

ASX ANNOUNCEMENT

31 October 2018

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## METMINCO Limited

### Quarterly Activities Report for period ending 30 September, 2018

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#### HIGHLIGHTS

- **Tesorito: Drilling delivered strong gold grades including 64m at 1.7g/t Au (TS-DH-07)**
- **Chuscal: Advanced discussions with AngloGold Ashanti re farm-in/joint venture**
- **Miraflores: Mine permitting and social licence activities progressed**
- **Appointment of Nick Winer to head Colombian exploration**
- **\$0.54 million equity raised (before costs) for working capital and exploration funding**
- **Withdrawal from proposed Solomon Islands Nickel project acquisition**
- **Cancellation of AIM listing**

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Metminco Limited (“Metminco” or the “Company”) (ASX: MNC) is pleased to present the activity report for the quarter ending 30 September 2018.

#### OPERATIONS

##### Quinchia Gold Project, Colombia

###### Tesorito

The Tesorito prospect lies 800m southeast of the Company’s Miraflores deposit (0.88Moz gold Resource) in the centre of the Quinchia district. It lies approximately 3km southeast of the Company’s Dosquebrados deposit (0.92Moz gold Resource estimated under NI 43-101 – see announcement dated 7 March 2016) and approximately 2km north of the undrilled Chuscal gold target.

The 1,500m diamond drilling program at Tesorito was designed to confirm and expand the gold mineral system intersected in drilling by a previous operator, in particular hole TS-DH-02 which reported 384m @ 1.1g/t Au from surface to end-of-hole (Table 1, refer announcement 7 March 2016 & 5 June 2018). The program also tested a previously undrilled geophysical anomaly located approximately 300m to the northwest of TS-DH-02 (Figure 2). The highlight of the confirmation drilling program was TS-DH-07 which intersected 253m at 1.01g/t Au from surface (starting at 2.9m) including 64.0m @ 1.67 g/t Au from 144m.

The intensity of hydrothermal alteration seen at Tesorito together with prolific gold mineralisation already recognised in the Quinchia district and elsewhere in the Cauca belt suggests this to be major mineralising system which offers significant potential for exploration success.

