basic services agreement (**Services Agreement**) dated 21 December 2020, in consideration for the provision of consultancy services relating to conducting IP geophysical surveys, drilling surveys and training of personnel on and to the Company's projects in Columbia. Subject to Shareholder approval and certain milestones being met, Dr Minlu Fu (or his nominee) may also be entitled to be issued up to 12,000,000 Options at an exercise price of either \$0.04 or \$0.07 each, exercisable on or before 4 years from the date of issue.

Pursuant to the Services Agreement, the Company has agreed to pay Dr Minlu Fu a fee of \$6,250 (inclusive of taxes) per month via the issue of Shares based on a 20-day VWAP ending 21 December 2020, being \$0.111929. The consultancy services were provided for three months and therefore the number of Shares issued was 167,517.

The Services Agreement contains indemnities and warranties which are considered customary for agreements of this nature.

The Consultant Shares were issued to Dr Minlu Fu using the Company's existing placement capacity under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consultant Shares.

9.2 **Listing Rules 7.1 and 7.4**

A summary of Listing Rules 7.1 and 7.4 are summarised at Section 7.2 above.

The issue of the Consultant Shares does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Consultant Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 6 seeks Shareholder approval to the issue of the Consultant Shares under and for the purposes of Listing Rule 7.4.

If Resolution 6 is passed, the issue of the Consultant Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue of the Consultant Shares.

If Resolution 6 is not passed, the Consultant Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue 1 without obtaining prior Shareholder approval over the 12 month period following the issue of those Consultant Shares.

9.3 **Specific information required by Listing Rule 7.5**

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

- (a) a total of 167,517 Consultant Shares were issued on 29 March 2021 to Dr Minlu Fu, whom is not a related party of the Company;
- (b) the Consultant Shares are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (c) the Consultant Shares were issued for nil cash consideration, calculated on the basis of a deemed issue price of \$0.111929, based on a 20-day VWAP ending 21 December 2020, as consideration for the consultancy services provided by Dr Minlu Fu pursuant to the Services Agreement. Accordingly, no funds were raised from the issue;
- (d) the Shares were issued as consideration for the consultancy services provided by Dr Minlu Fu pursuant to the Services Agreement, a summary of which is contained in Section 9.1; and
- (e) a voting exclusion statement is included in the Notice.

9.4 **Board recommendation**

Resolution 6 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 6.

10. **Resolution 7– Approval of issue of Shares to S3 Consortium**

10.1 **General**

On 1 April 2021, the Company entered into a basic services agreement (**S3 Agreement**) with S3 Consortium Pty Ltd (**S3 Consortium**) for the provision of investor relations and marketing services to the Company over a six month period.

Pursuant to the S3 Agreement, the Company has agreed to pay S3 Consortium a fee of up to \$110,000 (incl. GST) via the issue of up to 721,311 Shares (**S3 Shares**) at a deemed issue price of \$0.1525 each (based on a 5-day VWAP ending 31 March 2021). The S3 Shares will be escrowed for the period of six months from the date of the S3 Agreement

The S3 Agreement contains additional provisions, including warranties and indemnities, which are considered standard for agreements of this nature.

Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Shares to S3 Consortium (or its nominees).

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

10.2 **Listing Rule 7.1**

A summary of Listing Rule 7.1 is summarised at Section 7.2 above.

The proposed issue of the S3 Shares does not fit within any of the exceptions to Listing Rule 7.1. While the proposed issue does not exceed the Company's 15% limit under Listing Rule 7.1 and can therefore be made without breaching that rule, the Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval under Listing Rule 7.1. To do this, the Company is asking Shareholders to approve the issue under Listing Rule 7.1 so that it does not use up any of the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 7 seeks the required Shareholder approval to the issue of the S3 Shares under and for the purposes of Listing Rule 7.1.

If Resolution 7 is passed, the issue of the S3 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue S3 Shares.

If Resolution 7 is not passed, the S3 Shares will be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval over the 12 month period following the issue of those S3 Shares.

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

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the S3 Shares:

- (a) the S3 Shares will be issued to S3 Consortium (or its respective nominees), none of whom is a related party of the Company;
- (b) a maximum of 721,311 Shares are to be issued as S3 Shares, calculated on the basis of a deemed issued price of \$0.1525, based on a 5-day VWAP ending on 31 March 2021;
- (c) the S3 Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;
- (d) the S3 Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (e) the S3 Shares will be issued for nil cash consideration as part consideration for investor relations and marketing services provided to the Company. Accordingly, no funds will be raised from their issue;
- (f) the S3 Shares are being issued pursuant to the S3 Agreement, a summary of which is contained in Section 10.1; and
- (g) a voting exclusion statement is included in the Notice.

10.4 **Board recommendation**

Resolution 7 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 7.

Schedule 1 Definitions

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

10% Placement Facility	has the meaning given in Section 6.1.
10% Placement Period	has the meaning given in Section 6.2(f).
\$	means Australian Dollars.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Annual Report	means the annual report of the Company for the financial year ended 31 December 2020.
Auditor's Report	means the auditor's report contained in the Annual Report.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Closely Related Party	of a member of the Key Management Personnel means: <ul style="list-style-type: none">(a) a spouse or child of the member;(b) a child of the member's spouse;(c) a dependent of the member or the member's spouse;(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;(e) a company the member controls; or(f) a person prescribed by the <i>Corporations Regulations 2001</i> (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.
Company	means Los Cerros Limited (ACN 119 759 349).
Consultant Shares	has the meaning given in Section 9.1.
Constitution	means the constitution of the Company as at the date of the Meeting.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Director Participation	has the meaning given in Section 7.1.
Director Shares	has the meaning given in Section 8.1.

Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Key Management Personnel	has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.
Lead Manager	means Hartleys Limited (ACN 104 195 057).
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Minimum Issue Price	has the meaning given in Section 6.2(e).
Notice	means this notice of annual general meeting.
Placement	has the meaning given in Section 7.1.
Placement Participants	means the participants in the Placement, being sophisticated and professional investors introduced to the Company by Hartleys Limited.
Placement Shares	has the meaning given in Section 7.1.
Proxy Form	means the proxy form attached to the Notice.
Remuneration Report	means the remuneration report set out in the Annual Report.
Resolution	means a resolution referred to in the Notice.
S3 Agreement	has the meaning given in Section 10.1.
S3 Consortium	means S3 Consortium Pty Ltd (ACN 135 239 968).
S3 Shares	has the meaning given in Section 10.1.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company.
Services Agreement	has the meaning given in Section 9.1.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.

VWAP

Means the volume weighted average price of the shares for the specified period.

WST

means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 Securities issued in the previous 12 months under rule 7.1A.2

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the meeting are set out in the table below:

Date of Issue	Number of Securities	Type of Security	Recipient of Security	Issue Price and details of any discount to Market Price ¹ (if applicable)	Consideration and Use of Funds as at the date of this Notice
22/09/2020	36,493,095	Shares	Sophisticated and professional investors participating in the placement announced by the Company on 15 September 2020.	\$0.115 per share, representing a discount of 20.7% to the Market Price on the date of agreement, being 15/09/20.	\$4,196,706 (before costs) was raised, all of which will be applied to advancing the Quinchia Gold Project and targeting porphyry mineralisation at Tesorito and Chuscal targets.

Notes:

1. "Market Price" means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of agreement or issue of the relevant Equity Securities.

Proxy Voting Form

If you are attending the meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **2.00pm (WST) on Monday, 24 May 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

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

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

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBCHAT: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)

+61 2 9698 5414 (Overseas)

