

## METMINCO Limited

### Quarterly Activities Report for period ending 31<sup>st</sup> March, 2019

#### HIGHLIGHTS

- **Chuscal: tenure awarding and drill targeting advanced**
- **Scheduled payments to RMB deferred**
- **Proposed merger with Andes Resources announced**
- **\$918,000 raised through placement of Convertible Notes**

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC) is pleased to present the activity report for the quarter ending 31<sup>st</sup> March 2019.

#### OPERATIONS

##### Quinchia Gold Portfolio, Colombia

The gold portfolio is contained within the Quinchia district located in the highly fertile Mid-Cauca Gold Belt of west-central Colombia (refer Figure 1). The portfolio is the Company’s key asset and within a 3km radius comprises the following:

- the Miraflores deposit (0.88Moz gold Resource, and 0.37Moz gold Reserve, refer to announcement dated 27<sup>th</sup> October 2017);
- the Dosquebradas deposit (0.92Moz gold Resource estimated under NI 43-101 – refer to announcement dated 7<sup>th</sup> March 2016);
- the recently drilled Tesorito gold porphyry target; and
- the undrilled Chuscal gold target which is subject to a recently announced joint venture with AngloGold (refer Figure 2).

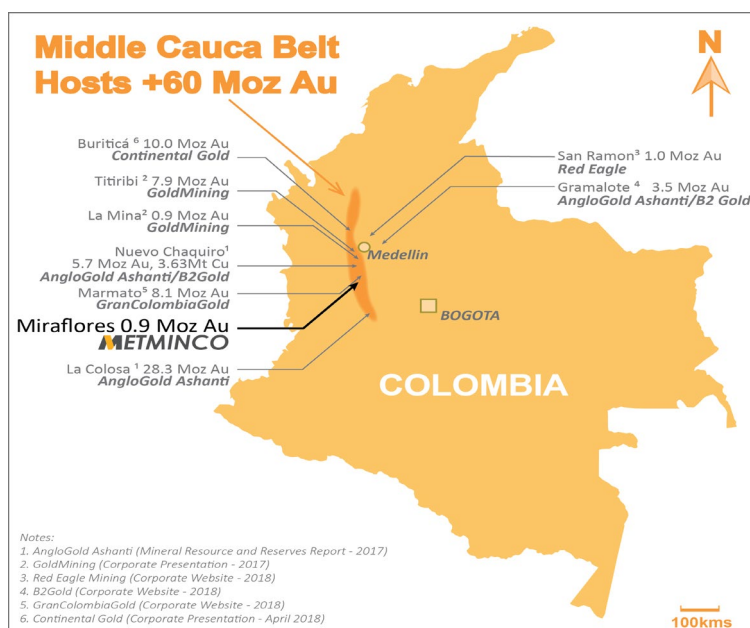
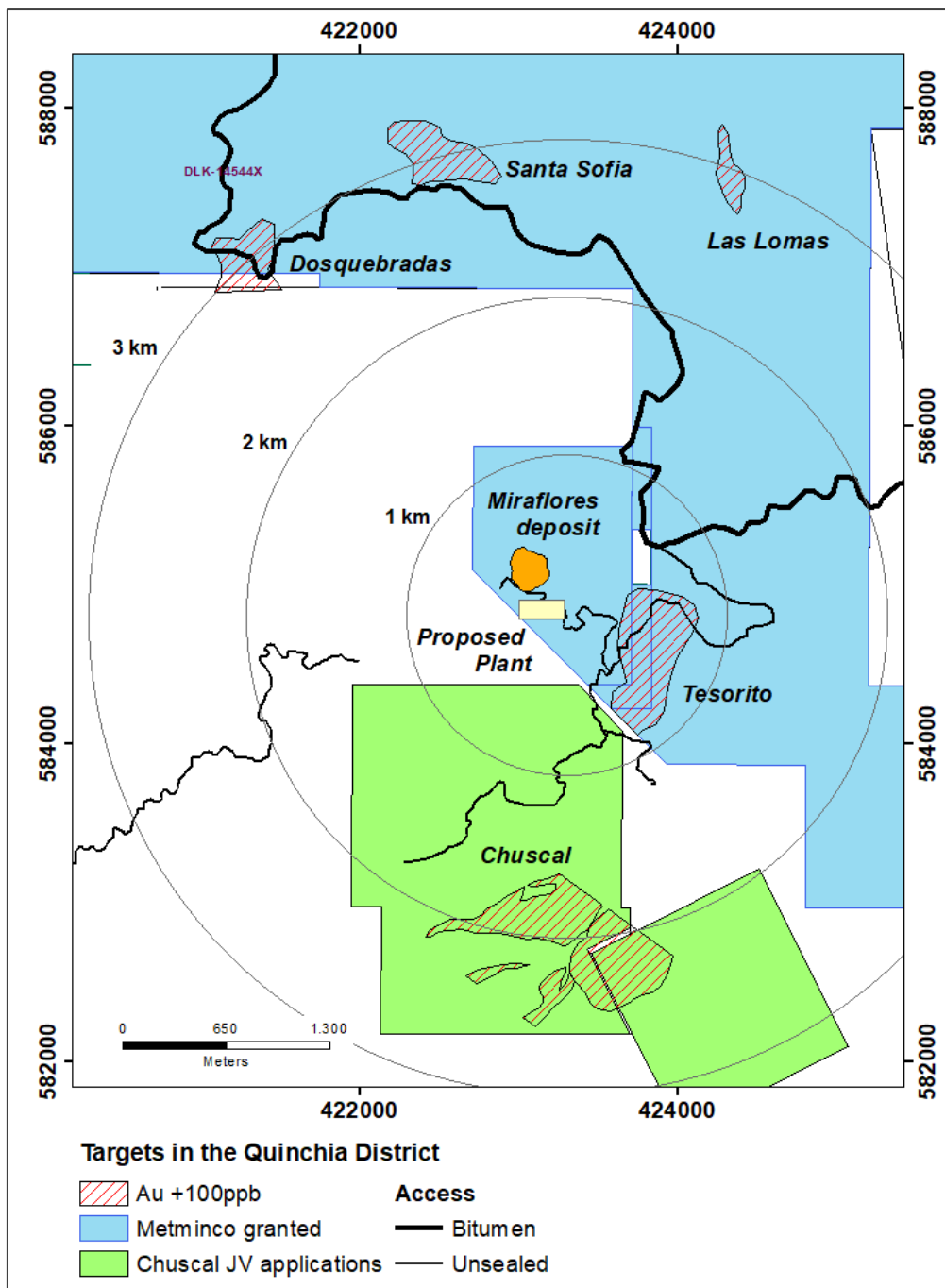


Figure 1: The Mid-Cauca Belt of Colombia, with the location of Metminco’s Miraflores deposit



**Figure 2: Metminco's Quinchia portfolio and distance to proposed Miraflores plant site.**

During the March Quarter, focus within the Quinchia Portfolio was fourfold:

1. Cesar Garcia, a Senior Geologist joined the exploration team. Cesar has over 10 years' experience with AngloGold and was part of the team that discovered the world class La Colosa and Nuevo Chaquiro deposits and developed the Chuscal target;
2. interrogation and site checking of the integrated Quinchia dataset to inform targeting for an upcoming maiden drill program at Chuscal;
3. continued evaluation and rationalisation of the Quinchia tenement portfolio; and
4. maintaining and improving the Social Licence for Miraflores.