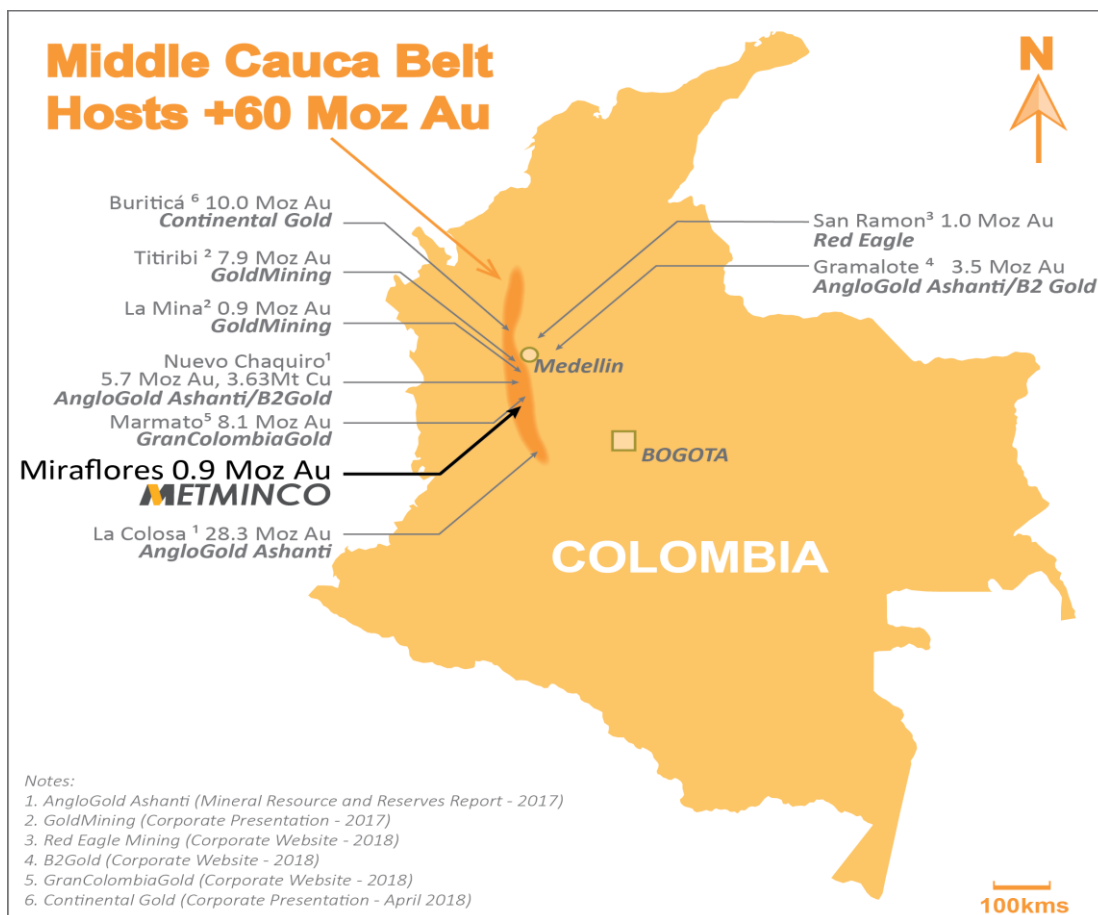


Figure 1: The Cauca Belt of Colombia, with the location of Metminco's Miraflores resource at Quinchia, which is adjacent to Tesorito.

### Results of the drilling program

The program comprised of four diamond drill holes, TS-DH-04 to 07, (Figures 2, 3 and 4) with results summarised in Table 1 below (previously announced on 31 July 2018 and 30 August 2018).

Drill Hole	Assays <sup>(1)</sup>
TS-DH-01 Previously drilled and reported	<b>266.5m @ 0.46 g/t Au from 83.5m</b>
TS-DH-02 Previously drilled and reported	<b>384.0m @ 1.01 g/t Au from 16.0m</b> including: 32.5m @ 1.34 g/t Au from 48.8m; and 156.6m @ 1.28 g/t Au from 88.3m.
TS-DH-03 Previously drilled and reported	<b>254.9m @ 0.51 g/t Au from 9.3m</b>
TS-DH-04 Recently drilled (refer ASX release of 31 July 2018)	<b>179.8m @ 0.7 g/t Au from 3m</b> including: 21.8m @ 1.03 g/t Au from 3m; and 88.0m @ 0.84 g/t Au from 26.8m.

TS-DH-05 Recently drilled (refer ASX release of 31 July 2018)	<b>140.3m @ 0.44 g/t Au from 1.7m</b> including: 16.9m @ 1.01 g/t Au from 1.7m; and 10.9m @ 0.56 g/t Au from 26.8m; and 15.5m @ 0.61 g/t Au from 112.6m.
	<b>38.7m @ 0.40 g/t Au from 179.0m</b> including: 10.3m @ 0.50 g/t Au from 179m
	<b>75.8m @ 0.60 g/t Au from 259.9m</b> including: 21.0m @ 0.76 g/t Au from 278.8m; and 12.9m @ 1.07 g/t Au from 308.2m.
TS-DH-06 Recently drilled (refer ASX release of 30 August 2018)	<b>130.0m @ 0.31 g/t Au from 2.0m</b> including: 18.0m @ 0.77 g/t Au from 78.0m.
TS-DH-07 Recently drilled (refer ASX release of 30 August 2018)	<b>253.1m @ 1.01 g/t Au from 2.9m</b> including: 18.0m @ 1.23 g/t Au from 54.0m; 10.0m @ 0.89 g/t Au from 94.0m; 10.0m @ 1.18 g/t Au from 126m; 64.0m @ 1.67 g/t Au from 144.0m; and 10.0m @ 1.10 g/t Au from 240.0m.

Table 1. Summary assay results from all drill holes to date at Tesorito.

<sup>(1)</sup> Refer to JORC Table 1 Section 2 in ASX release 30 August 2018 – Data aggregation methods for details on compositing.

