



**METMINCO LIMITED**  
**ACN 119 759 349**

**PROSPECTUS**

This Prospectus is being issued for the following offers:

- an offer to Eligible Shareholders of up to 500,000,000 Shares, at an issue price of \$0.002 per Share in order to raise \$1,000,000 (before costs) (**Priority Offer**);
- an offer of Shortfall Shares, being any Shares not subscribed for by Eligible Shareholders under the Priority Offer, at an issue price of \$0.002 per Shortfall Share (**Shortfall Offer**); and
- an offer of up to 666,000,000 Shares at an issue price of \$0.002 per Share to subscribers under the Placement to raise \$1,332,000 (**Placement**),

together, (the **Offers**).

The Offers:

- are underwritten by Hartleys Limited up to \$1,342,461;
- close at 5:00pm (AEST) on 12 July 2019\*; and
- are subject to the Conditions set out in Section 1.10.

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.**

**AN INVESTMENT IN THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS SHOULD BE CONSIDERED OF A SPECULATIVE NATURE.**

\* The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date.

## IMPORTANT INFORMATION

This Prospectus is dated 18 June 2019 and was lodged with ASIC on that date with the consent of all Directors. Neither ASIC, ASX, nor any of their respective officers take any responsibility for the contents of this Prospectus.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus). The Company will apply for Official Quotation by ASX of the Shares and Options offered by this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company C/- Accosec & Associates, Suite 3, Level 2, 470 Collins Street, Melbourne, Victoria during normal business hours. The Prospectus will also be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company. The Offers contemplated by this Prospectus are only available in electronic form to persons receiving an electronic version of this Prospectus within Australia, New Zealand or Singapore. Applications for Securities will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offers in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers.

No action has been taken to permit the offer of Securities under this Prospectus in any jurisdiction other than Australia (or subject to the restrictions in Section 1.16, New Zealand or Singapore). The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in an Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any Applicant. The Shares offered by this Prospectus should be considered speculative. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. Some of the risk factors that should be considered by potential investors are outlined in Section 4.

This Prospectus includes forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in the forward-looking statements.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to AEST unless otherwise indicated. Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed.

## CORPORATE DIRECTORY

## Directors

Mr Kevin Wilson	Executive Chairman
Mr Glenister Lamont	Non-Executive Director
Mr Roger Higgins	Non-Executive Director

## Joint Company Secretaries

Mr Geoffrey Widmer  
Mr Andrew Metcalfe

**Registered Office &  
Principal Place of Business**

C/- Accosec & Associates  
Suite 3, Level 2  
470 Collins Street  
MELBOURNE VIC 3000

Telephone: +61 3 9867 7199  
Email: [info@metminco.com.au](mailto:info@metminco.com.au)  
Website: [www.metminco.com.au](http://www.metminco.com.au)

## ASX Codes

Shares: MNC  
Quoted Options: MNCOA

**Australian Share Registry\***

Link Market Services  
Level 12, 680 George Street  
SYDNEY NSW 2000

Phone (within Australia): 1300 554 474  
Phone (outside Australia): +61 2 8767 1111

Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

**Auditor\***

Grant Thornton  
Collins Square, Tower 5,  
Level 22  
727 Collins Street  
MELBOURNE VIC 3008

## Lawyers

**Bellanhuse Lawyers**  
Level 19, Alluvion  
58 Mounts Bay Road  
PERTH WA 6000

## Corporate Advisor

**Corporate Adviser:**  
Hartleys Limited  
Level 6, 141 St Georges Terrace  
PERTH WA 6000

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASX and ASIC Lodgement of Appendix 3B with ASX Lodge Bidder's Statement Record Date for determining Eligible Shareholders Priority Offer and Placement Opening Date	18 June 2019
Lodgement of Target's Statement with ASIC	19 June 2019
Prospectus and Application Forms despatched Takeover Offer Opens	24 June 2019
Closing Date of Offers	12 July 2019
General Meeting of Shareholders (the issue of all Shares the subject of this Prospectus is subject to receipt of Shareholder approval)	15 July 2019
Give Status of Defeating Conditions	16 July 2019
Takeover Offer closes (unless otherwise extended or withdrawn)	24 July 2019
Completion of Takeover Offer Conversion of Notes Issue date of Shares	31 July 2019
Commence Consolidation timetable	27 August 2019
Anticipated issue of Bonus Options	December 2019

All dates (other than the date of the Prospectus, the date of lodgement of the Prospectus with ASIC and ASX) are indicative only. The Directors reserve the right to vary these dates, including the Closing Date, without notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of Shares to Applicants.

## LETTER FROM THE CHAIRMAN

Dear Investor,

Metminco Limited (**Company**) is pleased to invite existing Shareholders, Andes Shareholders and new investors to participate in a fully committed capital raising, to raise \$2,332,000 (before costs) at an exciting time in the Company's development.

A series of landmark transactions were announced by the Company on 17 May 2019, revolving around the Company's proposed acquisition of 100% of the issued capital of Andes Resources Limited (**Andes**) through an off-market Takeover Offer and an associated recapitalisation of the Company. The recapitalisation includes raising, in conjunction with Andes, \$4 million in new equity (including \$2.3 million to be raised under this Prospectus), restructuring the Company's debt, and the introduction of a new strategic shareholder, Sandfire Resources NL (**Sandfire**).<sup>1</sup>

The above-mentioned transactions will see the Company emerge with a much-improved balance sheet and enhanced ability to fund a maiden diamond drilling programme at the Chuscal Gold Project in Colombia, which is conducted in joint venture with AngloGold Ashanti Colombia SA (**AngloGold**). We encourage all Shareholders to consider subscribing under the Offers to add to their investment in the Company.

It is a condition to the completion of the Takeover Offer (**Bid Condition**) that the Company and Andes jointly raise no less than \$4,000,000. The Company will satisfy this Bid Condition by raising the \$2,332,000 under the Offers.

The Shares being offered under the three Offers set out below have the same issue price and terms and conditions. The only distinction between the Offers is the manner in which the Board will allocate the Shares.

The Offers comprise:

- The Priority Offer to Eligible Shareholders to raise \$1 million before costs by the issue of 500,000,000 Shares at an issue price of \$0.002 each.
- The Shortfall Offer, being any Shares not subscribed for under the Priority Offer.
- The Placement to Andes Eligible Shareholders, Eligible Shareholders and new investors, to raise \$1,332,000 (before costs) by the issue of 666,000,000 Shares.

The Priority Offer will only be made to Eligible Shareholders registered at the Record Date.

The Shortfall Offer and Placement will be offered, in order of preference, to Andes Eligible Shareholders (including Sandfire), Eligible Shareholders (in respect of the Placement) and new investors.

The Company has received commitments in respect of all Shares to be issued under the Offers, with Sandfire providing conditional commitments to subscribe for 494,769,725 Shares to raise \$989,539 under the Placement, and Hartleys Limited (**Hartleys**) underwriting the issue of the remaining Shares available under the Offers, being 671,230,275 in the amount of \$1,342,461.

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<sup>1</sup> For further information on Sandfire's conditional participation in the Placement and conditional intention in relation to the Takeover Offer, please see Sections 1.8 and 5.3 of this Prospectus. In the event that the Sandfire Commitment Condition and Sandfire Intention Statement Conditions are satisfied and the Company determines to allocate Shares under the Placement in accordance with the Sandfire Commitment, Sandfire will become a 15% holder of the Company at completion of the Takeover Offer and Offers.

The Offers are subject to the Conditions set out in Section 1.10.

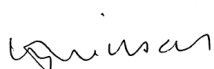
To apply for Shares under the Offers, you will need to complete the relevant Application Form in accordance with the instructions on the form and as outlined in this Prospectus.

Funds raised pursuant to this Prospectus will be used to fund exploration at the Company's Quinchia Gold Project, in particular drilling of the Chuscal prospect, exploration on newly acquired projects, the costs of the Takeover Offer and Offers, as well as providing working capital for the Merged Group. For further details on the proposed use of funds please see Section 1.6 of this Prospectus.

The Prospectus includes further details of the Offers and their effect on the Company, and a statement of the risks associated with investing in the Merged Group. This is an important document and should be read in its entirety. If you have any doubts or questions in relation to the Prospectus you should consult your stockbroker, accountant, solicitor or other independent professional advisor to evaluate whether or not to participate in the Offers.

On behalf of the Board, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Kevin Wilson', with a stylized flourish at the end.

Kevin Wilson  
Executive Chairman

## INVESTMENT OVERVIEW

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Securities.

Key Information	Further Information
<p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	Section 5.3
<p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, and includes but is not limited to the risk that:</p> <ul style="list-style-type: none"> <li>(a) the Takeover Offer and Offers do not proceed;</li> <li>(b) RMB and the Company are unable to finalise the RMB Debt Refinancing Agreement;</li> <li>(c) Shareholders are diluted as a result of the Company issuing further Securities to finance exploration; and</li> <li>(d) the Company is unable to conduct exploration on its assets because of funding, permitting, title, access, environmental, regulatory or other matters.</li> </ul>	Section 4
<p><b>Priority Offer</b></p> <p>The Priority Offer is for up to 500,000,000 Shares at \$0.002, to raise up to \$1,000,000 (before costs) to Eligible Shareholders at the Record Date.</p>	Section 1.2
<p><b>Eligible Shareholders</b></p> <p>The Priority Offer is made to Eligible Shareholders only. Eligible Shareholders are those persons who are the registered holder of Shares as at 5.00pm (AEST) on the Record Date and who have a registered address in Australia or, subject to the offer restrictions in Section 1.16, New Zealand or Singapore.</p>	Sections 1.2 and 1.16
<p><b>Shortfall</b></p> <p>Any Shares not taken up pursuant to the Priority Offer will form the Shortfall Offer.</p> <p>Andes Eligible Shareholders as well as members of the public may apply for Shares under the Shortfall Offer.</p>	Section 1.4

Key Information	Further Information
<p>Andes Eligible Shareholders are those persons who are the registered holder of Andes Shares as at 5.00pm (AEST) on the Record Date and who have a registered address in Australia or, subject to the offer restrictions in Section 1.16, New Zealand or Singapore.</p> <p>The allocation policy for the Shortfall Offer is outlined in Section 1.4. There is no guarantee that Applicants will receive Shares applied for under the Shortfall Offer.</p> <p>The allocation policy for the issuance of Shares under the Shortfall Offer will be as follows, in order of priority:</p> <ul style="list-style-type: none"> <li>(a) to Andes Eligible Shareholders;</li> <li>(b) to any third parties unrelated to the Company; and</li> <li>(c) any remaining Shares will be subscribed for by Hartleys (or its nominees or sub-underwriters) pursuant to the Underwriting Agreement, up to a maximum of the Underwritten Amount.</li> </ul> <p>No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act</p>	
<p><b>Placement</b></p> <p>The Company is also conducting a Placement of 666,000,000 Shares at \$0.002 to raise \$1,332,000 (before costs).</p> <p>The allocation policy for the issuance of Shares under the Placement will be as follows, in order of priority:</p> <ul style="list-style-type: none"> <li>(a) to Andes Eligible Shareholders (which, may include 494,769,725 Shares to Sandfire (or its nominee) in accordance with the Sandfire Commitment and is subject to the Sandfire Commitment Condition);</li> <li>(b) to any other Eligible Shareholders who are not related parties of the Company;</li> <li>(c) to any third parties unrelated to the Company (including Andes Eligible Shareholders) who apply for Shares prior to the Closing Date; and</li> <li>(d) any remaining Shares will be allocated to Hartleys (or its nominees or sub-underwriters) pursuant to the Underwriting Agreement, to a maximum of the Underwritten Amount.</li> </ul> <p>No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.</p>	Section 1.3



