

30 October 2019

## Quarterly Activities Report for period ending 30 September 2019

### *First drilling of the Chuscal Gold Target commenced*

- **Metminco / Andes Resources Merger complete including RMB debt restructure, capital raising, Board changes and a share consolidation**
- **Strategic review and prioritisation of the Company's expanded portfolio of titles and applications**
- **Chuscal Gold Target maiden drilling program commenced**

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The third quarter of 2019 marked a major milestone in the evolution of **Metminco Limited (ASX: MNC)** ("**Metminco**" or "**the Company**") with the conclusion of the merger with Andes Resources to create a leading Colombian gold explorer with dominant positions in two gold districts of the richly endowed Mid-Cauca Gold Belt of Colombia. The transaction included many elements that have primed the Company for its next exciting chapter.

- ✓ Creation of a leading Colombian gold explorer with dominant positions in two gold districts of the richly endowed Mid-Cauca Gold Belt through the merger with Andes Resources;
- ✓ Significant refreshment of the Board of Directors, including the appointment of Jason Stirbinskis as Managing Director, the appointment of Ross Ashton as a Non-Executive Director, and retirement of MNC's previous non-executive directors;
- ✓ Favourable transaction with a major shareholder, RMB Resources, to convert \$2.0 million of debt into equity, and realigning future payments to project milestones;
- ✓ Share consolidation to bring the shares on issue to a more manageable number suitable for a junior explorer (completed in October);
- ✓ Grant of the Chuscal exploration licences with diamond drilling activities commencing at the Chuscal Gold Target near the end of the quarter; and
- ✓ Strategic review and prioritisation of the Company's expanded portfolio of titles and applications.

### **The Quinchia and Andes Portfolios, ~1,000km<sup>2</sup> of the Mid-Cauca Gold Belt.**

The Quinchia gold project is contained within the Quinchia district, located in the highly fertile Mid-Cauca Gold Belt of Colombia (refer Figure 1) and comprises the following established targets in addition to untested areas of interest within the ~7500ha parcel.

- **Miraflores gold deposit** has an existing Resource of 877,000 Au ounces at 2.80g/t Au and Reserve of 457,000 Au ounces at 3.29g/t Au<sup>1</sup>. The current gold price exceeds the upper limit of the modelled project gold price sensitivities published in the 2017 Feasibility Study (refer Table 1). With further exploration success elsewhere within the Quinchia project, leveraging existing mine planning, plant design and approval status of Miraflores (Mining Authority approval of PTO (construction and operation plan)) to fast track production becomes a compelling opportunity.

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<sup>1</sup> Refer ASX announcement dated 27 November 2017. 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.

**Table 1: Miraflores Feasibility Study Economic Model Gold Price Sensitivity<sup>2</sup>**

Sensitivity to Gold Price				
Key Financial Indicators*	Unit	US\$1,200 Au/oz	US\$1,300 Au/oz	US\$1,400 Au/oz
C1 Cash Cost**	US\$ per Au/oz	595	599	603
AISC-cost	US\$ per Au/oz	639	643	647
EBITDA (LoM average)	US\$m/annum	27.3	29.4	35.8
NPV @ 5%	US\$m	75	96.1	117
NPV @ 8%	US\$m	55	72.3	89.8
IRR	%	21	25	28
Payback	Years	4.1	3.6	3.3

\* A variance of +15 -10% can be applied i.e. within the contingency. Contingency of 7.67%.

\*\* C1 Cash Costs includes Government Royalty.