From the results of the Tesorito drilling:

- all seven holes drilled into Tesorito have returned gold mineralisation from a multi-phase andesitic porphyritic intrusive complex;
- higher gold grades (TS-DH-02 and TS-DH-07) are continuous and occur within a much broader mineralisation envelope (+0.5 g/t Au);
- the overall trend of the gold trend is NE, but late in the drilling program it was recognised that there is also a NNW trend that may be important in localising the higher grade gold mineralisation traversed by TS-DH-02, TS-DH-04 and TS-DH-07. These are thought to be NW orientated early phase hydrothermal pulses injected within a NNW ellipsoid dilatational zone. At Tesorito, repetition of these structures to the north is suggested by the soil geochemistry (refer Figure 2);
- porphyry mineralisation has been intersected down to 380m below surface (TS-DH-02). Copper and molybdenum grades are seen to broadly increase with depth in the deeper hole (TS-DH-02); and
- intense phyllic alteration is mapped by the significant induced polarisation (IP) geophysical anomaly on the western edge of the Tesorito porphyry complex and is seen in the surface mapping and in

the drill core (TS-DH-05 and TS-DH-06). This suggests a major hydrothermal system exists approximately 200-300m to the northwest of the locus of the Tesorito prospect.

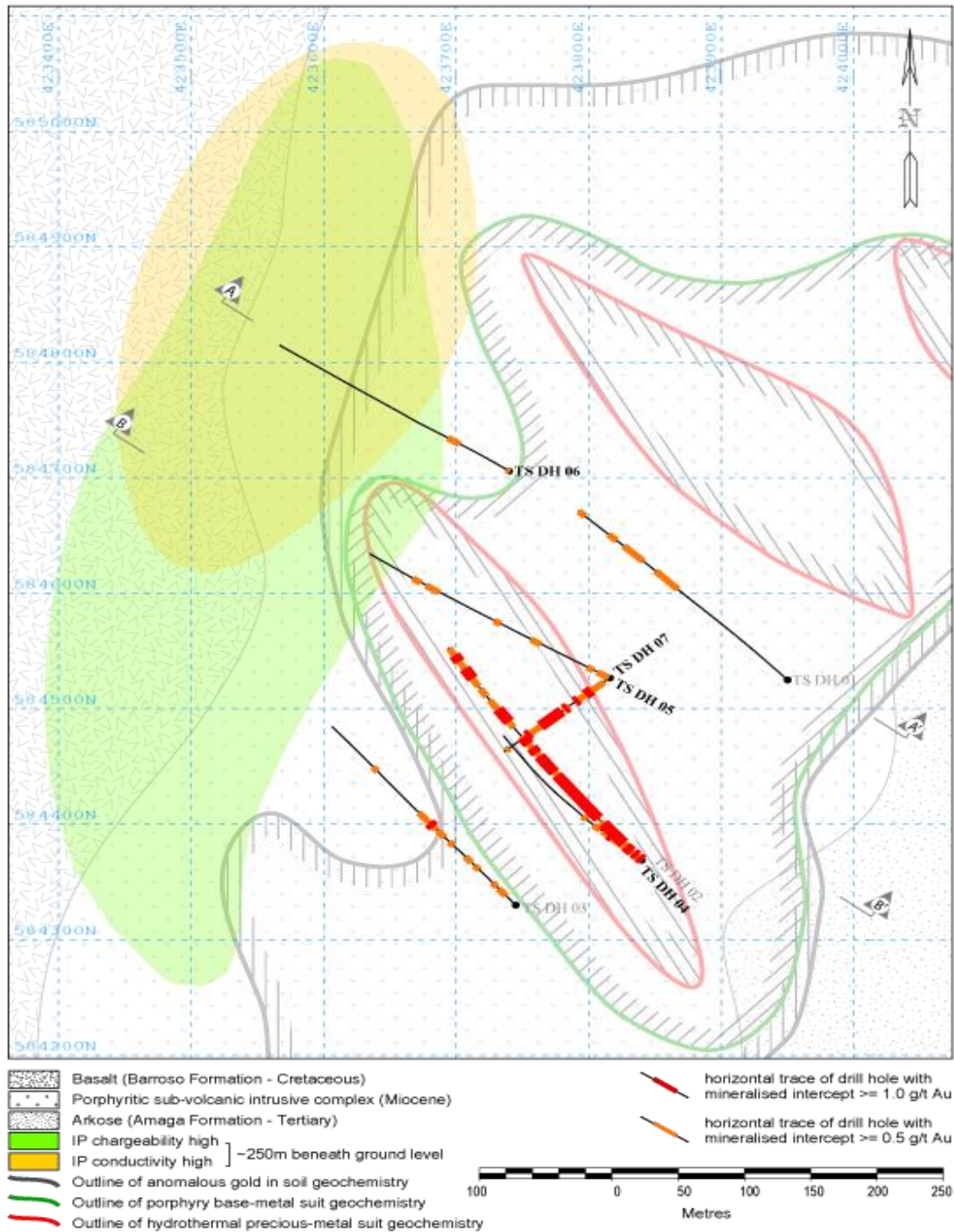


Figure 2: Plan of Tesorito drilling, showing location of drill traces and IP anomaly. Section B-B' is presented as Figure 3, below. For the other sections, refer to Table 1 in announcements of 31 July 2018 and 30 August 2018.

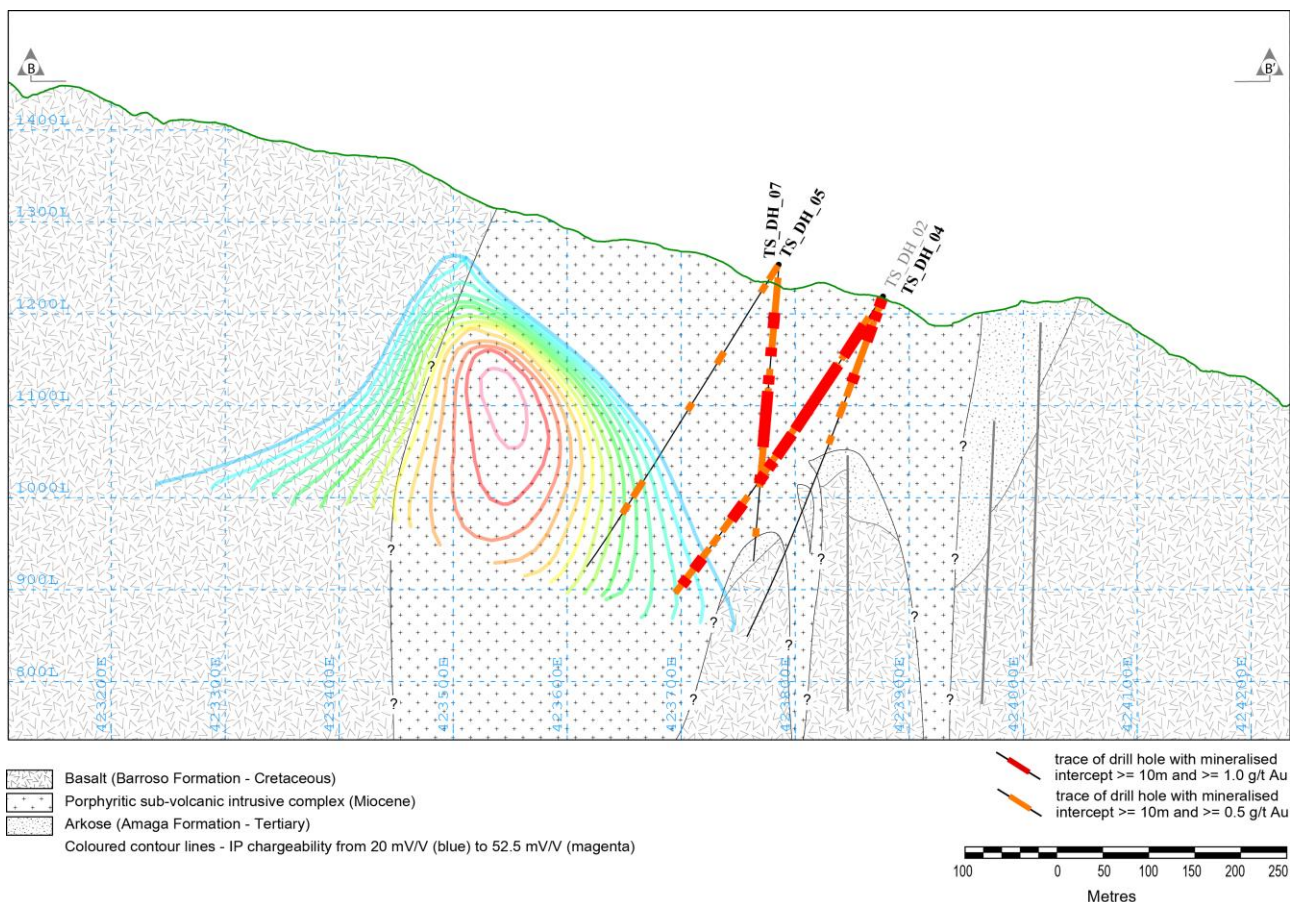


Figure 3: Cross section B-B' from Figure 2 showing TS\_DH\_04; TS\_DH\_05; TS\_DH\_07 and the IP chargeability anomaly.

