

Andean Mining Limited ACN 625 466 006 ASX:ADM



For an Offer of a minimum of 30,000,000 Shares at an Issue Price of \$0.20 per Share to raise a minimum of \$6,000,000.



Novus Capital Limited ACN 006 711 995



Cadmon Advisory Pty Ltd ACN 616 484 756

Lead Manager

Lead Broker

### IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus, you have questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

## **Important Notices**

#### Offer

The offer contained in this Prospectus (Offer) is an invitation for you to apply for fully paid ordinary shares (Shares) in Andean Mining Limited ACN 625 466 006 (Andean Mining or Company). This Prospectus is issued by the Company. See Section 6 for further information about the Offer, including details of the securities that will be issued under this Prospectus.

### **Lodgement and Listing**

This Prospectus is dated 1 November 2021 and was lodged with ASIC on that date (**Prospectus Date**).

The Company will apply to the ASX within seven days after the Prospectus Date for admission of the Company to the Official List and quotation of the Shares on the ASX (Listing). Neither ASIC nor the ASX takes any responsibility for the content of this Prospectus or for the merits of the investment to which this Prospectus relates.

### **Expiry date**

No Shares will be issued or transferred on the basis of this Prospectus after the expiry date, being 13 months after the Prospectus Date.

### **Note to Applicants**

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the performance of the Company. You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in the Shares. Some of the key risk factors that should be considered by prospective investors are set out in Sections 1 and 4. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the

repayment of capital by the Company or the payment of a return on the Shares.

#### **Exposure Period**

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Shares offered under this Prospectus (Applications) in the seven day period after lodgement of this Prospectus with ASIC (Exposure Period). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

### **Photographs and diagrams**

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the image contained in the diagram.

## Disclaimer and forward looking statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company's directors or any other person in connection with the Offer. You should rely only on information in this Prospectus. Except as required by law, and only to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

This document contains certain forward looking statements that involve risks and uncertainties. All statements other than statements of historical fact contained in this document, including

statements regarding Andean Mining Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward looking statements. Generally, the forward looking statements in this document use words like "anticipate", "believe", "could", "estimate", "expect",
"future", "intend", "may", "opportunity",
"plan", "potential", "project", "seek",
"will" and similar terms. These These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take

No person who has made any forward looking statements in this Prospectus (including the Company) has any intention to update or revise forward looking statements, 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, other than to the extent required by law.

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, the directors and management of the Company. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, Sections 3 and 4, and other information in this Prospectus. The Company cannot and does 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.

Novus Capital Limited ACN 006 711 995 (Novus Capital) is acting as lead manager and sponsoring broker to the Offer and Cadmon Advisory Pty Ltd ACN 616 484 756 (Cadmon Advisory) is acting as broker to the Offer. Neither Novus Capital nor Cadmon Advisory has authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any Broker to the Offer or by any of their respective affiliates or Related Bodies Corporate or any of their respective officers, directors, employees, partners, advisers or agents. To the maximum extent permitted by law, each Broker



to the Offer, its respective affiliates and Related Bodies Corporate, and any of their respective officers, directors, employees, partners, advisers and agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

Past performance is not necessarily a guide to future performance and no representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statement. Nothing contained in this Prospectus nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of the Company.

## Financial information presentation

All references to FY19, FY20 and FY21 appearing in this Prospectus are to the financial years ended or ending 30 June 2019, 30 June 2020 and 30 June 2021 respectively, unless otherwise indicated.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

Section 3 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is also set out in Section 3.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of the Australian Accounting Standards (as adopted by the Australian Accounting Standards Board), which are consistent with the International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings because any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Financial Information in this Prospectus should be read in conjunction with, and it is qualified by reference to, the information contained in Section 1, Section 3 and Annexure A Investigating Accountant's Report.

# Market and industry data based primarily on management estimates

This Prospectus, including the Company and Project Overview in Section 2, contains statistics, data and other information (including forecasts and projections) relating to markets, market sizes, market shares, market segments, market positions and other industry data pertaining to the Company's business and markets. The Company has obtained significant portions of this information from market research prepared by third parties.

Investors should note that market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. There is no assurance that any of the forecasts or projections in the surveys and reports of any third party that are referred to in this Prospectus will be achieved. The Company has not independently verified, and cannot give any assurances as to the accuracy or completeness of, this market and industry data or the underlying assumptions used in generating this market and industry data.

Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the risk factors set out in Section 4

## Obtaining a copy of this Prospectus

This Prospectus is available in electronic form to Australian and New Zealand residents on the Company's offer website, https://investor.automic.com.au/#/ipo/andeanmining. The Offer constituted by this Prospectus in electronic form is available only to Australian and New Zealand residents accessing the website within Australia or New Zealand. Copies of this Prospectus are not available to persons in any other jurisdictions, including the United States (other than certain 'sophisticated investors' in Singapore and Hong Kong).

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia or New Zealand by calling Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday.

Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its soft copy form available online at <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a>, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

### No cooling-off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

### No offering where illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia and New Zealand. The distribution of this Prospectus (including in electronic form) outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus outside Australia and New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. This Prospectus has been prepared for publication in Australia and New Zealand. The Shares to be offered under the Offer have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any State or other jurisdiction in the United States, and may not be offered or sold in the United States, or to, or for the account or benefit of, a U.S. Person. The Offer is not being extended to any investor outside Australia and New Zealand.

# **Important Notices**

See Section 6.14 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside Australia and New Zealand.

## Important notice to New Zealand Investors

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 6 of the *Corporations Act 2001* (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* Cth) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<a href="http://www.fma.govt.nz">http://www.fma.govt.nz</a>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited in New Zealand dollars to a bank account in New Zealand.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

A copy of this Prospectus, other documents relating to the Offer and a copy of the Constitution have been, or will be, lodged with the New Zealand Companies Office and are, or will be, available on the Disclose offer register at <a href="https://www.business.govt.nz/disclose">www.business.govt.nz/disclose</a> (search for "Andean" as the issuer name).

While the Offer is being extended to New Zealand investors under the New Zealand Mutual Recognition Regime, no application for listing and quotation is being made to NZX Limited.

## Important notice to Singapore Institutional Investors

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore (MAS). Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold or be made the subject of an invitation for subscription or purchase (whether directly or indirectly) to any person in Singapore other than:

- to an institutional investor (as defined in Section 4A of the Singapore Securities and Futures Act (SFA)) pursuant to Section 274 of the SFA;
- to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or
- otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Notification under Section 309B of the SFA: The Shares are prescribed capital markets products (as defined in the Singapore Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## Important notice to Hong Kong Investors

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. See Section 6.14 for more detail.

### Privacy

By completing an Application Form, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications. The Company and the Share Registry on their behalf, may collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act* 1988 (Cth):



- the Share Registry for ongoing administration of the Share register;
- the Lead Manager in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone: Automic Group 1300

288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday

Address:

Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

#### **Financial Services Guide**

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Annexure A – Investigating Accountant's Report.

#### Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company.

#### Company website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference

### **Defined terms and abbreviations**

Defined terms and abbreviations used in this Prospectus, have the meanings given in the glossary.

References to times in this Prospectus are to the time in Sydney, Australia, unless specified otherwise.

Unless otherwise stated or implied, references to dates or years are calendar year references.

### Questions

This document is important and should be read in its entirety.

If you have any questions in relation to the Offer, please contact Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday.

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## Chairman's Letter



Dear Investor

On behalf of the Board, it is my pleasure to offer you the opportunity to become a shareholder in Andean Mining.

The Company was established for the purpose of pursuing various investment opportunities in the resources sector, specifically taking advantage of the Board's significant experience and understanding of the copper and gold mining sector in South America and Colombia in particular.

The Company, having assessed several investment opportunities, entered into a Share Purchase Agreement with Newrange Gold Corp. (TSXV: NRG) (**Newrange**) in May 2020 to purchase all of the outstanding shares in Newrange's Colombian subsidiary, Corporacion Minera de Colombia SAS (**CMC**). The acquisition delivered control of the El Dovio copper-gold-silver-zinc project located in central west Colombia to Andean Mining.

The El Dovio property hosts high grade polymetallic mineralisation with grades to 17% copper and 104 g/t gold, hosted within a volcanogenic massive sulphide (VMS) target in an extensive belt known to host other polymetallic and VMS prospects and mines throughout western Colombia, Ecuador and beyond.

Work to date indicates a deposit with high unit value, exceptional metallurgical characteristics and low price sensitivity. Work by Newrange materially expanded the strike of known mineralisation at El Dovio and identified a stockwork zone hosting high grade mineralisation up to 60 metres wide in outcrop and approximately 1 kilometre long that has locally been traced down dip more than 200 metres below outcrop with diamond drilling. Mineralisation remains open to additional extension on both strike and at depth.

The Board has formulated a strategy to grow the Company into an international diversified and sustainable mining company. The Board recognises the opportunity Colombia presents to expand the business through both organic growth and acquisition due to the historically low levels of exploration and development in one of the world's premier mineral belts.

The Fraser Institute Annual Survey of Mining Companies 2020 investment attractiveness index rated Colombia the most attractive mining destination country in Latin America ahead of both Chile and Peru. Colombia also ranked 13th globally in the "Best Practices Mineral Potential Index" which ranks a jurisdiction's "pure" mineral potential, since it assumes a "best practices" policy regime. Colombia was the second highest ranked country behind only Turkey and some individual states or territories in Canada, Australia and the USA.

Underlying the Company's growth strategy is a strong belief that a systematic exploration program, over time, will yield positive results at El Dovio. The Company is led by an experienced Board and management team with considerable expertise in the mining and exploration industry.

This Prospectus contains detailed information about the Offer, the industry in which the Andean Mining Group operates, its business and its financial and operating performance.

Key risks associated with an investment in the Company are set out in Section 4. It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company.

On behalf of the Directors, I look forward to welcoming you as a shareholder in the Company.

Yours sincerely

**Dr Phillip Wing** Chairman

## **Important Dates**

### **Important dates**

Prospectus lodgement date	1 November 2021
Offer period opens	9 November 2021
Offer period closes	9 December 2021
Issue and allotment of Shares (Completion)	15 December 2021
Expected dispatch of holding statements	16 December 2021
Expected commencement of trading of Shares on ASX on a normal settlement basis	22 December 2021

### **Dates may change**

The dates above are indicative only and may change without notice.

The Company, in consultation with the Lead Manager, reserves the right to vary the times and dates of the Offer including, subject to the Listing Rules and the Corporations Act, to close the Offer early, extend the Offer or to accept late applications, either generally or in particular cases, without notification. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

### How to invest

Applications for Shares can only be made by completing and lodging the Application Form (either in paper form or online).

Instructions on how to apply for Shares are set out in Section 6 and on the back of the Application Form.

### Questions

Applicants should refer to the Offer Website <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a> or contact Automic Group on 1300 288 664 toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or you are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

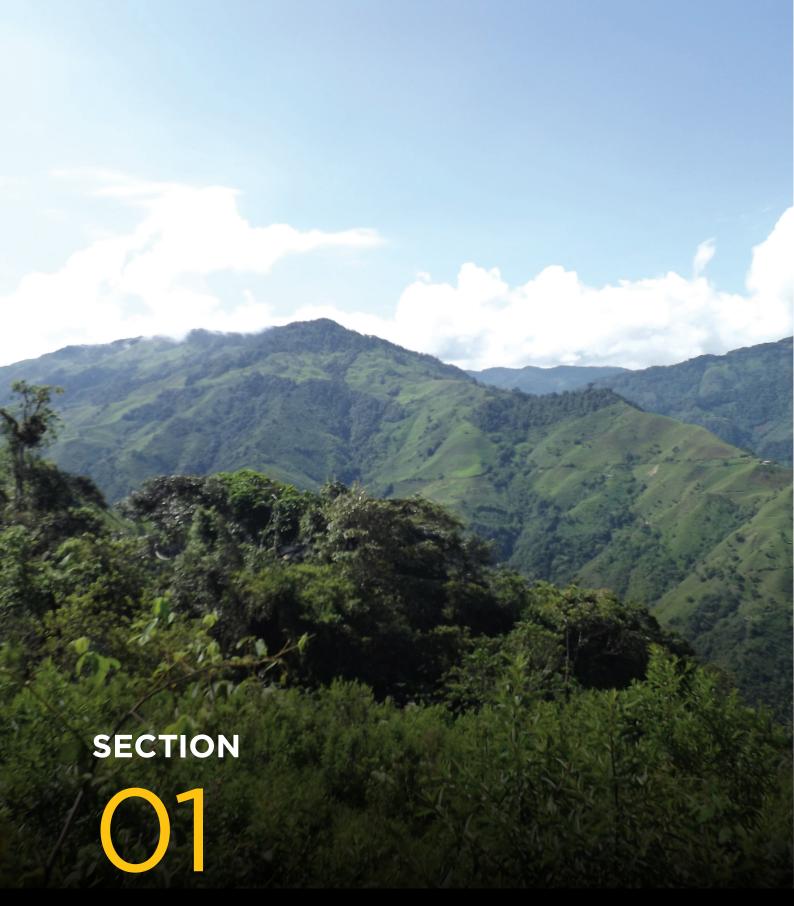
# **Key Offer Statistics**



### **Key Offer Statistics**

	Minimum Subscription (\$6,000,000)	Maximum Subscription (\$7,000,000)
Offer Price	\$0.20 per Share	\$0.20 per Share
Total proceeds under the Offer	\$6,000,000	\$7,000,000
Total number of Shares available under the Offer	30,000,000	35,000,000
Number of Shares to be held by Existing Shareholders <sup>1</sup>	46,748,155	46,748,155
Total number of Shares on issue at Completion	76,748,155	81,748,155
Performance Shares on issue on the Listing Date	7,674,815	7,674,815
Number of options on issue on the Listing Date	32,674,820	32,674,820
Market capitalisation at the Offer Price	\$15,349,631	\$16,349,631
Pro forma Net Debt at Completion	\$Nil	\$Nil
Enterprise Value at Completion	\$9,349,631	\$9,349,631

<sup>1.</sup> There are currently 2,510 convertible notes on issue which will be converted to 25,100,000 Shares after Completion but prior to the Listing Date. The Company expects to issue an additional 1,153,895 Shares in satisfaction of accrued interest on the convertible notes at the same time. The convertible notes and the accrued interest will be converted at 10 cents per Share. The above table assumes that the convertible notes will be converted on 15 November 2021. Should the convertible notes convert on another date, then the number of Shares issued will vary by approximately 4,126 Shares per day representing changes in the accrued interest amount.



Investment Overview

# 1. Investment Overview



## 1.1 Introduction

Topic	Summary	For more information
Who is the issuer of the Prospectus?	Andean Mining Limited ACN 625 466 006.	
Who is the Company?	Andean Mining is an Australian company incorporated in New South Wales in 2018. The Company has acquired all of the issued share capital of a Colombian company, CMC, which owns the Andean Tenements in respect of an area located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia. The Andean Tenements are prospective for copper, gold, silver and zinc.	Section 2.1
What are the purposes of the Offer?	The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and, to position the Company to seek to achieve the objectives stated at Section 1.7 of this Investment Overview and in Section 2.	Section 2

### 1.2 Key financial metrics

Topic	Summary				For more information
What is the Company's historical	Historical Result	s			Section 3
	\$	FY21	FY20	FY19	
financial	Revenue	100,411	40,210	125	
performance?	EBITDA	(1,619,290)	(271,166)	(213,072)	
	EBIT	(1,621,631)	(273,300)	(213,072)	
	NPAT	(1,712,000)	(313,453)	(217,086)	
	is intended as a the more detailed	oresented above cont summary only and sl d discussion on the as the risk factors set	nould be read in o Financial Informat	conjunction with	
		ead Section 3 for full of all of the underlying Section 3.			

# 1. Investment Overview

continued

### 1.3 Investment highlights

Topic	Summary	For more information
Assets	The Company's principal assets consist of two granted tenements and two tenement applications covering approximately 3,031ha held by the Company's wholly owned subsidiary, CMC. The assets are divided into three main project areas comprising the El Dovio Project which contains known copper-gold-silver-zinc occurrences within a well-defined VMS system, and the 502166 and 502167 tenement applications that are prospective for VMS style mineralisation.	Section 2
Opportunities	The Directors are of the view that an investment in the Company provides an opportunity to invest in a portfolio of quality assets located in one of the world's premier mineral belts. The assets are considered by the Board to be highly prospective for VMS style deposits. The Company has a highly experienced team to progress exploration and accelerate potential development of the projects. El Dovio is located within a known mineralised regional belt, approximately 800km long, that also hosts the El Roble VMS deposit, in production since the early 1970's, approximately 110km to the northeast and several other known VMS occurrences such as the Guadelupe, El Alacran, La Equis, Santa Anita and Anza deposits.	
Region	Colombia occupies a significant tract of the well-mineralised Andean mountain terrain. The El Dovio property is located in western Colombia 120km north of the city of Cali and 250km west of Bogota, the capital. It lies within the provincial government area of Department of Valle del Cauca, the local government area of Department of El Valle and in the Municipality of El Dovio.	
Team	The Company has an experienced Board and management team with a broad range of exploration, mining, project development, financing and legal skills in the resources industry and a successful track record of managing listed companies, value accretive mineral exploration and successful mining project development. The Managing Director and CEO, Mr William Howe, has considerable experience in Colombia and is a competent Spanish speaker.	

