



## ADVANCED HIGH GRADE COPPER GOLD PROJECT IN COLOMBIA

### TRANSACTION SUMMARY

<b>Issuer</b>	<b>ANDEAN MINING LIMITED - ASX:ADM</b> ABN 98 625 466 006
<b>Transaction</b>	Initial Public Offering (IPO) to raise a minimum of A\$6m and up to a maximum of A\$7m
<b>Terms</b>	Issue price of A\$0.20 per share
<b>Lead Broker</b>	<b>Novus Capital Limited</b>
<b>Co-Advisor</b>	Cadmon Advisory

### PROJECT & INVESTMENT HIGHLIGHTS

- High grade El Dovio copper/gold VMS project located in Colombia
- Historical drilling and underground development
- Sabana Blanca “stringer zone” contains high grade core within broad halo of stockwork mineralisation
- Mineralisation over 1 km in strike and open at depth
- Excellent recoveries from metallurgical test work ~93%
- Potential main feeder zone (Brazo 1) identified
- IPO funds to drill maiden JORC resource across known mineralised areas.
- Very Competitive IPO pricing considering the quality of the assets and advanced stage of exploration.
- Hands on Management team with ample experience in the region and Colombia

Andean has acquired **100% ownership** of the high-grade copper/gold El Dovio VMS project in Colombia from Newrange Gold Corp of Canada. (TSXV:NRG.V)

The Company lodged its prospectus on November 1<sup>st</sup> and expects to go live around the 7<sup>th</sup> of November 2021. The prospectus seeks to raise between \$6m and \$7m to fund exploration and drilling aiming to define a maiden JORC resource at El Dovio.

#### EL DOVIO PROJECT OVERVIEW

**EL DOVIO hosts a high-grade copper/gold Volcanogenic Massive Sulphide (VMS) system located in the Department of Valle del Cauca, Colombia.**

To date, four mineralised areas have been identified at El Dovio; Sabana Blanca, Brazo 1 and Contacto, Granizales and Sopetrana.

The Sabana Blanca “stringer zone” has been the main focus of historical activity with underground development, surface trenching and sampling and diamond drilling identifying a system that is up to 60m wide within which high grade copper/gold zones averaging between 4m and 6m are developed. Option to develop either a high tonnage low to medium grade or a low to medium tonnage high grade mining operation. **Project development expected to be economic with 4MT+ due to very high grades.**

The Brazo 1 and Contacto zones are potentially the main feeder zone for local mineralisation. Diamond drilling on the Brazo 1 zone will target potential sub-vertical mineralization believed to be associated with the main VMS system at El Dovio and has the potential to add significant tonnage to the deposit.

The Granizales zone 400m south of Sabana Blanca has identified VMS “stringer” zone mineralisation at surface with grades up to 8.0g/t Au and 1.8% Cu and is undrilled. . The Sopetrana ‘stringer zone is developed in the footwall of Sabana Blanca with surface trenching exposing 3m at 2.1g/t Au and 7.87% Cu.

Results from the ongoing metallurgical testwork have indicated that recovery for all metals into separate copper and zinc concentrates **exceeds 95%**. Importantly testwork has also indicated that 93.6% of the gold and 86% of the silver report into the copper concentrate



which will have a significant and positive effect on the economics of any development at El Dovio.

*Fig 1 Colombia has emerged as an attractive jurisdiction for exploration and mine development, with several major new mines now under construction. It is a mining friendly jurisdiction and scores well on surveys of investment attractiveness, ahead of Chile and Peru, as done by the Fraser Institute 2020. Population ~50m: Annual Gold production ~ 55-60 tonnes*

#### MAIDEN RESOURCE TARGETS

A 15,000m in-fill and step out drilling program has been designed to provide sufficient data to establish a maiden resource at El Dovio. The Company will initially focus on the Sabana Blanca zone where a well mineralised massive sulphide stockwork zone is host to at least 7 identified high grade lenses.

##### 1. The Stockwork zone

The stockwork zone has been identified by surface trenching, underground development and drilling with a strike of 300m, width of mineralisation up to 60m and depth of known mineralisation at least 200m.

(For example: Trench 2 returned an apparent width of 65m @ 4.65g/t Au and 0.46% Cu and Trench 1 returned a true width of 30m @ 2.6g/t Au and 1.6% Cu)

##### 2. High grade lenses

7 high grade lenses have been modelled within the Sabana Blanca stockwork. The width of the lenses is generally between 3 and 6m with the individual length and depth components open. For example, Surface Diamond Drill Hole D13-02 intersected a mineralised VMS lense of 6.65m @ 4.79g/t Au, 6.56% Cu, 28.36g/t Ag and 0.29% Zn

#### STRATEGY

The Company’s overriding strategy is firstly to identify sufficient resources within the high-grade lenses to sustain a 1,000tpd operation for at least 10 years as a starter operation. This option presents the best case with respect to low capital and operating costs and maximising shareholder returns.

Concurrently and as an alternative, the Company will assess the potential of the stockwork system to deliver a large tonnage lower grade development option.



