

ASX Announcement

13 March 2019

## Proposed Merger to consolidate dominant positions in Colombia's prolific Mid-Cauca Gold Belt

### Highlights

- Proposed Merger of Metminco and Andes Resources Limited (“Andes”) to create a leading Colombian gold explorer and developer, with a dominant position in the richly gold-copper endowed Mid-Cauca Gold Belt
- Approximately 40 Moz gold has been discovered within 30 kms of Andes’ concessions, highlighting the potential for large discoveries within the portfolio
- The merger will bring together Metminco’s advanced Miraflores Gold Project and Chuscal, Tesorito and other prospects, with Andes’ extensive tenement holding to create a company with multiple advanced exploration assets in richly endowed gold camps
- Strong support for the Merger from Andes’ major shareholders
- As a result of the merger, shareholders will benefit from a significant restructuring of the existing RMB deferred acquisition payments through a debt for equity swap for \$2.5 million, making RMB one of Metminco’s largest shareholders, and realigning future payments to project milestones out to 2025
- Post-merger, the combined business is expected to have \$2.5 million cash available for an active exploration programme
- Metminco and Andes have signed a non-binding indicative offer of the Merger, and now are working towards execution of a Binding Implementation Agreement and completion of mutual due diligence to effect the Merger
- Metminco capital raising of up to \$4 million at to occur as a condition to the Merger, with Metminco shareholders offered priority pool of \$1 million
- Metminco is now conducting a placement of convertible notes to raise approximately \$750,000 to support the merger
- Funds raised will initially be deployed towards maiden drilling of the Chuscal Gold Project, which features an extensive gold geochemical anomaly over a 900m x 530m envelope, with high grade gold rock-chip results of up to 54 gpt Au<sup>1</sup>

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**Metminco Limited (ASX: MNC) (“Metminco” or “the Company”)** is pleased to announce that it has signed a non-binding indicative offer (“NBIO”) with Andes Resources Ltd (“Andes”) in connection with a proposed merger of the two companies (“Merger”). Subject to completion of the Merger, the merged company will have a well-rounded portfolio of projects, from untested targets through to a potential development

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

project in the advanced stage of permitting and will have aggregated a dominant tenement position in the Quinchia and Andes Gold Districts of the richly endowed Mid-Cauca Gold and Copper-Gold Belt in Colombia.

Metminco and Andes have entered into the NBIO for Metminco to effect the Merger by acquiring 100% of the issued capital of Andes through an off-market takeover offer. In addition to the Merger, it is proposed the merged company will raise \$4 million, which is expected to be very well-supported, given the level of in principle support already gained from key shareholders including Andes cornerstone investor, Sandfire Resources Ltd (“**Sandfire**”).

Andes, a public unlisted company, controls a highly complementary portfolio of gold-silver-copper exploration projects in the Cauca Valley, Colombia, in close proximity to Metminco’s existing Mineral Resources of over 877,000 ounces gold and Reserves of 457,000 ounces at the Miraflores deposit, (refer Table 1, this announcement), as well as the Tesorito prospect and the large undrilled Chuscal target (in joint venture with AngloGold Ashanti (“**AngloGold**”)), all within Metminco’s Quinchia Gold Project.

Metminco’s Executive Chairman Mr. Kevin Wilson commented:

*“The acquisition of Andes, gives Metminco not just further exposure to a large exploration portfolio in the Mid-Cauca Gold Belt of Colombia, but also access to an experienced board, management and a new shareholder base of influential, experienced and financially strong shareholders.”*

*Together with our Quinchia Gold Project we now have two exploration camps that we believe offer near term development potential. Along with the favourable restructure of our existing repayments to RMB, the transaction brings enhanced financial capacity enabling us to substantially defer debt repayments thus maximising capital towards exploration activities.”*

The Merger will provide Metminco with:

- one of the largest portfolios of gold-copper exploration assets (combined 90,452 Ha portfolio) in one of the world’s most richly endowed gold belts, the Cauca Valley, Colombia;
- funds to conduct a maiden drilling program at Chuscal;
- enhanced ability to advance the Quinchia Gold Project towards a development decision;
- an impressive and experienced shareholder base supporting Andes Resources such as Sandfire Resources, IFM Investors and Treadstone Resource Partners; and
- favourable restructuring of the RMB Australian Holdings (**RMB**) debt to either equity or deferral of repayment to project milestones out to 2025.

Andes’ Managing Director, Mr. Jason Stirbinskis said:

*“The merger of the portfolios creates an extensive project pipeline and optionality across vein hosted and porphyry hosted targets from greenfield to advanced stage in a globally significant gold region.*

*We are particularly excited by Metminco’s recently acquired Chuscal Prospect and its potential to dramatically enhance the near-term production opportunities of Metminco’s Quinchia Project. By combining forces, the merged company also achieves a critical mass of greater appeal to a broader investment base such as institutional and corporate investors and provides Andes shareholders with an ASX listing in the near term.*

*Andes’ Board view this as a merger of two highly complementary portfolios, and we look forward to integrating our businesses and establishing Metminco as a leader in gold exploration in Colombia, chasing world-class gold deposits.”*

## Combined exploration package

### 1. Metminco's existing Colombian exploration assets

Metminco's existing exploration assets comprise the Quinchia Gold Project in the Cauca Valley of Colombia. This includes a potential mine development project (Miraflores), a recently discovered gold porphyry prospect (Tesorito), and a large undrilled gold vein/porphyry target at surface (Chuscal). All properties occur within 2km of a proposed treatment plant.

**Miraflores:** (100% Metminco) is an advanced project in the mine permitting stage. It comprises a gold Reserve of 457,000ozs. A Definitive Feasibility Study was published in Q4, 2017 (refer ASX announcement dated 27 October 2017)<sup>2</sup>. The project had its Technical Plan approved by the Mines Department in August 2018. Metminco intends to complete and submit its environmental impact study in Q3 2019.