### 1.4 Key risks

Topic	Summary	For more information
Business Risk	The Company faces typical risks confronting resource exploration companies, which include: geological unpredictability, inaccuracy of resource estimates, access to capital, environmental approvals, commodity prices, reliance on key personnel, stock market conditions and grade and metallurgical and other technical issues. In addition, the Company faces jurisdictional and sovereign risks that arise from it conducting its operations in countries with political and legal systems that are dissimilar to those experienced in the Company's home jurisdiction of Australia, and the travel restrictions arising out of COVID-19.	Section 4



### 1.5 Directors and senior management

Topic	Summary	For more information
Who are the Directors of the Company?	Dr Phillip Wing - Non-Executive Chairman.  Mr William Howe - Managing Director and CEO.  Mr Maxwell James Green - Non-Executive Director.  Mr Paul Ingram - Independent Director.	Section 5.7
Who are the members of the Company's senior management?	Mr William Howe - Managing Director and CEO. Mr Graeme Hogan - Company Secretary and CFO.	Section 5.2

### 1.6 Significant interests of key people and related party transactions

Topic	Summary		
The Company's existing share capital is held by approximately 100 shareholders and comprises Shares originally issued to the founders of the Company as well as Shares issued throughout the life of the Company (including on the conversion of shareholder loans). The Board has resolved to issue certain Performance Shares and Eligible Seed Investor Options, as well as Shares to the Brokers in relation to a pre-Offer capital raising, after Completion but prior to the Listing Date.			
	On the Listing Date the Company's s	hare capital will be	e as follows:
		Shares held (Minimum Subscription)	Shares held (Maximum Subscription)
	Existing Shareholders	46,748,155	46,748,155
	New Shareholders	30,000,000	35,000,000
	Total Shares on issue	76,748,155	81,748,155
	Options held by Directors or related entities <sup>1</sup>	23,806,8891	23,806,8891
	Options held by certain Existing Shareholders (not including Directors or their related entities)	8,867,931	8,867,931
	Performance Shares <sup>2</sup>	7,674,815	7,674,815

The number of options held by Directors and related entities includes 1,131,544 Eligible Seed Investor Options held by former director, Mr William Etheridge, and 2,427,248 options held by Mr Graeme Hogan, the Company's CFO and Company Secretary.

<sup>2.</sup> See Section 6.18 for a summary of the rights attaching to the Performance Shares.

# 1. Investment Overview

continued

Topic	Summary		For more information
What interests in the Company will the	The Directors and officers of indirect interests in the Cor	of the Company will hold the following direct or mpany on the Listing Date:	Section 5
<b>Directors and</b>	Dr Phillip Wing	- 3,683,007 Shares	
officers hold on the Listing Date		- 1,534,964 Director Options	
the Listing Dute		- 4,717,145 Eligible Seed Investor Options	
		- 2,148,925 Performance Shares	
	Mr William Howe	- 3,945,421 Shares	
		- 1,534,964 Director Options	
		- 5,053,240 Eligible Seed Investor Options	
		- 2,455,965 Performance Shares	
	Mr Maxwell James Green	- 3,386,868 Shares	
		- 1,534,964 Director Options	
		- 4,337,856 Eligible Seed Investor Options	
		- 2,148,925 Performance Shares	
	Mr Paul Ingram	- 1,534,964 Director Options	
		- 460,500 Performance Shares	
	Mr Graeme Hogan	- 696,671 Shares	
		- 1,534,964 Director Options	
		- 892,284 Eligible Seed Investor Options	
		- 460,500 Performance Shares	
What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?	with the Offer apart from t	paid to any Director or other person connected he fact that Executive Directors will continue to Non-Executive Directors will receive Director's	Section 5.3
Will there be a controlling interest in the Company?	No		Section 6.7



Topic	Summary	For more information
Will any Shares be subject to	None of the Shares issued to Applicants under the Offer will be subject to escrow.	Section 7.9
restrictions on disposal following Completion?	Subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that under the terms of the ASX Listing Rules:	
	<ul> <li>a. certain of the Shares, Performance Shares and Options issued to the Existing Shareholders (including entities associated with the Directors, substantial shareholders and promoters) will be escrowed for a period of 24 months from the Listing Date;</li> <li>b. some of the Shares and Options issued to unrelated Existing Shareholders will be escrowed for a period of 12 months from the date of issue of the relevant Shares;</li> <li>c. the Shares and Options to be issued to the Brokers to the Offer will be escrowed for a period of 24 months from the Listing Date; and</li> <li>d. some of the Shares to be issued on conversion of the Series 2 Convertible Notes will be escrowed for 12 months from the Listing Date.</li> </ul>	
	During the period in which restricted Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.	
	The Company will announce to ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX.	
	The Company's 'free float' (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties or promoters of the Company (or their associates) at the time of admission to the Official List or subject to ASX imposed escrow) will be at least 40% at the Minimum Subscription, comprising all Shares issued (assuming that no related parties of the Company or their associates participate in the Offer) but excluding Shares subject to ASX imposed escrow or held by entities associated with Directors or by promoters.	
Are there any other related party transactions?	No	Section 5.5

### 1.7 Overview of the Offer

Topic	Summary	For more information
What is the Offer?	The Offer is an initial public offering of a minimum of 30,000,000 Shares at an Offer Price of \$0.20 per Share. The Shares offered under this Prospectus will represent approximately 39% of Shares on issue at Completion at the Minimum Subscription. The Offer is expected to raise a minimum of \$6 million.	Section 6.1
	The Company will accept oversubscriptions for up to an additional 5 million Shares at the Offer Price to raise an additional \$1 million, for a total raising of a maximum of \$7 million.	

# 1. Investment Overview

continued

Topic	Summary	For more information
What is the consideration payable for the Shares?	Successful Applicants under the Offer will pay the Offer Price, being \$0.20 per Share.	Section 6.1
What is the proposed use of proceeds raised in connection with the Offer?	<ul> <li>The Offer proceeds and the Company's existing cash reserves will be used for:</li> <li>a. implementing the Company's business objectives and exploration programs;</li> <li>b. expenses of the Offer;</li> <li>c. administration costs; and</li> <li>d. working capital.</li> <li>Further details of which are set out in Section 2.</li> </ul>	Section 6.5(b)
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on Completion the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2
How is the Offer structured?	The Offer comprises an initial public offering of Shares at \$0.20 per Share with a Minimum Subscription of 30,000,000 Shares to raise \$6 million and a Maximum Subscription of 35,000,000 Shares to raise \$7 million.  If the Minimum Subscription has not been raised within three (3) months of the date of this Prospectus (or such longer period permitted by law) the Company will not issue any Shares and will repay all Application Monies received under the Offer within the time prescribed under the Corporations Act, without interest.	Section 6.5(a)
Is the Offer underwritten?	No, the Offer is not being underwritten.	
Is the Offer conditional?	Yes the Offer is conditional on the Minimum Subscription being received and ASX granting conditional approval for the Company to be admitted to the Official List ( <b>Conditions</b> ). If these Conditions are not satisfied within three (3) months of the date of this Prospectus (or such longer period permitted by law), the Offer will not proceed and the Company will repay all Application Monies received under the Offer within the time prescribed under the Corporations Act, without interest.	
What is the allocation policy?	The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 6.8.  There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 6.8
Who is the Lead Manager for the Offer?	The Lead Manager is Novus Capital. The Lead Manager has appointed Cadmon Advisory as a co-corporate advisor and broker to the Offer.	Important notices and Section 7.8

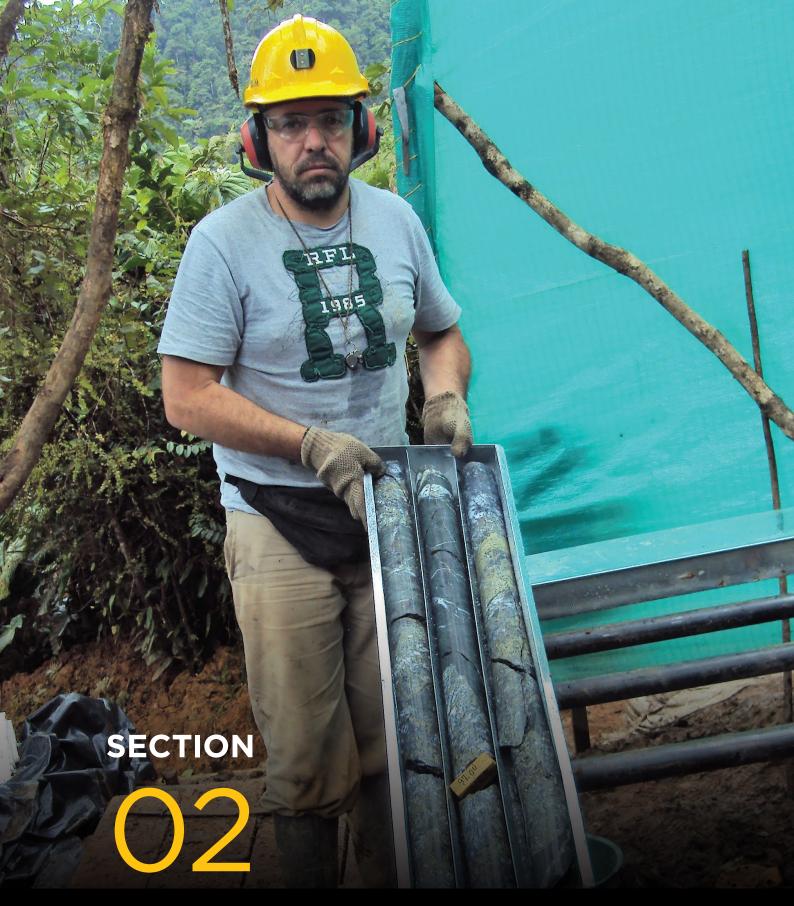


Topic	Summary	For more information
Will the Shares be quoted on the ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the Official List of, and quotation of its Shares by, ASX under the code 'ADM'.	Section 6.8
	Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	Section 6.8
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in Jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	
How can I apply?	Applications for Shares under the Offer must be made by using the Application Form attached to or forming part of this Prospectus or online. If you are applying through your broker, you should complete and lodge your Application Form and Application Monies with the broker from whom you received your firm allocation of Shares (and not to the Share Registry).  A completed Application Form is an offer by the applicant to the Company to apply for the number of Shares specified in the Application Form on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an applicant is irrevocable.  For online Applications, Applicants can apply online with payment made electronically via Bpay®. Investors applying online will be directed to use an online Application Form at <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a> and make payment by Bpay®. Applicants will be given a Bpay® biller code and a customer reference number (CRN) unique to the online Application once the online Application Form has been completed.  Bpay® payments must be made from an Australian dollar account of an Australian institution.	Section 6.9 and Section 6.10
	For more information see Section 6.9 and Applicants can also refer to the Offer Website <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a> or contact Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday.	

# 1. Investment Overview

continued

Topic	Summary	For more information
What is the minimum Application size?	Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share. The Company reserves the right to aggregate any applications which they believe are multiple applications from the same person, or to reject or scale back any applications.	Section 6.9
What is the Offer period?	The Offer opens on 9 November 2021 and is expected to close on 9 December 2021.	
	The Company reserves the right to close the Offer early, extend the Offer or to accept late applications (either generally or in particular cases), without notification.	
Can the Offer be withdrawn?	The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants under Offer.	Important notices
	If the Offer does not proceed, all relevant Application Monies will be refunded (without interest).	
When can I sell my Shares on	It is expected that trading of the Shares on ASX will commence on or about 22 December 2021.	Section 6.16
the ASX?	It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	
What are the tax implications of	Summaries of certain Australian tax consequences of participating in the Offer and investing in Shares are set out in Section 7.13.	Section 7.13
investing in the Shares?	The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	
What is the Company's Dividend Policy?	The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's projects. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least the first 2 year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends for a number of years.	Section 2 and Section 3.6
	Any future determination as to the payment of dividends by the Company will be at the discretion of the Board and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Board. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	
Where can I find out more information about this Prospectus or the Offer?	If you have any questions in relation to the Offer, contact Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.	Important notices Key dates



### 2.1 Company Background

Andean Mining was incorporated for the purpose of pursuing various investment opportunities in the resources sector. In May 2020, the Company signed an agreement with Newrange to acquire all of the issued share capital of Newrange's Colombian subsidiary, CMC. This transaction delivered control of the El Dovio Project to the Company. The acquisition was settled by the issue of 13,256,222 Shares to Newrange, and payment of US\$1.0 million as reimbursement to Newrange for the expenses it incurred in developing the El Dovio Project.

The mineral assets of Andean Mining comprise the El Dovio project located in Colombia, South America, 120km north of the city of Cali and 250km west of Bogota. The El Dovio Project is considered to be at an advanced exploration stage of development where significant intersections of mineralisation have been made but Mineral Resources are not yet reported.

CMC holds 2 granted tenements at El Dovio and has made 2 tenement applications on the same geological trend as El Dovio covering an area of approximately 3,031 ha. The projects are situated in central west Colombia on the western flank of the western cordillera (Figures 2.1.1 and 2.1.2) and are prospective for base and precious metals. The Company's main activities are currently focussed on exploration and development at its El Dovio coppergold-silver-zinc Volcanogenic Massive Sulphide (VMS) project. An overview of the El Dovio Project is set out in this Section 2 with more detailed information set out in the Independent Solicitor's Report on Title in Annexure C and the Independent Technical Assessment Report in Annexure B.

Exploration to date at El Dovio has identified a high grade deposit with preliminary metallurgical testwork yielding exceptional metallurgical recoveries. Trenching, drilling and underground development on the "Sabana Blanca" stringer zone has identified high grade polymetallic mineralisation within a VMS stockwork system up to 68m wide in outcrop and approximately 1km long. High grade lenses within the stockwork system averaging 3 to 6m in width have returned grades of up to 17% Cu and 104g/t Au having been returned in individual samples (Table 2.1.1).

Table 2.1.1; Drilling, underground and trench high grade intersections.

Diamond drilling (all holes in vicinity of trenches T1, T6 and audit)

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	7.10	6.21
D13_08	4.00	2.81	1.75	5.33	4.65
Adit Sampling	m	Au	Cu	AuEq	CuEq
Main Tunnel	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.

Additional targets, such as at Granizales (400m south) and Sopetrana (in footwall) zones have been identified at surface along with the main Brazo 1 and Contacto zones, could add significant tonnage to the project. These targets are drill ready. A 15,000m diamond drilling program targeting the VMS stockwork system and the high grade lenses has been designed to in-fill and extend the mineralisation at Sabana Blanca and test the drill ready targets listed above.

The El Dovio mineralisation is exposed at surface, therefore, for relatively low cost, diamond drilling can define the extent of mineralisation with a view to completing a maiden resource estimation in a relatively short period of time.

The Board believes that a high grade development would be within the capacity of the Company as capital costs would be modest. Metallurgical recoveries of approximately 95% for all metals, into separate copper and zinc concentrates, has been achieved in testwork with 93.6% of the gold and 86% of the silver reporting into the copper concentrate.

Management has experience operating in South America, including Chile, Peru and Colombia. The Company's Managing Director and CEO led a team that discovered 2 porphyry copper systems in Chile and Peru and successfully completed a feasibility study for the development of an underground gold mine in Colombia. Mr Howe has resided in Chile and Colombia for more than 11 years and has a working understanding of the legal and regulatory requirements for operating in that environment. Mr Howe will continue to direct the Company operations from Medellin, Colombia.

Management can also draw on the extensive operational experience of Mr Paul Ingram, a non-executive director of Andean, for the Company's exploration efforts in Colombia. The Company also inherited a core senior management team based in Medellin, Colombia through the purchase of CMC including legal, financial and technical capabilities. The Company initially will be focused on the El Dovio Project, and will not be spreading human and capital resources widely.

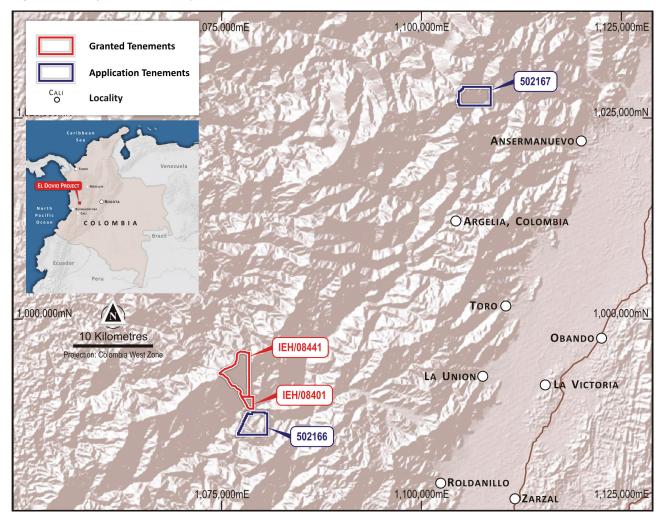
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Figure 2.1.1: General location map

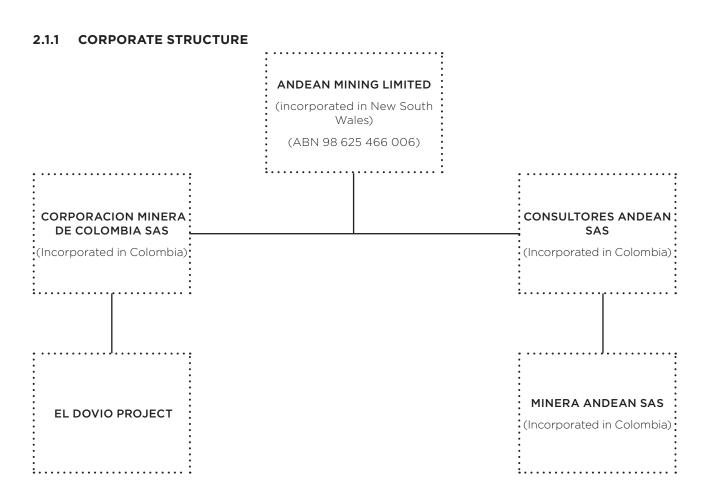




Figure 2.1.2: Projects location map



continued



### 2.2 OVERVIEW OF THE PROJECTS

The El Dovio Project is an advanced-stage exploration project prospective for copper-gold-silver-zinc deposits.

The El Dovio Project is positioned in a prospective location in terms of a regional geological and mineralisation setting, occurring within an extensive belt of metamorphosed marine volcano-sedimentary rocks known to host VMS and other polymetallic type prospects and deposits throughout western Colombia and Ecuador (Figure 2.2.1).

The high grade copper-gold El Roble deposit, approximately 110km north of El Dovio, is currently producing at 900 tonnes per day from an underground mine operated by Atico Mining Corporation (Atico) (TSX-V: ATY), with a concentrate exported via highway truck to the Pacific coast port of Buenaventura. It has been mined intermittently since the early 1970's. Historical production from the El Roble mine for the period 1990 to 2017 has been recorded as 2.42Mt at a head grade of 2.78% Cu and 2.39g/t Au (Kelly and Cruz, 2018). The most recently reported Ore Reserve estimate was 1.47Mt at 3.4% Cu and 1.88g/t Au (Kelly and Cruz, 2018). Reserves plus historical mined tonnes thus total 3.89Mt at 3.01% Cu and 2.20g/t Au. The El Roble deposit consists of a series of massive sulphide lenses, separated by faulting which are interpreted as the dismembered fragments of a once coherent, single, massive sulphide body. The mineral deposit that comprises the El Roble Project consists of mafic-type VMS mineralisation. The host rocks are basalt flows, black chert, grey chert and sandstone.