Key Information	Further Information																							
<p><b>Purpose of Offers</b></p> <p>The Offers are being undertaken in connection with the Company's proposed acquisition of 100% of the issued capital in Andes as announced to ASX on 17 May 2019 and to fund exploration of the Company and Andes' collective exploration portfolios in Colombia, and for working capital.</p>	Section 1.6																							
<p><b>Use of funds</b></p> <p>The following indicative table sets out the proposed use of funds raised under the Offers:</p> <table><tr><th rowspan="2">Use of funds</th><th colspan="2">Fully Subscribed (\$2.332m)</th></tr><tr><th>\$</th><th>%</th></tr><tr><td>Costs of the Offer</td><td>162,000</td><td>6.9%</td></tr><tr><td>Underwriting Fee</td><td>20,000</td><td>0.9%</td></tr><tr><td>Corporate, Admin, Working Capital<sup>1</sup></td><td>700,000</td><td>30.0%</td></tr><tr><td>Exploration (existing projects)</td><td>1,250,000</td><td>53.6%</td></tr><tr><td>Exploration (new projects)</td><td>200,000</td><td>8.6%</td></tr><tr><td>TOTAL</td><td>2,332,000</td><td>100</td></tr></table> <p>Notes: for further information, see the table at Section 1.6.</p>	Use of funds	Fully Subscribed (\$2.332m)		\$	%	Costs of the Offer	162,000	6.9%	Underwriting Fee	20,000	0.9%	Corporate, Admin, Working Capital <sup>1</sup>	700,000	30.0%	Exploration (existing projects)	1,250,000	53.6%	Exploration (new projects)	200,000	8.6%	TOTAL	2,332,000	100	Section 1.6
Use of funds		Fully Subscribed (\$2.332m)																						
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Underwriting Fee	20,000	0.9%																						
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Exploration (existing projects)	1,250,000	53.6%																						
Exploration (new projects)	200,000	8.6%																						
TOTAL	2,332,000	100																						
<p><b>Opening and Closing Dates</b></p> <p>For the Offers, the Company will accept Acceptance Forms from the opening date of the Offer until 5:00pm AEST on 12 July 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.</p>	Section 1.7																							
<p><b>Sandfire Commitment</b></p> <p>Sandfire has provided a commitment to subscribe for 494,769,725 Shares under the Placement, with a value of approximately \$990,000, subject to the Company raising an additional minimum of \$1,300,000 under the Offers.</p>	Section 1.8																							
<p><b>Partial Underwriting</b></p> <p>The Offers are underwritten by Hartleys up to the Underwritten Amount.</p>	Section 1.9																							

Key Information	Further Information												
<p><b>Conditions of the Offers</b></p> <p>The issue of the Shares under the Offers is conditional on upon the following events occurring:</p> <p>(a) the Company raising the Minimum Subscription pursuant to the Offers;</p> <p>(b) the Implementation Agreement not terminating; and</p> <p>(c) the Company receiving Shareholder approval at the General Meeting to issue the Shares.</p>	Section 1.10												
<p><b>Minimum subscription</b></p> <p>The minimum subscription amount under the Offers is collectively 1,166,000,000 Shares at \$0.002 to raise \$2,332,000 (before costs).</p>	Section 1.11												
<p><b>Issue Date and dispatch</b></p> <p>The Shares will be issued approximately one week after the completion of the Takeover Offer, in accordance with the Indicative Timetable. Shares issued under the Offers and Takeover Offers will be freely tradeable and will not be subject to escrow restriction.</p>	Section 1.12												
<p><b>Effect on control of the Company</b></p> <p>Eligible Shareholders should note that if they do not participate in the Offers, their holdings will be diluted.</p> <p>At the date of this Prospectus, the Company has one substantial Shareholder. At completion of the Offers and Takeover Offers, it is expected the Company will have the following substantial Shareholders:</p> <table><tr><th>Holder</th><th>Shares (on a pre-Consolidation basis)</th><th>Percentage</th></tr><tr><td>Sandfire<sup>2</sup></td><td>998,936,375</td><td>15%</td></tr><tr><td>RMB</td><td>1,008,000,000</td><td>15.1%</td></tr><tr><td>BHC &amp; Delta</td><td>650,000,000</td><td>9.8%</td></tr></table> <p><b>Notes:</b></p> <p>1. For further information, see the table at Section 3.4.</p> <p>2. It is anticipated that Sandfire will be issued 504,166,650 Shares under the Takeover Offer. Sandfire has provided the Sandfire Intention Statement in respect of the Takeover Offer, which is subject to the Sandfire Intention Statement Conditions. Sandfire has also provided the Sandfire Commitment to subscribe for 494,769,725 Shares under the Placement. The Sandfire Commitment is subject to the Sandfire Commitment Condition.</p> <p>No investor or existing Shareholder will hold a voting power greater than 20% as a result of the Offers.</p>	Holder	Shares (on a pre-Consolidation basis)	Percentage	Sandfire <sup>2</sup>	998,936,375	15%	RMB	1,008,000,000	15.1%	BHC & Delta	650,000,000	9.8%	Section 3.4
Holder	Shares (on a pre-Consolidation basis)	Percentage											
Sandfire <sup>2</sup>	998,936,375	15%											
RMB	1,008,000,000	15.1%											
BHC & Delta	650,000,000	9.8%											

Key Information	Further Information																								
<p><b>Indicative capital structure and pro-forma balance sheet</b></p> <p>The pro forma capital structure of the Company on completion of the Offers and changes to the capital structure connected with the Takeover Offer will be as follows (on a pre-Consolidation basis unless otherwise stated):</p> <table><tr><th></th><th>Shares</th><th>Options / Performance Rights</th></tr><tr><td>Current</td><td>1,187,940,614</td><td>642,945,422</td></tr><tr><td>Consideration Shares</td><td>2,784,135,217</td><td>625,000,000</td></tr><tr><td>RMB Debt Refinancing Shares<sup>4</sup></td><td>1,000,000,000</td><td>0</td></tr><tr><td>Capital Raising Shares<sup>5</sup></td><td>1,625,000,000</td><td>459,000,000<sup>6</sup></td></tr><tr><td>Broker Securities</td><td>62,500,000</td><td>50,000,000</td></tr><tr><td>TOTAL (pre-Consolidation)</td><td>6,659,575,831</td><td>1,776,945,422</td></tr><tr><td>TOTAL (post Consolidation)</td><td>166,489,396</td><td>44,423,636</td></tr></table> <p>Notes: for further information see the table at Section 3.1.</p> <p>The pro-forma balance sheet showing the indicative effect of the Offers is in Section 3.2.</p>		Shares	Options / Performance Rights	Current	1,187,940,614	642,945,422	Consideration Shares	2,784,135,217	625,000,000	RMB Debt Refinancing Shares <sup>4</sup>	1,000,000,000	0	Capital Raising Shares <sup>5</sup>	1,625,000,000	459,000,000 <sup>6</sup>	Broker Securities	62,500,000	50,000,000	TOTAL (pre-Consolidation)	6,659,575,831	1,776,945,422	TOTAL (post Consolidation)	166,489,396	44,423,636	<p>Sections 3.1 and 3.2</p>
	Shares	Options / Performance Rights																							
Current	1,187,940,614	642,945,422																							
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TOTAL (post Consolidation)	166,489,396	44,423,636																							
<p><b>Directors' interests in Securities</b></p> <p>The Relevant Interest of each of the Directors in Securities as at the date of this Prospectus is set out in the table below:</p> <table><tr><th>Name</th><th>Existing Shares</th><th>Options</th><th>Performance Rights</th></tr><tr><td>Kevin Wilson</td><td>36,905,172</td><td>5,017,104</td><td>46,400,000</td></tr><tr><td>Glenister Lamont</td><td>2,625,000</td><td>10,225,000</td><td>-</td></tr><tr><td>Roger Higgins</td><td>2,123,348</td><td>10,017,636</td><td>-</td></tr></table> <p>Notes: for further information see the table at Section 5.8(b).</p>	Name	Existing Shares	Options	Performance Rights	Kevin Wilson	36,905,172	5,017,104	46,400,000	Glenister Lamont	2,625,000	10,225,000	-	Roger Higgins	2,123,348	10,017,636	-	<p>Sections 5.9(b)</p>								
Name	Existing Shares	Options	Performance Rights																						
Kevin Wilson	36,905,172	5,017,104	46,400,000																						
Glenister Lamont	2,625,000	10,225,000	-																						
Roger Higgins	2,123,348	10,017,636	-																						
<p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company.</p>	<p>Important Information and Section 4</p>																								

Key Information	Further Information
<p>the Directors and the management. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements in this Prospectus, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law. These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p>	

## TABLE OF CONTENTS

Section	Page No.
1. Details of the Offers .....	1
2. Action required by Investors .....	9
3. Effect of the Priority Offer & Placement .....	12
4. Risk Factors.....	3
5. Additional information .....	12
6. Directors' Statement and Consent .....	21
7. Definitions .....	22

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# 1. Details of the Offers

## 1.1 The Offers

This Prospectus is being issued for the offer of Shares under the Priority Offer, Shortfall Offer and Placement, (together, the **Offers**).

All Shares issued under this Prospectus will be issued as fully paid ordinary shares and will rank equally in all respects with existing Shares on issue. Further details on the rights and liabilities attaching to the Shares proposed to be issued are contained in Section 5.1. As the Shares (including the Shortfall Shares) will be issued on the same terms and at the same time, the Company reserves the right to issue Shares to Applicants under any one of the three Offers at the discretion of the Directors, regardless of the Application Form used. The Directors will however, exercise their discretion in accordance with the allocation policies set out in Sections 1.2, 1.3 and 1.4.

The Company will apply to the ASX for quotation of the Shares (including the Shortfall Shares).

The purpose of the Offers and the intended use of funds raised are set out in Section 1.5.

## 1.2 Priority Offer

By this Prospectus, the Company invites Eligible Shareholders to apply for a total of 500,000,000 Shares at an issue price of \$0.002 per Share to raise \$1,000,000 (before costs) (**Priority Offer**).

Applications under the Priority Offer will be allocated at the discretion of the Directors in consultation with Hartleys. In determining the allocation, the Board and Hartleys may consider various factors including the size of the Applicant's Shareholding, and buying and selling activity in Shares by the Applicant.

## 1.3 Placement

By this Prospectus, the Company is offering 666,000,000 Shares at \$0.002 per New Share in order to raise \$1,332,000 (before costs) (**Placement**).

Eligible Shareholders and third parties (including Andes Eligible Shareholders) may also apply for Shares under the Placement by completing the relevant Application Form provided by the Company with a copy of this Prospectus.

The allocation policy for the issuance of Shares under the Placement will be as follows, in order of priority:

- (a) to Andes Eligible Shareholders (which, may include 494,769,725 Shares to Sandfire (or its nominee) in accordance with the Sandfire Commitment and is subject to the Sandfire Commitment Condition);
- (b) any other Eligible Shareholders who are not related parties of the Company;
- (c) any third parties unrelated to the Company; and
- (d) any remaining Shares will be allocated to Hartleys (or its nominees) pursuant to the Underwriting Agreement, to a maximum of the Underwritten Amount.

## 1.4 Shortfall Offer

Any Shares not taken up pursuant to the Priority Offer will become Shortfall Shares. The Shortfall Offer is a separate offer of the Shortfall Shares made pursuant to this Prospectus.

Each of the Shortfall Shares to be granted under the Shortfall Offer shall be granted on the same terms and conditions as the Shares being offered under the Priority Offer (including the issue price). Shortfall Shares will only be issued if the Priority Offer is undersubscribed and will only be issued to the extent necessary to make up any shortfall in subscriptions.

The allocation policy for the issuance of Shortfall Shares will be as follows, in order of priority:

- (a) to Andes Eligible Shareholders;
- (b) to any third parties unrelated to the Company; and
- (c) any remaining Shortfall Shares will be allocated to Hartleys (or its nominees) pursuant to the Underwriting Agreement as Underwriter to the Offers, to a maximum of the Underwritten Amount.

To apply for Shortfall Shares, the same Application Form as the Placement is to be filled out.

## 1.5 Oversubscriptions

No oversubscriptions will be accepted. The Directors, in consultation with Hartleys, retains the discretion to scale back or not accept Applications.

There is no guarantee that any Shares will be issued to Andes Eligible Shareholders, Eligible Shareholders or other third parties. Excess Application Monies for the Placement will be refunded without interest.