**Tesorito:** (100% Metminco) is located within 1km of the proposed Miraflores treatment plant facility. Tesorito is a gold porphyry prospect that was drilled by Metminco in 2018. Results included TS-DH-07 which intersected **253m at 1.01 gpt Au from surface** (starting at 2.9m) including **64.0m @ 1.67 gpt Au from 144m** (refer ASX release dated 28 August 2018). Prior to the 2018 drilling, a wide intersection of **384m @ 1.01 gpt Au** was intersected from 18m depth.

**Chuscal:** (Metminco earning 51%) is located approximately 2kms from the proposed Miraflores plant. Chuscal features an extensive, undrilled surface gold geochemical anomaly (rock-soils and rock chips) with high grade sample results (up to 54 gpt Au).<sup>3</sup> The samples in the Central Zone at Chuscal average 2.66 gpt Au (uncut) and this lies within a large (900m by 530m) envelope averaging 1.76 gpt (uncut) (refer ASX release dated 6 December 2018).

Approximately 80m below the surface, several adits have been driven into the prospect by an informal miner. Channel sampling by a previous operator of these workings has revealed two mineralisation populations which reflect an early phase of stockwork / disseminated mineralisation (porphyritic diorite) with an average grade of approximately 1.5 gpt Au; cut by a later high-grade epithermal vein population with an average grade of approximately 8 gpt Au using a 20 gpt Au top-cut (uncut: 19 gpt Au) (refer ASX release dated 21 January 2019).<sup>4</sup>

A joint venture between Metminco and AngloGold was formed in December 2018 and covers three licences. The two larger licences are applications in the final stage of being awarded and are anticipated to be granted in Q2 2019. Drilling permits are currently being sought and drilling will be initiated soon after the Merger financing and the grant of the Chuscal licence.

### 2. Andes Resources' exploration assets

Andes holds a 90% interest in a large portfolio (c800 km<sup>2</sup>) of applications and granted titles which is considered highly prospective for both epithermal gold-silver veins as well as porphyry gold-copper.

<sup>2</sup> The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement, and that all material assumptions and technical parameters underpinning the estimate continue to apply.

<sup>3</sup> As per the ASX announcement of 6 December 2018. The Company confirms that it is not aware of any new information or data which materially affects the announcement.

<sup>4</sup> The Company confirms that it is not aware of any new information or data which materially affects the announcement.

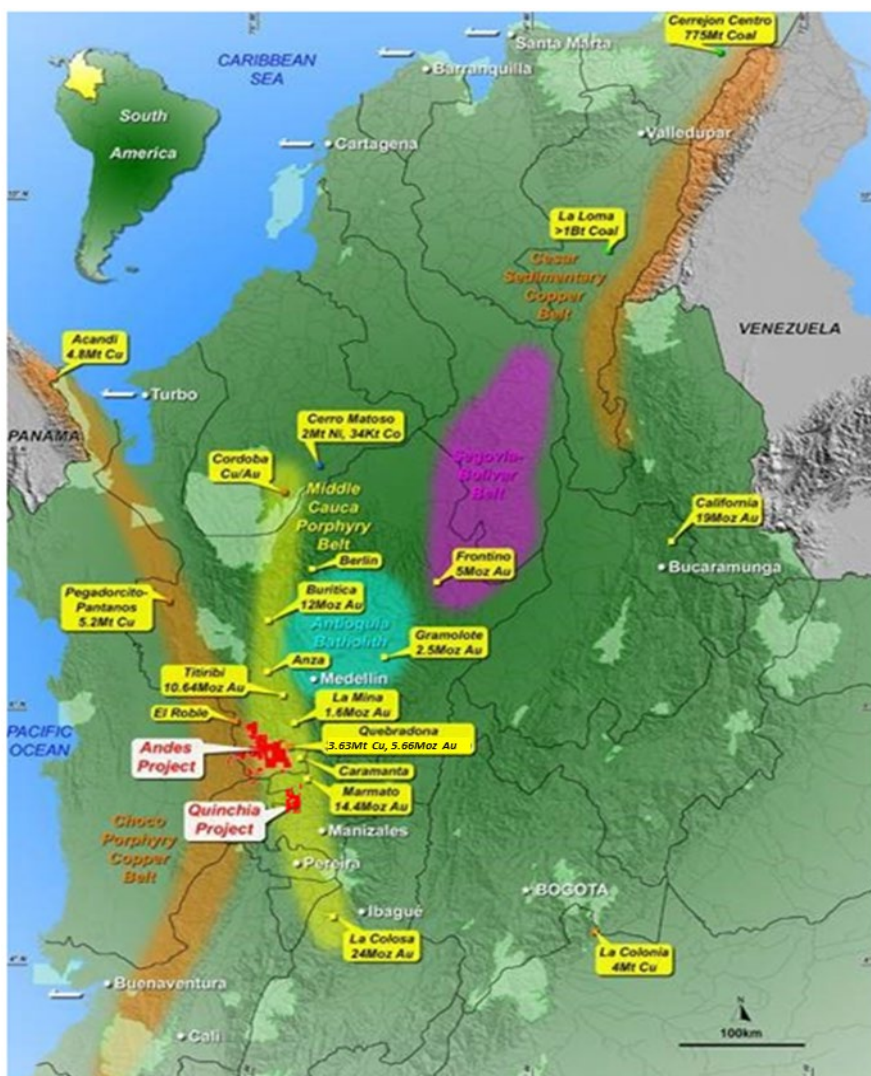
<sup>5</sup> Please refer to AngloGold 2017 Annual Report. Investors should be aware that the Company has not independently verified the information reported by AngloGold.