## Chuscal

Chuscal, the second significant gold porphyry target within the Quinchia Gold Portfolio, features a large, undrilled gold geochemical anomaly over an area with artisanal mining which has highly encouraging channel sample grades.

During the quarter discussions progressed with AngloGold Ashanti to formalise a farm-in/joint venture agreement over the Project. The discussions were well advanced at the end of the reporting period.

Both Tesorito and Chuscal are located within 2km from the proposed gold plant at Miraflores (see below).

## Miraflores Gold Project

As previously reported, the Company submitted the Work Plan ("PTO") to the Colombian Mining Agency for mine development approval for the Miraflores Gold Project (refer Figure 2) in January 2018. Colombian regulations require both PTO and Environmental Impact Assessment ("EIA") approvals prior to commencement of construction and operation. As at the date of this report, approval of the PTO is awaited.

The critical path for the development of the project remains the completion of the EIA, including the validation of the impacts on the local communities and the gaining of the social licence for the project.

Seasonal water monitoring was completed during the quarter and the last required cycle will be completed in December and will inform the EIA submission, expected in 2019.

### **Review of Quinchia Gold Project tenement package**

With the appointment of Nick Winer, one of the initial tasks was a detailed technical/administrative evaluation of the Metminco tenement portfolio. Regional geochemical and geophysical data was compiled and interpreted to identify potential sources and controls for hydrothermal systems and prospective lithologies mapped. The prospectivity interpretation was weighted by administrative compliance of the tenements. As a result:

- 6 small, low priority / high risk tenements were dropped. These were situated on the margins of the Cauca River (environmentally protected zone) and with the presence of illegal mining activities.
- A new application TDR-11411 (4.7ha) was made covering a gap close to Tesorito.
- Work programs to reach decision points and ensure tenement compliance were defined.

### **Next Steps in Quinchia Gold Portfolio**

The regional data compilation and interpretation strengthen the belief that Quinchia may represent an underexplored gold district. To quickly evaluate this potential:

- a detailed logging program to map mineralogy/alteration on the recently acquired drill core at Tesorito will be undertaken to determine vectors for focusing next stage exploration drilling.
- stream sediment geochemistry will be used to identify area of interest and sterilise low priority zones to help further rationalise the tenement portfolio;
- soil sampling will be used to ensure tenement compliance and evaluate new target areas, to take them to a decision point;
- mapping of targets identified in the regional data drilling programs will be designed to test them; and
- the Chuscal JV agreement will be completed and drill targets verified.

## **Chilean assets**

No exploration activity was undertaken on the Chilean assets during the quarter.

At Mollacas, discussions were ongoing with prospective purchasers of the assets.

## **CORPORATE**

### **Appointment of Director of Exploration**

The Company announced on 2 August 2018 the appointment of Nick Winer to the role of Director of Exploration, based in Medellin, Colombia. Nick is an explorationist with over 30 years' experience in gold and base metals, mostly in South America. This includes four years as VP Exploration with AngloGold Ashanti Colombia, where he led the exploration team that discovered the world-class Nuevo Chaquiro copper-gold porphyry deposit, just 80km north of Quinchia.

## Proposed Acquisition of Nickel Project in the Solomon Island

On 19 September the Company announced that it had entered into an agreement (Agreement) to acquire Sunshine Minerals Limited, a company incorporated in the Solomon Islands with an 80% interest in a nickel laterite deposit, the Jejevo Nickel Project.

The binding term sheet was subject to satisfactory completion of due diligence and the Company progressed its investigations since that date.