No Shares will be allocated or issued to any person to the extent that the Company is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law, including without limitation, a breach of section 606 of the Corporations Act.

## 1.6 Purpose of the Offers and use of funds

The Company and Andes have entered into an Implementation Agreement, by which the Company intends to acquire 100% of the issued capital of Andes under the Takeover Offer. It is a condition to the Takeover Offer (**Bid Condition**) that the Company and Andes jointly raise not less than \$4,000,000 (before costs) (**Joint Capital Raising**).

Prior to the issue of the Prospectus, the Company and Andes completed the following capital raisings:

- (a) the Company raised \$918,000 (before costs) by the issue of the Tranche 1 and Tranche 2 Notes to the Noteholders, which are convertible into a maximum of 459,000,000 Shares, (noting that the Tranche 2 Notes are convertible subject to Shareholder approval at the General Meeting); and
- (b) Andes completed the Andes Placement to raise \$750,000 (before costs).

The Company seeks to raise a further \$2,332,000 under the Offers to satisfy the relevant Bid Condition.

The following indicative table sets out the proposed use of funds raised under the Offers:

Use of funds <sup>1</sup>	Fully Subscribed (\$2.332m)	
	\$	%
Costs of the Offer <sup>2</sup>	162,000	6.9%
Underwriting Fee	20,000	0.9%
Corporate, Admin, Working Capital	700,000	30.0%
Exploration (existing projects)	1,250,000	53.6%
Exploration (new projects)	200,000	8.6%
<b>TOTAL</b>	<b>2,332,000</b>	<b>100</b>

**Notes:**

1. Includes the general costs associated with the management and operation of the Company's businesses including administration expenses, Director and employee fees, costs of the Takeover Offer, creditor expenses, and other associated costs.
2. This relates to expenses of the Offers and Underwriting. See Section 5.12 for further details relating to the estimated expenses of the Offers, Underwriting and Takeover Offer.

The above table is a statement of current intentions as at the date of this Notice. Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

The Board is satisfied that upon completion of the Offers, the Company will have sufficient working capital to meet its stated objectives.

## 1.7 Opening and Closing Dates

For the Offers, the Company will accept Acceptance Forms from the opening date of the Offer until 5:00pm AEST on 12 July 2019 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (Closing Date).

## 1.8 Sandfire Commitment

Sandfire has provided a commitment statement to subscribe for 494,769,725 Shares under the Placement, with a value of approximately \$990,000 (Sandfire Commitment), subject to the Company raising a minimum of \$1,300,000



under the Offers (before costs) (not including any amount to be subscribed by Sandfire and accepted by the Company) (**Sandfire Commitment Condition**).

## **1.9 Partial Underwriting**

On 3 June 2019, the Company announced it had entered into an underwriting agreement with Hartleys Limited (**Underwriting Agreement**), under which Hartley underwrites the issue of 671,230,275 Shares with a value of \$1,342,461, being the full amount of available under the Offers (not including the Sandfire Commitment) (**Underwritten Amount**).

The Underwriting Agreement is subject to various conditions precedent, including but not limited to the following:

- (a) the Implementation Agreement is not withdrawn, rescinded, breached or terminated;
- (b) the Bid Conditions are satisfied (or not waived without Hartleys consent);
- (c) Sandfire provide a valid application for Shares in accordance with the Sandfire Commitment; and
- (d) execution of the RMB Debt Refinancing Agreement,

and is further subject to industry standard termination events. The conditions precedent and termination events of the Underwriting Agreement are set out in Schedule 1.

Hartleys has also been appointed as the corporate advisor to the Company. A summary of the terms of the appointment of Hartleys is in Section 5.2.

## **1.10 Conditions of the Offers**

The issue of the Shares under the Offers is conditional on upon the following events occurring:

- (a) the Company raising the Minimum Subscription pursuant to the Offers;
- (b) the Implementation Agreement not terminating; and
- (c) the Company receiving Shareholder approval at the General Meeting to issue the Shares.

(together, the **Conditions**).

If the Conditions are not satisfied then the Offers will not proceed and the Company will repay all Application Monies received under the Offers in accordance with the Corporations Act.

It is Bid Condition that the Company completes the Offers as part of the Joint Capital Raising. In the event that the Conditions are not satisfied, the Company will not satisfy the Joint Capital Raising Bid Condition, and the Takeover Offer may not proceed.

## **1.11 Minimum subscription**

The minimum subscription amount under the Offers is collectively 1,166,000,000 Shares at \$0.002 to raise \$2,332,000 (before costs).

The Company has received commitments in respect of all Shares to be issued under the Offer, by way of the:

- (a) Sandfire Commitment; and
- (b) Underwriting Agreement.

### **1.12 Issue Date and dispatch**

All Shares to be issued under the Offers are expected to be issued on or before the date specified in the proposed timetable in this Prospectus but not before completion of the Takeover Offer.

Shareholder statements will be dispatched shortly after completion of the Takeover Offer.

Shares issued under the Offers and Takeover Offers will be freely tradeable and will not be subject to escrow restriction.

### **1.13 Application Monies held on trust**

All Application Monies received for Shares and Shortfall Shares will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares and Shortfall Shares are issued. All Application Monies will be returned (without interest) if the Shares and Shortfall Shares are not issued.

### **1.14 ASX quotation**

Application has been or will be made for the Official Quotation of the Shares offered by this Prospectus. If permission is not granted by ASX for the Official Quotation of the Securities offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

### **1.15 CHESS**

The Company participates in the Clearing House Electronic Sub-Register System, known as CHESS. ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement. The CHESS statement will specify the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your securityholder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

## **1.16 Residents outside Australia**

### **(a) General**

This Prospectus, and any accompanying Application Form do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares under the Offers.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Shareholders and potential investors with a registered address outside Australia should consult their professional advisers as to whether any governmental or other consents are required, or other formalities need to be observed to enable them to accept or deal with the Priority Offer or Placement. The return of a completed Application Form from a Shareholder or potential investor with a registered address outside Australia will be taken by the Company to constitute a representation and warranty by that Shareholder or potential investor that all relevant approvals have been obtained and that the Company may legally issue the Securities to that Shareholder or potential investor.

### **(b) New Zealand offer restrictions**

The Securities are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand at the Record Date. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

### **(c) Singapore offer restrictions**

This document and any other materials relating to the Securities under the Offers have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities under the Offers may not be issued, circulated or distributed, nor may these Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA. This document has been given to you on the basis that you are an existing holder of the Company's Shares. In the event that you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore. Any offer is not made to you with a view to the Securities under the Offers being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities under the Offers. As such, investors are advised to acquaint

themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **1.17 Risk factors**

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

### **1.18 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Shares under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

### **1.19 Major activities and financial information**

A summary of the activities and financial information relating to the Company for the financial year ended 31 December 2018 can be found in the Company's 2018 Annual Financial Report and the Half Yearly Report for the six-month period to 30 June 2018 lodged with ASX. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Financial Report on 15 March 2019 are listed in Section 5.5.

Copies of these documents are available free of charge from the Company and on its website at [www.metminco.com.au](http://www.metminco.com.au). The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

### **1.20 Privacy**

If you complete an Application Form, you will be providing personal information to the Company (directly or by Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder, and carry out administration. The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

## **1.21 Enquiries concerning Prospectus**

All enquiries concerning Application Forms and the Prospectus should be directed to the Company on +61 3 9867 7199.

For general shareholder enquiries, please contact Link Market Services Limited on 1300 554 474 (within Australia) or +61 2 8767 1111 (outside Australia).

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## 2. Action required by Investors

The Company will send this Prospectus, together with a:

- (a) Priority Offer Application Form to all Eligible Shareholders; and
- (b) Placement and Shortfall Application Form to Andes Eligible Shareholders,

and it will also be made available on the Company's website at [www.metminco.com.au](http://www.metminco.com.au) and from [www.asx.com](http://www.asx.com). Third party investors who wish to subscribe under the Placement and Shortfall Offer can request an Application Form by the process set out in Section 2.2.

### 2.2 Placement and Shortfall Applicants

Persons having received a copy of this Prospectus in its electronic form, or who otherwise want to subscribe for Shares under the Placement and Shortfall Offer but are not Eligible Shareholders or Andes Eligible Shareholders may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Company as detailed in the Corporate Directory. The Offers constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and the relevant Application Form within Australia.

### 2.3 If you wish to accept Shares

Should an:

- (a) Eligible Shareholder wish to accept Shares under the Priority Offer;
- (b) Andes Eligible Shareholder or other investor wish to accept Shares or Shortfall Shares under the Placement or Shortfall Offer,

and you are not paying by BPAY, then applications for Shares under this Prospectus must be made on the Application Form which accompanies this Prospectus, in accordance with the instructions referred to in this Prospectus and on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided and attach a cheque for the amount indicated on the Application Form.

Completed Application Forms must be accompanied by a cheque in Australian dollars, crossed "Not Negotiable" and made payable to "Metminco Limited" and lodged at any time after the issue of this Prospectus and on or before the Closing Date with the Share Registry (by delivery or by post) at:

By Post	By Hand
Metminco Limited C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001	Metminco Limited C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

If paying via BPAY, Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Applicant to ensure that funds are submitted through BPAY by the

**Closing Date.** If you elect to pay via BPAY, you must follow the instructions for BPAY set out in the Application Form and you will not need to return the Application Form.

Applications will be deemed not to have been received until the Company is in receipt of cleared funds.

Applicants are encouraged to pay by BPAY.

## **2.4 Application Forms**

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Securities accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Securities.

If the Application is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Application Form, is final.

By completing and returning your Application Form with the requisite Application Monies, or making a payment via BPAY in respect of the:

- (a) Priority Offer, you will be deemed to have represented that you are an Eligible Shareholder;
- (b) Placement and Shortfall Offer, you will be deemed to have represented that you are either an Andes Eligible Holder or a person with a registered address in Australia, New Zealand or Singapore.

In addition, Applicants will also be deemed to have represented and warranted on behalf of themselves or each person on whose account you are acting that the law in their place of residence and/or where they have been given the Prospectus, does not prohibit them from being given the Prospectus and that they:

- (a) agree to be bound by the terms of the relevant Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that they are over 18 years of age and have full legal capacity and power to perform all their rights and obligations under the Application Form;
- (d) declare that they have a registered address in Australia or subject to the offer restrictions in Section 1.16, New Zealand or Singapore;
- (e) authorise the Company and its respective officers or agents, to do anything on their behalf necessary for the Shares to be issued to them, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Shares are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## **2.5 Enquiries concerning applications**

For all enquiries concerning the Offers, Application Forms and the Prospectus, please contact the Company on +61 3 9867 7199.

For general shareholder enquiries, please contact the Share Registry on 1300 554 474 (within Australia) or +61 2 8767 1111 (outside Australia).



### 3. Effect of the Priority Offer & Placement

#### 3.1 Capital structure on completion of the Priority Offer & Placement

The pro forma capital structure of the Company on completion of the Offers and changes to the capital structure connected with the Takeover Offer (on a pre-Consolidation basis unless otherwise stated) will be as follows:

	Shares	Options / Performance Rights
Current	1,187,940,614	642,945,422 <sup>1</sup>
Consideration Shares <sup>2</sup>	2,784,135,217	625,000,000 <sup>3</sup>
Debt Refinancing Shares <sup>4</sup>	1,000,000,000	0
Capital Raising Shares <sup>5</sup>	1,625,000,000	459,000,000 <sup>6</sup>
Broker Securities	62,500,000	50,000,000 <sup>7</sup>
<b>TOTAL (pre-Consolidation)</b>	<b>6,659,575,831</b>	<b>1,776,945,422</b>
<b>TOTAL (post Consolidation)</b>	<b>166,489,396</b>	<b>44,423,636</b>

**Notes:**

1. Comprising:
  - a. 547,345,422 quoted Options with an exercise price of \$0.011 expiring 1 June 2020;
  - b. 76,400,000 performance rights (as per the terms announced by the Company on 26 April 2018); and
  - c. 9,600,000 unquoted Options issued under the Company's long-term incentive plan exercisable at \$0.016 on or before 31 December 2019, subject to vesting conditions; and 9,600,000 unquoted Options issued under the Company's Long-Term Incentive Plan exercisable at \$0.024 on or before 31 December 2020, subject to vesting conditions.
2. This figure comprises consideration Shares to be issued under the Takeover Offer as follows:
  - a. 2,602,603,925 to Andes Shareholders; and
  - b. 181,531,292 to BHC and Delta Holdings LLC (**Delta**) in satisfaction of a minimum participation right in Andes.
3. This figure comprises:
  - a. 250,000,000 Options exercisable at \$0.008 to be issued to replace 10,000,000 Andes Options exercisable at \$0.20; and
  - b. 375,000,000 Options exercisable at \$0.004 to be issued to replace 15,000,000 free-attaching Andes Options exercisable at \$0.10 issued under the Andes Placement.
4. The issue of the RMB Debt Refinancing Shares under the RMB Debt Refinancing Agreement.
5. Comprising:
  - a. 459,000,000 Shares issued on conversion of the Tranche 1 and Tranche 2 Notes; and
  - b. 1,166,000,000 Shares issued under the Offers.
6. 459,000,000 Options issued to Noteholders of Tranche 1 and Tranche 2 Notes, to be issued subject to Shareholder approval, 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.