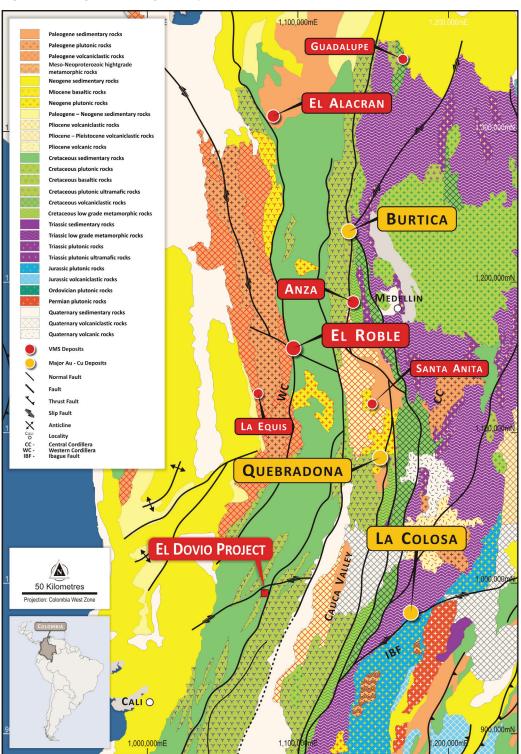
El Dovio and El Roble are classified as mafic-type VMS deposits. Exploration at El Dovio will be guided by the genetic model of mafic-type VMS deposits within a similar geological and structural setting as the El Roble deposit and will focus on the massive sulphide stockwork and lenses defined by historical exploration.

### Notes:

- 1. All subsidiaries of the Company are wholly owned.
- 2. For further information in relation to the acquisition of CMC, refer to Section 7.8



Figure 2.2.1: Regional Geological map



continued

Mineralisation has been defined in surface outcrop by trenching, at shallow depth by underground sampling and at depth by diamond drilling. The majority of significant intersections have been in the Sabana Blanca zone, with mineralisation also identified at the Brazo 1, Sopetrana and Granizales zones. These form targets for Andean Mining's proposed exploration programs with the Sabana Blanca zone being the primary focus. Conceptual targets including the Contacto zone offer additional potential.

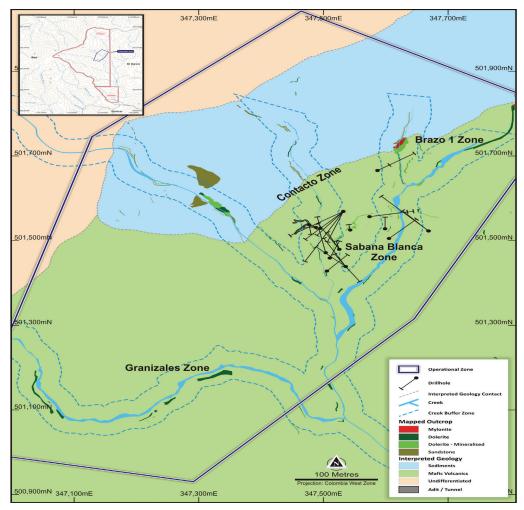
The Company's subsidiary, CMC, has previously undertaken scoping level metallurgical testwork including rougher flotation tests, into separate copper and zinc concentrates, where results indicate the following:

- The differential flotation approach floated nearly all of the metals contained in the sample. Each individual metal recovery was generally around 95% once all concentrates were combined, which is consistent with previous bulk flotation results undertaken by Newrange.
- The majority of the gold and silver present in the sample reported to the copper concentrate. Approximately 93.6% of the gold and 86.0% of the silver reported to the copper concentrate in test FT6.
- The final flotation stage to recover any remaining sulphides did not collect a significant amount of metals and is not needed. Further testwork is planned.

### 2.2.1 Target Generation

Andean Mining will undertake a multi-disciplinary exploration program across the entire El Dovio property with the aim of identifying additional anomalism and geological indications of VMS mineralisation hosted by the prospective Cretaceous units which underlie the area (Figure 2.2.1.1 and Figure 2.2.2.2).

Figure 2.2.1.1: Local geological map indicating target zones.





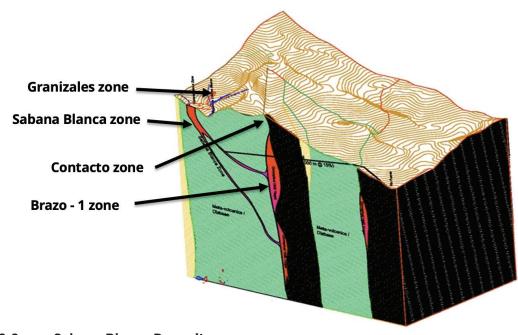
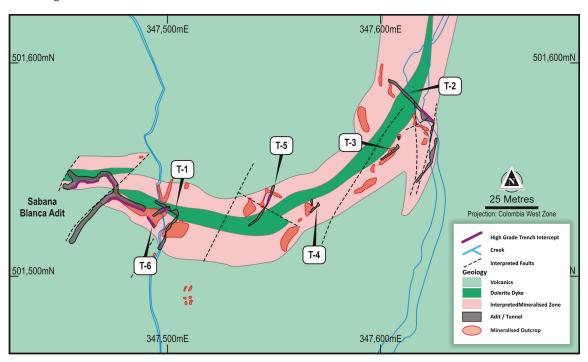


Figure 2.2.2.2: Schematic 3D model of El Dovio indicating target zones.

### 2.2.2 Sabana Blanca Deposit

The Sabana Blanca deposit is interpreted as shallow-level hydrothermal mineralisation with a VMS affinity. There is a strong north-northeasterly structural control, which has a significant strike length in the order of 1km. Analytical results have identified broad halos of stockwork style mineralisation surrounding higher grade intervals. The high grade copper-gold-silver-zinc lenses, averaging between 3m and 6m in width, are developed within a broader mineralised stockwork system up to 68m in width (Figures 2.2.2.1 and 2.2.2.2) (Tables 2.2.2.1, 2.2.2.2 and 2.2.2.3).

Figure 2.2.2.1: Broad halo of stockwork style mineralisation surrounding higher grade intervals exposed in surface trenching.



continued

Table 2.2.2.1: Significant Trench Sampling Intercepts on the El Dovio Project

	mple jth m	Au g/t	Cu %	Zn %	Ag g/t
T-1	41	2.6	1.6	0.2	9.7
including	4	7.9	3.5	0.4	21.4
T-2 south	45	5.6	0.5	0.4	6.8
including	7	27.4	0.2	0.6	8.1
including	3	58.6	0.3	0.8	14.6
including	1	104.5	0.1	1.1	21.7
T-2 north	20	2.5	0.4	0.5	4.8
Т-3	13	1.9	0.5	0.05	26.5
T-4	9	1.2	0.9	0.03	10.2
T-5	24	1.4	0.3	0.06	2.2
including	4	7.8	0.4	0.04	9.85
T-6	6	13.0	5.9	1.4	43.4
including	2	25.9	10.5	0.3	70.3

Note: All sample widths reported are along trench length, not true width.

Table 2.2.2.2: Significant Underground Sampling Intercepts - Sabana Blanca Adit

Area	Sample Length m	Au g/t	Cu %	Zn %	Ag g/t
Main Tunnel	21.0	9.18	2.46	2.04	15.1
including	6.0	13.6	5.66	1.22	29.8
1 Cross-cut North	7.0	4.81	0.03	0.40	3.32
including	2.0	12.5	0.03	0.51	5.78
2 Cross-cut East	18.0	4.98	0.08	1.09	5.21
including	3.0	14.4	0.24	3.16	12.3

Note: All sample widths reported are along channel length, not true width.



Figure 2.2.2.2: High grade copper-gold lense intersected in drill core.



Note: Surface Diamond Drill Hole D13-O2; strongly mineralised intersection of  $6.65 \,\mathrm{m} \, \mathrm{@} \, 4.79 \,\mathrm{g/t} \, \mathrm{Au}$ ,  $6.56 \,\mathrm{\%} \, \mathrm{Cu}$ ,  $28.36 \,\mathrm{g/t} \, \mathrm{Ag}$  and  $0.29 \,\mathrm{\%} \, \mathrm{Zn}$  (from  $85.25 \,\mathrm{m} \, \mathrm{down}$  hole) which forms part of a broad intersection of  $15.4 \,\mathrm{m} \, \mathrm{@} \, 3.43 \,\mathrm{g/t} \, \mathrm{Au}$ ,  $3.59 \,\mathrm{\%} \, \mathrm{Cu}$ ,  $17.936 \,\mathrm{g/t} \, \mathrm{Ag}$  and  $0.40 \,\mathrm{\%} \, \mathrm{Zn}$  (from  $77.5 \,\mathrm{m} \, \mathrm{to} \, 92.9 \,\mathrm{m} \, \mathrm{down}$  hole).

continued

Significant diamond drill hole intercepts are given in table 2.2.2.3 below.

HOLE ID	FROM m	TO m	INT m	Au g/t	Cu %	Zn %	Ag g/t
D13_02	77.5	92.9	15.4	3.43	3.59	0.40	17.9
D13_05	86.5	93.4	6.9	5.86	5.89	1.28	34.3
1360_02	0.0	27.5	27.5	2.30	0.20	0.90	6.2
1360_01	0.0	16.7	16.7	2.39	1.11	0.49	6.2
D13_07	37.7	56.3	18.6	1.58	1.32	0.65	6.7
P4	38.8	42.9	4.1	9.27	1.33	4.51	25.8
D13_01A	75.6	85.3	9.7	3.86	0.62	1.07	6.3
D13_04	93.0	100.6	7.6	1.09	4.39	0.29	16.2
D13_01A	114.8	119.1	4.4	9.56	0.01	0.85	6.8
D13_04	71.0	82.0	11.0	2.62	0.75	0.22	6.4
1360_03	0.0	20.5	20.5	1.50	0.10	0.60	12.6
D13_06	49.6	56.9	7.3	2.39	1.37	1.02	6.4
SBC14_02	34.0	40.8	6.8	1.10	2.73	0.12	10.8
SBC14_01	61.0	64.0	3.0	8.02	0.82	0.47	4.9
D13_08	55.5	64.5	9.0	1.43	0.81	0.41	4.7
P7	88.0	90.6	2.6	2.59	4.17	1.36	15.4
SBC14_02	56.9	61.7	4.8	2.14	1.05	1.48	7.5
P2	31.2	34.5	3.4	3.26	0.94	0.61	14.1
D13_08	69.5	72.5	3.0	3.88	0.63	1.15	5.5
SB14_02	17.0	22.0	5.0	0.52	0.22	4.04	5.0
P5	63.9	66.8	2.9	1.80	1.45	1.68	19.0
SB14_03	53.5	58.0	4.5	1.67	0.58	0.71	7.0
D13_02	47.5	53.5	6.0	1.51	0.17	0.07	1.8
1360_01	26.9	29.8	2.9	2.74	0.04	0.51	6.2
D13_01A	27.0	30.0	3.0	2.71	0.05	0.14	2.1
D13_07	69.0	71.0	2.0	3.48	0.03	0.36	5.1
SB14_03	73.6	79.5	5.9	0.77	0.23	0.24	3.3
D13_03	109.5	112.5	3.0	1.41	0.01	0.06	2.1

Note: Significant Intercepts calculated from consecutive downhole samples for which the length-weighted average grade exceeded 1.0g/t gold equivalent (AuEq) for greater than 2m downhole. An internal dilution constraint of 4m was applied. Gold equivalent (AuEq) was calculated for each sample from the gold, copper, zinc and silver grades using the formula: AuEq =  $(Au \times 1)+(Cu \times 1.1673)+(Zn \times 0.4386)+(Ag \times 0.0127)$  All intercepts reported are downhole length as true width is not known.



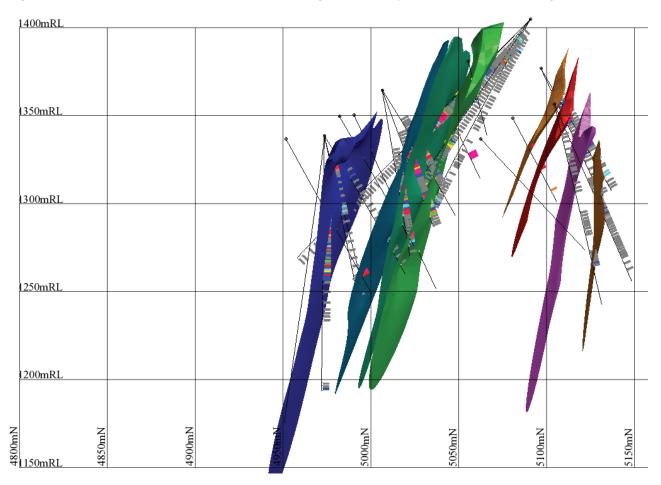
In the Sabana Blanca zone, copper-gold-silver-zinc mineralisation consists of pyrite, pyrrhotite, chalcopyrite, sphalerite and minor other sulphides in a silica matrix. Mineralisation occurs as both massive tabular bodies and filling fractures in the host rock.

This stockwork system is orientated east to east-northeast, is up to 68m wide in outcrop and approximately 300m long that has locally been traced down dip up to 200m below outcrop in drill holes, with sparsely outcropping mineralisation traced along strike for approximately 1km.

Therefore, development scenarios involving both high grade/low tonnage and low grade/high tonnage mining operations can be considered when assessing potential for economic exploitation, as the project moves forward. Mineralisation remains open to additional extension on strike and at depth. This is the main focus of the drilling program which has been planned.

A detailed 3D design of a diamond drilling program has been undertaken by CMC using geological modelling software. In all 7 lenses were wireframed for the Sabana Blanca zone (Figure 2.2.2.3). Fans of drill holes have been designed to intersect the interpreted mineralised lenses below and along strike from existing intercepts at nominal 25m or 50m spacings. For more detailed information on the drill hole design refer to Annexure B.

Figure 2.2.2.3: Mineralised lenses at Sabana Blanca "stringer zone" interpreted. Cross section looking south-east.



continued

### 2.2.3 Other Targets

#### Brazo 1 Zone

Laminated base metal mineralisation has been identified by surface prospecting and sampled at the Brazo 1 zone approximately 200m northeast of the Sabana Blanca zone. Composite channel sample results from trenching at the contact between the volcanics and sediments returned average grades of 13.6g/t Au, 1.6% Zn and 10.7g/t Ag over 2m within a broader 9m wide zone averaging 3.8g/t Au, 0.6% Zn and 4.1g/t Ag (CMC, 2014c). Channel sampling of trenches and diamond drilling at the Brazo 1 zone has provided an initial test with anomalous intercepts of gold-copper mineralisation encountered in mafic volcanic lithologies. Mineralisation remains open to additional extensions on strike and at depth. Further exploration is warranted to test the extent of the mineralised system and identify vectors to the zones of higher grades and thicknesses. Existing data indicates the zone dips steeply to the southeast. (Figure 2.2.3.1)

#### **Granizales Zone**

At the Granizales zone copper-gold mineralisation is characterised by strong to intense silica flooding, quartz veining and abundant sulphides. Rock sampling at the Granizales zone identified mineralisation at surface with grades up to 8.0g/t Au and 1.8% Cu (CMC, 2011d).

The zone remains open in all directions, as sampling was constrained due to cover. Further mapping, trenching and drill testing are warranted to determine the potential of this target.

#### The Contacto Zone

The Contacto zone is a horizon prospective for the development of VMS type deposits comprising a favourable geological contact between the marine volcanic rocks that host the Sabana Blanca zone and overlying marine sediments. In the Brazo 1 zone to the east, narrow intercepts of banded massive sulphide have been intersected which have been assigned a preliminary interpretation of bedded VMS.

The Sabana Blanca zone is interpreted as a feeder or "stringer zone" which lies stratigraphically beneath the Contacto horizon. The intersection of this horizon with the trend of the Sabana Blanca zone is considered a strong exploration target on the basis of two separate ore genesis models. For the classic VMS model the horizon represents a submarine seabed on which exhalative mineralisation is deposited from volcanic vents from which metal-rich hydrothermal fluids escaped, driven by hydrothermal convection cells. Alternatively, the Sabana Blanca mineralisation could represent footwall stringers formed at depth by the same hydrothermal convection cells. Contacts such as this often host bedded VMS as at the Mina El Roble deposit approximately 110km to the northeast.

Geochemical soil anomalies correspond with this favourable geological contact between the marine volcanic rocks and overlying marine sediments. Geochemistry thus provides an additional targeting tool. The MMI technique has been successfully employed on the project in the past and the existing data provides a good baseline for further sampling using this method.

### 2.3 BUSINESS MODEL

The Company's proposed business model is to develop the Andean Mining Group's copper and gold inventory through systematic exploration and by assessing potential acquisitions in the region. The Company's initial exploration will predominately focus on its El Dovio Project.

The Company has planned a comprehensive surface exploration program to explore the El Dovio Project area and a detailed diamond drilling program to assess the potential of the known targets including the high grade Sabana Blanca zone. Details of the Company's planned exploration programs are set out in Section 2.5 and Annexure B.

Andean Mining may also pursue exploration joint ventures or project acquisitions that the Board considers value accretive for Shareholders.

Andean Mining proposes to fund its planned exploration activities over the first two years following Listing as outlined in the table set out in Section 2.6.



### 2.4 KEY DEPENDENCIES

The key dependencies of the Company's business model include:

- a. completing the Offer;
- b. maintaining title to the projects;
- c. gaining timely access to project areas in compliance with Colombian legislation and mining regulations;
- d. retaining and recruiting key personnel skilled in the mining and resources sector;
- e. there being sufficient capital available to the Company to carry out its exploration and development plans; and
- f. the market price of copper and gold remaining higher than the Company's costs of any future production (assuming successful exploration by the Company).

Further details in relation to the key risks are set out in Section 4 of this Prospectus.