- Tesorito gold target** is located approximately 1 kilometre to the north of Chuscal (Figure 2) and only several hundred metres from the proposed processing facility described in the Miraflores feasibility study. Metminco drilled Tesorito in 2018 with the final hole of that program, TS-DH-07, oriented oblique to previous holes, providing the best intercept of **64m @ 1.67g/t Au from 144m**, within **253.1m @ 1.01 g/t Au from 2.9m** (refer ASX release dated 30 August 2018<sup>3</sup>). The final drill hole also provided valuable insights into the orientation and geometry of higher-grade mineralisation within the broader porphyry complex. The widest intersection previously drilled was **384m @ 1.01g/t Au from 16m to end-of-hole, including 32.5m @ 1.34 g/t Au from 48.8m**; and **156.6m @ 1.28 g/t Au from 88.3m** (TSDH-02, see ASX release of 30 August 2018<sup>3</sup>).
- Chuscal gold target**<sup>4</sup> features an extensive, undrilled, large (900m by 530m) surface gold anomaly (rock-soil and rock chip geochemistry) averaging 1.76 g/t (uncut) (refer ASX release dated 6 December 2018<sup>3</sup>). A review of previous underground sampling from an adit on the SE margin of the main target, revealed two mineralisation populations which reflect an early phase of stockwork / disseminated mineralisation (porphyritic diorite) with an average grade of approximately 1.5 g/t Au; cut by a later, high-grade epithermal vein population with an average grade of approximately 8 g/t Au using a 20 g/t Au top-cut (uncut: 19 g/t Au) (refer ASX release dated 21 January 2019<sup>3</sup>). The near surface, high-grade epithermal veins overprinting interpreted porphyry mineralisation is of particular interest given the potential to create internal, higher grade zones within wider porphyry mineralisation.

Located 70km to the north of Quinchia, the Andes portfolio is a large (~85,000Ha) cohesive and substantially underexplored tenement and application package of international significance in the Mid-Cauca Gold Belt with only ~10% of the land parcel explored with modern techniques. To date over 14,000 surface and rock chip samples have been collected to define multiple vein hosted and porphyry targets including the Gibraltar porphyry copper/gold target just 22kms from, and in the same porphyry belt, as AngloGold's Nuevo Chaquiro deposit.

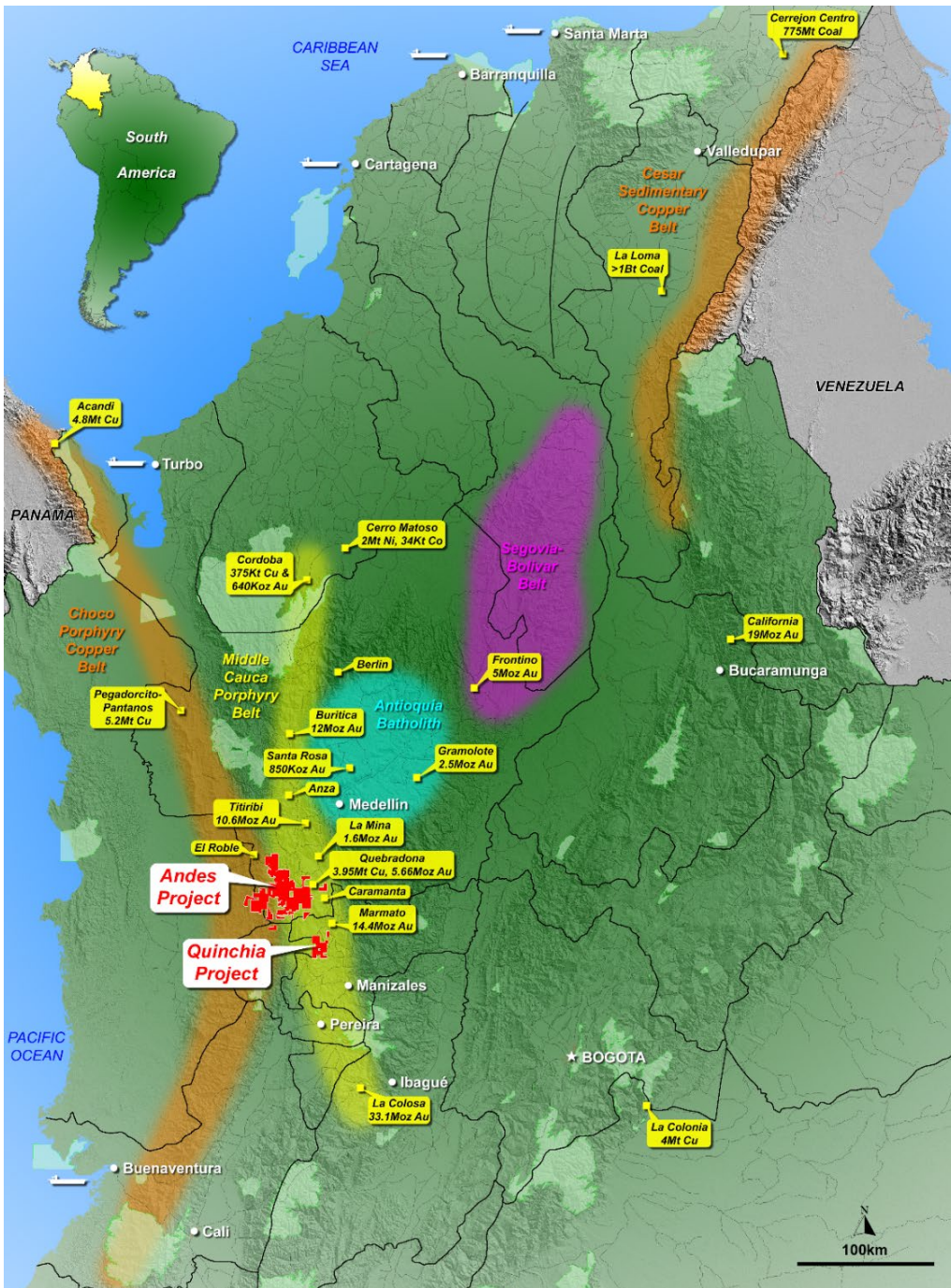
A strategic review of all previous exploration, known targets and existing resources on the Company's projects was completed during the quarter. The review confirmed Chuscal as the first drill target and also identified significant upside in the remainder of the Quinchia Gold Project requiring systematic integration of geological, geochemical and geophysical exploration results. Of particular interest is the Tesorito porphyry