The Company intends to issue Bonus Options exercisable at \$0.16 (on a post-Consolidation basis) and an expiry date two years from the date of issue in December 2019 under a separate disclosure document.

### 3.2 Pro forma consolidated statement of financial position

	Metminco audited 31 Dec 2018 ‘\$000	Andes audited 31 Dec 2018 ‘\$000	Group adjustments to 30 June 2019 ‘\$000	adjustments on Merger ‘\$000	Metminco Pro Forma
<b>Current Assets</b>					
Cash and cash equivalents	168	246	32 (a)	1,896 (b)	2,342
Trade and other receivables	2,996	22	0	0	3,018
<b>Total Current Assets</b>	<b>3,164</b>	<b>268</b>	<b>32</b>	<b>1,896</b>	<b>5,360</b>
<b>Non-Current Assets</b>					
Non-current financial assets	638	42	0	2,350 (c)	3,030
Deferred exploration, evaluation and development expenditure	10,412	2,768	250	0	13,429
<b>Total Non-Current Assets</b>	<b>11,050</b>	<b>2,810</b>	<b>250</b>	<b>2,350</b>	<b>16,459</b>
<b>TOTAL ASSETS</b>	<b>14,214</b>	<b>3,077</b>	<b>282</b>	<b>4,246</b>	<b>21,820</b>
<b>Current Liabilities</b>					
Trade and other payables	4,627	134	481	(2,887) (d)	2,355
<b>Total Current Liabilities</b>	<b>4,627</b>	<b>134</b>	<b>481</b>	<b>(2,887)</b>	<b>2,355</b>
<b>Non-Current Liabilities</b>					
Trade and other payables	1,782	0	0	1,019 (d)	2,801
<b>Total Current Liabilities</b>	<b>1,782</b>	<b>0</b>	<b>0</b>	<b>1,019</b>	<b>2,801</b>
<b>TOTAL LIABILITIES</b>	<b>6,409</b>	<b>135</b>	<b>481</b>	<b>(1,868)</b>	<b>5,156</b>
<b>NET ASSETS (LIABILITIES)</b>	<b>7,805</b>	<b>2,943</b>	<b>(198)</b>	<b>6,114</b>	<b>16,664</b>
<b>Equity</b>					
Issued capital	339,412	9,341	1,743	(611)	349,885
Reserves	12,216	398	0	(398)	12,216
Accumulated losses	(343,823)	(6,796)	(1,941)	7,123	(345,437)
<b>TOTAL EQUITY</b>	<b>7,805</b>	<b>2,943</b>	<b>(198)</b>	<b>6,114</b>	<b>16,664</b>

(a) Includes funds raised from the issue of the Tranche 1 and Tranche 2 Notes of (\$918,000), Andes Placement (\$750,000) both net of costs, less Company and Andes estimated operating expenses (\$1.7M).

- (b) Includes capital raisings on Completion (\$2.3M) net of costs of Offers and Takeover Offer (\$0.4M).
- (c) Includes goodwill adjustment of \$2.4M on acquisition of Andes.
- (d) Includes elimination of \$2.0M of RMB debt on conversion to equity and transfer of \$1.0M RMB debt from current to non-current liabilities

### 3.3 Effect of transaction on the unaudited pro forma statement of financial position

The pro forma consolidated statement of financial position incorporates the following pro forma assumptions in relation to the Company's proposed acquisition of Andes:

- (a) The Company raising a further \$2,300,000 under the Offers (before costs);
- (b) costs of \$400,000 incurred in connection with the Takeover Offer and Offers;
- (c) a goodwill adjustment of \$2,350,000 on the acquisition of Andes; and
- (d) reduction in debt owing to RMB of \$2,000,000, and the transfer of \$1,000,000 to non-current liabilities.

### 3.4 Effect of the Offers on control of the Company

Following completion of the Takeover Offer and Offers, it is expected that the following will be substantial Shareholders of the Company:

Holder	Shares (on a pre-Consolidation basis)	% of Share Capital
Sandfire <sup>1</sup>	998,936,375	15%
RMB <sup>2</sup>	1,008,000,000	15.1%
BHC & Delta <sup>3</sup>	650,000,000	9.8%

**Notes:**

- 1 It is anticipated that Sandfire will be issued 504,166,650 Consideration Shares. This figure assumes that Sandfire accepts the Takeover Offer in respect of its Andes Shares. Sandfire has provided the Sandfire Intention Statement, which is subject to the Sandfire Intention Statement Conditions. Sandfire has provided the Sandfire Commitment in respect of 494,769,725 Shares. The Sandfire Commitment is subject to the Sandfire Commitment Condition.
- 2 Through the issue of the Debt Refinancing Shares and RMB's existing 8,000,000 Shares.
- 3 Through the issue of Consideration Shares to BHC and Delta.

### 3.5 Market price of Shares

The highest and lowest market closing prices of the Shares on ASX during the 3 months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Lowest: \$0.002 per Share on various dates, including 17 June 2019.

Highest: \$0.003 per Share on 27 March 2019.

The latest available market closing sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.002 per Share on 17 June 2019.

### **3.6 Dividend Policy**

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

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## **4. Risk Factors**

### **4.1 Risk Factors**

The Offers should be considered speculative because of the nature of, amongst other things, the Company's business activities. Consequently, the Company strongly recommends that you consider the risk factors set out in this Section 4, together with information contained elsewhere in this Prospectus, and that you consult your stockbroker, solicitor, accountant or other professional adviser before deciding whether to invest in Securities.

Set out below are a number of specific risks which relate directly to the Company and Merged Group, as well as certain industry and general risks, many of which are largely beyond the control of the Company or its Directors. The Company considers that the risks set out in this Section 4 may have a material impact on the financial performance of the Company and, specifically, the market price of the Securities.

The following is a summary of material risks. The list is not exhaustive and you should read it in conjunction with specific matters referred to in previous Company announcements and reports.

### **4.2 Risks specific to the Offers**

#### **(a) Risks relating to Shares**

As at the date of this Prospectus, the Company is listed on the ASX. You should note that if the Shares are granted Official Quotation, they will be listed securities for the purposes of the Listing Rules and Corporations Act. Consequently, share market conditions may affect the price of the Shares regardless of operating performance. Specifically, local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally may affect the price of the Shares.

#### **(b) Potential for dilution**

At the date of the Prospectus it is expected that Company will have 1,187,940,614 Shares on issue. Upon completion of the Offers, assuming the Offers are fully subscribed and completion of the Takeover Offer, the number of Shares in the Company will increase to 6,659,575,831. This increase equates to approximately 460.6% of all the issued Shares in the Company following completion of the Offers.

This means that each Share will represent a lower proportion of the ownership of the Company. It is not possible to predict what the value of the Company or a Share will be following the completion of the Offers and the Directors do not make any representation to such matters.

Shareholders should note that if they do not participate in the Offers and assuming the Offers are fully subscribed, their holdings are likely to be diluted.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the future development of the Company's projects.

(c) **Underwriting**

The Company has entered into an Underwriting Agreement with Hartleys for the underwriting of the Offers up to the Underwritten Amount. The Underwriting Agreement is subject to various conditions precedent, including but not limited to the following:

- (i) the Implementation Agreement is not withdrawn, rescinded, breached or terminated;
- (ii) the Bid Conditions are satisfied (or not waived without with Hartleys consent);
- (iii) Sandfire provide a valid application for Shares in accordance with the Sandfire Commitment; and
- (iv) execution of the RMB Debt Refinancing Agreement.

There are various termination events within the Underwriting Agreement that may lead to Hartleys terminating its obligations under the Underwriting Agreement. Termination events include, but are not limited to a 10% or greater fall in the gold price or All Ordinaries Index, delay in the lodgement of Offer documents (without Hartleys consent), breach of the Company's material contracts, change in Shareholdings, changes in market conditions, withdrawal of ASX waivers, disclosure deficiencies in this Prospectus and other matters considered to be industry standard.

If the Underwriter terminates its obligations, the Company may not raise the full amount it is seeking to raise under the Offers. This could lead to the Bid Condition under the Implementation Agreement relating to the Joint Capital Raising being unfulfilled and the Takeover Offer not going ahead. Further information on the conditions and termination events is set out in Schedule 1.

#### **4.3 Company specific risks**

(a) **Contractual and Completion risk**

Pursuant to the Implementation Agreement the Company has agreed to acquire 100% of the issued capital in Andes subject to the fulfilment of certain Bid Conditions. The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the Implementation Agreement. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy in order to attempt to complete the Takeover Offer, which can be costly.

(b) **Transaction Completion risk**

The Company seeks to acquire 100% of the issued capital of Andes by way of the Takeover Offer. The Takeover Offer is subject to Bid Conditions. If any of the Bid Conditions are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Takeover Offer may be deferred or not occur. Failure to complete the Takeover Offer would adversely impact the Company's financial condition and level of operations.

**(c) Transaction due diligence risk**

The Company and its advisers have performed certain pre-acquisition due diligence on Andes. While the Company has obtained certain warranties from Andes under the Implementation Agreement with respect to information provided by Andes, there is a risk that the due diligence conducted has not identified issues that would have been material to the decision by the Company to acquire Andes. A material adverse issue which was not identified prior to the Company's acquisition of Andes could have an adverse impact on the financial performance or operations of the relevant businesses and may have a material adverse effect on the Company.

**(d) Sale of Shares**

Under the Takeover Offer, the Company will issue a significant number of Shares. Some holders of Shares may not intend to continue to hold their Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Shares following completion of the Takeover Offer.

**(e) RMB Debt Refinancing Agreement**

It is a condition to the Sandfire Intention Statement that the Company enter into the RMB Debt Refinancing Agreement on substantially similar terms to the indicative terms announced by the Company on 17 May 2019. While the Company and RMB have prepared advanced drafts of the RMB Debt Refinancing Agreement, there is a risk that the RMB Debt Refinancing Agreement will not be completed prior to the end of the Offer Period, which may delay completion of the Takeover Offer and Offers, or cause completion of the Takeover Offer and Offers not to occur. In the event that the RMB Debt Refinancing Agreement does not complete, Sandfire may choose not to accept the Takeover Offer in respect of its Andes Shares. This would result in the Company being unable to obtain a Relevant Interest in 90% or more of the Andes Shares on issue and compulsorily acquire the remaining Andes Shares, which may cause completion of the Takeover Offer and Offers not to occur.

The issue of the RMB Debt Refinancing Shares is further conditional upon RMB receiving approval from the South African Reserve Bank, which may lead to a delay in the issue of the RMB Debt Refinancing Shares. In the event such an approval is not forthcoming, this may affect the Company's ability to complete the Transaction in a timely manner or at all.

**(f) Future capital requirements**

The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements.

The Company's ability to raise further equity or debt, or to divest part of its interest in a tenement, and the terms of such transactions will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities.

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that



may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.