### 2.5 PROPOSED EXPLORATION PROGRAM

### 2.5.1 Exploration Strategy

Andean Mining will undertake a systematic, staged approach to the exploration program on the El Dovio Project. The Company has undertaken thorough research in compiling and analysing the available historical data, developing an exploration database, and undertaking an analysis and targeting exercise. Andean Mining will maximise the usefulness of this asset by developing appropriate programs to test the concepts and targets developed.

On completion of the capital raising, exploration of the project will commence with an extensive surface program covering the entire tenement holding with the aim of generating new targets. Further surface work will be undertaken to improve the definition of known prospects including the Brazo 1, Contacto, and Granizales zones. A diamond drilling program will test the Sabana Blanca zone, commencing on receipt of the appropriate environmental approvals from the Colombian authorities. Applications for renewal of these approvals was made on 3 September 2021. Prior to obtaining these approvals, detailed systematic surface exploration as outlined in 2.5.2, 2.5.3 and 2.5.4 will continue. Accordingly, the use of funds raised from the Offer is not dependent on the receipt of any environmental approvals.

Andean Mining staff will establish a project database management system and capture all geological data necessary, and in a form that allows for reporting of Exploration Results and Mineral Resource estimations in accordance with the JORC Code and Canadian NI 43-101 regulations.

Andean Mining will undertake road maintenance between Lituania and the project using local machinery and labour. Company employees will be located in El Dovio and within the Department of Valle del Cauca to undertake social programs, meetings and educational programs to establish the basis for a social licence for the project.

### 2.5.2 Surface Exploration - Orientation

Initial exploration will focus on target generation and the discovery of new mineralised zones, through a program of surface exploration.

An initial orientation phase will be undertaken comprising surveying, geochemistry, geophysics and geology, which is expected to be completed within a 9-month period. Exploration activities planned for the orientation phase of work include the following:

- Surveying of 200m x 50m lines across the entire tenement package.
- Geological mapping of the entire tenement package with rock chip sampling.
- Soil geochemical sampling of the entire tenement package on a 200m x 50m grid with multi-element analysis.
- Gravity geophysical survey of the entire tenement package with readings on a 200m x 50m grid.
- Geological, geochemical and geophysical interpretation of results and reporting to determine specific target areas for follow up focussed assessment.

continued

### 2.5.3 Surface Exploration - Focussed Assessment

On completion of the orientation exploration program the Company will undertake a helimag survey (airborne magnetic survey) of the project area, focusing on more prospective areas identified by the orientation exploration phase. The use of the airborne helimag method is to overcome technical problems caused by rugged terrain encountered with the ground magnetic surveying method previously undertaken by CMC. Helimag offers the potential to map out the structural geology of the project area which would significantly assist in prioritising target areas for further assessment.

The Company proposes to follow-up known prospects and targets generated from the orientation phase with focussed surface work designed specifically for each target area. Activities would include combinations of infill surveying at nominal 100m x 50m grid spacing, detailed geological mapping, tighter spaced geochemical soil sampling, hand digging of trenches to expose bedrock and/or insitu regolith for geological mapping, channel sampling and multi-element geochemical analysis.

### 2.5.4 Surface Exploration - Target Definition

Andean Mining proposes to follow-up on the focussed exploration program with a ground-based IP-Das geophysical survey covering initially the known mineralised horizons at Sabana Blanca, Brazo 1, Granizales and Contacto and then extending the survey to further target areas defined by the initial Orientation and Focussed exploration programs.

Electrical geophysical methods are highly effective in identifying VMS targets because they respond to the electrical conductivity of the rocks and minerals, which can vary by 20 orders of magnitude (Grant and West, 1965). Induced polarisation (IP) surveys measure the chargeability of the ground and the time variance in the response of the electromagnetic field, which is related to ability of the material to retain electrical charges. Induced polarisation surveys are very effective in detecting disseminated sulphide bodies such as is developed at El Dovio. Typically, these sulphides occur in the altered halo surrounding the massive sulphide ore body.

Electromagnetic techniques can directly detect conductive features such as base metal deposits where significant contrasts in conductivity values occur between the ore bodies and their resistive host rocks.

### 2.5.5 Drilling

A significant diamond drilling campaign at the Sabana Blanca prospect will form a key element of the El Dovio exploration program. A detailed 3D design of a diamond drilling program has been undertaken by Andean Mining using geological modelling software. Refer to Section 7.2 in Annexure B for specific details of the drilling program.

Diamond drilling is also warranted at the Brazo 1 and Granizales prospects. Further surface exploration will be undertaken prior to detailed design of drill holes at these less advanced prospects.

An application for renewal of the environmental permit for drilling was submitted to the Colombian government environmental authority on 3 September 2021. The Colombian government website states that the average time for such approval is 4 months (Minambiente, 2021).

### 2.5.6 Development Studies

The Company plans to undertake further detailed metallurgical testwork to determine metal recoveries and other metallurgical properties for preliminary studies into the mineral economics of the El Dovio Project.

Andean Mining will undertake geological modelling of the Sabana Blanco mineralisation following the completion of the planned diamond drilling program. This future work would involve undertaking 3D wireframes of interpreted lodes, block modelling and grade estimation using geostatistical techniques.

The development of a maiden Mineral Resource estimate for the El Dovio Project is a key goal for Andean Mining. Should this goal be achieved, Andean Mining plans to undertake a Scoping Study on the project.



### 2.6 USE OF FUNDS

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the Official List as follows:

Source of Funds			Minimum Subscription \$	Maximum Subscription \$
Existing cash as at the date of this Prospectus			67,000	67,000
Proceeds from Offer			6,000,000	7,000,000
Total Funds Available			6,067,000	7,067,000
Proposed use of Funds Year 1	Minimum Subscription \$	%	Maximum Subscription \$	%
Exploration	2,062,000	31.7%	2,550,000	33.5%
Offer Costs	468,000	10.3%	530,000	10%
Corporate Costs	585,000	9.6%	585,000	8.3%
Working Capital	245,000	4.0%	265,000	3.7%
Total Expenditure Year 1	3,360,000	100%	3,930,000	100%
Proposed use of Funds Year 2	Minimum Subscription \$	%	Maximum Subscription \$	%
Exploration	1,950,000	33.1%	2,380,000	34.4%
Metallurgical test work	100,000	1.6%	100,000	1.4%
Corporate Costs	590,000	9.7%	590,000	8.3%
Working Capital	67,000	1.1%	67,000	1.3%
Total Expenditure Year 2	2,707,000	100%	3,137,000	100%
Total Both Years	6,067,000		7,067,000	

### Notes:

- 1. Exploration costs include the surface exploration program as outlined in section 2.5. The Company's intention will be to scale back the surface exploration program and commence with the diamond drilling program on receipt of the environmental approval.
- 2. Working capital includes deferred costs such as directors fees and wages and capital items to be purchased.
- 3. Expenses paid or payable by the Company in relation to the Offers are set out in Section 5.3(a).
- 4. Corporate costs include directors fees, listing fees, audit fees, travel and general corporate costs.

The above table is a statement of current intentions as at the date of this Prospectus. The Company is not aware of any legal, regulatory, statutory or contractual impediments to it entering the sites associated with the Andean Tenements and carrying out exploration activities that would impede the Company from spending its funds in accordance with the commitments set out above. However, investors 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 market conditions, the development of new opportunities and/or any number of other factors (including the risk factors outlined in Section 4), and actual expenditure levels may differ significantly from the above estimates.

continued

The Company proposes to actively pursue further acquisitions which complement its existing focus. If and when a viable investment opportunity is identified, the Board may elect to acquire or exploit such opportunity by way of acquisition, joint venture or earn-in arrangement which may involve the payment of consideration in cash, equity or a combination of both.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

The use of further equity funding may be considered by the Board where it is appropriate to accelerate a specific project or strategy. Based on the intended use of funds detailed above, the amount raised pursuant to the Offer will provide the Company with sufficient funding for 2 years' of operations.

As the Company has no operating revenue, the Company will require further financing in the future. See Section 4 for further details about the risks associated with the Company's future capital requirements.

### 2.7 ZOMAC TAX INCENTIVES IN COLOMBIA

The Colombian government issued a decree on 9 October 2017 that contains regulations to implement a provision in a law 1819 issued in 2016 and decree 1650 of 2017 that introduced several tax incentives that apply as from 2017. The decree, which is effective as from the date of issuance, affects new companies that have their main headquarters and carry out their business activities in the areas (**ZOMACs**) that have been most affected by armed conflict in Colombia. As per the decree, the municipalities that comprise the ZOMAC area mainly are concentrated in the provinces of Antioquia, Casanare, Cauca, Cundinamarca, Meta, Nariño and Tolima. The decree clarifies the methodology for the application of corporate income tax benefits for "new companies" (a term not defined in the law) that locate their main headquarters and begin carrying out their economic activities in ZOMACs. The available incentives depend on the size of the company. For purposes of the decree: New ZOMAC-based corporations may opt to satisfy up to 50% of their tax liability through a direct investment in a project of social importance or infrastructure in ZOMAC areas. This benefit will be available for each year in which investments are carried out (Content provided by Deloitte Colombia). The municipality of El Dovio, Department of Valle Del Cauca is one of 344 municipalities in Colombia covered by the decree.



Financial Information

## 3. Financial Information

#### 3.1 Introduction

The financial information for Andean Mining contained in this Section 3 includes:

- Statutory historical financial information for Andean Mining, comprising the:
  - Statutory historical income statements for the years ended 30 June 2019, 2020 and 2021 (**Statutory Income Statement**)
  - Statutory historical balance sheets as at 30 June 2019, 2020 and 2021 (Statutory Balance Sheet); and
  - Statutory historical cashflow statements for the years ended 30 June 2019, 2020 and 2021 (**Statutory Cashflow Statement**).

Together the above constitutes the "Statutory Historical Financial Information".

The financial statements for all years were subject to audits completed by Hall Chadwick (NSW), who issued an unqualified audit opinion. The audit reports contained a material uncertainty paragraph due to the net losses incurred and the negative working capital position at each of the balance dates presented.

- Pro-forma historical financial information for Andean Mining, comprising the:
  - Pro-forma historical consolidated balance sheet as at 30 June 2021 at the minimum capital raise of \$6 million (**Pro Forma Balance Sheet Minimum Capital Raise**).
  - Pro-forma historical consolidated balance sheet as at 30 June 2021 at the maximum capital raise of \$7 million (**Pro Forma Balance Sheet Maximum Capital Raise**).

Together the above constitutes "Pro-forma Financial Information".

The Statutory Historical Financial Information and Pro-forma Financial Information together constitutes the "Financial Information".

A copy of the audited financial report of the Company for the year ended 30 June 2021 has been lodged with ASIC and is taken to be included in this Prospectus by operation of section 712 of the Corporations Act. Any person may request a copy of the financial report during the application period of this Prospectus and the Company will provide a copy free of charge. Copies of the financial report can also be downloaded from the Company website at http://andeanmining.com.au/.

#### 3.2 Basis of preparation and presentation of the financial information

The Financial Information has been prepared in accordance with Australian Accounting Standards and the Corporations Act, as appropriate for for-profit oriented entities. The Financial Information also complies with IFRS.

#### 3.2.1 Historical cost convention

The Financial Information has been prepared under the historical cost convention.

#### 3.2.2 Critical accounting estimates

The preparation of the Financial Information requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed as below.

#### 3.2.3 Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. There does not currently appear to be either any significant impact upon the Financial Information or any significant uncertainties with respect to events or conditions which may unfavourably impact the consolidated entity as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.



#### 3.2.4 Share based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### 3.2.5 Overview of group

The Financial Information incorporates the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in section 3.6.2.

Name	Principal Place of Business/ Country of Incorporation	Ownership Interest 30 June 2021
Corporacion Minera de Colombia S.A.S.	Colombia	100%
Consultores Andean S.A.S.	Colombia	100%
Minera Andean S.A.S.	Colombia	100%

#### 3.3 Statutory Historical Information

#### 3.3.1 Statutory Income Statement

	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$
Other Income	100,411	40,210	125
Expenses			
Administration expenses	(916,479)	(219,134)	(87,937)
Marketing expenditure	-	-	(10,500)
Finance costs	(90,369)	(26,455)	(4,014)
Employee costs	(278,657)	(40,414)	(13,410)
Share issue expenses	(69,963)	(52,941)	(100,482)
Depreciation & amortisation	(2,341)	(2,134)	-
Fair value adjustment on conversion to shares	(404,331)		
Impairment of goodwill	-	-	(672)
Exchange losses	(50,270)	(13,142)	(196)
Total expenses	(1,812,411)	(354,220)	(217,211)
Loss before income tax	(1,712,000)	(314,010)	(217,086)
Income tax benefit	-	557	-
Loss after tax	(1, 712,000)	(313,453)	(217,086)
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations	(29,229)	19,324	773
Total comprehensive income for the year	(1,741,229)	(294,129)	(216,313)

## 3. Financial Information

continued

#### 3.3.2 Statutory Balance Sheet

	Note	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$
Assets				
Current assets				
Cash and cash equivalents	5.5.01	173,113	34,602	293
Trade and other receivables		106,154	83,629	1,293
Total current assets		279,267	118,231	1,586
Non-current assets				
Property, plant & equipment		73,126	80,837	-
Exploration & evaluation expenditure	5.5.02	1,949,575	1,866,735	-
Intangible assets		2,890	4,019	-
Other assets		-	-	589,208
Total non-current assets		2,025,591	1,951,591	589,208
Total assets		2,304,858	2,069,822	590,794
Current liabilities				
Trade and other payables		407,937	1,212,228	75,834
Borrowings	5.5.03	2,260,000	354,391	81,251
Total current liabilities		2,667,937	1,566,619	157,085
Non-current liabilities				
Deferred tax liabilities		17,076	17,782	-
Total non-current liabilities		17,076	17,782	-
Total liabilities		2,685,013	1,584,401	157,085
Net assets		(380,155)	485,421	433,709
Equity				
Issued capital	5.5.04	1,871,516	995,863	650,022
Foreign currency translation reserve		(9,132)	20,097	773
Accumulated losses		(2,242,539)	(530,539)	(217,086)
Total equity		(380,155)	485,421	433,709



#### 3.3.3 Statutory Cashflow Statement

	Note	30 June 2021 \$	30 June 2020 \$	30 June 2019 \$
Cash flows from operating activities				
Other Income		85,448	40,157	-
Payments to suppliers and employees		(1,318,723)	(168,801)	(36,729)
Interest received		14,963	53	125
Finance costs		(2,487)	(26,455)	(4,014)
Net cash used in operating activities	5.5.01(b)	(1,220,799)	(155,046)	(40,618)
Cash flows from investing activities				
Payments for property, plant & equipment		(998)	-	-
Payments for intangibles		(818)	-	-
Payments for exploration expenditures		(102,592)	(634)	-
Payments for acquisition of subsidiary <sup>1</sup>		(964,088)	(379,401)	(672)
Payments for funds advanced under option agreement		-	-	(589,208)
Net cash used in investing activities		(1,068,496)	(380,035)	(589,880)
Cash flows from financing activities				
Proceeds from issue of shares, net of costs		-	292,900	549,540
Proceeds from convertible notes issued		2,480,000	30,000	-
Repayment of borrowings		(52,194)	(105,000)	-
Proceeds from borrowings		-	348,140	81,251
Net cash from in financing activities		2,427,806	566,040	630,791
Net increase in cash and cash equivalents		138,511	30,959	293
Cash and cash equivalents at the beginning of the period		34,602	293	-
Cash on acquisition		-	3,350	
Cash and cash equivalents at the end of the financial year	5.5.01(a)	173,113	34,602	293

<sup>1.</sup> The balance of payments of \$964,088 to acquire Corporacion Minera de Colombia S.A.S.

## 3. Financial Information

continued

#### 3.4 Pro-forma Balance Sheet

Set out in the table below is the Consolidated Balance Sheet for Andean Mining Limited as at 30 June 2021 and the Pro Forma Balance Sheets for Andean Mining Limited assuming completion of the minimum and maximum Offer as disclosed in the Prospectus and other material events that have occurred or are expected to occur subsequent to 30 June 2021. This information should be read in conjunction with the information provided elsewhere in this Prospectus.