## HIGH GRADE INTERSECTIONS

Diamond drilling (all holes in the vicinity of trenches T1, T6 and adit)					
HOLE ID	m	Au	Cu	AuEq	CuEq
1360_01	5.30	4.34	3.23	8.45	7.33
1360_02	6.04	7.87	0.84	10.72	9.19
1360_03	5.00	3.71	0.29	5.04	4.32
D13_02	6.00	3.18	1.90	5.84	5.11
D13_02	6.65	4.79	6.56	12.94	11.31
D13_04	5.10	4.08	1.38	5.98	5.21
D13_04	6.30	1.05	5.29	7.61	6.67
D13_05	4.95	7.47	7.71	17.78	15.59
D13_06	2.40	3.90	4.00	9.75	8.48
D13_07	6.25	1.97	3.79	7.1	6.21
D13_08	4.00	2.81	1.75	5.33	4.65
Adit sampling					
	m	Au	Cu	AuEq	CuEq
Main Adit	21.00	9.18	2.46	13.14	11.26
X Cut 1	7.00	4.81	0.03	5.06	4.34
X Cut 2	18.00	4.98	0.08	6.62	5.67
Trench sampling					
Trench ID	m	Au	Cu	AuEq	CuEq
T-1	4.00	7.90	3.50	12.43	10.65
T-2	7.00	27.40	0.20	28.00	23.99
T-5	4.00	7.80	0.40	8.41	7.20
T-6	6.00	13.00	5.90	21.05	18.04
Notes for Equivalent calculations:					
$AuEq = (Au \times 1) + (Cu \times 1.1673) + (Zn \times 0.4386) + (Ag \times 0.0127)$					
$CuEq = (Au \times 0.8567) + (Cu \times 1) + (Zn \times 0.3758) + (Ag \times 0.0109)$					
Gold and copper equivalent values were calculated assuming 100% recovery of all metals, using the following metal prices in USD:- Gold: \$1891 per troy ounce (\$83.28 / gram), Silver: \$24 per troy ounce (\$1.06 / gram), Copper: \$3.22 / pound and Zinc: \$1.21 / pound.					

## APPLICATION OF FUNDS

Funds raised from the IPO will be directed as follows;

	Raising (A\$6.0M)	Raising (A\$7.0M)
Exploration	\$4,012,000	\$4,930,000
Metallurgical testwork	\$100,000	\$100,000
IPO costs	\$468,000	\$530,000
Corporate costs	\$1,175,000	\$1,175,000
Working Capital	\$245,000	\$265,000
Placement	\$6,000,000	\$7,000,000

Note: Exploration costs include surface exploration and diamond drilling

## INDICATIVE TIMETABLE FOR IPO Subject to change

Stage	2021
• Lodgement of Prospectus with ASIC	Oct
• Opening of Public Offer	Nov
• Completion of Public Offer	Nov
• Admission & Commencement of trading	Dec

## INDICATIVE CAPITAL STRUCTURE @ \$6m IPO

Holders	Minimum Raise	% Post IPO	Maximum Raise	% Post IPO
Founders & Seed Investors	16,591,371	21.6%	16,591,371	20.30%
NewRange Gold (Vendor)	2,927,889	3.8%	2,927,889	3.58%
Pre IPO Con Notes, Interest & Advisers	27,228,895	35.5%	27,228,895	33.31%
IPO	30,000,000	39.1%	35,000,000	42.81%
<b>Total - Post IPO</b>	<b>76,748,155</b>		<b>81,748,155</b>	
<b>Market Cap</b>	<b>\$15,349,631</b>		<b>\$16,349,631</b>	
<b>Enterprise Value (EV) at IPO</b>	<b>\$9,349,631</b>			
Options - Seed Shareholders & Founders	32,674,820	25m @ 20c-3yr, 3.8m @ 25c-3yr 3.8m @ 30c-4yr		
Performance Shares for Management	7,674,815	JORC 3yrs 500Koz Au / 125Kt Cu min50% indic		

Performance shares to a maximum of 10% of the post IPO capital will be granted for no consideration to directors and management should they meet the required hurdle being the definition at El Dovo of a JORC compliant mineral resource estimate of 500,000oz gold or equivalent or 125,000t of copper equivalent with at least 50% classified as Indicated within 3 years of the IPO. These performance shares are not included in the capital structure shown.

## PROPOSED BOARD & MANAGEMENT

Team	Summary
<b>Phillip Wing</b> Non-Executive Chairman	Phillip has more than 30 years' experience in the financial sector and capital markets. Phillip is Chairman of Andean Mining and is Chairman of Medical Channel Australia.
<b>William Howe</b> CEO/Managing Director	William has over 40 years' experience in the mining industry. He was a founding director of Straits Resources and has spent most of his career in mine development, operations management and corporate management in Southern and West Africa, South East Asia, Australia and South America. Most recently William was Managing Director of Metminco Limited from 2010 to 2018 and has over 4 years direct operating experience in Colombia and will be resident in Colombia overseeing the project
<b>Paul Ingram</b> Non-Executive Director	Paul is a geologist with over 40 years' experience in mineral exploration and development. He was Managing Director of several publicly listed companies including Menzies Gold Ltd, Caledon Resources PLC and Polo Resources PLC. He is currently a non-executive director of two ASX listed companies, A-Cap Energy Pty Ltd and Impact Minerals Pty Ltd.
<b>James Green</b> Non-Executive Director	Jamie is currently Executive Co-Chairman of PrimaryMarkets Limited and has more than 30 years' experience as a lawyer and corporate advisor.
<b>Graeme Hogan</b> CFO/Company Secretary	Graeme has over 30 years' experience as CFO/Company Secretary of listed and unlisted companies, including those in the resources/energy sector.

## MORE INFORMATION

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