Additional financing may not be available on terms acceptable to the Company, or at all. Significantly, any additional equity financing or the exercising of Options, may dilute your existing shareholdings; and debt financing, if available, may restrict financing and future activities. If the Company fails to obtain additional financing, as needed, it may have to reduce the scope of its operations or anticipated expansion of its operations, forfeit its interest in some or all of its tenements, incur financial penalties and/ or reduce or terminate its operations.

**(g) Regulatory risks**

The Company will incur ongoing costs and obligations associated with compliance with necessary regulations. Regulatory areas which are of particular significance to the Company include environmental compliance and rehabilitation, mining, taxation, employee relations, worker health and safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species, social licence obligations, bribery, corruption and other matters. The Company requires permits from regulatory authorities to authorise the Company's operations. These permits relate to exploration, development, production and rehabilitation activities. Any failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on the Company's proposed business operations. In addition, changes in regulations could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

**(h) Foreign governments and legal systems risk**

The Colombian and Chilean jurisdictions, where the Company's current operating assets reside, differ from the legal system found in Australia. This could lead to exposure to any or all of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations; and
- (ii) delays in redress or greater discretion on the part of governmental authorities.

Whilst there is no evidence of material impact of this risk has had on operations in these countries, the Company cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected or even forfeited as a result of the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain. In addition, political instability and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

(i) **Sovereign Security Risks**

Both the Company and Andes' operations are substantially located in Colombia and are subject to various in-country security risks. These risks and uncertainties include, but are not limited to, terrorism, trafficking narcotics, hostage taking, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, illegal mining and changing political conditions.

In 2016, after more than 50 years of conflict, the government of Colombia signed a peace agreement with the country's largest guerrilla group, the Fuerzas Armadas Revolucionarias de Colombia (FARC). However, several other armed groups remain active across parts of the country.

It is not possible for the Company to predict the extent to which the abovementioned risks and uncertainties may adversely impact on the Merged Group's operations.

(j) **Tenure, access and grant of applications**

The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences/permits for the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.

(k) **Exploration risk**

Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities.

Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects, diminution in the cash reserves of the Company. The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(l) **Chuscal expenditure risk**

The Company is party to a joint venture agreement with AngloGold, which currently owns the Chuscal project. The Company is required to spend US\$2,500,000 by May 2022 in order to obtain a 51% interest in the Chuscal licences. To date the Company has not yet undertaken substantive expenditure on Chuscal. In the event that the Company is unable to meet its expenditure commitments under the joint venture agreement, there is a risk that the Company may not obtain a 51% interest in the Chuscal project.

**(m) Environmental risk**

Mining and exploration has become subject to increasing environmental responsibility and liability in Australia, Colombia and Chile. The potential for liability is an "ever present" risk. The use and disposal of chemicals and other materials in the mining industry is under constant legislative scrutiny and regulation. Consistent with this, the Company may be required, in some cases, to undertake baseline environmental studies prior to certain exploration or mining activities, so that the environmental impact can be monitored and, as far as possible, minimised. The discovery of any endangered species of fauna and flora may impact upon the Company's ability to freely explore or develop its tenements.

There is no guarantee that nature reserves or parks will not be decreed by government agencies in the areas in which the Company works. These could constrain the Company's ability to operate on its existing or future licences.

**(n) Social Licence**

In order to explore, develop or operate in communities, the general acceptance of certain stakeholder populations may be required. This may include formal agreements that can require extended negotiations with large numbers of stakeholders, for example indigenous communities and groups with native title rights or informal miners. There can be no guarantee these negotiations will be concluded successfully or not be protracted and cause significant delay to the Company's plans.

**(o) Mine development risk**

Possible future development of a mining operation at any of the Company's future projects is dependent on a number of factors including, but not limited to, the Transaction and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, climate change, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

**(p) Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal/mineral recovery, affecting the economic viability of the project.

**(q) Insurance risks**

There are significant exploration and operating risks associated with exploring for gold and other metals, including adverse weather conditions, environmental risks and fire, all of which can result in injury to persons as well as damage to or destruction of the extraction plant, equipment, production facilities and other property. In addition, the Company's subsidiaries will be subject to liability for environmental risks such as pollution and damage of the environment. The occurrences of a significant event against which the Company is not fully insured could have a material adverse effect on its operations and financial performance. In addition, in the future some or all of the Company's insurance coverage may become unavailable or prohibitively expensive.

**(r) Ability to exploit successful discoveries**

Even if an apparently viable deposit is identified, there is no guarantee that the Company can economically exploit it. That is, it may not always be possible for the Company to participate in the exploitation of successful discoveries made in any areas in which it has an interest because such exploitation may require further intensive capital input as well as further licences, mining concessions and clearances from relevant authorities. The Company notes that it may or may not be possible for such conditions to be satisfied.

**(s) Loss of key management personnel**

The Company's success largely depends upon key management personnel for the management of the Company as well as upon other management and technical personnel for the daily operation of the Company. Consequently, there is a possibility that the Company will be adversely affected, particularly in respect of the rate at which its exploration programs and tenements are developed or prioritised, if one or more of the key management personnel cease their employment.

**(t) Transactional Risks**

The Company intends to divest its non-core assets. This can be impacted by many risks beyond the control of the Company including market risks which itself is impacted by business cycles, political, government and regulatory risks amongst others. There is no guarantee that the Company will be able to divest its assets, or achieve reasonable prices for these assets, or complete these transactions in any timeframe.

**(u) Exploration costs**

The exploration costs of the Company are premised upon a number of assumptions and estimates as regards the method and timing of exploration. These assumptions and estimates are, by their nature, speculative and subject to a number of uncertainties. Consequently, the Company does not give any assurance that the cost estimates and the underlying assumptions will be realised in practice, which may adversely affect the Company's budget and forecast cashflows and ultimately the trading price of its Securities.

**(v) Commodity Prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest as well as the Company's ability to raise capital.

**(w) Tax rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares involves tax considerations that may differ for each Shareholder. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position.

Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

**(x) Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is aware that a former director of a company that was acquired by the Company (Minera Seafield, now called Miraflores Compania Minera SAS) previously lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking termination payments, unpaid bonus payments and damages in the amount of approximately US\$2 million. The Directors are of the opinion that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is remote. The next court hearing is expected to occur on or around November 2019. The Company intends to defend the proceeding.

**(y) Competition risk**

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may positively or negatively affect the operating and financial performance of the Company's business.

**(z) Economic Risks**

General economic conditions, movements in commodity prices, interest and inflation rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;

- (iii) currency fluctuations;
  - (iv) changes in investor sentiment toward particular market sectors (such as the exploration industry or the base metals sector within that industry);
  - (v) the demand for, and supply of, capital; and
  - (vi) terrorism or other hostilities.
- (aa) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

#### **4.4 Speculative Investment**

The above list of risk factors should not to be taken as an exhaustive list of the risks faced by the Company or you as an investor in the Company. The above factors, and others not specifically referred to above, may materially affect the Company's future financial performance and the value of the Shares. Therefore, the Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

You should consider an investment in the Company as speculative and should consult your professional advisers before deciding whether to apply for Shares under the Offers.

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## **5. Additional information**

### **5.1 Rights and liabilities attaching to Shares**

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

#### **(a) General meetings**

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

The Directors may convene a general meeting whenever they think fit. The Constitution does not permit Shareholders to call a general meeting, although Shareholders may call a general meeting in accordance with the provisions of the Corporations Act.

A notice of general meeting must be given in accordance with the Corporations Act and must specify the place, date and time of the meeting, the general nature of the business to be transacted at the meeting, information regarding a Shareholder's right to appoint a proxy, and if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and the text of the special resolution.

The quorum for a meeting of the Shareholders is two Shareholders and the quorum must be present at all times during the meeting.

#### **(b) Voting**

Subject to any rights or restrictions for the time being attached to any class of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting every Shareholder present in person or by a representative has one vote on a show of hands and every Shareholder present in person or by a representative, proxy or attorney has one vote per Share on a poll. Where there are two or more joint Shareholders and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the Shareholder whose name appears before the other(s) in the Company's register.

#### **(c) Alteration of Capital**

Subject to the Constitution, Corporations Act and the Listing Rules, the Company in general meeting may increase, divide, consolidate or reduce its share capital if it complies with the Constitution, Corporations Act and the Listing Rules.

(d) **Variation of rights**

Subject to the Constitution, Corporations Act and Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to the shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and the Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with ASX Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors or the ASX.

The Company must not prevent, delay or in any way interfere with the registration of a proper ASX Settlement transfer. However, the Company may decline to register a transfer of Shares in the circumstances described in the Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, the Constitution, the Listing Rules or the ASX Settlement Rules.

(f) **Dividends**

The Directors, subject to the Constitution, the Corporations Act and the Listing Rules, may determine that a dividend is payable and fix the amount, the time for payment, and the method of payment. The Directors may, before declaring any dividend, set aside out of the profits of the Company, such sums as they think proper as reserves, which may be used in the business of the Company or be invested in such investments as the Directors think fit.

## **5.2 Advisor Mandate**

Pursuant to a mandate dated 24 February 2019, Hartleys has been appointed as the Company's corporate advisor in relation to the proposed Takeover Offer (**Advisor Mandate**).

Under the Advisor Mandate, the Company has agreed to pay Hartleys certain fees in consideration for its services, namely:

- (a) fees in respect of the Company's capital raising:
  - (i) 50,000,000 Broker Options conditional on the Company and Andes raising \$4,000,000 through the Joint Capital Raising; and
  - (ii) 6% of the gross amount subscribed for Shares pursuant to capital raisings undertaken while Hartleys is engaged, not including fees associated with the Andes Placement.
- (b) a success fee payable on completion of the Takeover Offer of:



- (i) \$125,000 in cash; and
- (ii) 62,500,000 Shares (**Broker Shares**);
- (c) an abort fee of 25% of any break fee paid to the Company in respect to the Takeover Offer.

Under the Underwriting Agreement, the Company will also be required to pay Hartleys fee of \$20,000 for managing the underwriting obligations under the Underwriting Agreement (**Underwriting Fee**).

### 5.3 Sandfire Intention Statement

As at the date of the Bidder's Statement, Sandfire holds 20,166,667 Andes Shares. Sandfire's intention to accept the Takeover Offer is subject to the additional conditions that:

- (a) RMB and Metminco enter into a proposed refinancing agreement on substantially the same terms as announced to ASX on 17 May 2019;
- (b) The Company raise a minimum of \$1,300,000 in the Capital Raising, not including:
  - (i) any amount to be subscribed by Sandfire and accepted by Metminco;
  - (ii) funds raised under the issue of the Notes; and
  - (iii) funds raised under the Andes Placement; and
- (c) Metminco being entitled to proceed with compulsory acquisition of all remaining Andes shares upon acceptance of the Takeover Offer by Sandfire,

(together, the **Sandfire Intention Statement Conditions**).

Sandfire intends to accept, or cause to be accepted the Offer in full for all its Andes Shares, no later than five Business Days prior to the close of the Offer Period, subject to the Sandfire Intention Statement Conditions (**Sandfire Intention Statement**).

### 5.4 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 5.5 below). Copies of all documents announced to the ASX can be found at [www.metminco.com.au](http://www.metminco.com.au) under the "Investors" tab.

## 5.5 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offers a copy of:

- (a) the Annual Financial Report for the period ending 31 December 2018 and the Half Yearly Report for the period ending 30 June 2018, being the last two financial statements of the Company lodged with ASIC before the issue of this Prospectus; and
- (b) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report (29 March 2019) until the date of this Prospectus:

Date lodged	Subject of Announcement
18 June 2019	Appendix 3B
18 June 2019	Bidder's Statement
14 June 2019	Notice of Meeting
11 June 2019	ASX Waiver
3 June 2019	Capital Raising completed to support Andes Merger
30 May 2019	Trading Halt
27 May 2019	Notice of Lapsed Unlisted Options
27 May 2019	Merger Presentation
21 May 2019	Notice of Lapsed Unlisted Options
20 May 2019	Grant of Chuscal Exploration Licences
17 May 2019	Results of Meeting
17 May 2019	Execution of Bid Implementation Agreement & Capital Raising
16 May 2019	Trading Halt
14 May 2019	Appendix 3B
30 April 2019	March 2019 Quarterly Activities and App 5B Cashflow Report
16 April 2019	Notice of Annual General Meeting/ Proxy Form
1 April 2019	Appendix 3B
1 April 2019	Completion of Notes to Support Andes Merger
29 March 2019	Appendix 4G

The following documents are available for inspection throughout the period of the Offers during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Bidder's Statement;
- (c) the Constitution; and
- (d) the consents referred to in Section 5.13 and the consents provided by the Directors to the issue of this Prospectus.