	Actual Audited Balance Sheet 30 June 2021 <sup>(1)</sup>	Pro-Forma Balance Sheet Minimum Offer <sup>(2), (4)</sup>	Pro-Forma Balance Sheet Maximum Offer (3), (4)
Current Assets			
Cash assets	173,113	5,753,513	6,673,513
Receivables	106,154	108,654	108,654
	279,267	5,862,167	6,782,167
Non-Current Assets			
Property, plant and equipment	73,126	73,126	73,126
Exploration & evaluation expenditure	1,949,575	1,949,575	1,949,575
Intangibles	2,890	2,890	2,890
	2,025,591	2,025,591	2,025,591
Total Assets	2,304,858	7,887,758	8,807,758
Current Liabilities			
Payables	407,937	334,230	334,230
Borrowings	2,260,000	-	-
	2,667,937	334,230	334,230
Non-Current Liabilities			
Deferred tax liabilities	17,076	17,076	17,076
	17,076	17,076	17,076
Total Liabilities	2,685,013	351,306	351,306
Net Assets	(380,155)	7,536,452	8,456,452
Equity			
Issued capital	1,871,516	13,679,775	14,599,775
Reserves	(9,132)	2,077,250	2,077,250
Accumulated losses	(2,242,539)	(8,220,573)	(8,220,573)
Total Equity	(380,155)	7,536,452	8,456,452

#### Notes:

- 1. Column 1 represents the actual audited consolidated Balance Sheet of Andean Mining Limited as at 30 June 2021.
- Column 2 represents the Pro forma Balance Sheet of Andean Mining Limited assuming the minimum raise from the Offer of \$6 million less
  estimated costs of capital raising to be satisfied in cash of \$630,000. Cash costs of the minimum Offer have been allocated as \$405,000 to
  contributed equity relating to the issue of Shares and \$225,000 to accumulated losses.
- 3. Column 3 represents the Pro forma Balance Sheet of Andean Mining Limited assuming the maximum raise from the Offer of \$7 million less estimated costs of capital raising to be satisfied in cash of \$710,000. Cash costs of the maximum Offer have been allocated as \$485,000 to contributed equity relating to the issue of Shares and \$225,000 to accumulated losses.
- 4. Other pro forma adjustments included in Columns 2 and 3 to account for material events occurring subsequent to 30 June 2021 include:



- (i) \$2,260,000 convertible notes plus accrued interest of \$112,938 converted into 23,729,381 shares as part of the listing at \$0.10 per share, being a 50% discount to the Offer Price as per the terms of the Convertible Note Deeds, and recorded at a fair value of \$0.20 per share with \$2,260,000 against borrowings, trade payables of \$61,607 and accumulated losses of \$2,424,270;
- (ii) Net proceeds of \$210,400 received post 30 June 2021 for the issue of 250 convertible notes of \$1,000 each less brokerage of \$25,000 (excl GST) and also less trade payables of \$12,100 (incl. GST). These notes plus accrued interest of \$2,451 converted into 2,524,509 shares as part of the listing at \$0.10 per share as per the terms of the Convertible Note Deeds and recorded at a fair value of \$0.20 per share with \$279,902 recorded against accumulated losses;
- (iii) 975,000 shares issued to brokers to the Offers as per the Mandate Letter at the offer price of \$0.20 per share totalling \$195,000 recorded against issued capital and accumulated losses;
- (iv) 7,674,815 Performance Shares issued to Directors and senior management at a fair value of \$0.10 per share recorded against issued capital and accumulated losses to the value of \$767,482. These Performance Shares are subject to a Resource Hurdle as described at section 6.18. All Performance Shares will expire and be redeemed by the Company for nil consideration if the Resource Hurdle is not met within 3 years after the Listing Date. The fair value of \$0.10 per share has been determined based on the Offer Price of \$0.20 and management's assessment of achieving the Resource Hurdle;
- (v) 25,000,000 options issued to shareholders at an exercise price of 20 cents expiring 3 years after the date of the listing on the ASX, recorded against options reserve and accumulated losses to the value of \$1,680,000;
- (vi) 3,837,410 options issued to directors and senior management at an exercise price of 25 cents expiring 3 years after the date of grant, recorded against options reserve and accumulated losses to the value of \$202,999; and
- (vii) 3,837,410 options issued to directors and senior management at an exercise price of 30 cents expiring 3 years after the date of grant, recorded against options reserve and accumulated losses to the value of \$203,383.
- 5. Cash assets comprise the following:

	Minimum Subscription \$	Maximum Subscription \$
Cash balance from the Company, 30 June 2021	173,113	173,113
Share issue proceeds post 30 June 2021	6,000,000	7,000,000
Convertible notes proceeds post 30 June 2021 (net of brokerage)	210,400	210,400
Offer proceeds		
Offer costs	(630,000)	(710,000)
Cash as per pro forma statements of financial position	5,753,513	6,673,513

#### 6. Issued capital is calculated as follows:

	Minimum S	Minimum Subscription		Subscription
	No. of Shares	\$	No. of Shares	\$
Number of shares currently on issue	88,374,811	1,871,515	88,374,811	1,871,515
Consolidation of shares on issue	19,519,260	1,871,515	19,519,260	1,871,515
Conversion of convertible notes to shares together with accrued interest	23,729,386	4,745,877	23,729,386	4,745,877
Conversion of convertible notes to shares together with accrued interest	2,524,509	504,902	2,524,509	504,902
Shares issued to brokers and advisors as consideration for services	975,000	195,000	975,000	195,000
Capital Raising	30,000,000	6,000,000	35,000,000	7,000,000
Cash Offer costs attributed to equity		(405,000)		(485,000)
Shares on issue on completion of the Offer	76,748,155	12,912,293	81,748,155	13,832,293
Performance shares issued to directors and senior management	7,674,815	767,482	7,674,815	767,482
		13,679,775		14,599,775

## 3. Financial Information

continued

#### 3.5 Notes to the Financial Information

#### 3.5.1 Cash and cash equivalents

(a) Cash and cash equivalents	173,113
(b) Reconciliation of net cash used in operating activities to operating loss	
Operating loss after income tax expense	(1,712,000)
Add non – cash items:	
Depreciation and amortisation	2,341
Foreign exchange losses	50,270
Fair value on conversion to shares	404,332
Share issue costs	69,963
Add / (deduct) movement in working capital:	
Trade and other receivables (increase)	(22,525)
Trade and other payables increase	(12,474)
Deferred tax liabilities increase	(706)
	(1,220,799)

#### 3.5.2 Exploration & evaluation expenditure

	2021 \$
Opening balance	1,866,735
On acquisition	-
Additions	82,840
Closing balance as at 30 June 2021	1,949,575

The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Board is of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at \$1,949,575 as at 30 June 2021 (2020: \$1,866,735).

#### 3.5.3 Borrowings

	2021 \$
Convertible notes as at 30 June 2021	2,260,000

The Series 2 convertible notes have an interest rate of 6%. These notes were issued in January 2021. Full terms of the Series 2 convertible notes are detailed at 7.5(c) of this Prospectus.

The pro forma balance sheet includes the conversion of the Series 2 convertible notes as part of the public listing as detailed at section 5.4 note 4.



#### 3.5.4 Issued Capital

	2021 Shares	2021 \$
Ordinary shares fully paid	88,374,811	1,871,515
(a) Movement in ordinary shares		
	Shares	\$
Opening balance at 1 July 2020	70,861,765	995,863
Issue of shares on 31 January 2021 @ a deemed price of 5 cents on conversion of loans plus accrued interest	4,641,640	232,082
Issue of shares on 31 January 2021 @ a deemed price of 5 cents on conversion of Series 1 convertible notes plus accrued interest	8,736,949	436,848
Issue of shares to Newrange Gold Corp on 31 January 2021 @ a deemed price of 5 cents	4,134,457	206,723
Closing balance at 30 June 2021	88,374,811	1,871,515

#### 3.6 Accounting Policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### a) Basis of Preparation

Historical cost convention

The financial statements have been prepared under the historical cost convention, except where stated.

Parent entity information

These financial statements present the results of the consolidated entity only.

#### b) Statement of Compliance

These general-purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

#### c) Functional and presentation currency

The functional currency of Corporacion Minera de Colombia S.A.S., Minera Andean S.A.S and Consultores Andean S.A.S. is the Colombian Peso and for Andean Mining Limited it is Australian dollars. The financial report is presented in Australian dollars, which is the Group's presentation currency.

## 3. Financial Information

continued

#### d) Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

#### e) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

#### **Impairment**

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;

A loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approaches to impairment, as applicable under AASB 9: Financial Instruments:

#### Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

Recognition of expected credit losses in financial statements

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.



#### f) Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding freehold land) over their expected useful lives as follows:

Leasehold improvements 5-10 years

Plant and equipment 5-10 years

Computer equipment Over 4 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

#### Impairment

The carrying values are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less cost to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less cost to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

#### g) Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Board is of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at the end of the reporting period at \$1,949,575 (2020: \$1,866,735).

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area.

## 3. Financial Information

continued

#### h) Revenue and Other Income

#### Revenue recognition

The Group currently does not generate any revenue and is not likely to do so until such time as it has discovered sufficient proven and probable reserves at its exploration project in Colombia to prepare a bankable feasibility study.

#### Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### i) Borrowings

Borrowings are initially recognised at the fair value of the consideration received, net of directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred, except where they are directly attributable to the acquisition or construction of qualifying assets, in which case they are capitalised as part of the cost of that asset.

#### j) Foreign currency transactions and balances

#### Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which the entity operates. The functional currency of Corporacion Minera de Colombia S.A.S., Minera Andean S.A.S. is the Colombian Peso. The financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

#### Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at average rates prevailing at the end of the financial period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction

#### k) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Andean Mining Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are deconsolidated from the date that control ceases.



Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

#### **Business combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.



Risk Factors

### 4. Risk Factors



#### 4.1 Introduction

The Andean Mining Group is subject to risk factors that are both specific to its business activities and of a more general nature. Each of the risks set out below could, in isolation or in combination, if they eventuate, have a material adverse impact on the Andean Mining Group's prospects, business, financial condition and operations. Investors should note that this Section 4 does not purport to list every risk that may be associated with an investment in Shares now or in the future, and that the occurrence or consequences of some of the risks described in this Section 4 are partially or completely outside the control of the Andean Mining Group, its Directors and management.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the possible impact of the risk if it did occur. The assessment is based on the knowledge of the Board as at the Prospectus Date, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge. Additional risks and uncertainties not presently known to the Board, or which the Board currently deems immaterial, may also have a material adverse effect on the Andean Mining Group. Prospective investors should carefully consider the other information in this Prospectus. Prospective investors should note that the risks described below are not the only risks faced by the Andean Mining Group and are not set out in any order of priority or otherwise.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether Shares are a suitable investment for you, having regard to your own risk tolerance, investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest.

In addition to the other information contained in this document, the following risk factors affecting the Andean Mining Group should be considered carefully when evaluating whether to make an investment in the Company.

Please also note that additional risks are identified in the Independent Technical Assessment Report, attached as Annexure B.

#### 4.2 Risks specific to an investment in the Company

The Board is responsible for ensuring that appropriate policies and procedures are in place to identify and monitor risks faced by the Andean Mining Group and to ensure that such risks are managed where possible within a level determined by the Board as prudent and appropriate.

A summary of some of the risk factors taken into account include, but are not limited to, the following.

#### (a) Limited history

The Andean Mining Group has a limited operating history and does not have cash flow producing assets. The ultimate success of the Andean Mining Group will depend on its ability to develop and generate cash flow from its projects in the future and to successfully discover new deposits on its exploration assets. There is a possibility that not all, or indeed any, of the projects in Andean Mining Group's current portfolio will develop as anticipated or that the Andean Mining Group will become profitable.

No assurances can be given that the Andean Mining Group will achieve commercial viability through the successful exploration and/or mining of its tenements. Until the Andean Mining Group is able to realise value from its projects, it is likely to incur ongoing operating losses.

## 4. Risk Factors

continued

#### (b) Exploration and operating

The mineral exploration tenements and prospecting tenements comprising the projects are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that future exploration of these tenements, or any other mineral tenements that may be acquired in the future, will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Andean Mining Group may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, changing government regulations and many other factors beyond the control of the Andean Mining Group.

The success of the Andean Mining Group will also depend upon the Andean Mining Group being able to maintain title to the mineral exploration tenements and prospecting tenements comprising the projects and obtaining all required approvals for their contemplated activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the projects, a reduction in the cash reserves of the Andean Mining Group and possible relinquishment of one or more of the mineral exploration tenements or prospecting tenements comprising the projects.

#### (c) Operational and technical

The operations of the Andean Mining Group may be subject to a number of issues which may include, amongst others: (i) failure to discover any mineral deposits; (ii) technical difficulties associated with the actual development and commercial extraction of the minerals; (iii) failure of the minerals extracted to achieve projected grades; (iv) adverse events outside the Andean Mining Group's control involving the environment or acts of force majeure; (v) increased competition within the industry for access to skilled personnel, equipment, contractors and/or consultants and raw materials in order to carry out the Andean Mining Group's activities; and (vi) access to a viable transport solution to get product to market including access to infrastructure (if the Andean Mining Group is successful in progressing to mineral production).

#### (d) Results of studies

Subject to the results of exploration and evaluation programs to be undertaken, the Andean Mining Group intends to undertake a number of studies in respect to the projects, which may include scoping, prefeasibility and feasibility studies. There can be no guarantee that any of the studies will confirm the economic viability of the projects or the results of other studies undertaken by the Andean Mining Group. Even if a study confirms the economic viability of the projects, there can be no guarantee that the projects will be successfully financed and brought into production as assumed or within the estimated parameters in the feasibility study once production commences. Further, the ability of the Andean Mining Group to complete a study may be dependent on the Andean Mining Group's ability to raise further funds to complete the study, if required.

#### (e) Tenure and renewal

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Andean Mining Group.



#### (f) Climate risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

#### (g) COVID-19 risk

The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Andean Mining Group remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Andean Mining Group's operations and are likely to be beyond the control of the Andean Mining Group.

The Andean Mining Group will observe all Government restrictions on travel and public gatherings due to the pandemic. While this is an inconvenience to the Andean Mining Group's operations due to the projects being located overseas, the impact is somewhat mitigated by the use of audio visual facilities to conduct meetings, remote working arrangements (where possible) and the fact that overseas staff are already onsite at major project facilities and will remain so for the foreseeable future.

The Board is monitoring the situation closely and has considered the impact of COVID-19 on the Andean Mining Group's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. If any of these impacts appear material prior to close of the Offer, the Andean Mining Group will notify investors under a supplementary prospectus.

The health and wellbeing of our people, contractors and stakeholders is of paramount importance to us. As the impact of COVID-19 continues to evolve, the Andean Mining Group has and will continue to proactively implement protocols to minimise the potential transmission of COVID-19, ensuring the health and safety of our people and limiting the risk to our operations and communities.

Key measures implemented by the Andean Mining Group include:

- Work from home protocol for the foreseeable future for our staff in Medellin, Colombia and Sydney, Australia;
- Enhanced workforce communication;
- Extended sick and compassionate leave assistance to employees, including casuals;
- Consulting with and assisting our communities;
- Working with our contractors to provide assistance; and
- Maintaining critical payments to employees.

The Government of Colombia has assigned the task of determining restrictions to the governors of each Department and requires that those governors work together with the mayors of the various municipalities to determine the mobility restrictions in each of the territories - taking into account the specific situation of each Department and its municipalities.

## 4. Risk Factors

continued

Colombia has lifted restrictions on movement between Departments. As such, employees and contractors are able to access the project.

Resolution 1315 dated August 27, 2021, issued by the Ministry of Health and Social Protection, extended the health emergency until November 30, 2021 throughout Colombia, initially declared by Resolution 385 of 2020. This resolution does not currently impose any restriction that would impede access to or the development of the project.

Resolution 777 of 2021, dated June 2, 2021, issued by the Ministry of Health and Social Protection, adopted a general biosafety protocol for the development of economic, social and State activities. This resolution does not impose any restriction that would impede access to or the development of the project as it does not specifically deal with the mining sector. However, CMC must implement biosafety protocols established by the Resolution. Currently, CMC has instituted a work at home protocol which has been lodged with the National Mining Agency.

There are currently no mobility restrictions enforced in Colombia, Valle del Cauca or El Dovio.

The Andean Mining Group cannot guarantee that access will continue if further COVID-19 restrictions are implemented.

#### (h) Going Concern

The Andean Mining Group has not generated significant revenues from operations and the Board has prepared cash flow forecasts which indicate that the Andean Mining Group's current cash resources may not be sufficient to fund long term planned exploration expenditure, other principal activities and working capital requirements without the raising of additional capital.

However, the Board is satisfied that, following completion of the Offer, the Andean Mining Group will be able to continue as a going concern while carrying out its planned exploration expenditure, other principal activities and working capital requirements. The Board it also confident that it is able to manage discretionary spending in order to ensure that cash is available to meet the Company's (and its subsidiaries') debts as and when they fall due.

#### (i) Additional requirements for capital

The Andean Mining Group's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. However, there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

#### (j) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Andean Mining Group depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Andean Mining Group if one or more of these employees cease their employment.

The Andean Mining Group's future depends on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Andean Mining Group's business.



#### 4.3 Risks specific to an investment in the industry

Industry specific risks are described below:

#### (a) Exploration costs

The exploration costs of the Andean Mining Group 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 uncertainty, and accordingly, the actual costs may materially differ from the estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely impact the Andean Mining Group's viability.

#### (b) Resource and reserves and exploration targets

The Andean Mining Group has identified a number of exploration targets based on geological interpretations and limited geophysical data, geochemical sampling and historical drilling. Insufficient data however, exists to provide certainty over the extent of the mineralisation. Whilst the Andean Mining Group intends to undertake additional exploratory work with the aim of defining a resource, no assurances can be given that additional exploration will result in the determination of a resource on any of the exploration targets identified. Even if a resource is identified, no assurance can be provided that it can be economically extracted.

Reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were initially valid may change significantly when additional information or new techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations which may prove to be inaccurate.

#### (c) Grant of future authorisations to explore and mine

If the Andean Mining Group discovers an economically viable mineral deposit that it then intends to develop, it will require, amongst other things various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Andean Mining Group will be able to obtain all required approvals, licenses and permits. To the extent that required authorisations are not obtained or are delayed, the Andean Mining Group's operational and financial performance may be materially adversely affected.

#### (d) Mine development

Possible future development of mining operations at the projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, 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 and exchange rate fluctuations.

If the Andean Mining Group commences production on one of the projects, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Andean Mining Group. No assurance can be given that the Andean Mining Group will achieve commercial viability through the development of the projects.

The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

#### (e) Environmental

The operations and proposed activities of the Andean Mining Group are subject to laws and regulations concerning the environment. As with most exploration projects and mining operations, the Andean Mining Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Andean Mining Group's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

## 4. Risk Factors

continued

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or fires may impact on the Andean Mining Group's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Andean Mining Group for damages, cleanup costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Andean Mining Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

#### (f) Regulatory Compliance

The Andean Mining Group's operating activities are subject to extensive laws and regulations relating to numerous matters including resource licence consent, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment and heritage matters, protection of endangered and protected species and other matters. The Andean Mining Group requires permits from regulatory authorities to authorise the Andean Mining Group's operations. These permits relate to exploration, development, production and rehabilitation activities.

While Andean Mining Group believes that it is in substantial compliance with all material current laws and regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Andean Mining Group or its properties, which could have a material adverse impact on the Andean Mining Group's current operations or planned development projects.

Obtaining necessary permits can be a time-consuming process and there is a risk that the Company will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation or development of a mine. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of the Company's activities or forfeiture of one or more of the Tenements.

#### 4.4 General risks

#### (a) Price of Shares

Once the Company becomes a publicly listed company on the ASX, it will be subject to general risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of the Andean Mining Group.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Andean Mining Group's earnings increase.

Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international markets for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government;
- changes in fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Andean Mining Group operates;
- general operational and business risks;
- changes in investors sentiment towards particular market sectors;
- the demand for, and supply of capital; and
- terrorism or other hostilities.



