

**CULPEO MINERALS LIMITED**  
**ACN 627 735 531**  
**SUPPLEMENTARY PROSPECTUS**

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**1. IMPORTANT INFORMATION**

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 23 June 2021 (**Prospectus**) issued by Culpeo Minerals Limited (ACN 627 735 531) (**Company**).

This Supplementary Prospectus is dated 5 August 2021 and was lodged with the ASIC on that date.

The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at [www.culpeominerals.com.au](http://www.culpeominerals.com.au).

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for new Shares under the Prospectus.

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**2. PURPOSE OF THIS DOCUMENT**

The purpose of this Supplementary Prospectus is to provide additional information to investors as set out in section 3 below.

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**3. ADDITIONAL INFORMATION**

The following additional information is provided with respect to the Performance Rights proposed to be issued to Mr Maxwell Tuesley, Tanamera Resources Pte Ltd (an entity controlled by Mr Geoffrey McNamara), Mr Zeffron Reeves, Mr Paul Schmiede, Mr Sergio Uribe and Ms Shannon Coates of Evolution Corporate Services (or her nominee) (together, the **Recipients**) (refer to sections 5.7 and 10.3 of the Prospectus for further details):

- (a) The Performance Rights are being issued to the Recipients as part of their respective remuneration packages, in order to link part of the remuneration payable to the recipients to specific performance milestones set out in Section 10.3(a) of the Prospectus. The Performance Rights are being issued to incentivise the Recipients and are not ordinary course of business remuneration securities.

- (b) A summary of the executive services agreements for Mr Maxwell Tuesley (Managing Director) and the non-executive director appointment letters for Geoffrey McNamara, Zeffron Reeves and Paul Schmiede are included at Sections 9.4.1 and 9.4.2 of the Prospectus.

Each of the Recipients will play a key role in executing the Company's business strategy (as set out in Sections 5.3 to 5.5 of the Prospectus), which is directly aligned with the performance milestones for the Performance Rights as follows:

- (i) as directors, Messrs Tuesley, McNamara, Reeves and Schmiede will be responsible for, among other things, directing the operations of the Company and providing recommendations of a strategic nature to board members.
  - (ii) as the Company's in-country manager, Mr Uribe will be responsible for, among other things, the broad administrative duties and legislative compliance of the Company as required under Chilean law.
  - (iii) as the Company's corporate secretarial services provider, Evolution Corporate Services will be responsible for, among other things, advising the Company on governance matters, coordinating the timely completion and despatch of board documents and assisting in undertaking the general administrative duties of the Company.
- (c) Details of the existing total remuneration packages of the Directors are disclosed at Section 8.3 of the Prospectus.

Details of remuneration, fees and other consideration paid or payable to Shannon Coates and Sergio Uribe are set out in the table below:

Recipient	Total fees <sup>1</sup>
Shannon Coates <sup>2</sup>	\$108,488
Sergio Uribe	\$200,311

**Notes:**

- 1. Comprising fees paid from the date of incorporation of the Company to the date of these submissions.
  - 2. All fees were paid to Evolution Corporate Services Pty Ltd.
- (d) Details of the security holdings of the Directors are set out in Section 8.3 of the Prospectus.

As at the date of the Prospectus, Ms Coates and Mr Uribe have relevant interests in securities as follows:

Recipient	Shares	Performance Rights
Shannon Coates	-	-
Sergio Uribe	1,321,212	-

## Post-completion of the Public Offer

Recipient	Shares	Performance Rights
Shannon Coates	-	400,000
Sergio Uribe	1,321,212	700,000

- (e) The Performance Rights are being issued as part of the Recipients' remuneration packages.

The Company considers it necessary and appropriate to further remunerate and incentivise the Recipients to achieve the applicable performance milestones for the following reasons:

- (i) the issue of Performance Rights to the Recipients will further align the interests of the Recipients with those of Shareholders;
  - (ii) the Performance Rights are unlisted, therefore the grant of the Performance Rights has no immediate dilutionary impact on Shareholders;
  - (iii) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Recipients; and
  - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.
- (f) The number of Performance Rights to be issued to each of the Recipients was determined by the Board following arm's length negotiations with each of the Recipients, and having regard to:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
  - (ii) the remuneration of the Recipients; and
  - (iii) incentives to attract and retain the service of the Recipients, who have the desired knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the number of Performance Rights to be appropriate and equitable for the following reasons:

- (i) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- (ii) the number of Shares into which the Performance Rights will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and

have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;

- (iii) there is an appropriate link between the milestones and the purposes for which the Performance Rights are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
  - (iv) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;
  - (v) the Performance Rights which are proposed to be issued represent a small proportion of the Company's issued capital upon listing (less than 10% of issued Share capital); and
  - (vi) the Performance Rights have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Rights will lapse.
- (g) If the applicable milestones are met, the Performance Rights will convert into 5,200,000 Shares. This will have the following impact on the Company's capital structure:

	Offer (\$6,000,000)
Performance Rights to be issued	5,200,000
<b>Shares on issue Post-Listing (fully diluted)<sup>1</sup></b>	<b>60,391,688</b>

**Notes:**

1. Certain Shares on issue post-listing will be subject to ASX-imposed escrow. Refer to Section 5.9 of the Prospectus for a disclaimer with respect to the likely escrow position.

- (h) The Performance Rights will not be quoted on ASX.

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#### **4. CONSENTS**

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

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#### **5. DIRECTORS' AUTHORISATION**

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

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**Geoffrey McNamara**  
**Non-Executive Chairman**  
**For and on behalf of**  
**Culpeo Minerals Limited**