<sup>2</sup> Feasibility Study first publicly released 18 October 2017 and updated 30 October 2017. For Resources and Reserves see Table 2. The sensitivity table was first publicly released 28 May 2018. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation and Metminco confirms that all material assumptions and technical parameters applicable to the Reserve continue to apply. Source: Ausenco 2017.

<sup>3</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.

<sup>4</sup> The Chuscal Project is a JV with AngloGold Ashanti. MNC can earn 51% through US\$2.5M of exploration expenditure (see ASX Announcement 6 December 2018).

with the review recommending further drilling at Tesorito in the medium term, especially testing the potential for near surface repetitions of higher-grade zones to the north of recent drilling at the target. The Andes portfolio, particularly the San Pablo region was also identified as an area for consideration in the 2020 exploration program.



**Figure 1. Northern Colombia: Mineral Endowment:** Note – metal volume estimates are taken from company websites and may or may not include inferred resources. These numbers are given as an indication of the gold endowment of the district, not mineable resource

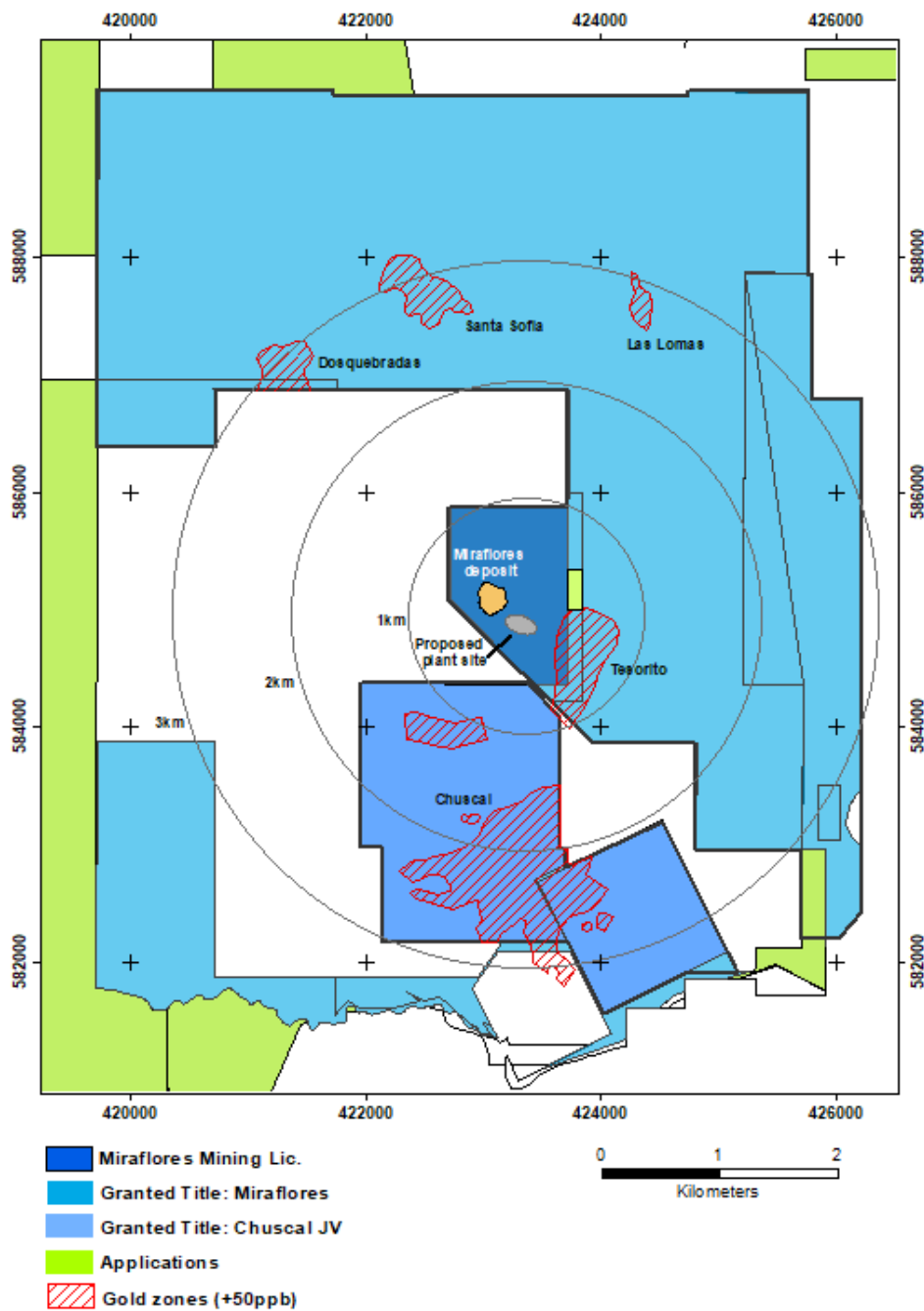
## **Chuscal Drilling Program**

The Chuscal diamond drilling program commenced near the end of the quarter. The program is planned to be a two phase operation, with three holes planned initially, and then up to a further four holes to be drilled with the benefit of knowledge gained through analysis of the results from the first phase of drilling. Drilling is indicatively planned to target an average depth of 300-400 meters in each drill hole.

At the date of this report, the first drillhole was completed at a depth of 452.5m, after being extended by approximately 100 metres based on the encouraging visual observations from the drill core by the team on-site. A very encouraging sequence of hydrothermal and magmatic breccias was intercepted from 212m, as discussed in