



## QUARTERLY ACTIVITIES REPORT

### Corporate

*During the period relating to this quarterly activities report, (July 1 2017 to September 30 2017) the Company was subject to a Deed of Company Arrangement ("DOCA") and therefore under external administration.*

On 14 August 2017, Director Mr Tim Morrison resigned and Directors Mr Robert Sckalor and Mr Cameron Henry were appointed as directors of the Company.

On August 17, Mr Matthew Carr was appointed as Executive Director of the Company.

As announced on August 18, 2017 the Company lodged a prospectus to among other things raise \$6,000,000 as part of the recapitalisation process. The offer was closed, oversubscribed, on 27 September.

### Corporate Events Subsequent to September 30, 2017

On October 4 the recapitalisation of the Company was completed and the DOCA was fully effectuated. Accordingly the Company exited external administration and control of the Company passed to the Company directors.

On October 5, the Company issued and allotted 1,625,000,000 ordinary shares under the prospectus.

On October 17, the Company satisfied all required listing conditions, and was re-instated to the official quotation on the ASX under the security code "TTM"

Please refer to various announcements dated 4/10/2017 to 13/10/2017 for further information on corporate activities post quarter end.

### Peru Exploration and Minerals Processing Activities:

*During the period relating to this quarterly activities report, (July 1 2017 to September 30 2017) the Company was subject to a Deed of Company Arrangement ("DOCA") and therefore under external administration.*

During the quarter the San Santiago plant operated intermittently due to lack of funding, processing 3,326 tons and generating approximately US\$99,000 of revenue.

There was no exploration activities on the Company's concessions during the quarter.

## **Proposed Business Strategy 2017/2018**

### **Overview**

In general terms moving forward, following Completion, the Company intends to:

- a) Negotiate with miners and suppliers to provide feed for the San Santiago Plant processing plant (in respect of copper) for processing its own concentrate with the aim of undertaking all such activities on a positive cash flow basis;
- b) procure all relevant permits to enable the Company to operate the gold circuit of the San Santiago Plant;
- c) increase the tailings dam capacity by 99,000 cubic meters from 90,000 cubic meters to 189,000 cubic meters;
- d) in relation to the San Santiago Concessions, undertake a strategic review and analysis (which will include undertaking exploration activities) to consider implementation of a future exploration program;
- e) earn-in a 70% interest on the Torrecillas Earn-in Concessions and undertake exploration activities in respect of the Torrecillas Earn-in Concessions; and
- f) undertake a review and rationalisation of the Company's existing in-country staff and utilise Andina's experienced in-country management team (on a commercial arm's length basis).

### **San Santiago Project**

The Company will retain the San Santiago Project as part of the Recapitalisation Proposal and it will continue to be the Company's main asset and business, in conjunction with the earn-in right on the Torrecillas Earn-in Concessions, following Completion

The Company recently effected the following initiatives in respect to the San Santiago Project:

- a) appointment of a new Peruvian based management team, led by Miguel Cardozo;
- b) identification of a tailings plan for the short term and long term; and
- c) reduction in fixed operating overheads by more than 35%.

Following Completion, the Company intends to:

- i. modify pre-existing toll treatment arrangements so that the Company eventually owns and controls all ore mined and processed from within the San Santiago Concessions; and
- ii. purchase ore (both copper and gold) on its own account from third party suppliers (including from artisanal miners operating within the San Santiago Concessions area and from up to 27 other identified regions of artisanal mining activity) until such time that the pre-existing toll treatment arrangements can be modified.



The Company estimates that the costs of ore purchasing in the two year period following Completion will be A\$200,000.

The additional copper oxide circuit (being the 80 TPD circuit that is currently idle), used on a batch-only basis, is a valuable asset long-term for the Company, given the presence of large non-JORC copper oxide resources in the surrounding concessions.

Following Completion, the Company may seek to utilise this additional copper oxide circuit should an analysis on the San Santiago Concessions indicate this could be fruitful.

Following Completion, the Company also intends to:

- (i) procure the grant of various permits to enable the Company to operate the gold circuit of the San Santiago Plant; and
- (ii) undertake an expansion of the tailings dam to increase its capacity by 99 cubic meters from 90 cubic meters to 189 cubic meters.

The Company estimates that the costs of the above initiatives will be approximately A\$333,000.

## **San Santiago Concessions**

Following Completion, the immediate focus for the exploration program is a project-scale ground magnetics survey, as proposed but not executed by the Company prior to entering into administration, followed by target-scale ground induced polarisation and resistivity surveys over the main target areas defined by the magnetics, in order to accurately define and map the vein systems along strike and at depth. After modelling the results, the best targets are intended to be tested by a diamond drilling program. The San Santiago group of concessions border to one of Peru's biggest projects currently under development. The concessions are stapled next door to the Pampa De Pongo Copper, Gold and Iron project. Given we sit on the same geological formations as Pampa De Pongo we will identify the opportunities on the concessions to a comprehensive drilling campaign.

Pending positive results from the initial drilling program, the Company intends to undertake a follow-up 2,000m program with the intent of defining a Mineral Resource for the best target area. Alternatively, the drilling may be used to test targets not drilled by the initial program.

The Company estimates that costs of the exploration program in relation to the San Santiago Concessions will be approximately A\$650,000.

## **Torrecillas Gold Project**

The immediate focus of the Company in relation to the Torrecillas Earn-in Concessions is to conduct detailed mapping and sampling of outcrops and any old workings (concurrent with the Company earning in to the concessions). This is the main technique used to define the



vein systems on the Torrecillas Gold Project tenure and other known vein systems in the region, and is therefore a suitable, cost effective method for Mantle and the Company to employ in relation to the Torrecillas Earn-in Concessions. There are over 20 known vein systems on those concessions. Given the history of gold mineralisation on the Torrecillas vein the Company intends to strategically identify targets in the coming 12 months to start a new campaign.

The Company intends to follow up the mapping and sampling undertaken with a project-scale ground magnetics survey, another proven method for finding and defining mineralised vein systems in the Nazca – Ocoña belt, followed by target-scale ground induced polarisation and resistivity surveys over the defined main target areas in order to accurately define and map the vein systems along strike and at depth. After modelling the results, the best targets are intended to be tested by a short diamond drilling program.

The Company estimates the costs of completion of the exploration program detailed above will be approximately A\$465,000.

***The Company recommends all shareholders refer to section 3 of the Company's prospectus for further detail and background on the company's assets and proposed activities.***