## Chuscal

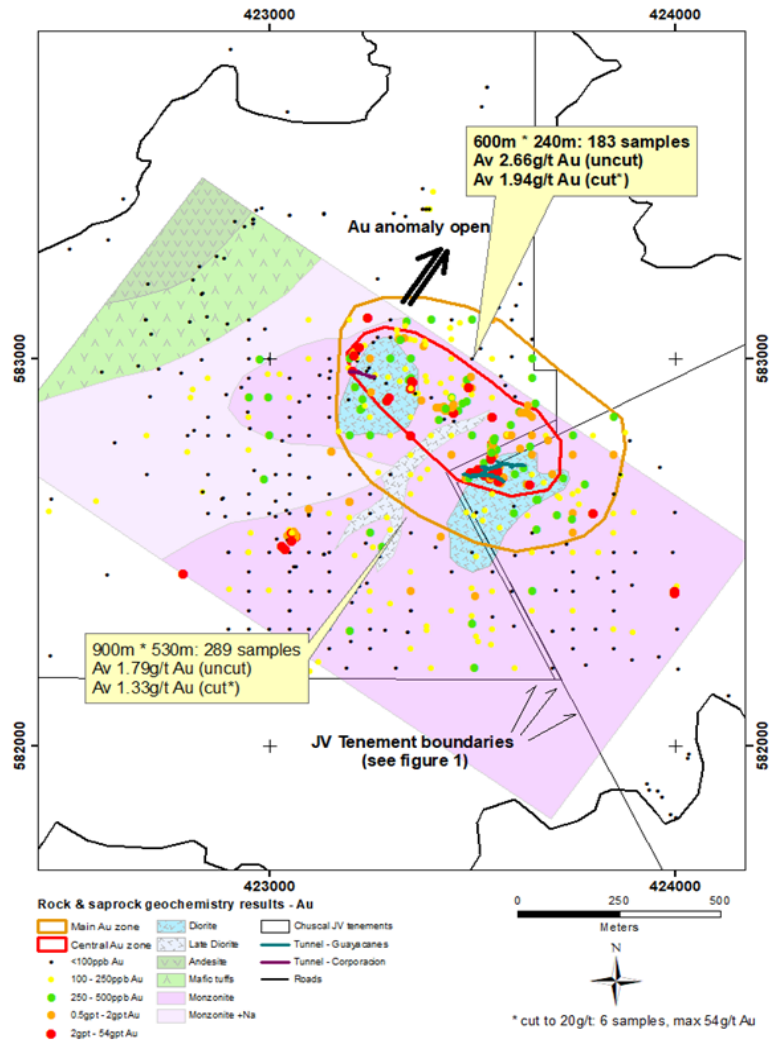
On 6<sup>th</sup> December 2018 Metminco announced that it had entered into a joint venture with AngloGold Ashanti Ltd (“**AngloGold**”) to develop the Chuscal gold target. Chuscal is the second new exploration target being developed, after Tesorito, within the area of influence of Metminco’s proposed Miraflores mine.

The Chuscal gold zone is a 900m by 530m Au target (+100ppb Au in soils) within which highly anomalous rock samples have been collected by AngloGold (refer Figure 3).

- The rock chip sampling has defined a Central Zone of 600m long by 240m wide (183 samples) where the average grade of samples is 2.66gpt Au (uncut) or 1.94gpt Au (cut<sup>1</sup>). Twelve of the samples encountered grades over 10gpt Au and six reported grades over 20gpt Au, with the highest at 54gpt Au.
- This is incorporated within a broader area (Main Zone) of 900m long by 530m wide (289 samples) where the average grade of samples is 1.79gpt Au (uncut) or 1.33gpt Au (cut<sup>1</sup>).

Channel sampling of the small-scale underground mine in the southeast corner of the Central Zone (the Guayacanes tunnel) was undertaken by a previous owner in 2012. Sampling results had been previously only partially described (refer ASX announcement dated 16<sup>th</sup> September 2016) but the absence of laboratory certificates and QA/QC data precluded a full analysis and description at that time. In January, after obtaining validated certificates and QA/QC data, Metminco released a full description in compliance with JORC 2012 (refer ASX announcement dated 21<sup>st</sup> January 2019).