the 24 & 30 October 2019 ASX announcements<sup>3</sup>, and extends down to 410m before eventually transitioning to weakly altered monzonite. The extent of hydrothermal alteration, particularly in the breccias containing sulphides, and the overprinting by Intermediate Sulphidation (“ISS”) veinlets bodes well for the presence of gold mineralisation. However, the variability of lithologies plus the intensity and type of alteration, together with overprinting mineralisation styles in the hole, makes it difficult to anticipate the likely grades of gold by visual inspection. Initial assay results are expected to be received in late November 2019.

The diamond drill rig relocated to the 2<sup>nd</sup> drill pad located 130m southeast of pad 1 on 26 October 2019. The second hole of the program, CHDDH002, will also test the eastern end of the large surface geochemical anomaly and pass underneath the historic workings to investigate the core of the diorite zone and its potential extension to the north-northwest. The hole is designed to intercept the Guayacanes structure which consists of gold bearing veins within the mineralised diorite porphyry (refer ASX announcement 18 September 2019 for further detail)<sup>3</sup>.





**Figure 2: Metminco's Quinchia portfolio and distances to proposed Miraflores plant with major gold targets**

**Corporate Activity**

On 17 May 2019, the Company announced it had signed a binding bid implementation agreement (“BIA”) with Andes Resources Limited (“Andes”) in connection with a proposed merger (“Merger”) whereby Metminco will acquire 100% of the issued capital of Andes through an off-market takeover offer (“Takeover Offer”). The Takeover completed on 15 August 2019 coupled to:

- Completion of a fully subscribed capital raise pursuant to a prospectus to raise a total of \$2,332,000, underwritten to \$1,342,461.
- Executing the RMB Debt Financing Agreement with revised terms including a debt for equity swap for \$2 million and realignment of future payments of \$3.5 million to project milestones out to 2025.