Unfortunately, the Company has been unable to complete its due diligence to its satisfaction and, as announced on 30 October 2018, gave notice of its withdrawal from the Agreement. At the same time, the Company announced it has withdrawn a proposed rights issue to finance the proposed acquisition.

## Placement

The Company undertook a placement of 135,000,000 Metminco Shares at an issue price of AUD 0.4c (**Issue Price**) to raise \$540,000 using the Company's available capacity pursuant to ASX Listing Rule 7.1 (**Placement Shares**).

Each recipient of Placement Shares will also receive one (1) attaching listed option (**Placement Option**) (ASX: MNCOA) exercisable at AUD1.1c per share on or before 1 June 2020 for every three (3) new Metminco Shares subscribed under the Placement. The issue of Placement Options will be subject to shareholder approval.

The Placement Shares were allotted on 3 October 2018.

Patersons Securities Limited (**Patersons**) acted as lead manager to the Placement.

## Cancellation of Admission to trading of the Company's shares on AIM

It was announced on 19 September 2018 that the Board had determined that the continued admission to trading of Metminco Shares on AIM (**Admission**) was no longer in the best interests of Metminco and its shareholders.

The AIM listing was cancelled effective 7:00am BST, 17 October 2018 (5:00pm Australian Eastern Daylight Time, 17 October 2018).

Shareholders holding Metminco shares, as Depositary interests (**DI**), which are managed by Computershare UK, will have their DI holding converted to Metminco shares on a 1:1 basis and will be registered on the Company's Australian share register, managed by LINK Market Services.

Shareholders with DI holdings are referred to the Company's previous ASX release on 4 October 2018 for further information on the process of transfer to and registration of MNC shares in Australia.

At the date of this report, the capital structure of Metminco is 1,047,548,977 fully paid ordinary shares and 502,369,372 quoted options; and 24,691,278 unlisted options, 58,000,000 performance rights and 28,800,00

long term incentive plan options. A further 135,000,000 Placement Options (see above) will be issued subject to shareholder approval.

Cash held at 30 September 2018 was AUD\$0.4 million. The directors are in discussions with financiers and will announce a financing plan in the coming weeks.

**Andrew Metcalfe**  
**Joint Company Secretary**

### Mineral Tenements (Colombia) as at 30 September, 2018

#### Quinchia Gold Project

TENEMENT ID <sup>(1)</sup>	HOLDER <sup>(2)</sup>	TYPE OF CONTRACT <sup>(3)</sup>	STAGE
010-87M <sup>(4)</sup>	MCM	Contribution	Exploitation
DLK-14544X	MCM	Concession	Exploration
FCG-08353X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FHH-083	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
TDR-11411 <sup>(5)</sup>	MCM	Application	Exploration
GC4-15004X <sup>(5)</sup>	MCM	Application	Exploration
GC4-15006X <sup>(5)</sup>	MCM	Application	Exploration
GC4-15007X <sup>(5)</sup>	MCM	Application	Exploration
GC4-15008X <sup>(5)</sup>	MCM	Application	Exploration
GC4-15009X <sup>(5)</sup>	MCM	Application	Exploration
KHL-15421 <sup>(5)</sup>	MCM	Application	Exploration
KIH-08121 <sup>(5)</sup>	MCM	Application	Exploration
OG2-08081 <sup>(5)</sup>	MCM	Application	Exploration
OG2-08112 <sup>(5)</sup>	MCM	Application	Exploration
OG2-10591 <sup>(5)</sup>	MCM	Application	Exploration
OG2-8073 <sup>(5)</sup>	MCM	Application	Exploration

(1) All titles are part of the Quinchia Gold Portfolio, Quinchia, Department of Risaralda, Colombia.

(2) All title held 100% by Miraflores Compañía Minera SAS (MCM) a 100%-owned subsidiary of North Hill Holdings Group Inc., owned as to 100% by Metminco.

(3) Concessions at exploration stage have 3 year life extendable for two years to a maximum 11 years.

(4) 15 year life extendable for 15 years.



- (5) Applications have no legal liabilities nor certainty that they will be granted in whole or in part. If there was open ground at the time of lodging, a contract for exploration and potential exploitation it will be offered to the company.
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*For further information, please contact:*

**METMINCO LIMITED**

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### **Competent Person's Statements**

The information in this report that relates to Exploration Results is based on information compiled by Gavin Daneel, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged as a Consultant in Australia.