Approximately 35Moz of gold has been discovered within a 30 km radius of Andes' Portfolio including AngloGold's Nuevo Chaquiro (Quebradona) at 5.66Moz Au & 3.63Mt Cu.<sup>5</sup>

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

Andes was established in 2013 and undertook extensive regional and local sampling programs to identify at least 12 vein-style drill targets interpreted to be in five regional NW trending mineralised corridors. They have also defined several porphyry gold-copper targets. To date over 14,000 surface and rock chip samples have been collected to define 12 vein hosted and porphyry targets. Andes completed drilling its first of many targets in late 2018, as set out in Attachment 1.

Only, approximately 10% of Andes' land holding has been explored. However, multiple gold targets have been defined, including the Gibraltar porphyry copper/gold target just 22 kms from, and in the same porphyry belt, as AngloGold's Nuevo Chaquiro deposit.



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

Andes' major properties are:

**El Columpio:** is a mining title hosting a corridor of gold-silver veins currently in small scale artisanal production. 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*), as set out in Attachments 1 & 2. High silver: gold ratios and other signature elements suggest the extensive veining mapped at El Columpio formed at cooler temperatures on the flanks of a causative intrusion such as a porphyry, with some evidence in surface results and the limited drilling pointing northward to the intrusive heat source(s).

**San Pablo:** lies two kilometers to the south of El Columpio and within an interpreted 11 km long mineralised corridor (refer Figure 2). San Pablo is a granted licence of 150 Ha (permitted for drilling). It comprises numerous historical and active artisanal adits with 9 substantial veins mapped thus far, some traced for 700 vertical meters and for over 1km of strike with veining swelling to over 5m wide in some locations.

In addition to San Pablo being a vein hosted gold-silver target, recent results and mapping have raised the potential of the area to also be a gold porphyry target. Potassic alteration has been recorded at lower elevations with stockworks and porphyritic intrusives observed over an area of 500m x 300m in the deep valley below the extensively vein mineralized regions. This target is drill ready subject to receipt of certain drilling permits. Immediately to the east of San Pablo and on Andes licence applications is the El Bosque mineralised zone including the El Bosque Mine which is the largest artisanal mine in the region.

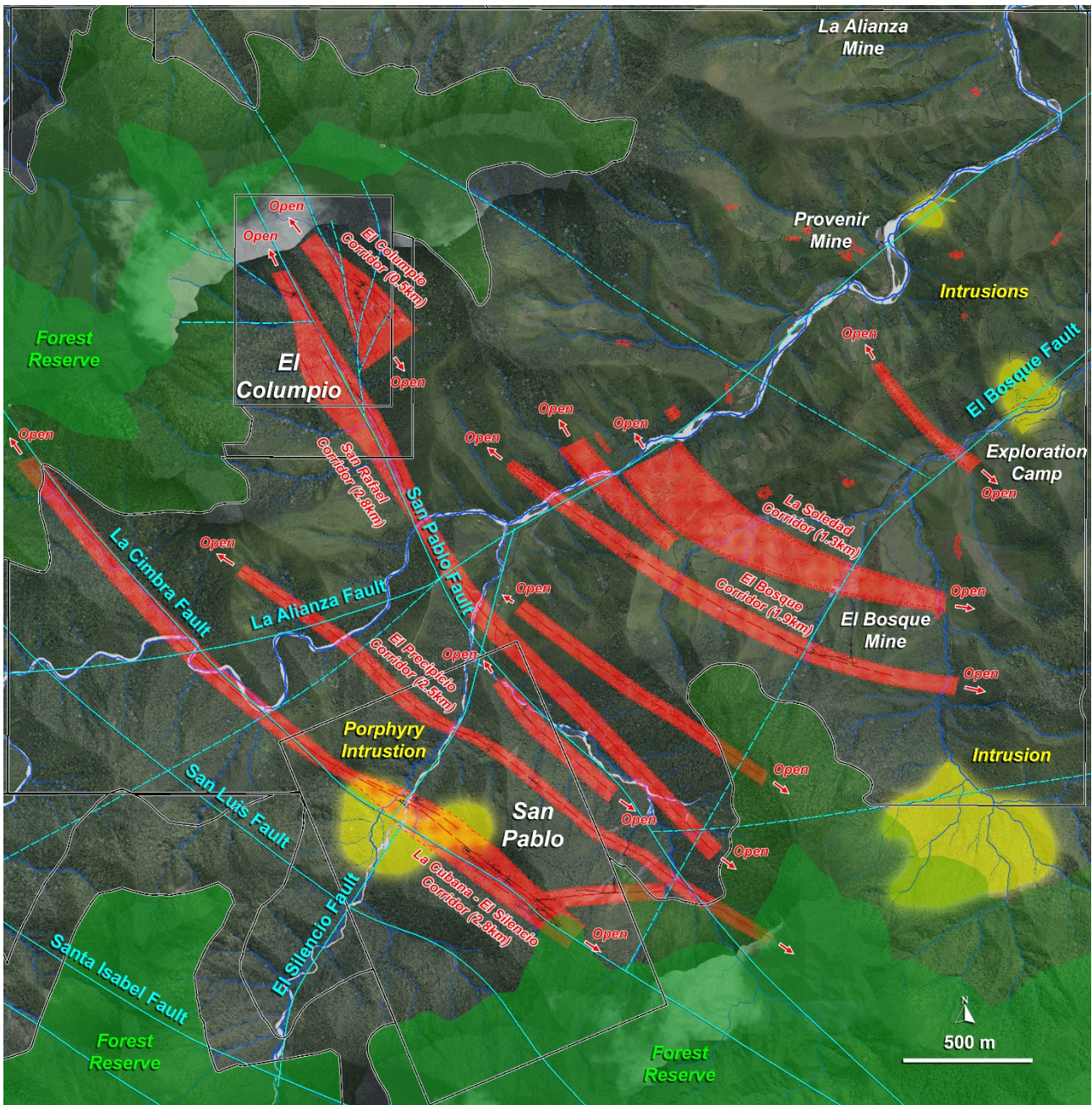
### Andes' Other Targets

Andes has only explored approximately 10% of its land holding and has thus far identified numerous priority targets based on surface work and artisanal mining 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.