- Resignation of Messrs Roger Higgins and Glenister Lamont from the Metminco Board and appointment of Messrs Jason Stirbinskis and Ross Ashton to the Board with Mr Stirbinskis as Managing Director.

The merger process also involved a consolidation of the Company's share capital on a 1 for 40 basis which concluded early in Quarter 4. The number of the Company's shares on issue was reduced from 6,659,575,831 existing shares to approximately 166,489,911 shares. As the consolidation applies equally to all shareholders, individual shareholdings were reduced in the same ratio as the total number of shares (subject only to the rounding up of fractions). The Company's options ("Options") to acquire shares were also reorganised in accordance with their terms and conditions and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options were consolidated in the same ratio as the shares and the exercise amended in inverse proportion to that ratio. The expiry dates of Options did not change.

### **Subsequent Events**

In October 2019 Metminco announced that it has negotiated key commercial terms, and executed a non-binding term sheet (**Term Sheet**) for the sale of its legacy and non-core Mollacas asset in Chile to Agricola Bauza Limited, a Chilean company ("**Acquiror**").

The transaction comprises the sale of mineral title, surface title and water rights for US\$1.0 million (approximately A\$1.5 million), subject to satisfaction of due diligence by the Acquiror. The Term Sheet has proposed settlement date of 1 December 2019, subject to entry into a binding Sale and Purchase Agreement and a valid Deed of Release under Chilean Laws.

Given the conditionality of the Term Sheet, including the need for completion of due diligence and signing of a Binding Sale and Purchase Agreement, there is no guarantee the asset sale will complete.

Unanticipated costs of the merger and costly merger delays further compounded by an unfavourable AUD/US exchange rate has bought funding requirements forward and ahead of the highly anticipated drill results. Whilst the Company expects the Mollacas transaction to complete in early December and provide a non-dilutive capital injection, the Company has alternative funding options prepared to facilitate ongoing exploration and to manage short term cash requirements.

The Company also announced its intention to re-brand itself as **Los Cerros Limited** to mark the start of the next exciting chapter of the enterprise. The Board has proposed the name "**Los Cerros Limited**" on the basis that the change of name marks the reinvigoration of the Company post the merger and is considered by the directors to better reflect and acknowledge the nature of the Company's activities. Los Cerros is Spanish for "The Hills" and reflects the Company's business focus in the Andes mountains. Villa De Los Cerros is also an accepted alternate name for the town of Quinchia in Colombia from which the Company operates and therefore has local relevance.

The change of name will be voted on by shareholders at the 28 November 2019 General Meeting.

Director Mr Kevin Wilson has advised the board that he plans to retire as non-executive Chair and remain on the Board as non-executive Director effective from the date of the November General Meeting. The Board has agreed to appoint current Metminco non-executive Director Mr Ross Ashton as non-executive Chair at the same time.

### **Ongoing Capital Requirements**

The Company currently has negative operating cashflows and expects to have negative operating cashflows for the time being. To raise further funds, the Company has entered into the Term Sheet for the sale of the Mollacas asset in Chile. The Company is progressing the Term Sheet and is not aware of any reason why a binding sale and purchase agreement could not be entered into. In the event that the Term Sheet is not completed in the coming quarter, the Company expects to be able to seek interim funding from related

parties on industry standard rates. The Company expects to be able to meet its business objectives in the near term and is considering its capital raising options over the next two quarters.

#### JORC STATEMENTS - COMPETENT PERSONS STATEMENTS

The technical information related to Metminco's assets contained in this report that relates to Exploration Results (excluding those pertaining to Mineral Resources and Reserves) is based on information compiled by Mr Nicholas Winer, who is a Member of the Australasian Institute of Mining and Metallurgy and who is a Consulting Geologist employed by Metminco on a part-time basis. Mr Winer 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 Winer 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.