## 5.6 Information excluded from continuous disclosure notices

Other than as set out below, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

The Company advises that it has been in discussions with third parties unrelated to the Company regarding a potential divestment of some of the Company's non-core assets in Chile, however discussions are ongoing and incomplete in all cases.

## 5.7 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Securities under this Prospectus.

## 5.8 Substantial Shareholders

As at the date of this Prospectus, the following person is a substantial Shareholder of the Company (i.e. Shareholder that holds more than a 5% interest in the Company):

Shareholder	Number of Shares (on a pre-Consolidation basis)	% of Share Capital
Citicorp Nominees Pty Limited	80,013,418	6.7%

Following completion of the Takeover Offer, it is expected that the following will be substantial shareholders of the Company:

Holder	Number of Shares (on a pre-Consolidation basis)	% of Share Capital
Sandfire <sup>1</sup>	998,936,375	15%
RMB <sup>2</sup>	1,008,000,000	15.1%
BHC & Delta <sup>3</sup>	650,000,000	9.8%

### Notes:

- 1 It is anticipated that Sandfire will be issued 504,166,650 Shares under the Takeover Offer. Sandfire has provided the Sandfire Commitment to subscribe for 494,769,725 Shares under the Placement. The Sandfire Commitment is subject to the Sandfire Commitment Condition. This figure also assumes that Sandfire accepts the Takeover Offer, which is subject to the Sandfire Intention Statement Conditions.

- 2 Through the issue of the RMB Debt Refinancing Shares and RMB's existing 8,000,000 Shares.
- 3 Through the issue of Shares under the Takeover Offer to BHC and Delta.

The Directors of the Company have a Relevant Interest in 41,653,520 Shares, being approximately 3.5% of the total number of Shares on issue prior to completion. The individual interests of each Director are set out in Section 5.9.

## 5.9 Interests of Directors

### (a) Information disclosed in this Prospectus

Except as disclosed in this Prospectus, no Director and no firm in which a Director or proposed director is a partner:

- (i) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or
- (ii) has been paid or given or will be paid or given any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

### (b) Security holdings

The Relevant Interests of each of the Directors in Securities as at the date of this Prospectus are set out below:

Director	Shares	Quoted Options	Unquoted Options	Performance Rights
Kevin Wilson	36,905,172	5,017,104	-	46,400,000
Glenister Lamont	2,625,000	625,000	9,600,000	-
Roger Higgins	2,123,348	417,636	9,600,000	-
<b>TOTAL</b>	<b>41,653,520</b>	<b>6,059,740</b>	<b>19,200,000</b>	<b>46,400,000</b>

#### Notes

1. Quoted Options with an exercise price of \$0.011 expiring 1 June 2020;
2. Performance rights (as per the terms announced on 26 April 2018); and
3. 9,600,000 Unquoted Options issued under the Company's long-term incentive plan exercisable at \$0.016 on or before 31 December 2019, subject to vesting conditions; and 9,600,000 unquoted Options issued under the Company's long-term incentive plan exercisable at \$0.024 on or before 31 December 2020, subject to vesting conditions.

### (c) Remuneration

The Constitution of the Company provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors in a general meeting, to be divided among the Directors and in default of agreement then in equal shares. The current

sum payable to Directors, including executive directors, is \$300,000 per annum.

A Director may also be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship.

The Company currently has one Executive Director, Mr Kevin Wilson, the Company's Executive Chairman. Mr Wilson's base executive remuneration is \$200,000 per annum (including statutory superannuation) and he is entitled to annual bonuses based on his performance in meeting targets and goals as determined by the Board.

Directors received the following remuneration for the preceding two financial years:

Director		Salary, fees & leave (\$)	Super-annuation (\$)	TOTAL (\$)
Kevin Wilson <sup>1</sup>	2018	139,786	14,182	153,968
	2017	-	-	-
Glenister Lamont <sup>2</sup>	2018	27,092	2,799	29,891
	2017	-	-	-
Roger Higgins <sup>3</sup>	2018	37,500	-	37,500
	2017	37,500	-	37,500

**Notes:**

1. Mr Wilson was appointed as Executive Chairman on 23 March 2018 and is remunerated at \$200,000 per annum (including statutory superannuation) plus annual bonuses based on performance as determined by the Board. Mr Wilson has also been granted Performance Rights under the Company's Long-Term Incentive Plan.
2. Mr Lamont was elected as a Non-Executive Director on 28 May 2018 and is remunerated via a directors' fee of \$50,000 per annum (including statutory superannuation). Mr Lamont has also been granted unquoted Options under the Company's Long-Term Incentive Plan above.
3. Mr Higgins has also been granted unquoted Options under the Company's Long-Term Incentive Plan.

## 5.10 Related party transactions

There are no related party transactions involved in the Offers.

## 5.11 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Securities offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Securities offered under this Prospectus; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Securities offered under this Prospectus.

Hartleys has been appointed by the Company as Corporate Advisor in relation to the Offers and the Takeover Offer and pursuant to the Underwriting Agreement will underwrite the Offers up to the Underwritten Amount. The Company will pay and issue, Hartleys the fees described in Section 5.2 (unless otherwise stated), comprising approximately:

- (a) \$225,548 in cash for services rendered in relation to the Takeover Offer, Offers and Underwriting Agreement;
- (b) \$51,540 in respect of the issue of the Notes, which has been paid;
- (c) 50,000,000 Broker Options; and
- (d) 62,500,000 Shares.

Bellanhuse Lawyers will be paid approximately \$150,000 (plus GST) in fees for legal services in connection with the Offers and Takeover Offer.

Link Market Services Limited has been appointed to conduct the Company's Australian share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

## 5.12 Expenses of Offers and Takeover Offer

The estimated expenses of the Offers and the Takeover Offer are as follows:

Estimated expenses of the Offers and Takeover Offer	\$
ASIC lodgment fees <sup>1</sup>	11,957
Legal expenses	150,000
Advisor fees and costs of offer <sup>2</sup>	225,548
Printing, mailing and other expenses	14,000
ASX listing fees <sup>3</sup>	23,044
<b>TOTAL</b>	<b>\$424,549</b>

### Note:

1. Comprised of \$5,264 fee for the lodgement of the Bidder's Statement, \$3,206 for the lodgement of the Prospectus and \$3,487 for appointment of foreign sale nominee.
2. Advisor fees estimated at:
  - a. approximately \$80,548 (being 6% of \$1,342,000 to be raised under the Offers (before costs));
  - b. \$20,000 in respect of the Underwriting Fee; and
  - c. \$125,000 success fee payable in respect of completion of the Takeover Offer, (see Section 5.2 for further details).
3. This figure assumes 5,471,635,217 Company Shares are to be quoted at \$0.002 per Share comprised of:
  - a. 2,784,135,217 Consideration Shares;

- b. 1,000,000,000 RMB Debt Refinancing Shares;
- c. 1,625,000,000 Shares under the Offers and on conversion of the Notes; and
- d. 62,500,000 Broker Shares.

## 5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Securities under this Prospectus), the Directors, the Underwriter, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Bellanhouse Lawyers has given its written consent to being named as the solicitors to the Company in this Prospectus. Bellanhouse Lawyers has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

Hartleys has given its written consent to being named as Corporate Advisor and Underwriter in this Prospectus. Hartleys has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

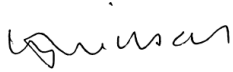
Link Market Services Limited has given its written consent to being named as the Australian share registry to the Company in this Prospectus. Link Market Services Limited has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

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## 6. Directors' Statement and Consent

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read 'Wilson', with a small dot above the 'i'.

Kevin Wilson  
**Executive Chairman**  
Dated: 18 June 2019



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## 7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Advisor Mandate** has the meaning given in Section 5.2.

**AEST** means Australian Eastern Standard Time, being the time in Melbourne, Victoria.

**All Ordinaries Index** means the index of the same name as published by ASX and as tracked by the ASX code “XAO”.

**Andes** means Andes Resources Limited (ACN 166 866 691).

**Andes Option** means an option to acquire an Andes Share.

**Andes Optionholders** means all persons who hold Andes Options.

**Andes Placement** means the placement by Andes raising \$750,000 (before costs) by the issue of 15,000,000 Andes Shares and Andes Options.

**Andes Share** means a fully paid ordinary share in the capital of Andes.

**Andes Eligible Shareholder** means a person registered as the holder of Andes Shares on the Record Date whose registered address is in Australia, New Zealand or Singapore.

**Andes Shareholder** means a holder of an Andes Share.

**AngloGold** means AngloGold Ashanti Colombia SA.

**Applicant** means an applicant for Shares offered under this Prospectus.

**Application** means a valid application for Securities made on an Application Form.

**Application Form** means the relevant application form for an Offer provided by the Company with a copy of this Prospectus.

**Application Monies** means the amount of money in dollars and cents payable for Shares at \$0.002 per Share pursuant to the Priority Offer, Shortfall Offer and Placement.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**BHC** means Bullet Holding Corp, a company incorporated in Panama with address Calle 12A, 32-11, El Poblado, Medellin, Colombia.

**Bid Condition** means a condition to the Takeover Offer.

**Bidder's Statement** means the document prepared by the Company in conjunction with the Takeover Offer, dated on or around 18 June 2019.

**Board** means the Directors meeting as a board.

**Bonus Options** means an Option that the Company intends to issue in December 2019 under a separate disclosure document, with an exercise price of \$0.004 and an expiry date two years from the date of issue.

**Broker Options** means unquoted options exercisable at \$0.006 (on a pre-Consolidation basis) with an expiry date three years from the date of completion of the Takeover Offer and has the meaning given in Section 5.2.

**Broker Shares** has the meaning given in Section 5.2.

**Broker Securities** means the Broker Shares and Broker Options.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** has the meaning given to it in Section 1.7.

**Company** means Metminco Limited (ACN 119 759 349).

**Conditions** has the meaning given in Section 1.10.

**Consideration Shares** means Shares offered to Andes Shareholders as Takeover Offer consideration.

**Consolidation** means the consolidation of the capital of Company on a 1:40 basis, for which Shareholder approval is being sought at the General Meeting.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Delta** means Delta Holdings LLC, a company incorporated in Wyoming, USA, of 30 N Gold St, Ste R, Sheridan, Wyoming.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Eligible Shareholder** means a person registered as the holder of Shares on the Record Date whose registered address is in Australia, New Zealand or Singapore.

**General Meeting** means the general meeting of Shareholders to be convened on or around 15 July 2019 to approve the issue of the Shares under the Offers, amongst other things.

**Hartleys** means Hartleys Limited (ACN 104 195 057).

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Implementation Agreement** means the agreement between the Company and Andes pursuant to which the Company agreed to make the Takeover Offer, a copy of which was announced by the Company on 16 May 2019.

**Joint Capital Raising** has the meaning given in Section 1.6.

**Listing Rules** means the official listing rules of ASX and any other rules of ASX which are applicable while any Securities are admitted to the Official List, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.

**Long Term Incentive Plan** means the Company's Long Term Incentive Plan as approved by Shareholders at the 2017 annual general meeting.

**Merged Group** means Company and its subsidiaries after successful completion of the Takeover Offer, including without limitation, Andes.

**Notice of Meeting** means the Company's notice of meeting dated 14 June 2019.

**Noteholder** means a holder of a Tranche 1 or Tranche 2 Note.

**Offer Period** has the meaning given in Section 1.7.

**Offers** means the Priority Offer, Shortfall Offer and Placement.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Securities on the Official List.