1. Topcut to 20gpt Au, 6 samples, max 54gpt Au.



**Figure 3: Gold values in surface rockchip samples at Chuscal showing the envelopes around samples included in grade averaging in the Central and Main zones and the location of the underground workings.**

The underground sampling comprised 120, approximately two-meter long channel samples taken along the length of the underground working. These delivered gold grades of up to 250gpt with 10% of samples having grades over 10gpt (average grade 62.7gpt). The higher gold grades are associated with two or three vein systems with elevated silver (up to 59gpt) and associated arsenic, antimony, tungsten and tellurium. In the cross-cuts between these veins, continuous lower grade (1gpt to 3.9gpt) gold mineralisation is present (refer Figures 2 & 3 of ASX announcement dated 21<sup>st</sup> January 2018).

Analysis of the multi-element geochemistry and correlation with surface mapping confirmed that the gold mineralisation is hosted by a porphyritic diorite but also extends into the altered monzonite. Two mineralization populations are clearly distinguished and reflect:

- an early phase of stockwork / disseminated mineralization (porphyritic diorite) with an average grade of approximately 1.5gpt Au; cut through by
- a later high-grade epithermal vein population with an average grade of approximately 8gpt Au using a 20gpt Au topcut (uncut: 19gpt Au).

No detailed mapping was undertaken during the channel sampling and mineralisation widths have not been estimated. As such the grades reported are considered indicative only at this stage. Nevertheless, they are considered encouraging and are supported by the surface rockchip and soil sampling.

While the underground development covers a very small area within the target zone, it demonstrates the potential for a late stage, high grade vein system hosted by a large volume, stockwork / disseminated style of mineralisation, just 1,700m south of the proposed Miraflores plant site.

#### **Development of Drill Program**

Drilling will commence once the exploration titles are granted and all permits and approvals are obtained, and financing is secured. With the impact of the potential merger with Andes Resources Pty Ltd ("**Andes**") this is anticipated to be Q3, 2019.

Prior to drilling, a surface (on geochemistry rejects) and underground (on magnetic susceptibility) mapping program will be carried out to allow detailed, constrained 3D modelling of existing aeromagnetic data. This will be combined with results of underground mapping and sampling, to define structures and mineralisation characteristics to guide drilling. Further details will be provided once this process is completed.

Subject to landowner access, soil sampling will be extended to the north of the existing grid to cover the Chuscal anomaly and cover the strike extension of the Tesorito target. This has not been previously evaluated but passes through the Chuscal tenement.

#### **Quinchia Tenement Portfolio Management**

Following an evaluation of the tenements within the Quinchia Portfolio, the contracts for 2 tenements situated over the northern extension of the Quinchia District were terminated. Based on the information available the primary justifications were the low exploration potential for primary mineralisation and proximity/overlap with the Quinchia town limits and interference with an Indian community in the north. These tenements have no impact on the core project area.

At Chuscal, the *Audiencia Publica* (socialisation of the proposed grant of title) occurred on 15 March 2019. This process was successfully completed by the Colombian Mining Authority. The Exploration Licence contracts ("ELs") are on track for signing in Q2, 2019.

Following grant of the ELs, the Company expects to rapidly mobilise to undertake an approximately 2,500m maiden diamond drilling program to test the large outcropping Chuscal porphyry gold target with epithermal gold overprint, which comprises a large coincident geochemical and geophysical anomaly above an artisanal mining operation. This program is due to occur shortly after, and subject to, the completion of the proposed merger with Andes and associated financing (refer ASX release dated 13 March 2019 and elsewhere in this report).

#### **Tesorito**

No further work was carried out at Tesorito. Further drilling is required, and will be considered within the Chuscal evaluation program. Chuscal has the potential to produce high grade vein mineralisation while to date, Tesorito is regarded as an outcropping medium grade (1gpt to 1.7gpt) gold porphyry system.

TSDH-02 reported 384m @ 1.01g/t Au from surface to end-of-hole (refer to announcement of 30 August 2018) and TSDH-07, 253.1m @ 1.01 g/t Au from 2.9m, including 64.0m @ 1.67 g/t Au from 144m.