**FORWARD LOOKING STATEMENTS** This document contains forward looking statements concerning Metminco. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking statements in this document are based on Metminco's beliefs, opinions and estimates of Metminco as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although management believes that the assumptions made by the Company and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

#### TABLE 2 - 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. 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 (000t)	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)

The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 18 October 2017 and updated on 27 November 2017. No material changes have occurred after the reporting of these reserve estimates since their reporting in November 2017.

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.

Source: Ausenco, 2017

**Mineral Tenements (Colombia) as at 30 September 2019**

TENEMENT ID	HOLDER	TYPE OF CONTRACT <sup>(3)(4)(5)</sup>	STAGE
<b>Quinchia Gold Project <sup>(1)(12)</sup></b>			
010-87M	MCM <sup>(2)</sup>	Contribution	Exploitation
DLK-14544X	MCM	Concession	Exploration
DLK-142 <sup>(6)</sup>	AngloGold	Concession	Exploration
FCG-08353X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
TDR-11411	MCM	Application	Exploration
GC4-15001X	AngloGold	Application	Exploration
GC4-15004X	AngloGold	Application	Exploration
GC4-15006X	AngloGold	Application	Exploration
GC4-15007X	AngloGold	Application	Exploration
GC4-15008X	AngloGold	Application	Exploration
GC4-15009X	AngloGold	Application	Exploration
GC4-150010X <sup>(7)</sup>	AngloGold	Concession	Exploration
GC4-15002X <sup>(6)</sup>	AngloGold	Concession	Exploration
GC4-15005X <sup>(6)</sup>	AngloGold	Concession	Exploration
KHL-15421	AngloGold	Application	Exploration
OG2-08112	MCM	Application	Exploration
OG2-10591	MCM	Application	Exploration
OG2-8073	MCM	Application	Exploration
<b>Andes Project <sup>(8)(12)</sup></b>			
5630 <sup>(9)</sup>	AREP	Exploitation	Exploration
P8717 <sup>(10)</sup>	MININCOL	SPEE	Exploration
KI7-14021	BHC <sup>(11)</sup>	Concession	Exploration
5843	BHC	Concession	Exploration
TG9-08001	AREP	Application	Exploration
TGC-08001	AREP	Application	Exploration
TGD-08001	AREP	Application	Exploration
TGG-08001	AREP	Application	Exploration
TGH-08001	AREP	Application	Exploration
TGI-08001	AREP	Application	Exploration



THF-08011	AREP	Application	Exploration
TII-08021	AREP	Application	Exploration
TJO-08031	AREP	Application	Exploration
TLB-08151	AREP	Application	Exploration
UA2-08011	AREP	Application	Exploration
UAF-10471	AREP	Application	Exploration
18821	BHC	Application	Exploration
18821X	BHC	Application	Exploration
19697	BHC	Application	Exploration
20982	BHC	Application	Exploration
HD6-08151X and HD6-08153X	BHC	Applications	Exploration
HD6-086	BHC	Application	Exploration
PKA-08231	BHC	Application	Exploration
HKU-08011	BHC	Application	Exploration
JC4-08003X to JC4-08009X	BHC	Applications	Exploration
JCC-16191X	BHC	Application	Exploration
JGS-16391	BHC	Application	Exploration
JGS-16394X	BHC	Application	Exploration
16393X-JGS	BHC	Application	Exploration
JII-08221	BHC	Application	Exploration
JJR-08052X	BHC	Applications	Exploration
KCJ-08041	BHC	Application	Exploration
KGD-08051	BHC	Application	Exploration
KGD-08052X	BHC	Application	Exploration
KI7-14022X to KI7- 14024X	BHC	Applications	Exploration
LIQ-08007	BHC	Application	Exploration
OG2-08124	BHC	Application	Exploration
OG2-08159	BHC	Application	Exploration
OG2-081813	BHC	Application	Exploration
OG2-09375sec2	BHC	Application	Exploration
PDN-09001	BHC	Application	Exploration