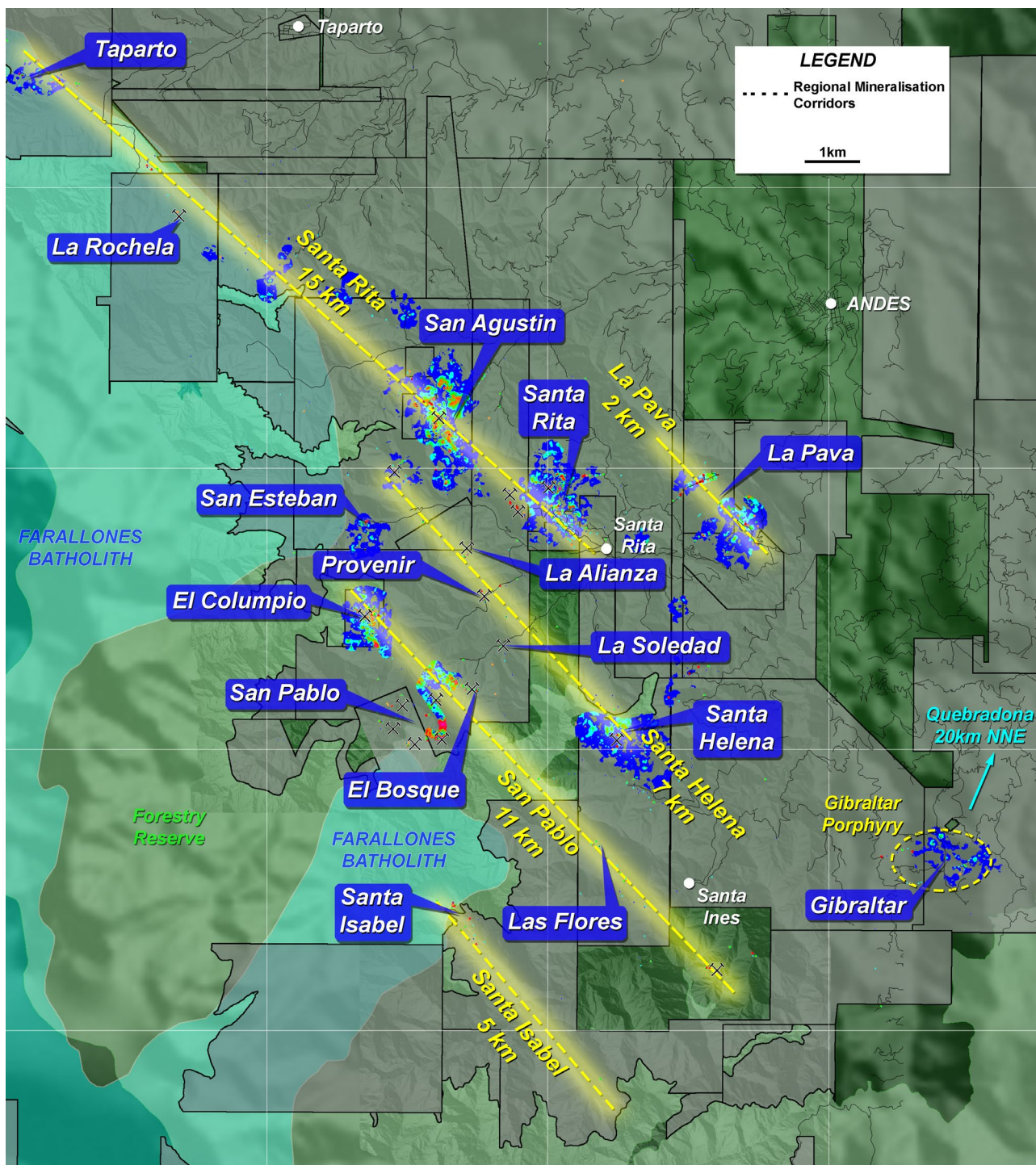
The eastern region of Andes' portfolio lies within the same subsection of the Mid-Cauca Gold Belt that hosts Quinchia along with other significant discoveries such as Nuevo Chaquiro and Continental Gold's Buritica project to the north. Andes has a number of established porphyry targets in this region including Gibraltar, an outcropping porphyry just 20 kms south of Nuevo Chaquiro.





**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.

**Transaction Details**

Subject to due diligence being completed and the execution of a binding implementation agreement, both of which are being progressed and expected to be signed before the end of March 2019, it is intended that Metminco will acquire 100% of Andes through an off-market takeover bid through the issue of 33.5 new Metminco shares for every 1 Andes share (“**Merger**”), creating a new, much larger and stronger gold

exploration company with estimated cash at completion of approximately \$2.5 million and significantly reduced debt<sup>5</sup>.

In conjunction with the Merger, the Company is undertaking two other key transactions that the Board considers will greatly improve the Company's balance sheet and appeal to share investors, being:

- a consolidation of share capital. It is currently proposed Metminco will consolidate on a ratio of 1 for 30; and
- conversion of \$2.5 million of repayments due to RMB into equity in Metminco at a price of \$0.003 per share, with an improved repayment schedule for the final \$2 million due to RMB such as to minimise the burden on the Company's cashflows prior to development, as set out in further detail below.