### 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. The PTO approval has been received.

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 strengthening of social licence for the project. Major progress was made with the inauguration of a Cooperative for the development of co-financed projects to provide alternative lifestyles for Miraflores informal miners.

### Next Steps in Quinchia Gold Portfolio

Focus will be on the Chuscal Project where a drill program is being developed. This entails:

- completion of surface access agreements;
- extension of the Chuscal soil grid to close the anomaly to the north and test the extension of the Tesorito trend;
- access to underground workings for mapping and re-sampling where necessary;
- grant of the two Chuscal Exploration Licences, expected in Q2, 2019; and
- evaluation of the results of stream and soil programs carried out in Q4, 2018.

### Chilean assets

No exploration activity was undertaken on the Chilean assets during the quarter. Discussions continued with prospective purchasers of the assets at Mollacas.

## CORPORATE

### Financings and share movements

- On 31<sup>st</sup> December, 11,600,000 performance rights and 9,600,000 performance options lapsed. These securities had been issued under the Company’s Long Term Incentive Plan.
- On 9<sup>th</sup> January 2019, the Company allotted 45,000,000 listed options (ASX: MNCOA) following approval received at an EGM held on 24<sup>th</sup> December 2018. These options were issued as attaching options to a placement of shares undertaken in 2018.
- On 21<sup>st</sup> January 2019, 23,950 listed options were exercised into fully paid shares.
- **Rights Issue Shortfall.** In the quarter ended 31<sup>st</sup> December 2018, the Company undertook a pro rata renounceable offer (“**Rights Issue**”) to eligible shareholders for the issue of 2 new shares for every 5 shares held at the record date on Friday, 30<sup>th</sup> November 2018 at an issue price of \$0.003 each. The Rights Issue closed on 14<sup>th</sup> December 2018 and was partially underwritten by Executive Chairman, Kevin Wilson.

A total of 55,534,354 shares were applied for, amounting to 13.3% of the offer. An additional 33,333,333 shares were taken up by the Executive Chairman. A total of 88,867,687 shares were issued on 18<sup>th</sup> December 2018 for proceeds of \$267,000 before costs.

Under the terms of the Rights Issue the Company had the right to place any or all of the 330,151,904 shortfall shares within three months of the closing date. On the 15<sup>th</sup> February 2019, the Company placed 51,500,000 fully paid shares from the available shortfall shares for proceeds of \$154,500 before costs.

- **Convertible Note Issuance as Interim Financing of Proposed Merger.** On 13<sup>th</sup> March 2019 the Company announced its proposed merger with Andes and also announced an interim financing of up to \$1,000,000 via the issuance of Convertible Notes which will go towards satisfying the proposed \$4 million (before costs) capital raising Metminco intends to undertake, in conjunction with Andes, as part of the proposed merger ("**Proposed Merger**") (refer below). On 29<sup>th</sup> March the issue closed with \$918,000 raised (before costs).

The Convertible Notes have a face value of \$3,000 each, are unlisted, have zero coupon and are repayable in limited circumstances.

The Convertible Notes have been issued in a single tranche, but they will convert into fully paid ordinary shares in Metminco in two tranches, as follows:

- The shares resulting from the conversion of the first 115 Convertible Notes ("**Tranche 1 Notes**") will be issued under the Company's existing placement capacity available under ASX Listing Rule 7.1.<sup>1</sup> The Tranche 1 Notes will automatically convert into fully paid ordinary shares at the conversion price of \$0.003 upon successful completion of the Proposed Merger.
- The shares resulting from the conversion of the remaining 219 Convertible Notes ("**Tranche 2 Notes**") (which will be issued as debt securities) will convert subject to Metminco shareholder approval. Subject to the receipt of shareholder approval, the Tranche 2 Notes will convert at a conversion price of \$0.003 upon successful completion of the Proposed Merger.

In the event the Proposed Merger becomes incapable of completion, the conversion price for the Convertible Notes will reduce to \$0.002.