- 1) All titles are part of the Quinchia Gold Portfolio, Quinchia, Department of Risaralda, Colombia.
- 2) Miraflores Compañía Minera SAS (MCM) a 100%-owned subsidiary of North Hill Holdings Group Inc., owned as to 100% by Metminco.
- 3) Concessions at exploration stage have 3 year life extendable for two years to a maximum 11 years.
- 4) Contribution, 15 year life extendable for 15 years.
- 5) Applications have neither legal liabilities nor certainty that they will be granted in whole or in part. If there was open ground at the time of lodging, a contract for exploration and potential exploitation will be offered to the applicant. Applications currently in the name of AngloGold will be transferred to Metminco on grant.
- 6) Metminco has a 10% beneficial interest in these tenements, with the right to earn up to 51% interest through a JV with AngloGold.
- 7) In process of transfer to MCM.
- 8) Andes Resources Ltd, a 100% subsidiary of Metminco, holds a 90% beneficial interest in all of the Andes Exploration Portfolio which is predominantly located in the Department of Antioquia, Colombia.
- 9) Andes Resources EP SAS (AREP), a 100% subsidiary of Andes Resources, holds a 100% interest in 5630 (El Columpio).

- 10) Andes Holdings SAS (AH), a 90% subsidiary of AREP holds a 77% beneficial interest in SPEE (Special Permit for Exploration and Exploitation) P8717 (San Pablo) and has the right to secure 100%. MININCOL is a third party Colombian company that currently holds title.
- 11) Bullet Holding Corp. Subsidiary (BHC), the current title holder and / or beneficial owner.
- 12) Refer Prospectus dated 17 July 2019, Schedules 4 and 6, solicitor's reports for further information on title.

***For further enquiries contact:***

**Jason Stirbinskis**

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Metminco Limited

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## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

METMINCO LIMITED

**ABN**

43 119 759 349

**Quarter ended ("current quarter")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9-months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(730)	(1,624)
(b) development		
(c) production		
(d) staff costs	(67)	(252)
(e) administration and corporate costs	(789)	(1,164)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received	30	75
1.7 Research and development refunds		
1.8 Other		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,556)</b>	<b>(2,965)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments (RMB payment)		
(d) other non-current assets		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9-months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (Andes Resources Acquisition)	52	52
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>52</b>	<b>52</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	2,332	2,487
3.2	Proceeds from issue of convertible notes		918
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(300)	(389)
3.5	Proceeds from borrowings		50
3.6	Repayment of Convertible Note		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – equity swap		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>2,032</b>	<b>3,066</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period / year	113	168
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,556)	(2,965)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	52	52
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,032	3,066
4.5	Effect of movement in exchange rates on cash held	108	428
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>749</b>	<b>749</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	749	113
5.2 Call deposits	0	0
5.3 Bank overdrafts	0	0
5.4 Other (Term Deposits)	0	0
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>749</b>	<b>113</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	14
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees during the quarter – \$11k  
Superannuation guarantee payments made in respect of directors' employment

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A



## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities <sup>(1)</sup>	50	50
8.2 Credit standby arrangements <sup>(2)</sup>	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

(1) Loan received from Director in March 2019 to fund working capital.

(2) The Company expects to be able to seek interim funding from related parties on industry standard rates

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	1,023
9.2 Development	0
9.3 Production	0
9.4 Staff costs	38
9.5 Administration and corporate costs	276
9.6 Other (Capital raising costs)	43
<b>9.7 Total estimated cash outflows</b>	<b>1,380</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	(1)	Beneficial interest gained through merger with Andes Resources Limited.	0%	90%

(1) Exploitation licence: 5630; SPEE: P8717; concession contracts: KI7-14021 and 5843; applications for concession contracts TG9-08001, TGC-08001; TGD-08001; TGG-08001; TGH-08001; TGI-08001; THF-08011; TII-08021; TJO-08031; TLB-08151; UA2-08011; UAF-10471; 18821; 18821X; 19697; 20982; HD6-08151X to HD6-08153X; HD6-086; PKA-08231; HKU-08011; JC4-08003X to JC4-08009X; JCC-16191X; JGS-16391; JGS-16394X; 16393X-JGS; JII-08221; JJR-08052X; KCJ-08041; KGD-08051; KGD-08052X; KI7-14022X to KI7-14024X; LIQ-08007; OG2-08124; OG2-08159; OG2-081813; OG2-09375sec2; PDN-09001. Location: Department of Antioquia, Colombia.

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

*Julia Beckett*

Sign here: .....  
(Joint Company secretary)

Date: 30<sup>th</sup> October 2019

Print name: Julia Beckett

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.