Each of the Merger, consolidation and RMB debt conversion will be subject to shareholder approval at a shareholder meeting (likely the Metminco Annual General Meeting), which the Company intends to convene in Q2 2019. Metminco will also seek shareholder approval under ASX Listing Rule 11.1.2, to effect a significant change to the scale of the Company's activities.

ASX has confirmed that Listing Rule 11.1.3 does not apply to the proposed Merger.

## Capital Raising

In support of the proposed Merger, and to provide working capital to the business to continue to progress these transactions to completion, the Merger involves a total capital raise of \$4 million, comprising a working capital raising in both Metminco and Andes up to \$750,000 each, and a subsequent capital raising undertaken by Metminco to raise the balance of the \$4 million before costs.

Metminco is currently finalising plans for a working capital placement to professional and sophisticated investors and will provide an update regarding these details once this process is completed, expected to be Friday 15 March 2019. In parallel, Andes is also completing a \$750,000 working capital placement on analogous terms, based on the Merger ratio agreed in the NBIO.

Any new Andes shares issued as a result of the Andes' working capital raising will be acquired by Metminco as part of the proposed Merger.

As a condition of the Merger, Metminco and Andes will be required to collectively raise \$4 million, inclusive of the working capital placements noted above, and it is expected the bulk of this will occur through a priority offer to existing shareholders where up to \$1.0 million of the capital raising will be set aside for existing shareholders (**Capital Raising**), which will be conducted at \$0.003 per share. A prospectus will be prepared and issued in respect of the Capital Raising in the weeks ahead.

Proceeds from the total capital raising of \$4 million will be used to:

- a) undertake further exploration on the Company's exploration assets, including (subject to permitting) drilling the Chuscal Gold Prospect and potentially Andes' San Pablo prospect;
- b) repay \$500,000 to RMB;
- c) pay current trade creditors of the Companies; and
- d) for general working capital, including transaction costs.

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<sup>5</sup> RMB has agreed, subject to completion of the Transaction, to a revised repayment schedule in addition to conversion of \$2.5 million of its existing acquisition repayment into ordinary shares in Metminco.



Completion of the Merger and Capital Raising will be subject to each of Metminco and Andes finalising their respective due diligence queries and executing formal documents. The parties are currently progressing a bid implementation agreement and will update the market accordingly.

Whilst no binding offer has been made, the Merger is supported by Andes' cornerstone shareholders: Sandfire Resources Limited (19.45% interest), Bullet Holding Corporation (18%), Andes' Directors (collectively 25% interest), IFM Investors and Treadstone Resource Partners.

Shareholders are cautioned that the NBIO is non-binding, and that there are no guarantees the parties will enter into a formal and binding implementation agreement.

## Board and Management

Upon close of the Merger it is contemplated that two directors from Andes will be invited to join the Board of Metminco, with Mr Kevin Wilson to remain the Chairman of the Company. Andes' current Managing Director, Mr Jason Stirbinskis will be offered the role of Managing Director of Metminco, and Mr Ross Ashton will be invited to the Board as a Non-Executive Director. Mr Roger Higgins and Mr Glenister Lamont, current Non-Executive Directors of Metminco are expected to resign at this time.

**Kevin Wilson – Non-executive Chairman** – Kevin has over 30 years' experience in the minerals and finance industries, including as Managing Director of Leviathan Resources, a successful Victorian gold mining company prior to its takeover in 2006. Kevin was also previously Managing Director of Rey Resources, an Australian energy exploration company. He has prior experience as a geologist with the Anglo-American Group in Africa and North America and as a stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australia and USA.

**Jason Stirbinskis – Managing Director**, originally a Geologist, Mr Jason Stirbinskis is a Corporate Executive with 12+ years' experience leading both private and public companies in the mining and mining services space. He is experienced across a number of commodities including gold, zinc, lead, copper, and nickel and has managed projects ranging from greenfield to DFS/Development in West Africa, Scandinavia, Australia and Central Asia. He is well networked across international and Australian capital markets and skilled in leading multidisciplinary, international teams.

**Ross Ashton - Non-executive Director**. Mr Ashton has over 45 years' experience as a geologist specialising in mineral exploration and development internationally. He was founding Managing Director of Red Back Mining Limited a company subsequently acquired by Kinross Gold Corporation for US\$7.2 billion in 2010. He was also a director of TSX/ASX listed PMI Gold Ltd and ASX listed Brockman Resources Ltd. Both companies were involved in corporate transactions following the discovery of significant mineral resources.

## Conditions Precedent

The Merger is conditional on entry into a formal agreement, which is likely to be subject to the following Conditions Precedent:

- (a) negotiation and execution of a bid implementation agreement (**Implementation Agreement**) on customary terms and conditions, including:
  - I. a minimum acceptance condition of 90%;
  - II. if an independent expert's report is deemed necessary, a favourable independent expert's report concluding that the offer is either fair and reasonable or not fair but reasonable;
  - III. no material adverse change in relation to Target, no prescribed occurrences in relation to Target, market standard conduct of business restrictions between announcement and implementation, as well as market standard exclusivity provisions;

- IV. the swapping or cancellation of the existing options and Target Placement Options; and
  - V. no material adverse change in relation to Bidder, no prescribed occurrences in relation to Bidder, market standard conduct of business restrictions between announcement and implementation, as well as market standard exclusivity provisions;
- (b) a unanimous recommendation from the directors of Andes board to its shareholders that they accept the offer and that all directors intend to accept the offer with respect to their own shares (including shares issued on exercise of any unlisted options) in the absence of a superior proposal;
  - (c) Metminco and Andes collectively completing a raising of \$4 million;
  - (d) Metminco receiving endorsement of the Merger from one or more of Andes's cornerstone investors;
  - (e) Metminco receiving all requisite shareholder approvals, including but not limited to a consolidation and approvals to issue the proposed consideration and capital raising shares; and
  - (f) Metminco renegotiating its deferred acquisition financing owing to RMB.