#### (b) Trading and liquidity in Shares

Prior to the Offer, there has been no public market in the Shares. Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for the Shares will develop or that the price of the Shares will increase. There may be relatively few potential buyers or sellers of the Shares on the ASX at any time. It is important to recognise that, on a disposal, Shareholders may receive a market price for their Shares that is less than the price that they paid under the Offer.

Further, following Completion, it is expected that the Existing Shareholders will hold up to 61% of the Shares, which may also impact liquidity. At least 40% of that 61% are expected to be subject to restricted securities obligations as described in Section 1.6 and Section 7.9. The absence of sales of Shares by the Existing Shareholders during this period may cause, or at least contribute to, limited liquidity in the market for Shares.

Following release from escrow, Shares held by the Existing Shareholders will be able to be freely traded on the ASX. A significant sale of Shares by the Existing Shareholders, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. The interests of the Existing Shareholders may be different from the interests of investors who acquire Shares in the Offer.

#### (c) Commodity price volatility and exchange rate risks

If the Andean Mining Group achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Andean Mining Group. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Australian dollar and the Colombian peso as determined in international markets.

#### (d) Country specific risks

Certain risks are specific to the Andean Mining Group due to its extensive operations in the country of Colombia. Heightened economic risks are inherent in any investment in an emerging market country such as Colombia. Colombia's economy is vulnerable to external shocks, including the economic crisis of its major regional trading partners or by more general "contagion" effects, all of which could have a material adverse effect on Colombia's economic growth and public finances. Colombia suffers from a range of other issues, from potential corruption and lack of transparency when dealing with government institutions to security problems in some areas of the country.

#### (e) The Andean Mining Group may be subject to changes in tax law

Tax laws may change in the future. Any changes to the current rate of company income tax may impact shareholder returns. In addition, any change in tax rules and tax arrangements could have an adverse effect on the level of dividend franking and shareholder returns.

#### (f) Government policy changes

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of the Andean Mining Group. It is possible that the current system of exploration and mine permitting may change, resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation.

#### (g) Agents and contractors

The Board is unable to predict the risk of the insolvency or managerial failure by any of the contractors used, or to be used in the future, by the Andean Mining Group in any of its activities or the insolvency or other managerial failure by any of the other service providers used, or to be used in the future, by the Andean Mining Group for any activity.

## 4. Risk Factors

continued

#### (h) Force majeure events

Events may occur within or outside Australia or Colombia that could impact upon the global, Australian, Colombian and other local economies, the operations of the Andean Mining Group and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, water contamination, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the ability of the Andean Mining Group to conduct business. The Andean Mining Group has only a limited ability to insure against some of these risks.

#### (i) Accounting Standards

Australian Accounting Standards are set by the AASB and are outside the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect future measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables and lease obligations. There is also a risk that interpretation of existing Australian Accounting Standards, including those relating to the measurement and recognition of key statement of profit or loss and other comprehensive income, and statement of financial position items, including revenue and receivables, may differ. Changes to the Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the reported financial performance and position of the Company.

#### (j) Shareholder dilution

In the future, the Company may elect to issue Shares to raise further funding. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings.

#### (k) Insurance

The Andean Mining Group intends to insure its operations in accordance with industry practice. However, in certain circumstances the Andean Mining Group's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Andean Mining Group. Insurance of all risks associated with mineral exploration and production is not always available and where available the costs can be prohibitive.

#### (I) Litigation Risks

The Andean Mining Group is exposed to possible litigation risks including tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Andean Mining Group 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 Andean Mining Group's operations, reputation, financial performance and financial position. The Andean Mining Group is not currently engaged in any litigation.

#### 4.5 Local Community

The Andean Mining Group's policy will be to actively consider, sponsor (through community projects) and work with the local Colombian communities. Positive relationships with local populations cannot be guaranteed. Such relationships are important and can affect the ability of the Andean Mining Group to secure, amongst other things, surface rights, access, infrastructural support and the necessary labour required to develop and operate a mine.



#### 4.6 Legal Regime

The Colombian jurisdiction, where the Andean Mining Group is currently operating, differs from the legal system found in Australia. This could lead to exposure to any of the following risks:

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

There can be no assurance that joint ventures, licences, licence applications, tenements or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain.

#### 4.7 Taxation

It should be noted that the information contained in Section 7.13 of this Prospectus relating to taxation may be subject to legislative change.

#### 4.8 Forward looking statements

This document contains certain forward looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this document, including statements regarding the Andean Mining Group's future financial position, business strategy and plans, business model and approach and objectives of management for future operations, are forward-looking statements. Generally, the forward looking statements in this document use words like "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and similar terms. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place.

The Andean Mining Group's actual results could differ materially from those anticipated in the forward looking statements as a result of many factors, including the risks faced by the Andean Mining Group which are described in Section 4 and elsewhere in this document. Investors are urged to read this entire document carefully before making an investment decision. The forward looking statements in this document are based on the beliefs and assumptions of the Board and information only as of the date of this document, and the forward looking events discussed in this document might not occur. Therefore, investors should not place any reliance on any forward looking statements. Except as required by law, the Board undertakes no obligation to publicly update any forward looking statements, whether as a result of new information, future earnings, or otherwise.

#### 4.9 Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Andean Mining Group and the value of the Shares. Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares. Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.





#### 5.1 Board of Directors

The Directors bring to the Board relevant experience and skills, including sector and business knowledge, financial management and corporate governance experience. Profiles of each member of the Board are set out in the table below.

Director	Experience and background
Dr Phillip Wing	Dr Wing has more than 30 years' experience in the financial sector and capital markets.
Non-Executive Chairman	Dr Wing was the founding Chairman of Hampton Mining Pty Ltd and Chairman of Metminco Limited from 2010 to 2017. Metminco had copper assets in Peru and Chile. As Chairman Dr Wing oversaw the company's dual listing on the ASX and AIM market in the UK. Dr Wing also oversaw the global capital raising and shareholder relations in both the UK and Australia.
	Dr Wing's initial background was as a partner at KPMG and Ernst & Young in the management consulting group. He has a Bachelor's and Master's degree in Economics and a PhD from Macquarie University Graduate School of Management.
	His international career includes consulting firms in the US, IBM Global Executive and as a Partner in an institutional Venture Capital firm based in Sydney and Silicon Valley.
	For the past 12 years, Dr Wing has been the principal and major investor in a private equity firm that invests internationally in private companies. A number of investee companies have operations and customers globally including in South America.
	Dr Wing has sat on Boards and acted as Chairman for private and not-for-profit organisations in Australia and the USA. He has extensive experience in raising capital globally and deploying the capital to accelerate growth and create value for investors.
Mr William Howe Managing Director and CEO	Mr Howe has over 40 years' experience in the mining industry. He was a founding director of Straits Resources Limited 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.
	Mr Howe was Managing Director of Hampton Mining Pty Ltd from 2003 to 2010 and Metminco Ltd from 2010 to 2018 where he led the team that discovered two copper porphyry deposits in southern Peru and in Region IV, Chile and successfully completed a feasibility study for the development of an underground gold mine in Colombia. Mr Howe is a Fellow of the AusIMM.
Mr Maxwell James Green	Mr Green has over 30 years of experience as a lawyer and corporate advisor and is currently Executive Co-Chairman of Primary Markets Ltd. Prior to joining Primary Markets
Non-Executive Director	Mr Green was Head of M&A Advisory at Patersons Securities. He has also worked as Head of Corporate Finance at Austock (Phillip Capital).
	Mr Green has been involved in the mining sector as a lawyer, advisor and founder for over two decades and has a deep understanding of and experience in listed company Board practice, process and governance. Mr Green has a keen interest and extensive experience in all aspects of corporate finance, capital management, equity capital markets, M&A, and corporate strategy.
	Mr Green has held a number of directorships of both private and ASX listed public companies.
	Mr Green is a past President of the NSW Division of the Australian Institute of Company Directors (AICD) and a former director of the AICD.

continued

Director	Experience and background
Mr Paul Ingram Independent Director	Mr Ingram is a geologist with extensive experience in managing major mineral exploration programmes throughout the world. He has designed and implemented innovative techniques for exploration in remote areas and has managed projects in countries such as Australia, the Americas and East Asia. His skill set and experience include corporate management, technical management, and project evaluation, with an emphasis on concluding successful outcomes to difficult problems.
	Mr Ingram has been involved in mineral exploration and development for over forty years. He was Managing Director of several publicly listed companies including Menzies Gold Ltd, Caledon Resources PLC and Polo Resources PLC. He currently serves on the Boards of two ASX listed companies, A-Cap Energy Limited (ASX: ACB) and Impact Minerals Limited (ASX: IPT).

Details of the Company's key corporate governance policies are set out in Sections 5.8 and 5.9.

Each Director above has confirmed to the Company that they anticipate being able to perform their duties as a non-executive director or executive director of the Company, as the case may be, without constraint from other commitments.

#### 5.2 Executive management

Profiles of the key members of the Company's executive management team are set out in the table below.

Executive	Experience and background	
William Howe	See Section 5.1.	
Managing Director and CEO		
Graeme Hogan	Mr Hogan is the founding Company Secretary and CFO of Andean Mining Limited. He	
Company Secretary and CFO	is a Fellow of CPA and the Governance Institute of Australia with significant experience as a public company Company Secretary and CFO, focussed on finance, administration and governance roles. He has more than 30 years' experience in all aspects of company financial reporting, corporate regulatory and governance areas, and company secretarial responsibilities. The companies he has worked for or consulted to have principally been in the resources/energy sectors. He has been the Company Secretary and/or CFO of ASX and AIM listed companies.	

#### 5.3 Interests and benefits

This Section 5.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer.

Other than as set out below or elsewhere in this Prospectus, no:

- director or proposed Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company;

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,



and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a director of the Company.

#### (a) Interests of advisers

The Company has engaged the following professional advisers in relation to the Offer:

- Novus Capital has acted as lead manager and sponsoring broker to the Offer and the fees payable to the Lead Manager pursuant to the Mandate Letter are described in Section 7.5. As at the date of this Prospectus, the Company has paid Novus Capital \$278,200 (excluding GST and disbursements) in relation to the Offer and pre-Offer capital raising advice and assistance. Novus Capital has, in turn, appointed Cadmon Advisory as a co-corporate advisor and broker to the Offer. Novus Capital pays Cadmon Advisory directly from the fees it receives from the Company. As at the date of this Prospectus, Novus Capital has paid Cadmon Advisory \$22,000 from the \$278,200 received by it from the Company.
- Ash Street has acted as Australian legal adviser to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$180,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Ash Street Partners Pty Ltd in accordance with its normal time-based charges.
- Hall Chadwick (NSW) has acted as auditor to the Company in connection with the Offer. The Company has
  paid, or agreed to pay, approximately \$20,750 (excluding disbursements and GST) for these services up until
  the Prospectus Date. Further amounts may be paid to Hall Chadwick (NSW) in accordance with its normal
  time-based charges.
- Hall Chadwick has acted as the Investigating Accountant in connection with the Offer and has performed
  work in relation to the Investigating Accountant's Reports which is included in Annexure A. The Company
  has paid, or agreed to pay, approximately \$25,000 (excluding disbursements and GST) for these services
  up until the Prospectus Date. Further amounts may be paid to Hall Chadwick in accordance with its normal
  time-based charges.
- Asesoria Minera has acted as Colombian legal adviser to the Company in relation to the Offer. Asesoria has
  prepared the Independent Solicitor's Report on Title which is included in Annexure C. The Company has
  paid, or agreed to pay, approximately \$15,000 (excluding disbursements and VAT) for these services up
  until the Prospectus Date. Further amounts may be paid to Asesoria Minera in accordance with its normal
  time-based charges.
- Indeport has prepared the Independent Technical Assessment Report which is included in Annexure B.
   The Company has paid Indeport a total of \$37,818 (excluding GST) for these services. Further amounts may be paid to Indeport in accordance with its normal time-based charges.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds and payment of expenses of the Offer is set out in Section 6.5(b).

#### (b) Directors' interests and remuneration

- i. Managing Director and CEO Refer to Section 5.4(a).
- ii. *Non-executive Directors*Refer to Section 5.5.
- iii. Deeds of access, insurance and indemnity

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director on the same terms. Each deed sets out the relevant Director's right of access to certain books and records of the Company for the period from the date of the deed until seven years after the date on which the Director ceases to hold office as a director of the Company or a Subsidiary. This period can be extended where certain proceedings or investigations are commenced, but are not finally determined, before the seven year period expires.

continued

Under the Constitution, the Company indemnifies every person who is, or has been, an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company or a Subsidiary to the extent permitted by law. Each Deed of Indemnity, Insurance and Access provides that the Company indemnifies the relevant Director against all liabilities (including legal costs and other costs and expenses arising from proceedings or an investigation) incurred by or recovered from the Director as, or as a consequence of, having been an officer of the Company and each Subsidiary to the extent permitted by law.

Pursuant to the Constitution, the Company may pay a premium for a contract insuring a person who is or has been a Director against liability incurred by that person as a Director (except as prohibited by the Corporations Act). Under each Deed of Indemnity, Insurance and Access, the Company is required to use its best endeavours to obtain and maintain such insurance for the period from the date of the deed until seven years after the Director ceases to hold office as a Director of the Company or a Subsidiary. Again, this period can be extended where certain proceedings or investigations are commenced, but are not finally determined, before the seven year period expires

#### iv. Directors' interests in Shares and other securities

The Directors are not required by the Constitution to hold any Shares.

The Directors' interests in Shares and other securities in the Company as at the Prospectus Date are set out in the table below.

Director	Shares held on Completion	Performance Shares held on Completion	Eligible Seed Investor Options held on Completion	Director Options held on Completion
Phillip Wing	3,683,007	2,148,925	4,717,145	1,534,964
William Howe	3,945,421	2,455,965	5,053,240	1,534,964
Maxwell James Green	3,386,868	2,148,925	4,337,856	1,534,964
Paul Ingram	-	460,500	-	1,534,964

The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer. Final Directors' shareholdings will be notified to ASX following Listing.

In addition to the Option holdings of the Directors specified above, the Company has resolved to grant 1,534,964 Director Options and 892,284 Eligible Seed Investor Options to the Company Secretary and CFO, Mr Graeme Hogan and 1,131,544 Eligible Seed Investor Options to a former Director, Mr William Etheridge, on the same terms as the options held by the Directors. Mr Hogan has also been issued 460,500 Performance Shares.

The Company will issue the Performance Shares and Options noted above, following Completion and prior to the Listing Date.

#### v. Other information about Directors' interests and benefits

Directors may also be reimbursed travel and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees of the Board. A Director who performs additional or special duties for the Company at the request of the Board may be paid such additional or special remuneration (as determined by the Board) out of the funds of the Company.

There are no retirement benefit schemes for Directors, other than statutory superannuation contributions.



#### 5.4 Executive remuneration

The key management personnel of the Company are Managing Director and CEO, Mr William Howe and Company Secretary and CFO, Mr Graeme Hogan. Their employment arrangements are summarised below.

#### (a) Managing Director and CEO

Term	Description
Employer	Andean Mining
Fixed annual remuneration	AU\$240,000 including compulsory superannuation
Options	5,053,240 Eligible Seed Investor Options and 1,534,964 Director Options
Other benefits	Relocation allowance, discretionary annual bonus, options incentive package
Notice period, termination and termination payments	3 months
Non-solicitation/restrictions of future activities	None

Mr William Howe has entered into an Executive Services Agreement with the Company which governs his employment as Managing Director and CEO of the Company.

Mr Howe is entitled to receive a base salary of AU\$240,000 per annum including compulsory superannuation. If Mr Howe is relocated to Medellin, Colombia, the Company will pay Mr Howe an additional allowance of AU\$10,000 per month for accommodation and living expenses, provide medical insurance cover and cover the cost of flights for Mr Howe and his partner if he is required to return to Sydney for business. A discretionary annual bonus is available based on Mr Howe's performance in meeting the targets and goals of the Group as determined by the Board. Mr Howe is also entitled to an option incentive package as an executive in the Company. Mr Howe is not entitled to any further director's fees for serving as a director of a company within the Group. Mr Howe's salary will be reviewed on an annual basis.

Mr Howe's employment agreement may be terminated immediately by the Company by written notice and payment of a termination payment equal to 3 months' salary. Mr Howe can also be dismissed by the Company for cause or if he becomes bankrupt.

Mr Howe is entitled to 4 weeks leave per annum plus other leave in accordance with applicable legislation. In the event of extended illness, disability, or incapacity, Mr Howe shall receive his full salary and other benefits for a period of 3 months, followed by 30% of his salary and other benefits for a further period of 3 months. Further payments beyond the period of 6 months shall be at the absolute discretion of the Board. These payments do not apply if the medical insurance policy obtained and maintained by the Company on behalf of the Executive while he is relocated to Colombia is claimed and acknowledged by the insurance company.

#### (b) Company Secretary and CFO

Term	Description
Employer	Andean Mining
Fixed annual remuneration	\$100,000 as Company Secretary and \$150,000 as CFO
Options	892,284 Eligible Seed Investor Options and 1,534,964 Director Options
Other benefits	Participation in the Company's bonus and option schemes at the discretion of the Board
Notice period, termination and termination payments	3 months
Non-solicitation/restrictions of future activities	None

continued

#### 5.5 Non-Executive remuneration

Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of the Directors as remuneration for their services as a Director. Further, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

Initially, and until a different amount is determined, the Constitution provides that the maximum aggregate Directors' remuneration is \$450,000 per annum. This amount excludes, amounts payable to any executive Director under any executive services agreement with the Group or any special remuneration which the Board may granted to the Directors for special exertions or additional services performed by a Director for or at the request of the Company, which may be made in addition to or in substitution for the Directors' fees.

The annual Directors' fees currently agreed to be paid by the Company are \$72,000 per annum to the Chairman of the Board and \$60,000 per annum to each of the other non-executive Directors, including compulsory superannuation in each case.

Additional fees may be payable to Directors for their involvement in Board committees from time to time.

The Company has entered into a Deed of Indemnity, Insurance and Access with each Director on reasonable commercial terms.

#### **5.6** Performance Shares

The Company has resolved to issue Performance Shares equating to no more than 10% of the Company's issued capital at the Listing Date to the Managing Director and CEO, certain entities controlled by related parties of the Company and to an Existing Shareholder controlled by the Company Secretary and CFO. This is currently expected to be 7,674,815 Performance Shares. Should the number of Shares on issue at Completion be higher or lower than as listed in the table in Section 6.6, then the number of Performance Shares to be issued will be adjusted accordingly so that the total number issued does not exceed the 10% threshold.