**Option** means an option to acquire a Share.

**Placement** means the placement of 666,000,000 Shares at \$0.002 each to raise \$1,332,000 (before costs).

**Placement Subscribers** means each applicant who subscribed for and was issued Shares under the Placement.

**Priority Offer** means the issue of 500,000,000 Shares at \$0.002 to Eligible Shareholders to raise \$1,000,000 (before costs).

**Prospectus** means this prospectus dated 18 June 2019.

**Record Date** means 5:00pm (AEST) on the date identified in the proposed timetable.

**Relevant Interest** has the meaning given in Sections 608 and 609 of the Corporations Act.

**RMB** means RMB Australia Holdings Limited ACN 003 201 214.

**RMB Debt Refinancing Agreement** means a proposed debt refinancing agreement between RMB and the Company, on terms set out in the Bidder's Statement.

**RMB Debt Refinancing Shares** means the issue of 1,000,000 Shares (on a pre-Consolidation basis) pursuant to a proposed debt refinancing agreement with RMB (or its nominees).

**Sandfire** means Sandfire Resources NL (ACN 105 154 185).

**Sandfire Commitment** has the meaning given in Section 1.8.

**Sandfire Commitment Condition** has the meaning given in Section 1.8.

**Sandfire Intention Statement** has the meaning given in Section 5.3.

**Sandfire Intention Statement Conditions** has the meaning given in Section 5.3.

**Section** means a section of this Prospectus.

**Securities** mean any securities, including Shares, Options and Performance Rights, issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Link Market Services Limited (ACN 083 214 537).

**Shareholder** means a holder of Shares.

**Shortfall Offer** means the offer of the Shortfall Shares under this Prospectus.

**Shortfall Shares** means Shares not taken up under the Priority Offer.

**Takeover Offer** means the Company's proposed acquisition of 100% of the issued capital in Andes through an off-market takeover bid.

**Tranche 1 Notes** means 115 Notes on the terms and conditions set out in the Notice of Meeting.

**Tranche 2 Notes** means 191 Notes issued on the terms and conditions set out in the Notice of Meeting.

**Underwriter** means Hartleys.

**Underwriting Agreement** means the meaning given in Section 1.9.

**Underwriting Fee** means \$20,000 payable to Hartleys under the Underwriting Agreement.

**Underwritten Amount** has the meaning given in Section 1.9.

## Schedule 1 - Underwriting Agreement Key Terms

Note in this Schedule the following defined terms apply:

**Allotment Date** means the proposed date of allotment of Offer Shares specified in the Timetable.

**ASIC Modifications** means any exemptions from, modifications (including class orders) of or declarations under the Corporations Act which are necessary.

**ASX Waivers** means any waiver of the Listing Rules which is necessary or desirable to enable the Company to conduct the Offer in compliance with Applicable Laws and as described in the Prospectus.

**Applicable Laws** includes the Corporations Act (including the requirements of any applicable ASIC class orders, regulatory guidance and policies including the guidance of the Takeovers Panel), the Listing Rules, ASX Waivers (if applicable), ASIC Modifications (if applicable) and all other applicable laws, policies and regulation relevant to a fact, matter or thing.

**Application** means an application to subscribe for Offer Shares duly made in accordance with the Prospectus accompanied by payment of the Offer Price in respect of each Offer Share for which an application is made.

**Application Form** means the application form attached to the Prospectus in relation to the Offer.

**Authorisation** means any approval, authorisation, consent, declaration, exemption, notarisation, concession, licence, permit, order, registration, qualification, decree or waiver, however described, and any condition attaching to it, including any renewal, consolidation, replacement, extension or amendment of any of them.

**Bid Implementation Agreement** means the bid implementation agreement between the Company and Andes Resources Limited on or about 17 May 2019.

**Bid Condition** means the condition to the takeover bid announced by the Company on 17 May 2019 as set out in schedule 1 of the Bid Implementation Agreement.

**Certificate** means a certificate signed on behalf of the Company which certifies to the Underwriter as at the date of the certificate that to the best of the Company's knowledge and information after due enquiry:

- (a) the Company has complied with all obligations on its part to be performed as at the date of the certificate:
  - (i) under this document; and
  - (ii) under statute or otherwise in respect of the Offer;
- (b) other than as previously notified to the Underwriter in writing, none of the Termination Events have occurred; and
- (c) other than as previously notified to the Underwriter in writing, the representations and warranties set out in schedule 1 of the Underwriting Agreement are true and correct.

**Closing Date** means 5.00pm on the date referred to as the Closing Date in the Timetable or such other date as the Underwriter and the Company may agree in writing.

**Debt Facility** means any external debt facility or similar financial accommodation provided to the Company or its Subsidiaries or any part thereof.

**Due Diligence Committee** means the due diligence committee formed by the Company in connection with the Offer.

**Due Diligence Committee Report** means the report of the Due Diligence Committee to the Company, its directors and the Underwriter including all annexures.

**Due Diligence Investigations** means the activities below: Until Completion, the Company must:

- (a) make such enquiries as are prudent and reasonable; and
- (b) exercise due diligence, to ensure that
- (c) there are no omissions from the Offer Materials (including the Prospectus) of material required to be included by Applicable Laws;
- (d) the content, issue and distribution of any Offer Materials does not constitute conduct by any person which is misleading or deceptive or likely to mislead or deceive (whether by reason of statements included in, or omissions from, those Offer Materials or otherwise) and that those Offer Materials do not become false or misleading in any material respect (including by omission); and
- (e) the Company becomes aware of any information or circumstances which may render the Offer Materials misleading or deceptive or need to be disclosed to ASX or incorporated into any Supplementary Prospectus as soon as such information or circumstances arise.

**Due Diligence Planning Memorandum** means the memorandum including its schedules, annexures and attachments setting out the responsibilities and purpose of the Due Diligence Committee, the final form of which is annexed to the Due Diligence Committee Report.

**Force Majeure** means any act of God, war, revolution, or any other unlawful act against public order or authority, an industrial dispute, a governmental restraint, or any other event which is not within the control of the parties.

**Government Agency** means any government or any government department, governmental, semi-governmental, administrative, fiscal, judicial, investigative, review or regulatory body, department, commission, authority, tribunal, agency, stock exchange or entity in any jurisdiction relevant to the Offer, including ASX, ASIC and the Takeovers Panel.

**Lodgement Date** means the date referred to as the Lodgement Date in the Timetable.

**Offer** means the public offer of up to 1,166,000 Offer Shares under the Prospectus to raise \$2,332,000 at the Offer Price which public offer includes the Priority Offer.

**Official Quotation** means the grant by ASX of “Official Quotation” (as that term is used in the Listing Rules).

**Opening Date** means the opening date for the Offer specified in the Timetable or such other date as the Underwriter and the Company may agree in writing.

**Offer Materials** means:

- (a) Any roadshow presentation materials in connection with the Offer;
- (b) All announcements released to ASX by the Company in connection with the Offer;
- (c) The Prospectus and any Application Form;
- (d) All correspondence delivered to Shareholders in respect of the Offer and approved by the Company (or on its behalf with its consent); and
- (e) Public Information.

**Offer Price** means \$0.002 per Offer Share.

**Offer Shares** means a Share to be issued under the Offer.

**Public Information** means any press releases, presentation materials, or public or media statement or other public disclosure made (on or after the Lodgement Date and up to and including the Settlement Date) in relation to the Group or the Offer, including amendments or updates to or supplementary disclosure in respect of any other Offer Materials, or in relation to bids or applications received for Offer Shares or the progress or results of the Offer, in each case by the Company (or on its behalf).

**Prescribed Occurrences** means any of the events listed in section 652C(1)(a) to (h) of the Corporations Act.

**Sandfire Commitment Offer Shares** means 494,769,725 Offer Shares which Sandfire has publicly stated it will subscribe for under the Offer.

**Settlement Date** means the date referred to as the Settlement Date in the Timetable.

Valid Application

**Underwriter** means Hartleys Limited.

**Takeovers Panel** means the body established under the Australian Securities and Investments Commission Act 2001 (Cth) as the primary forum for resolving disputes about takeovers.

**Terminate** means the termination by the Underwriter of all further obligations of the Underwriter under this document in accordance with clauses 2.4 or 10.1 of the Underwriting Agreement, in each case without loss or liability to it and Termination has a corresponding meaning.

**Termination Events** are those events listed in clause 3.

**Valid Application** means an Application:

- (a) that is made by or on behalf of a person in a manner that complies with (and the relevant allotment would comply with) Applicable Laws;

- (b) that is made in conjunction with an application form accompanying the Prospectus, and that is properly completed in accordance with the instructions in that form and in the Prospectus;
- (c) that is accompanied by any supporting documents required by the Prospectus to accompany that form;
- (d) that is received by the Company on or before 5.00pm on the Closing Date at the place specified in the Prospectus for lodgement of forms or is otherwise duly received in accordance with the provisions of the Prospectus for electronic lodgement of applications;
- (e) that is not withdrawn before it ceases to be capable of being withdrawn (if it is so capable of being withdrawn); and
- (f) in respect of which payment of the Offer Price for the relevant number of Offer Shares is received and is cleared (either before or after the Closing Date) when presented (either before or after the Closing Date) for payment by the relevant financial institution on which the payment is drawn.

## 1. Conditions precedent

The obligations of the Underwriter under the Underwriting Agreement to manage and underwrite the Offer are conditional on:

- (a) **(Due Diligence Investigations)** the Due Diligence Investigations being completed to the satisfaction of the Underwriter (in its absolute discretion) by 11.00am on the Lodgement Date;
- (b) **(Due Diligence Committee Report)** the Underwriter receiving a copy of the Due Diligence Committee Report contemplated by the Due Diligence Planning Memorandum in a form and substance satisfactory to the Underwriter (in its absolute discretion) by 11.00am on the Lodgement Date, which is also to be addressed to, and expressed to be for the benefit of, each of the members of the Due Diligence Committee and the Underwriter and signed by each member of the Due Diligence Committee;
- (c) **(legal opinion)** an opinion dated on the Lodgement Date addressed to, and expressed to be for the benefit of, the Company and the Underwriter, in a form and substance satisfactory to the Underwriter (in its absolute discretion) being delivered to the Underwriter by 11.00am on the Lodgement Date from Bellanhouse Lawyers, counsel to the Company;
- (d) **(ASIC Modifications and ASX Waivers)** the Company either:
  - (i) obtaining by 9.00am on the Lodgement Date all ASIC Modifications and ASX Waivers, in a form and substance satisfactory to the Underwriter and which have not been withdrawn or revoked; or
  - (ii) certifying in writing to the Underwriter that no ASIC Modifications or ASX Waivers are required in connection with the Offer;
- (e) **(consent to be named)** the Underwriter being satisfied with the form of the Prospectus (in its absolute discretion) and having given its consent to be named in the Prospectus by 11:00 am on the Lodgement Date as evidence thereof;



- (f) **(Prospectus lodgement)** the Company lodging the Prospectus with ASIC prior to 5.00pm on the Lodgement Date;
- (g) **(Certificate)** the Underwriter receives a Certificate in accordance with clause 4.1 of the Underwriting Agreement;
- (h) **(Official Quotation)** the Company applying for Official Quotation of the Offer Shares prior to the commencement of trading on the Business Day after the date of lodgement of the Prospectus and ASX not having indicated that it will not grant Official Quotation of the Offer Shares on or before 9.00am on the Settlement Date;
- (i) **(Offer)** the Company becoming capable of accepting Applications in respect of the Offer by the Opening Date;
- (j) **(Bid Implement Agreement)** the Bid Implementation Agreement not having been withdrawn, rescinded, breached, terminated, altered or amended prior to the Settlement Date (other than with the prior written consent of the Underwriter);
- (k) **(Satisfaction of all Bid Conditions)** in respect of each Bid Condition:
  - (i) each Bid Condition that is required to be satisfied has been satisfied and remained at all times satisfied prior to and up and until 10am on the Settlement Date;
  - (ii) no Bid Condition has been breached prior or otherwise become incapable of being satisfied prior to 10am on the Settlement Date;
  - (iii) no Bid Condition has been waived, altered or amended prior to 10am on the Settlement Date (other than with the prior written consent of the Underwriter);
- (l) **(Compulsory acquisition)** prior to 10am on the Settlement Date the Company's takeover offer for all of the issued shares in Andes Resources Limited has closed with the Company having a Relevant Interest in more than 90 per cent of the issued shares then on issue in Andes Resources Limited and the Company has lodged with ASIC a form 6021 notice of compulsory acquisition;
- (m) **(Sandfire Commitment)** Sandfire has prior to the Closing Date lodged with the Company a Valid Application for the Sandfire Commitment Offer Shares and not sought to revoke, rescind or otherwise withdraw that Valid Application; and
- (n) **(RMB Refinancing Agreement)** the RMB Refinancing Agreement having been executed by the relevant parties, and those documents not having been withdrawn, rescinded, breached, terminated, altered or amended prior to the Settlement Date (other than with the prior written consent of the Underwriter).