### Shareholder Approvals

A notice of meeting seeking shareholder approval for the resolutions required to give effect to the transactions described in this announcement will be sent to shareholders in due course. It is then expected that the Company will put all resolutions to shareholders at a shareholder meeting. Whilst the timing of the notice of meeting is contingent on the rate at which due diligence and the bid implementation agreement progresses, Metminco intends to convene a meeting during Q2 2019.

### Refinancing Agreement

As set out above, Metminco and RMB have signed a binding term sheet in respect of a proposed refinancing, the key commercial terms of which are summarised below, noting that, despite being binding, the terms remain subject to entry of a formal agreement between the parties:

- a) Subject to approval from the South African Reserve Bank, conversion of \$2.5 million of repayments due to RMB Australian Holdings (RMB) into equity in Metminco at a price of \$0.003 per share, through the issue of 833,333,333 shares;
- b) An upfront payment of \$500,000 to RMB on completion of the Merger;
- c) A payment of \$500,000 on 1 January 2023 or within 6 months of the merged company defining a new indicated resource on Metminco's current assets of greater than 500,000 oz. of gold at a grade of 5 gpt, or 1Moz grading at 4 gpt (**Resource Payment**);
- d) A payment of \$500,000 on 1 January 2024 or within 6 months of the merged company defining a new reserve on Metminco's current assets of greater than 500,000 oz. of gold at a grade of 5 gpt, or 1Moz grading at 4 gpt (**Reserve Payment**);
- e) A payment of \$1 million on 1 January 2025 or upon the merged company successfully raising capital to secure development funding for a production project involving any licences or applications or rights to applications or joint venture entitlements held by MNC in the Quinchia Gold Project prior to the Merger (**Development Payment**).

Interest on the amounts outstanding under the Resource Payment, Reserve Payment and Development Payment, accrue interest at 9% per annum. Interest may be capitalised and will form part of the relevant repayment amounts.

RMB will maintain its existing security over Metminco's Quinchia Gold Project assets. The term sheet will replace the deferral agreement between RMB and MNC announced to ASX on 15 February 2019.

### Proposed Capital Structure

On completion of the Merger, consolidation, RMB debt conversion and capital raisings associated with the Merger, it is expected that Metminco's capital structure will be as follow, on a pre-consolidation basis:

	Shares	Options / PRs
<b>Current</b>	1,187,940,614	637,636,700 <sup>1</sup>
<b>Consolidation</b>	TBC	TBC
<b>Consideration Shares<sup>2</sup></b>	2,854,607,281	Note <sup>3</sup>
<b>Debt Refinancing Shares<sup>4</sup></b>	833,333,333	0
<b>Capital Raising Shares<sup>5</sup></b>	1,333,333,333	250,000,000 <sup>6</sup>
<b>Broker Securities</b>	41,667,667	50,000,000 <sup>7</sup>
<b>TOTAL</b>	<b>6,250,882,228</b>	<b>937,636,700</b>

#### Notes:

1. Comprising:
  - a. 547,345,422 quoted options with an exercise price of \$0.011 expiring 1 June 2020;
  - b. 12,345,639 unquoted options exercisable at \$0.08 on or before 17 May 2019;
  - c. 12,345,639 unquoted options exercisable at \$0.08 on or before 25 May 2019;
  - d. 46,400,000 performance rights (as per the terms announced on 26 April 2018); and
  - e. 19,200,000 unquoted options issued under the Company's long-term incentive plan, with 9,600,000 exercisable at \$0.0016 on or before 31 December 2019, subject to vesting conditions; and 9,600,00 exercisable at \$0.0024 on or before 31 December 2020, subject to vesting condition.
2. This figure may increase in the event Andes raises further capital prior to completion, however, any increase in the Consideration Shares will be offset by a corresponding decrease in the Capital Raising Shares, as the funding requirements of the merged entity will not change.
3. Andes has 10,250,000 options outstanding, exercisable at \$0.20. It is not yet decided how to treat these in the Merger. At the same ratio the Andes options would convert to 236,086,248 Company options exercisable at \$0.078 (pre-consolidation).
4. Being a debt for equity swap, whereby the \$2,500,000 of the Company's debt owing to RMB is converted into the Debt Refinancing Shares.
5. Assuming a capital raising of \$4,000,000.
6. 250,000,000 unquoted options issued on a 1 for 1 basis, subject to shareholder approval, in conjunction with the convertible note placement, 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.

Metminco has appointed Hartleys Limited and Bellanhouse Lawyers as its financial and legal advisers (respectively) in respect of the proposed merger.

**The Company confirms that this announcement does not lift the trading halt announced on 13<sup>th</sup> March 2019. The Company will lodge a separate announcement concerning the placement of the convertible notes ("Subsequent Announcement"). This Subsequent Announcement, when released, is intended to lift the trading halt.**



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**JORC STATEMENTS - COMPETENT PERSONS STATEMENTS**

The technical information related to Metminco's assets contained in this presentation that relates to Exploration Results (excluding those pertaining to Mineral Resources and Reserves) is based on information compiled by Mr Gavin Daneel, who is a Member of the Australasian Institute of Mining and Metallurgy and who is an independent Consulting Geologist. Mr Daneel 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 Daneel 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.

The technical information related to Andes Resources' assets contained in this presentation 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 10.9%. 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 Metminco but 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.

The Company is not aware of any new information or data that materially affects the information included in this release.