Subject to shareholder approval, the Company will issue 1 free attaching option exercisable at \$0.004 within 2 years from the date of issue for each share issued under the Convertible Notes.

In the event shareholders do not approve the conversion of the Tranche 2 Notes, the Tranche 2 Notes will remain on issue until the Company does one of the following:

1. obtains a subsequent shareholder approval;
2. converts all or a portion of the Tranche 2 Notes from its available placement capacity as and when it sees fit (noting that at no time does the Company have an obligation to use its available placement capacity – nor does a convertible note holder have a right to call for the conversion of the Tranche 2 Notes); or
3. repays the Tranche 2 Notes,

noting that if the Tranche 2 Notes remain on issue 12 months after the conversion of the Tranche 1 Notes, the Tranche 2 Notes must be repaid.

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<sup>1</sup> The Company's available placement capacity is 178,191,092. The maximum number of Shares the Tranche 1 Note may convert into (assuming a conversion price of \$0.002) utilising the Company's placement capacity is 172,500,000.



The Company intends to seek shareholder approval for the conversion of the Tranche 2 Notes and issue of the options in conjunction with the other shareholder approvals sought for the Proposed Transaction. The Company intends to convene this meeting in Q2, 2019.

### **RMB scheduled acquisition payment**

In 2016 Metminco acquired the Quinchia Gold Portfolio from RMB Australia Holdings Limited (“**RMB**”) (refer ASX announcement 31<sup>st</sup> May 2016). As part of the consideration for the acquisition, \$7.0 million was due to be paid to RMB over a four year period to 2020.

The third and penultimate scheduled payment of \$3.0 million was due on 20<sup>th</sup> June 2019. On 15<sup>th</sup> February 2019 the Company announced that it had agreed with RMB to defer the June 2019 tranche of the Miraflores acquisition payment to June 2020.

This agreement is expected to be superseded by a broader restructure of the RMB acquisition payment in connection with the Proposed Merger with Andes Resources Limited described below.

### **Proposed Merger with Andes Resources**

On 13<sup>th</sup> March 2019 Metminco announced that it had signed a non-binding indicative offer (“**NBIO**”) with Andes in connection with a Proposed Merger of the two companies. Subject to completion of the Proposed Merger, the merged company will have a well-rounded portfolio of projects, from untested targets through to a potential development project in the advanced stage of permitting, and will have aggregated a dominant tenement position in the Quinchia and Andes Gold Districts of the richly endowed Mid-Cauca Gold and Copper-Gold Belt in Colombia.

Both Metminco and Andes remain committed to agreeing final merger terms as soon as practicable, and are in close consultation with key major stakeholders to finalise commercial terms and complete their respective due diligence investigations. The parties are currently progressing a bid implementation agreement and will update the market accordingly.

Metminco expects to update the market in respect of the merger and associated transactions in early May. An EGM will be required for shareholders to approve any proposed merger transaction.

### **AGM scheduled for 17<sup>th</sup> May 2019**

The Company’s AGM is scheduled for 10am Friday, 17<sup>th</sup> May 2019 at the offices of Grant Thornton, Collins Square, Tower 5, Level 22, 727 Collins St, Melbourne VIC 3008.

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



**Mineral Tenements (Colombia) as at 31<sup>st</sup> March, 2019****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
DLK-142 <sup>(6)</sup>	AngloGold (JV)	Concession	Exploration
FCG-08353X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
TDR-11411 <sup>(5)</sup>	MCM	Application	Exploration
GC4-15004X <sup>(5)</sup>	AngloGold	Application	Exploration
GC4-15006X <sup>(5)</sup>	AngloGold	Application	Exploration
GC4-15007X <sup>(5)</sup>	AngloGold	Application	Exploration
GC4-15008X <sup>(5)</sup>	AngloGold	Application	Exploration
GC4-15009X <sup>(5)</sup>	AngloGold	Application	Exploration
GC4-15002X <sup>(6)</sup>	AngloGold (JV)	Application	Exploration
GC4-15005X <sup>(6)</sup>	AngloGold (JV)	Application	Exploration
KHL-15421 <sup>(5)</sup>	AngloGold	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; unless otherwise noted.
- 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 neither legal liabilities nor certainty that they will be granted in whole or in part. If there was open ground at the time of lodging, a contract for exploration and potential exploitation will be offered to the applicant. Applications currently in the name of AngloGold will be transferred to Metminco on grant.
- 6) Metminco has a 10% beneficial interest in these tenements, with the right to earn up to 51% interest through a JV with AngloGold.