## 2. Termination of the Underwriter's obligations

The Underwriter may, by notice given to the Company and without cost or liability to the Underwriter, immediately Terminate if any one or more of the Termination Events occurs or has occurred on or before Completion (or such other time as specified in such event) and:

- (a) **(unqualified)** that Termination Event is not marked with an “\*”; or
- (b) **(qualified)** that Termination Event is marked with an “\*” and in the reasonable opinion of the Underwriter the event:
  - (i) has had, or could be expected to have, individually or in aggregate a material adverse effect on:
    - (A) the financial position or performance, shareholder’s equity, profits, losses, results, condition, operations or prospects of the Company or a Subsidiary either individually or taken as a whole; or
    - (B) the success or outcome of the Offer, the market price of Offer Shares or the Shares or the ability of the Underwriter to market, promote or settle the Offer (including matters likely to have an effect on a decision of an investor to invest in Offer Shares or Shares);
  - (ii) leads (or is, in the Underwriter’s opinion, reasonably likely to lead) to the Underwriter’s obligations under this document becoming materially more onerous than those which exist at the date of this document;
  - (iii) has had, or could be expected to have, individually or in aggregate a material adverse effect on the tax position of:
    - (A) the Company or its Subsidiaries either individually or taken as a whole; or
    - (B) an Australian resident shareholder of the Company; or
  - (iv) leads (or is, in the Underwriter’s opinion, reasonably likely to lead) to:
    - (A) a material liability for the Underwriter (when assessed in the context of the fees payable to the Underwriter under this document); or
    - (B) the contravention, or involvement in a contravention of, or a liability under the Corporations Act or any other applicable law.

### 3. Termination Events

- (a) **(Change in gold price)** the spot “ask” A\$ gold price as quoted by The Perth Mint is at any time after the date of this document, 10.0% or more below its price as at the close of business on the Business Day before the date of this document;
- (b) **(index fall)** the All Ordinaries Index as published by ASX is for two consecutive Business Days after the date of this document 10.0% or more below its level as at the close of business on the Business Day prior to the date of this document;
- (c) **(Debt Facility)** a Debt Facility is breached by any party to the agreement or it is revoked, rescinded, avoided, amended (including by way of any standstill arrangements), varied, superseded or replaced in any way, the lender under

a Debt Facility seeks to enforce any security granted in connection with, or accelerate or otherwise require repayment of any amounts under, the Debt Facility or an event of default or potential event of default (however defined) occurs under a Debt Facility, in each case without the prior written consent of the Underwriter (in the Underwriter's absolute discretion);

- (d) **(Prospectus)** the Company does not lodge the Prospectus on the Lodgement Date or the Offer is withdrawn by the Company without the prior written consent of the Underwriter;
- (e) **(breach of material contracts)** any of the contracts described in the Prospectus (other than this document) is breached, not complied with according to its terms, terminated or substantially modified other than as disclosed in the Prospectus;
- (f) **(board and senior management composition)** there is a change in the composition of the board or a change in the senior management of the Company before Completion without the prior written consent of the Underwriter (which consent is not to be unreasonably withheld) except as announced to ASX or fully and fairly disclosed to the Underwriter prior to the date of this document;
- (g) **\*(change in shareholdings)** other than as a result of the Offer and the proposed merger with Andes Resources Limited there is a change in the major or controlling shareholdings of a Group Member or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Group Member;
- (h) **\*(market conditions)** a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, commercial banking activities or political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or any other international financial market;
- (i) **(Offer Materials)** a statement contained in the Offer Materials is or becomes false, misleading or deceptive (including by omission) or likely to mislead or deceive or the Offer Materials omit any information they are required to contain (having regard to sections 711, 713 and 716 of the Corporations Act and any other applicable requirements), or there are no reasonable grounds in accordance with section 728(2) of the Corporations Act for the making of any statement in the Offer Materials relating to future matters;
- (j) **(listing)** ASX announces or informs the Company (including verbally) that the Company will be removed from the official list or that Shares will be delisted or suspended from quotation by ASX for any reason, for the avoidance of doubt this does not include any voluntary suspension or trading halt that has been obtained by the Company with the Underwriter's prior written consent;
- (k) **(notification)** any of the following notifications are made:
  - (i) an application is made by ASIC or another person for an order under Part 9.5 of the Corporations Act, or to any other Government Agency, in relation to the Offer Materials or the Offer; or
  - (ii) ASIC or any other Government Agency commences or gives notice of an intention to hold, any investigation, proceedings or hearing in relation to the Offer or any of the Offer Materials or prosecutes or

commences proceedings against or gives notice of an intention to prosecute or commence proceedings against the Company,

and in either case:

- (iii) where the Government Agency is the Takeovers Panel, the application is not withdrawn or the Takeovers Panel has not declined to conduct proceedings or declined to make a declaration of unacceptable circumstances within five Business Days of the date of the application or by the Allotment Date; or
  - (iv) where the Government Agency is not the Takeovers Panel, such application, notice or proceeding becomes public or is not withdrawn within two Business Days after it is made or by the Allotment Date;
- (l) **(Authorisation)** any Authorisation which is material to anything referred to in the Prospectus is repealed, revoked, or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (m) **(quotation)** ASX announces or informs the Company (including verbally) that unconditional approval (or approval subject to customary listing conditions) by the ASX for Official Quotation of the Offer Shares will be refused, or not granted by the Allotment Date or, if granted, such approval is withdrawn on or before the Allotment Date;
- (n) **(unable to issue Offer Shares)** the Company is prevented from allotting and issuing the Offer Shares in accordance with this document and the Timetable;
- (o) **\*(hostilities)** there is an outbreak of hostilities (whether or not war has been declared) not presently existing, or a major escalation in existing hostilities occurs (whether or not war has been declared) involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, the People's Republic of China, Indonesia, India, Pakistan, Russia, Israel, any member of the European Union, the Democratic People's Republic of Korea, the Republic of Korea or Japan, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (p) **\*(Timetable)**
  - (i) subject to clause (p)(ii) below, any event specified in the Timetable is delayed by the Company for more than one Business Day without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
  - (ii) the Lodgement Date and Allotment Date is delayed by the Company, in any way, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld);
- (q) **(ASIC or ASX action)** the Offer is prevented from proceeding (without amendment on terms acceptable to the Underwriter) by reason of:
  - (i) or in accordance with, the Listing Rules, the Corporations Act or any other applicable laws;
  - (ii) an order made by ASIC, ASX, any other government agency or a court of competent jurisdiction; or

- (iii) an investigation or inquiry or proceedings initiated by either ASIC or ASX into the conduct of the Company;
- (r) **(withdrawal of consent)** any:
  - (i) person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or any Supplementary Prospectus or to be named in the Prospectus or any Supplementary Prospectus, withdraws that consent; or
  - (ii) accounting or legal adviser to the Company refuses to give its consent or having previously consented to be named in the Prospectus, withdraws that consent;
- (s) **(supplementary prospectus):**
  - (i) the Underwriter forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in section 719 of the Corporations Act and the Company fails to lodge a supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require; or
  - (ii) the Company lodges a supplementary or replacement prospectus without the prior written agreement of the Underwriter;
- (t) **(Certificate)** any certificate which is required to be delivered by the Company under this document (including a Certificate) is not delivered when required (other than as permitted under (p)(i) above) or is untrue, incorrect or misleading in a material respect;
- (u) **(suspension of debt payments)** except as fully and fairly disclosed to the Underwriter prior to the date of this document, the Company suspends payment of its debts generally;
- (v) **(insolvency)** any one of the following occurs:
  - (i) except as fully and fairly disclosed to the Underwriter prior to the date of this document, the Company (or any of its Subsidiaries):
    - (A) being or stating that it is unable to pay its debts as and when they fall due; or
    - (B) failing to comply with a statutory demand;
  - (ii) any step being taken which will or is likely to result in any of the following:
    - (A) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Subsidiaries);
    - (B) the Company (or any of its Subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an

- assignment for the benefit of its creditors or any class of them;
- (C) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its Subsidiaries) under section 459C(2) of the Corporations Act; or
- (D) anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its Subsidiaries);
- (w) **\*(judgment against the Company)** a judgment in an amount exceeding \$50,000 is obtained against the Company and is not set aside or satisfied within 7 days;
- (x) **(ASIC Modifications and ASX Waivers)** approval for any ASIC Modifications or ASX Waivers is subsequently withdrawn, or is varied in a way that in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Offer;
- (y) **(conduct)** the Company or any of its directors or officers (as that term is defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer;
- (z) **\*(Director):**
  - (i) a director or senior manager of any Group Member (in that capacity) is charged with an indictable offence, or any Government Agency or regulatory body commences any public action against a director or senior manager of any Group Member (in that capacity) or announces that it intends to take any such action; or
  - (ii) a director of any Group Member is disqualified from managing a corporation under sections 206B, 206C, 206D, 206E, 206F, or 206G of the Corporations Act;
- (aa) **(adverse change)** in the reasonable opinion of the Underwriter, there is a material adverse change, or any one or more matters, events or circumstances occurs, is announced or disclosed or becomes known to the Underwriter (whether or not it becomes public) which individually or when aggregated with any other such matters, events or circumstances is likely to give rise to a material adverse change, in the financial position or performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Group taken as a whole, or is likely to have a materially adverse effect on the marketing, settlement or outcome of the Offer;
- (bb) **\*(litigation)** litigation, arbitration, administrative or industrial proceedings are after the date of this document commenced or threatened against the Company, other than any claims foreshadowed in the Prospectus, or Due Diligence Program or otherwise disclosed during the Due Diligence Investigations;
- (cc) **\*(breach of obligations)** the Company is in breach of any terms and conditions of this document (other than with respect to compliance with the Timetable);

- (dd) **\*(breach of representations)** any of the representations or warranties made or given by the Company in schedule 1 is or becomes incorrect, untrue or misleading;
- (ee) **\*(information supplied to Underwriter)** the information supplied by or on behalf of the Company to the Underwriter including as part of the Due Diligence Program is, or the results of the Due Diligence Investigations are, in the reasonable opinion of the Underwriter, false, misleading or deceptive (including by omission);
- (ff) **\*(change in law)** there is introduced, or there is an official public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new, or any major change in, existing, monetary, taxation, exchange or fiscal policy (other than a law or policy which has been announced prior to the date of this document);
- (gg) **\*(investigation)** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company;
- (hh) **\*(capital structure)** the Company alters its capital structure in any manner not contemplated by the Prospectus or as announced by the Company on or before the date of this document;
- (ii) **(certain resolutions passed)** the Company passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of the Underwriter;
- (jj) **\*(force majeure)** a Force Majeure affecting the Company's business or any obligation under this document lasting in excess of 7 days occurs;
- (kk) **\*(Prescribed Occurrence)** a Prescribed Occurrence occurs;
- (ll) **\*(contravention of law)** a contravention by any Group Member of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
- (mm) **(compliance)** any aspect of the Offer, including the Prospectus or the underwriting and any sub-underwriting of the Offer, does not comply with the Corporations Act, the Listing Rules, the ASIC Modifications or the ASX Waivers or any other applicable law or regulation, or requires an approval or other authorisation that has not been obtained at the date of this document.