**TABLE 1 - MIRAFLORES PROJECT RESOURCES AND RESERVES**

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 27 October 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

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

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

**Notes:**

- i) Reported at a 1.2 gpt gold cut-off.
- ii) Mineral Resource estimated by Metal Mining Consultants Inc.
- iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
- iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
- v) Rounding may result in minor discrepancies. **Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)**

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

**Notes:**

- i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
- ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
- iii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.
- iv) Source: Ausenco, 2017.

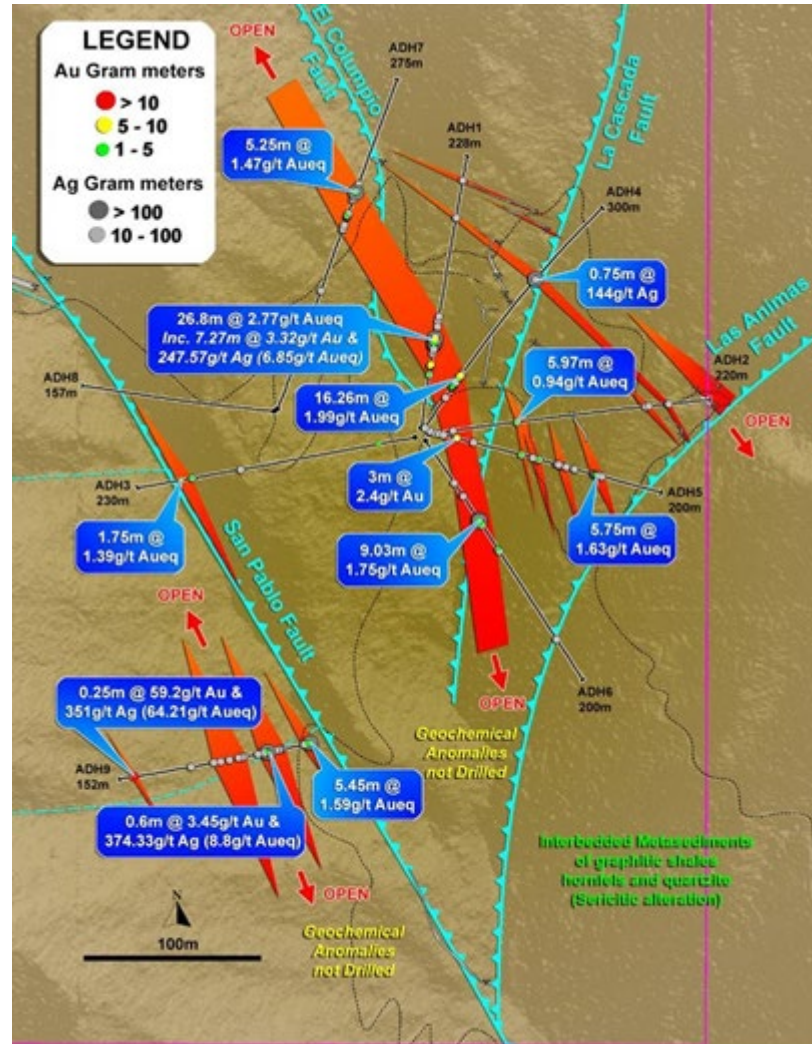
**ATTACHMENT 1 – 2018 El Culpio drill results**

Hole	East	North	RL (m)	Depth (m)	Dip (°)	Azimuth (°)	From (m)	To (m)	Width (m)	Au (gpt)	Au (gm) <sup>1</sup>	Aueq (gpt) <sup>2</sup>	Ag (gpt)	Ag (gm) <sup>1</sup>
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	-	-	-
ADH2							69.70	75.67	5.97	0.78	4.66	0.94	11.19	66.80
							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</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
ADH4						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</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
ADH6														
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
							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 meters.

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.

Figure 4: Map of 2018 drill holes at El Cumpio, with selected intercepts





**ATTACHMENT 2 – JORC Table 1, Sections 1 and 2**

***Section 1 Sampling Techniques and Data***

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

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• <i>Nature and quality of sampling (e.g. 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.</i></li> <li>• <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li>• <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li>• <i>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘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 (e.g. submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<p>The results from the below stream sediment, soil sediment, rock chip and samples (<b>Samples</b>) 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Selective rock and stream float sampling is limited because it is not insitu and only considered representative of mineralisation styles in the area.</li> <li>• The diamond drill core has been sampled at marked intervals by the</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>geologist and cut into half and quarter core depending on the sample length. Maximum sample length is 4 meters for non-mineralised core.</p>
<p><i>Drilling techniques</i></p>	<ul style="list-style-type: none"> <li>• <i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>• The 9 diamond holes were drilled with HQ3 sized core (nominal 61.1mm core diameter).</li> <li>• The drill core for ADH-7 to ADH-9 is orientated by the drilling contractor with spear technique. ADH-1 to ADH-6 is orientated by lining up drill vein intercepts.</li> </ul>
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The drilling contractors use a core barrel and wire line to recover the core, they always aim to recover all core and adjust their drilling methods and rotation speed to minimize core loss.</li> <li>• 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.</li> </ul>
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li>• <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></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• All samples including stream sediments and soils are also photographed.</li> <li>• 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,</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>mineralisation, shearing/foliation structures and any other features that are present.</p> <ul style="list-style-type: none"> <li>All drill core is photographed before and after cutting.</li> <li>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.</li> </ul>
<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><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></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>Drill core blanks and standards are inserted into the sample stream at a rate of 1:40 or every 20<sup>th</sup> sample as they are alternated.</li> <li>Core duplicates of quarter core are taken at a rate of 1:20<sup>th</sup> sample.</li> <li>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.</li> </ul>
<p><i>Quality of</i></p>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered</i></li> </ul>	<ul style="list-style-type: none"> <li>The SGS laboratory based in Medellin, Colombia is used for assaying and is internationally registered and certified for element analysis.</li> </ul>