Gavin Daneel is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Daneel, as Competent Person for this report, has consented to the inclusion of the information in the form and context in which it appears herein.

+Rule 5.5

## Appendix 5B

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

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

#### Name of entity

METMINCO LIMITED

#### ABN

43 119 759 349

#### Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6- months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(321)	(767)
(b) development		
(c) production		
(d) staff costs	(413)	(782)
(e) administration and corporate costs	(83)	(122)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received		
1.7 Research and development refunds		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6- months) \$A'000</b>
1.8	Other (expenses accrued pre \$6.1M equity raising, paid in June quarter)	(981)	(981)
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,796)</b>	<b>(2,650)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(60)	(99)
	(b) tenements (see item 10)		
	(c) investments (RMB payment)	(1,000)	(1,000)
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,060)</b>	<b>(1,099)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	6,130	6,283
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(525)	(541)
3.5	Proceeds from borrowings		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6- months) \$A'000</b>
3.6	Repayment of Convertible Note	(842)	(842)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other – equity swap	-	44
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>4,763</b>	<b>4,944</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period / year	223	834
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,796)	(2,650)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,060)	(1,099)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,763	4,944
4.5	Effect of movement in exchange rates on cash held	(424)	(323)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,706</b>	<b>1,706</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,706	223
5.2 Call deposits	0	0
5.3 Bank overdrafts	0	0
5.4 Other (Term Deposits)	0	0
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,706</b>	<b>223</b>

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	99
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees, superannuation payments, advisory fees (under agreement)

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

N/A

**8. Financing facilities available**  
*Add notes as necessary for an understanding of the position*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

None

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	720
9.2 Development	0
9.3 Production	0
9.4 Staff costs	175
9.5 Administration and corporate costs	425
9.6 Other – redemption of convertible notes	0
<b>9.7 Total estimated cash outflows</b>	<b>1,320</b>

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	FKH-145511X FKH-145512X FKH-145513X FKH-141 FCG-08354X FCG-082 <i>All in Quinchia, Colombia</i>	Exploration Licence	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	TDR-11411 <i>Quinchia, Colombia</i>	Exploration Licence Application	-	-

### ***Compliance statement***

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



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

Date: 31<sup>st</sup> July 2018

Print name: Andrew Metcalfe

**Notes**

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



## Appendix 5B

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

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

### Name of entity

METMINCO LIMITED

### ABN

43 119 759 349

### Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9-months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(864)	(1,631)
(b) development		
(c) production		
(d) staff costs	(199)	(981)
(e) administration and corporate costs	(207)	(329)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	4
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received		
1.7 Research and development refunds		
1.8 Other (expenses accrued pre \$6.1M equity raising, paid in June quarter)	-	(981)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,268)</b>	<b>(3,918)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(77)	(176)
(b) tenements (see item 10)		
(c) investments (RMB payment)	-	(1,000)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9-months) \$A'000</b>
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(77)</b>	<b>(1,176)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	6,283
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(33)	(574)
3.5 Proceeds from borrowings		
3.6 Repayment of Convertible Note	-	(842)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other – equity swap	-	44
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(33)</b>	<b>4,911</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period / year	1,706	834
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,268)	(3,918)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(77)	(1,176)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(33)	4,911

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9-months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	19	(304)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>347</b>	<b>347</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	347	1,706
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (Term Deposits)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>347</b>	<b>1,706</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

<b>Current quarter \$A'000</b>
5
0

Directors fees, superannuation payments

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

<b>Current quarter \$A'000</b>
0
0

N/A

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

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

None

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation - Colombia	420
9.2 Development	0
9.3 Production	0
9.4 Staff costs	160
9.5 Administration and corporate costs	180
9.6 Other – redemption of convertible notes	0
<b>9.7 Total estimated cash outflows</b>	<b>760</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	FKH-145511X FKH-145512X FKH-145513X FKH-141 FCG-08354X FCG-082 <i>All in Quinchia, Colombia</i>	Exploration Licence	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	TDR-11411 <i>Quinchia, Colombia</i>	Exploration Licence Application	-	100%

**Compliance statement**

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

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

Date: 31<sup>st</sup> October 2018

Print name: Andrew Metcalfe

**Notes**

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