A summary of the terms attaching to these Shares is set out in Section 6.18.

#### 5.7 Board of Directors

The Board is comprised of 4 directors, namely:

- Dr Phillip Wing;
- Mr Paul Ingram;
- Mr William Howe; and
- Mr Maxwell James Green.

A biography of each Board member is set out in Section 5.1.

Each Director has confirmed to the Company that he anticipates being available to perform his duties as a non-executive Director or an executive director (as relevant) without constraint from other commitments.

The Board considers an independent Director to be a non-executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its securityholders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the ASX Recommendations.

The Board Charter sets out guidelines of materiality for the purpose of determining independence of Directors in accordance with the ASX Recommendations and has adopted a definition of independence that is based on that set out in the ASX Recommendations.

The Board considers that Paul Ingram is free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that he is able to fulfil the role of independent Director for the purpose of the ASX Recommendations.

Mr Maxwell James Green and Dr Phillip Wing are currently considered by the Board not to be independent.

Accordingly, the Board will not consist of a majority of independent Directors on the Listing Date.



#### 5.8 Corporate governance

This Section explains how the Board oversees the management of the Company's business.

The Board is responsible for corporate governance. The Board sets the strategy for the Andean Mining Group and monitors the Company's compliance with legal, regulatory, environmental, social and occupational health and safety requirements and standards. The Board recognises its over-riding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of the Company's shareholders, employees and the community.

The Company's core values are to:

- create shareholder value;
- place paramount importance on the safety and well-being of its people;
- respect different cultures, traditions and employment practices;
- undertake its business with integrity, honesty, fairness and respect for human rights;
- comply with the law and principles of good corporate governance; and,
- minimise impacts on the environment and rehabilitate its operations appropriately.

The Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business at its current stage of development and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking to list on the ASX. The ASX Corporate Governance Council has developed and released the ASX Recommendations for Australian listed entities in order to promote investor confidence and to assist companies in meeting stakeholder expectations. The ASX Recommendations are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Recommendations during the reporting period. Where the Company chooses not to follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Copies of the Company's Corporate Governance Statement, key policies and the charters for the Board and each of its committees are available at https://andeanmining.com.au/about/corporate-governance/.

#### (a) Board Charter

The Board Charter that has been adopted by the Board sets out the responsibilities and powers of the Board, the Chairman and Managing Director in detail. The Charter outlines the guidelines for the nomination, selection and operation of the Board.

The Board is responsible for setting the strategy, overseeing and evaluating performance, monitoring and identifying risks and approving budgets and financial reports for the Andean Mining Group.

The Charter provides that the Company will seek to have directors with a broad range of skills, knowledge and experience. The chairperson is elected by the full Board to chair board and shareholder meetings. The Board has broad powers and has delegated general authority to manage the businesses to the Managing Director, who in turn may delegate functions to other senior management. The Managing Director remains answerable to the Board and must comply with any limits on his authority established by the Board from time to time.

#### (b) Board committees

The Board may from time to time establish appropriate sub-committees to assist in the discharge of its responsibilities.

Additional sub-committees may be established by the Board to consider other matters of special importance. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements, and the skills and experience of individual Directors.

continued

#### 5.9 Committee charters and corporate governance policies

The Board has adopted a Code of Conduct as well as the following corporate governance policies, which have been prepared having regard to the ASX Recommendations.

The Board has also adopted an Audit and Risk Committee Charter, a Remuneration and Nomination Committee Charter and an Environment, Social and Occupational Health and Safety Committee Charter (each of which is available on the Company's website). Given the Company's current size and the stage of its operations, the Board has decided not to establish an Audit and Risk Committee, a Remuneration and Nomination Committee or an Occupational Health and Safety Committee at this time but, instead, to have the full Board carry out the duties that would ordinarily be performed by such committees in accordance with the relevant charters. Should the Company establish one or more of these committees in the future, each committee will operate in accordance with the relevant charter (as updated and amended from time to time).

#### **Code of Conduct**

The Board, management and employees of Andean Mining Group are committed to acting with the utmost integrity and in good faith when dealing with shareholders, investors, government authorities, customers, creditors, employees and the community as a whole, and the Company has adopted a Code of Conduct to set out its expectations in this regard. The Code notes, amongst other things, that the Andean Mining Group is committed to delivering value to its shareholders by becoming a world class mining company, based on high operating standards, labour practices, respect for the environment and promoting sustainable development of the communities in which it operates.

#### **Risk Management Policy**

The Company's Risk Management Policy sets out its approach to the management of risks faced by the Company. The policy outlines how to identify hazards, assess risks, control risks, review controls and keep records. The policy provides that it is the responsibility of all Board members, staff, consultants and contractors to identify, analyse, evaluate, respond, monitor and communicate risks associated with any activity, function or process within their relevant scope of responsibility and authority.

#### **Shareholder Communications Policy**

The Company recognises the value of providing up-to-date and relevant information to its shareholders, and empowering shareholders through effective communication. The Company's Shareholder Communication Policy outlines how the Company facilitates communications with shareholders through means including electronic communications, annual general meetings, the Company's annual report and access to Directors and senior management.

#### **Securities Trading Policy**

The Securities Trading Policy summarises the law relating to insider trading as it applies to designated persons, including directors, senior executives, applicable employees and any other personnel identified by the Company Secretary as being potential insiders dealing in securities of the Company. The policy details the restrictions that apply in terms of dealings, permitted windows, notification procedures, disclosure requirements, hedging and restrictions when dealing in securities of other companies.

#### Whistleblower Policy

The Board's Whistleblower Policy formalises a process whereby all employees, contractors and other stakeholders are able to raise matters pertaining to the operation and reporting of activities of the Andean Mining Group. The policy makes it clear that employees can express concerns without fear of victimisation, subsequent discrimination or disadvantage, and encourages and enables employees to raise any serious concerns within the Andean Mining Group. The policy is intended as a clear statement that if any wrongdoing is identified and reported, it will be dealt with expeditiously, thoroughly investigated and remedied.



#### **Privacy Policy**

The Privacy Policy outlines Andean Mining Group's commitment to comply with the Privacy Act and its policy on the collection and storage of personal information. The Andean Mining Group may collect the personal information of individuals such as customers, suppliers, shareholders, employees as necessary to carry out the functions and activities of the Andean Mining Group. The Andean Mining Group will take reasonable steps to protect the personal information in its possession from misuse, unauthorised access, loss, modification or disclosure.

#### **Equality and Diversity Policy**

The Andean Mining Group has adopted an Equality and Diversity Policy that reflects its dedication to encouraging a supportive and inclusive culture amongst its workforce. The policy reinforces the Andean Mining Group's commitment to providing equality and fairness to all, and not to provide less favourable facilities or treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, or sex and sexual orientation. The policy will be monitored and reviewed annually to ensure that equality and diversity are continually promoted in the workplace.

#### **Anti-Bribery and Corruption Policy**

The Company's Anti-Bribery and Corruption Policy supports its zero tolerance for bribery, corruption and facilitation payments and its commitment to identifying and preventing bribery and corruption through the implementation of an education program. The policy addresses bribes, gifts and hospitality, charitable contributions, training and communication, reporting of breaches and suspicious behaviour, the monitoring and review process, and consequences of a breach.

#### Market Disclosure Policy

Andean Mining is committed to complying with the continuous disclosure obligations which will be imposed by the ASX and the Corporations Act following the Listing.

The Company's Market Disclosure Policy addresses the continuous disclosure process, liaison with ASX, reporting by senior management, dealing with analysts, who are authorised spokespersons, dealing with the media, trading halts, staff training, and the consequences flowing from breaches of the disclosure rules. The policy gives the Company Secretary primary responsibility for ensuring compliance with continuous disclosure requirements under the Corporations Act and the ASX Listing Rules and for promoting an understanding of the policy.

#### **Remuneration Policy for Directors and Senior Executives**

The Remuneration Policy for Directors and Senior Executives outlines the general terms and conditions of remuneration for Andean Mining directors, executives and management and was developed by the Andean Mining Board. Disclosure of specific entitlements and benefits of directors and executives will continue to be made by Andean Mining as required by the ASX Listing Rules and the Corporations Act.

#### **Corporate Governance Statement**

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION	
Principle 1: Lay solid foundations for management and oversight			
Recommendation 1.1	Yes	The Company has adopted a Board Charter that sets out the specific roles and responsibilities of the Board, the Chairperson and management and includes a description of those matters	
A listed entity should have and disclose a board charter setting out:			
<ul> <li>The respective roles and responsibilities of its board and management; and</li> </ul>		expressly reserved to the Board and those delegated to management.	
<ul> <li>b. Those matters expressly reserved to the board and those delegated to management.</li> </ul>		A copy of the Company's Board Charter is available on the Company's website.	

continued

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION	
Recommendation 1.2	Yes	The Board undertakes appropriate checks before	
A listed entity should:     a. undertake appropriate checks before appointing a director or senior executive as putting company forward for election.		appointing Directors and senior executives. These checks include education, employment and criminal history checks. A good fame and character assessment and statutory declaration is also required in respect of all Directors.	
or putting someone forward for election as a Director; and b. provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.		Should the Company form a Remuneration and Nomination Committee in the future, that committee will fulfil these responsibilities in accordance with the Company's Remuneration and Nomination Committee Charter. A copy of the Remuneration and Nomination Committee Charter is available on the Company's website. All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in the notice of meeting containing the resolution to elect or re-elect a Director.	
Recommendation 1.3	Yes	The Company has written agreements with each	
A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.		of its Directors and senior executives (or their related entities) setting out the terms of their appointment.	
Recommendation 1.4	Yes	The Board Charter provides that the Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	
The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.			
Recommendation 1.5	Partially	a. The Company has adopted an Equality and	
A listed entity should:		Diversity Policy which is available on the Company's website.	
<ul> <li>a. have and disclose a diversity policy;</li> <li>b. through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> </ul>		The Equality and Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to continually monitor both the objectives that have been set and the Company's progress in achieving them.	
c. disclose in relation to each reporting period:		The Board does not presently intend to set measurable gender diversity objectives because:	
<ul> <li>i. the measurable objectives set for that period to achieve gender diversity;</li> <li>ii. the entity's progress towards achieving those objectives; and either:</li> <li>A. the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce</li> </ul>		i. the Board does not anticipate there will be a need to appoint any new Directors or senior executives due to the limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and senior executives have sufficient skill and experience to carry out the Company's plans;	
(including how the entity has defined "senior executive" for these purposes); or			



ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION		
B. if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in the Workplace Gender Equality Act.		ii. if it becomes necessary to appoint any new Directors and/or senior executives, the Board will consider whether, given the small size of the Company and the Board, requiring specified objectives to be met will unduly limit the Company from applying the		
If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.		Equality and Diversity Policy as a whole and the Company's policy of appointing the best person for the job; and  iii. the respective proportions of men and women on the Board, in senior executive positions and across the workforce (including how the Company defines "senior executive" for these purposes) for each financial year will be disclosed in the Company's Annual Report.		
Recommendation 1.6	Yes	a. The Board is responsible for the development and implementation of a process for		
A listed entity should:		evaluating the performance of the Board, its committees (if any) and individual Directors on an annual basis. It may do so with the aid of an independent advisor. This process is set out in the Company's Remuneration and Nomination Committee Charter (which applies to the Remuneration and Nomination Committee or, in its absence, the Board). The Company intends to complete performance evaluations in respect of the Board, its committees (if any) and individual Directors for each financial year in accordance with the above process, and will disclose whether a performance evaluation has been undertaken in the Company's Annual Report.		
<ul> <li>a. have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</li> <li>b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>				
Recommendation 1.7	Yes	a. The Company's process for evaluating the performance of its senior executives is set out		
A listed entity should:		in the Board Charter.		
<ul> <li>a. have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>b. disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</li> </ul>		b. The Company intends to complete a performance evaluation of each senior executive each financial year in accordance with that process, and will disclose whether a performance evaluation has been undertaken in the Company's Annual Report.		

continued

#### **ASX RECOMMENDATIONS**

#### COMPLIANT EXPLANATION

the full Board.

#### Principle 2: Structure the Board to be effective and add value

#### Recommendation 2.1

Partially

The Board of a listed entity should:

- a. have a nomination committee which:
  - has at least three members, a majority of whom are independent Directors;
  - 2. is chaired by an independent Director, and disclose:
    - i. the charter of the committee:
    - ii. the members of the committee;
    - iii. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b. if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

- a. The Company does not currently have a nomination committee. However, the Board has adopted a Remuneration and Nomination Committee Charter to govern a Remuneration and Nomination Committee should it determine that one is of benefit in the future and, in the meantime, to direct the actions of
- b. The Company does not have a nomination committee as the Board considers that it would not benefit from the establishment of such a committee at this point in time given the size of the Board and the stage of the Company's development. The full Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter, including the following processes to address succession issues and to ensure the Board has the appropriate balance of skills, experience, independence and knowledge of the entity to enable it to discharge its duties and responsibilities effectively:
  - i. devoting time at least annually to discuss Board succession issues and updating the Company's Board skills matrix; and
  - ii. all Board members being involved in the Company's nomination process, to the maximum extent permitted under the Corporations Act and ASX Listing Rules.

#### Recommendation 2.2

Yes

A listed entity should have and disclose a Board skills matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership. The Company has a Board skill matrix setting out the mix of skills that the Board currently has or is looking to achieve in its membership. A copy is available on the Company's website and will also be made available in the Company's Annual Report.

In addition, the Board Charter requires the disclosure of each Board member's qualifications and expertise. Details as to each Director and senior executive's relevant skills and experience will be made available in the Company's Annual Report. This information is also available on the Company's website.



COMPLIANT	EXPLANATION	
Yes	<ul> <li>The Board considers Paul Ingram to be an independent director.</li> </ul>	
	<ul> <li>b. If a Director has an interest, position or relationship of the type described in Box 2.3 of the ASX Recommendations but the Board is of the opinion that it does not compromise the independence of the Director, then the Company will disclose in its Annual Report the nature of the interest, position or relationship in question and an explanation of the Board's opinion as to why the relevant Director is still considered to be independent.</li> <li>c. The Directors were appointed on the following dates: <ol> <li>i. Dr Phillip Wing - 9 April 2018</li> <li>ii. Mr Maxwell James Green - 9 April 2018</li> <li>iii. Mr Paul Ingram - 28 January 2021</li> <li>iv. Mr William Howe - 1 February 2021</li> </ol> </li> </ul>	
	The Company's Annual Report will disclose the length of service of each Director, as at the end of each financial year.	
No	The Board currently comprises a total of four (4) directors, of whom (1) is considered to be independent. As such, independent directors currently do not comprise the majority of the Board.	
	The Board does not currently consider an independent majority of the Board to be appropriate given the speculative nature of the Company's business, and its limited scale of activities, means the Company needs, and can only commercially sustain, a small Board of four (4) Directors and no senior executives other than the CEO and the CFO/Company Secretary;	
	Yes	

The Board has taken the following steps to structure the Board to add value despite not having a majority of independent Directors:

a. to assist Directors with independent

obtaining such advice; and

judgement, Directors are entitled to obtain independent professional advice to properly discharge the responsibility of their office. Provided the relevant Director first obtains approval for incurring such expense from the Chairman, the Company will pay the reasonable expenses associated with

b. Directors are required to disclose relevant personal interest and conflicts of interest on an ongoing basis which may in turn trigger a review of a Director's independent status.
 A determination with respect to independence is made by the Board on an annual basis.

# 5. Key Individuals, Interests and Benefits, Board and Governance

continued

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION	
Recommendation 2.5	No	The Chairman of the Company is not an independent Director and is not the Managing	
The Chair of the Board of a listed entity should be an independent Director and, in		Director/CEO.	
particular, should not be the same person as the CEO of the entity.		The Board does not have an independent Chairman because this was not considered feasible due to the Company's current size and Board structure.	
Recommendation 2.6	Yes	The Company's Board Charter sets out its	
A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.		program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as Directors effectively.	
Principle 3: Instill a culture of acting lawfull Recommendation 3.1			
A listed entity should articulate and disclose	Yes	The Company's values are set out in its Code of Conduct which is available on the Company's website.	
its values.			
Recommendation 3.2	Yes	a. The Company's Code of Conduct (which is	
A listed entity should:		available on the Company's website) applies to the Company's Directors, senior executives	
<ul> <li>a. have and disclose a code of conduct for its Directors, senior executives and employees; and</li> <li>b. ensure that the Board or a committee of the Board is informed of any material breaches of that code.</li> </ul>		<ul><li>and employees.</li><li>b. The Company's Code of Conduct requires that any material breaches (or likely breaches) of the Code are reported to the Company Secretary, who must report them to the Board.</li></ul>	
Recommendation 3.3	Yes	a. The Company has adopted a Whistleblower	
A listed entity should:		Policy, which is available on the Company's website.	
a. have and disclose a whistleblower policy and		b. Any material incidents reported under the Whistleblower Policy are required to be	
b. ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.		reported to the Board (or a committee of the Board).	
Recommendation 3.4	Yes	a. The Company has adopted an Anti-Bribery	
A listed entity should:		and Corruption Policy, which is available on the Company's website.	
<ul> <li>a. have and disclose an anti-bribery and corruption policy; and</li> <li>b. ensure that the Board or committee of the Board is informed of any material breaches of that policy.</li> </ul>		<ul> <li>b. Any material breaches of the Anti- Bribery and Corruption Policy are required to be reported to the Board (or a committee of the Board).</li> </ul>	



#### **ASX RECOMMENDATIONS**

#### COMPLIANT EXPLANATION

#### Principle 4: Safeguard the integrity of corporate reports

#### Recommendation 4.1

Partially

The Board of a listed entity should:

- a. have an audit committee which:
  - has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - 2. is chaired by an independent director, who is not the chair of the board.

#### and disclose:

- 3. The charter of the committee;
- The relevant qualifications and experience of the members of the committee: and
- 5. In relation to each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings: or
- b. If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of an external auditor and the rotation of the audit engagement partner.