Criteria	JORC Code explanation	Commentary
<p><i>assay data and laboratory tests</i></p>	<p><i>partial or total.</i></p> <ul style="list-style-type: none"> <li><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></li> <li><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>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 &amp; FAG303) with the drill core samples assayed for an additional 50 elements using multi-acid (4-acid) digest with ICM finish (ICM40B). Soil, stream and rock samples were assayed for an additional 36 elements using multi-acid (4-acid) digest with ICP finish (ICP40B).</li> <li>No field non-assay analysis instruments were used.</li> <li>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.</li> <li>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.</li> </ul>
<p><i>Verification of sampling and assaying</i></p>	<ul style="list-style-type: none"> <li><i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li><i>The use of twinned holes.</i></li> <li><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li><i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>No twinning of drill holes has been conducted to date.</li> <li>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.</li> <li>Areas of high-grade soil results (&gt;1ppm) are in-filled at 10m spacing by a different sampling crew to reduce sampling bias. Assay results are compared to the 1<sup>st</sup> pass sampling results.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>• <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 Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No adjustments are required to the data except for GPS elevation correction from LiDAR elevations.</li> <li>• Sampling locations are recorded by hand-held Garmin GPSs with a statistical median accuracy of <math>\pm 5\text{m}</math>.</li> <li>• Adit sample locations are surveyed using a tape measure and compass method in relation to the mine adit.</li> <li>• 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.</li> <li>• All data is collected and stored in UTM/WGS84 Zone 18N projection.</li> <li>• 22,500Ha of the project has been LiDAR surveyed with a topographic accuracy of <math>\pm 50\text{cm}</math> in the horizontal and <math>\pm 10\text{cm}</math> in the vertical. This is used to adjust GPS recorded elevations.</li> <li>• 8cm resolution LiDAR imagery is used for mapping and sampling locations and is considered accurate to <math>\pm 20\text{cm}</math>. Topographic maps were generated down to 1:500 scale. It is adequate for the reporting of exploration results and subsequent mineral resource estimates.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <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></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• No sample composites were taken.</li> </ul>
<i>Orientation of data in</i>	<ul style="list-style-type: none"> <li>• <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></li> </ul>	<ul style="list-style-type: none"> <li>• 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</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>relation to geological structure</i>	<ul style="list-style-type: none"> <li><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></li> </ul>	<p>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.</p> <ul style="list-style-type: none"> <li>In this case there is a sampling bias whereby intercept widths are greater than the true widths of mineralised lodes.</li> <li>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.</li> <li>Adit channel samples are taken perpendicular to mineralisation strike to best represent the true widths.</li> <li>Stream sediments and grab samples are not representative of structural orientation</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li><i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li><i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>No external or 3<sup>rd</sup> party audit reviews of sampling techniques and data have been conducted however internal review of sampling results are continuously monitored for any sampling bias.</li> </ul>

## Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Andes Resources retain 90% equity in all concessions within the Andes land package with Grupo de Bullet retaining the remaining 10%.</li> <li>Land holding consists of the following:               <ul style="list-style-type: none"> <li>Mining Title – T5630005 (ARL 90%)</li> <li>Contracts – P8717011, HINC-03 &amp; KI7-14021 (ARL 90%)</li> <li>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 &amp; PLC-14581 (ARL 90%).</li> </ul> </li> <li>There is no reason to believe applications will not be successfully granted.</li> </ul>



Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> <li>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.</li> <li>No known security issues or anticipated impediments to obtain a license to operate in the area.</li> </ul> <p>Metminco has signed a non-binding indicative offer to acquire up to 100% of the issued capital in Andes Resources. There is no guarantee a formal offer will be made and that Metminco will acquire Andes Resources. At present, Metminco has no rights to the mineral tenements reported.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li><i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>In 2006 AngloGold Ashanti took approximately 600 stream sediment and 775 rock samples within the Andes concession area.</li> <li>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.</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>El Columpio, 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.</li> </ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <li><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"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>See table for summary of information.</li> <li>Easting and Northing define the collar location in WGS84 Zone 18N map projection. Collar elevations are RLs (elevation above sea level).</li> <li>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.</li> <li>Downhole length of the hole is the distance from the surface to the</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>○ <i>hole length.</i></li> <li>● <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></li> </ul>	<p>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.</p>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>● <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>● <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></li> <li>● <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>● The results are weighted average by sample length. No high-grade cuts have been applied.</li> <li>● 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.</li> <li>● Gold equivalent (Aueq) is calculated using the price ratio of Au : Ag of 1 : 70 with the following formula: <ul style="list-style-type: none"> <li>● <math>Aueq = (Au\ gpt) + (Ag\ gpt)/70</math></li> <li>● <i>Ag recovery, for the purposes of this calculation, is assumed to be 100%</i></li> </ul> </li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>● <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>● <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>● <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> <li>● All drill results announced are downhole intervals only and true widths are not reported.</li> <li>● In general, the drill holes were drilled with <math>\alpha</math>-angle of <math>\sim 45^\circ</math> therefore mineralisation intercepts rarely represent true widths.</li> </ul>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>● <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>● All diagrams include grids and scales for reference (if appropriate).</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>● <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>● Noted and complied with.</li> </ul>
<b>Other substantive exploration</b>	<ul style="list-style-type: none"> <li>● <i>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,</i></li> </ul>	<ul style="list-style-type: none"> <li>● 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.</li> </ul>

Criteria	JORC Code explanation	Commentary
<i>data</i>	<i>groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	<ul style="list-style-type: none"> <li>No other exploration data is considered meaningful and material.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>Further sampling, mapping and geophysics surveys is recommended prior to drilling programs of other prospects.</li> <li>At El Columpio further sampling and mapping is recommended to vector the mineralisation source prior a follow up drilling program.</li> </ul>