For further information, please contact:

**METMINCO LIMITED**

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## Competent Person's Statements

### JORC STATEMENTS

#### COMPETENT PERSONS STATEMENT

The technical information contained in this presentation that relates to Exploration Results (excluding those pertaining to Mineral Resources and Reserves) is based on information compiled by Mr Gavin Daneel, who is a Member of the Australasian Institute of Mining and Metallurgy and who is an independent Consulting Geologist. Mr Daneel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Daneel consents to the inclusion in the release of the matters based on the information he has compiled in the form and context in which it appears.

The Company is not aware of any new information or data that materially affects the information included in this release.

#### TABLE 1 - MIRAFLORES PROJECT RESOURCES AND RESERVES

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14<sup>th</sup> March 2017. The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 27<sup>th</sup> November 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

##### Miraflores Mineral Resource Estimate, as at 14<sup>th</sup> March 2017

Resource Classification	Tonnes ('000)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
<b>Measured &amp; Indicated</b>	<b>9,269</b>	<b>2.82</b>	<b>2.77</b>	<b>840</b>	<b>826</b>
Inferred	487	2.36	3.64	37	57

##### Notes:

- i) Reported at a 1.2g/t gold % Cu cut-off.
- ii) Mineral Resource estimated by Metal Mining Consultants Inc.
- iii) First publicly released on 14<sup>th</sup> March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
- iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
- v) Rounding may result in minor discrepancies.

##### Miraflores Mineral Reserve Estimate, as at 27<sup>th</sup> November 2017 (100% basis)

Reserve Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
<b>Total</b>	<b>4.32</b>	<b>3.29</b>	<b>2.77</b>	<b>457</b>	<b>385</b>

##### Notes:

- i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
- ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
- iii) First publicly released on 27<sup>th</sup> November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.
- iv) Source: Ausenco, 2017.

## 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")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3-months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(127)	(127)
(b) development		
(c) production		
(d) staff costs	(135)	(135)
(e) administration and corporate costs	(116)	(116)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received	24	24
1.7 Research and development refunds		
1.8 Other		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(354)</b>	<b>(354)</b>

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

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3-months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>0</b>	<b>0</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	155	155
3.2 Proceeds from issue of convertible notes	918	918
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(70)	(70)
3.5 Proceeds from borrowings	50	50
3.6 Repayment of Convertible Note		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other – equity swap		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,053</b>	<b>1,053</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	168	168
4.2 Net cash from / (used in) operating activities (item 1.9 above)		
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(354)	(354)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,053	1,053
4.5 Effect of movement in exchange rates on cash held	41	41
<b>4.6 Cash and cash equivalents at end of period</b>	<b>908</b>	<b>168</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	908	168
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>908</b>	<b>168</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

**Current quarter  
\$A'000**

18

0

Directors fees during the quarter – nil  
Superannuation guarantee payments made in respect of directors

**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

**Current quarter  
\$A'000**

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	50	50
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.		

Loan received from Director to fund working capital

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	414
9.2 Development	0
9.3 Production	0
9.4 Staff costs	95
9.5 Administration and corporate costs	163
9.6 Other	0
<b>9.7 Total estimated cash outflows</b>	<b>672</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	DLK-141 and FHH-083	Exploration Concessions at Quinchia, Colombia	100% (for both)	0% (for both)
10.2 Interests in mining tenements and petroleum tenements acquired or increased	Nil			

**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: 30<sup>th</sup> April 2019

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.