- a. The Company does not currently have an audit committee. However, the Board has adopted an Audit and Risk Committee Charter to govern an Audit and Risk Committee should it determine that one is of benefit in the future and, in the meantime, to direct the actions of the full Board
- b. The Company does not currently have an audit committee as the Board considers that it would not benefit from the establishment of such a committee at this point in time given the size of the Board and the Company's stage of development. The full Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:
  - the Board devotes time at annual Board meetings to fulfilling the roles and responsibilities associated with maintaining the Company's internal audit function and arrangements with external auditors; and
  - all members of the Board are involved in the Company's audit function to ensure the proper maintenance of the entity and the integrity of all financial reporting.

#### Recommendation 4.2

Yes

The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The Company's Audit and Risk Committee Charter (which the full Board complies with) requires each of the Managing Director/CEO and the CFO to provide to a declaration to the Board that the Company's financial records have been properly maintained and the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively, before the Board approves the Company's financial statements.

# 5. Key Individuals, Interests and Benefits, Board and Governance

continued

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION	
Recommendation 4.3  A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	To the extent that the information contained in the following is not audited or reviewed by an external auditor, the Company will include in each of its:  a. annual reports or on its website, a description of the process it undertakes to verify the integrity of the information in its annual directors' report;  b. quarterly reports, or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in its quarterly reports;  c. integrated reports, or in its annual report (if that is a separate document to its integrated report) or on its website, a description of the process it undertakes to verify the integrity of the information in its integrated reports; and d. periodic corporate reports or in its annual report or on its website, a description of the process it undertakes to verify the integrity of the information in these reports.	
Principle 5: Make timely and balanced disclo	sure		
Recommendation 5.1	Yes	The Company has adopted a Market Disclosure	
A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.		policy, which is available on the Company's website.	
Recommendation 5.2	Yes	Under the Company's Market Disclosure Policy	
A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.		all members of the Board will receive material market announcements promptly after they have been made.	
Recommendation 5.3	Yes	All substantive investor or analyst presentations	
A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.		will be released by the Company on the ASX Markets Announcement Platform ahead of such presentations.	
Principle 6: Respect the rights of security ho	lders		
Recommendation 6.1	Yes	Information about the Company and its	
A listed entity should provide information about itself and its governance to investors via its website.		governance practices is available on the Company's website under the banner 'Corporate Governance'.	
Recommendation 6.2	Yes	The Company has a Shareholder Communications	
A listed entity should have an investor relations program that facilitates effective two-way communication with investors.		Policy which aims to promote and facilitate effective two way communication with investors. The policy, which is available on the Company's website, outlines a range of ways in which information is communicated to shareholders.	



ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION
Recommendation 6.3  A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	Shareholders are encouraged to participate at all general meetings and AGMs of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary will send out material stating that all Shareholders are encouraged to participate at the meeting.
Recommendation 6.4  A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.  Recommendation 6.5  A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	All substantive resolutions at securityholder meetings will be decided by a poll rather than a show of hands.  The Shareholder Communication Policy provides that security holders can register with the Company to receive email notifications when an announcement is made by the Company to the ASX, including the release of the Annual Report, half yearly reports and quarterly reports. Links
		are made available to the Company's website on which all information provided to the ASX is immediately posted.
Principle 7: Recognise and manage risk		
Recommendation 7.1  The Board of a listed entity should:  a. have a committee or committees to oversee risk each of which:  1. has at least 3 members, all of whom are non-executive directors and a majority of whom are independent directors; and  2. is chaired by an independent director.  and disclose:  3. The charter of the committee;  4. The members of the committee; and  5. As at the end of each reporting period, the number of times the committee met throughout the period	Partially	The Company does not currently have a risk committee. However, the Board has adopted an Audit and Risk Committee Charter to govern an Audit and Risk Committee should it determine that one is of benefit in the future and, in the meantime, to direct the actions of the full Board a. The Company does not have an Audit and Risk Committee as the Board considers that it would not benefit from the establishment of such a committee at this point in time given the size of the Board and the Company's stage of development. The full Board carries out the duties that would ordinarily be carried out by the Audit and Risk Committee under the Audit and Risk Committee Charter including the following processes to oversee the entity's risk management framework:
and the individual attendance of the members at those meetings: or  b. If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		<ol> <li>the Board devotes time at quarterly Board meetings to fulfilling the roles and responsibilities associated with overseeing risk and maintaining the entity's risk management framework and associated internal compliance and control procedures; and</li> <li>the engagement of external, third party experts and advisers where required to ensure the Company's risk management</li> </ol>

framework is upheld.

# 5. Key Individuals, Interests and Benefits, Board and Governance

continued

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION
Recommendation 7.2  The Board or a committee of the Board should:  a. review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and  b. disclose in relation to each reporting period, whether such a review has taken place.	Yes	<ul> <li>a. The Company has adopted an Audit and Risk Committee Charter that requires the Audit and Risk Committee (or, in its absence, the Board) to, at least annually, satisfy itself that the Company's risk management framework continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board.</li> <li>b. The Company will disclose whether a review of its risk management framework has occurred in the Company's Annual Report</li> </ul>
Recommendation 7.3	Partially	a. The Company does not currently have an
A listed entity should disclose:		internal audit function as the Board is of the view that the processes it employs
<ul> <li>a. if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>b. if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>		pursuant to the Audit and Risk Committee Charter are sufficient for evaluating and continually improving the effectiveness of its risk management and internal control processes given the size and complexity of the Company's current business.  b. The processes employed for evaluating and continually improving the effectiveness of the Company's governance, risk management and internal control processes are detailed in the Audit and Risk Committee Charter, which is on the Company's website.
Recommendation 7.4	Yes	The Audit and Risk Committee Charter requires
A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.		the Audit and Risk Committee (or, in its absence, the full Board) to assist management to determine whether the Company has any potential or apparent exposure to environmental or social risks and, if it does, put in place management systems, practices and procedures to manage those risks.  The Company will disclose this information in its Annual Report and, where relevant, in a market announcement as part of its continuous disclosure obligations.



ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION
Principle 8: Remunerate fairly and responsib	ly	
Recommendation 8.1  The Board of a listed entity should:  a. have a remuneration committee which:  1. has at least three members, a majority of whom are independent Directors; and  2. is chaired by an independent Director, and disclose:  3. the charter of the committee;  4. the members of the committee; and  5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or  b. if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Partly	<ul> <li>a. The Company does not currently have a remuneration committee. However, the Board has adopted a Remuneration and Nomination Committee Charter to govern a Remuneration and Nomination Committee should the Board determine that one is of benefit in the future and, in the interim, to direct the action of the full Board.</li> <li>b. The Company does not currently have a remuneration committee as the Board considers that it would not benefit from the establishment of such at committee at this point in time given the size of the Board and the stage of the Company's development. The full Board carries out the duties that would ordinarily be carried out by the Remuneration and Nomination Committee under the Remuneration and Nomination Committee Charter including the following processes to set the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</li> <li>1. devotes time at least annually to assess the level and composition of remuneration for Directors and senior executives;</li> <li>2. the engagement of external advisers, if required, to ensure remuneration for Directors and senior executives is commensurate with the industry in which the Company operates, having regard to the Company's size and operations.</li> </ul>
A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives.	Yes	The Company has adopted a Remuneration Policy for Directors and Senior Executives which addresses its policies and practices in respect to the remuneration of non-executive Directors and the remuneration of executive Directors and other senior executives. This policy is available on the Company's website
Recommendation 8.3	Not applicable	The Company does not currently have an equity- based remuneration scheme.
A listed entity which has an equity-based remuneration scheme should:  a. have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and	аррисавте	based remuneration sometime.
b. disclose that policy or a summary of it.		

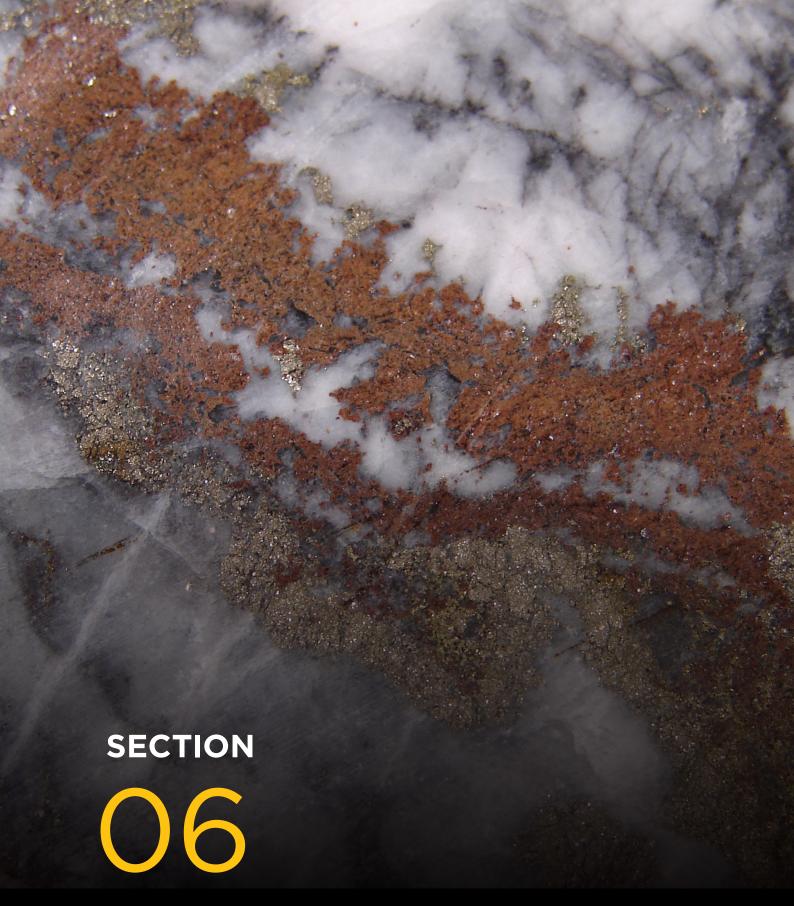
# 5. Key Individuals, Interests and Benefits, Board and Governance

continued

ASX RECOMMENDATIONS	COMPLIANT	EXPLANATION
Additional recommendations that apply only	y in certain cas	es
Recommendation 9.1	Not	
A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	applicable	
Recommendation 9.2	Not	
A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	applicable	
Recommendation 9.3	Not	
A listed entity established outside Australia	applicable	

and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders

relevant to the audit.



#### 6.1 The Offer

This Prospectus relates to an initial public offering of a Minimum Subscription of 30,000,000 Shares to raise \$6 million and a Maximum Subscription of 35,000,000 Shares to raise \$7,000,000 at an offer price of A\$0.20 per share.

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 6.17.

## 6.2 Minimum Subscription

The Minimum Subscription for the Offer is \$6,000,000 (30,000,000 Shares) (Minimum Subscription).

If the Minimum Subscription has not been raised within three (3) months after the date of this Prospectus (or such later date as permitted by law), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

# 6.3 Maximum Subscription

Subscriptions of up to a further 5,000,000 Shares above the Minimum Subscription to raise up to a further \$1,000,000 may be accepted.

# 6.4 Lead Manager and Brokers to the Offer

The Company has appointed Novus Capital as lead manager and sponsoring broker to the Offer. The Lead Manager has agreed to share the corporate advisory role with Cadmon and has issued a sub-mandate to Cadmon.

The terms of the Broker Mandate, including the fees that the Brokers will receive for their services, are set out at Section 7.5(b)(iii).

#### 6.5 Conditions of the Offer

The Offer is conditional upon the following events occurring:

- a. the Minimum Subscription being reached; and
- b. ASX granting conditional approval for the Company to be admitted to the Official List, (together the **Conditions**).

If these Conditions are not satisfied within 3 months after the date of this Prospectus (or such later date as permitted by law) then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

#### (a) Structure of the Offer

The Offer is an initial public offering of Shares in the Company at the offer Price to raise at least \$6,000,000.

#### (b) Purpose of the Offer

At the Offer Price, and at the Minimum Subscription, the Offer will raise \$6,000,000.

The purpose of the Offer is to:

- i. assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules;
- ii. provide the Company with additional funding for:
  - A. the proposed exploration programs at the projects (as further detailed in Section 2); and
  - B. the Company's working capital requirements while it is implementing the above.

The proceeds of the Offer will be received by the Company and applied as set out in the table below.



	Minimum Subscription (\$6,000,000)	Maximum Subscription (\$7,000,000)
Costs of the issue	\$468,000	\$530,000
Exploration expenditure (2 years)	\$4,112,000	\$5,030,000
Working Capital (2 years)	\$1,420,000	\$1,440,000

Working capital - administration costs over 2 years (wages, directors' fees, rent, audit and other charges) are estimated at \$1,175,000.

	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

# 6.6 Shareholding structure

The details of the ownership of Shares immediately prior to the Offer, and on the Listing Date are set out in the table below.

	Shares held (Minimum Subscription)	Shares held (Maximum Subscription)
Existing Shareholders <sup>1</sup>	46,748,155	46,748,155
New Shareholders	30,000,000	35,000,000
Total Shares on issue at Completion	76,748,155	81,748,155
Eligible Seed Investor Options <sup>2</sup>	25,000,000	25,000,000
Options held by Directors and senior management <sup>2,3</sup>	7,674,820	7,674,820
Performance Shares held by certain Existing Shareholders <sup>4</sup>	7,674,815	7,674,815

<sup>1.</sup> There are currently 2,510 convertible notes on issue which will be converted to 25,100,000 Shares after Completion but prior to the Listing Date. The Company expects to issue an additional 1,153,895 Shares will be issued to pay accrued interest on the convertible notes at the same time. The convertible notes and the accrued interest will be converted at 10 cents per Share. The above table assumes that the convertible notes will be converted to another date, then the number of Shares issued will vary by approximately 4,126 Shares per day representing changes in the accrued interest amount.

Information on the number of Shares to be held on Completion that will be subject to escrow arrangements, and details of those escrow arrangements, are set out in Section 7.6.

The number of options held by Directors and related entities includes 1,131,544 held by former director, William Etheridge, and 2,427,248 held by Graeme Hogan, the Company's CFO and Company Secretary.

<sup>3.</sup> See Section 7.4 for the terms of the Options on issue in the Company.

<sup>4.</sup> See Section 6.18 for a summary of the rights attaching to Performance Shares.

continued

# 6.7 Control implications of the Offer

The Board does not expect any Shareholder to control (as defined in section 50AA of the Corporations Act) the Company on Completion.

# 6.8 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	Shares (being fully paid ordinary Shares in the capital of the Company).
What are the rights and liabilities attached to the security being offered?	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 6.17 below.
What is the consideration payable for each security being offered?	Successful Applicants under the Offer will pay the Offer Price, being \$0.20 per Share.
What is the Offer period?	The key dates, including details of the Offer period, are set out on page 6.
	No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date.
What are the cash proceeds to be raised?	\$6 million will be raised under the Offer based on the Offer Price and the Minimum Subscription and up to \$7 million at the Maximum Subscription.
What is the minimum Application size under the Offer?	Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share. The Company reserves the right to aggregate any applications which they believe are multiple applications from the same person, or to reject or scale back any Applications.
What is the allocation policy?	The allocation of Shares will be determined by the Company in consultation with the Lead Manager and Sponsoring Broker.
	The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form.
	The Company reserves the right to decline any Application and all Applications in whole or in part, without giving any reason. Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded. Acceptance of an Application will give rise to a binding contract.
	No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by the Company will be influenced by the following factors:
	<ul> <li>a. the number of Shares applied for;</li> <li>b. the overall level of demand for the Offer;</li> <li>c. the desire for a spread of investors, including institutional investors; and</li> <li>d. the desire for an informed and active market for trading Shares following completion of the Offer.</li> </ul>
	The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.
	It is expected that initial holding statements will be mailed to successful Applicants by post on or about 16 December 2021.



Topic	Summary
Will the securities be quoted on the ASX?	The Company will apply to ASX within seven days of the Prospectus Date for admission to the official list of, and quotation of its Shares by, ASX under the code 'ADM'.
	Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.
	The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.
	ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.
When are the securities expected to commence	Shares are expected to commence trading on a normal settlement basis on or about 22 December 2021.
trading?	It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company and the Lead Manager and Sponsoring Broker disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Offer Information Line, by a Broker or otherwise.
When will I receive confirmation of whether	It is expected that initial holding statements will be mailed to successful Applicants on or about 16 December 2021.
my Application has been successful?	Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion.
Is the Offer underwritten?	No, the Offer is not being underwritten.
Are there any escrow arrangements?	Yes. Details are provided in Section 7.6.
Has any ASIC relief or ASIC waiver or modification been obtained or been relied on?	Yes. Details are provided in Section 7.9.
Are there any taxation considerations?	Yes. Details are provided in Section 7.10.
Are there any brokerage, commission or stamp	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
duty considerations?	See Section 5.3(a) for details of various fees payable by the Company to the Lead Manager and by the Lead Manager to certain Brokers.
What should you do with any enquiries?	All enquiries in relation to this Prospectus should be directed to Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday.
	If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.

continued

#### 6.9 The Offer

#### (a) Who can apply?

Applications may be made under this Offer by residents of Australia and New Zealand and certain limited 'sophisticated investors' in Singapore and Hong Kong. This Offer does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States and is not an offer to any US person.

#### (b) How to apply and pay?

#### (i) Online Application Form with BPAY® or EFT

Applicants may apply for Shares by applying online by following the instructions at <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than 5:00pm (Sydney time) on the Closing Date.

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution.

Using these BPAY® details, you must:

- access your participating BPAY® financial institution either through telephone or internet banking;
- select to use BPAY® and follow the prompts;
- enter the supplied biller code and unique customer reference number;
- enter the total amount to be paid which corresponds to the value of Shares you wish to apply for under each Application;
- select which account you would like your payment to come from:
- schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and
- record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 5:00 pm (Sydney time) on the Closing Date. Applications for Shares must be for a minimum of \$2,000 worth of Shares (10,000) Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share. Payment for the Shares must be made in full.

If you require assistance in completing an online Application Form, please contact the Share Registry.

Due to the current COVID-19 pandemic, investors are encouraged to make payment via BPay or EFT where possible. This is easily accessed by clicking on the link or scanning the QR code on the Application Form at the back of this Prospectus. Click here to go to the online Application Form: https://investor.automic.com.au/#/ipo/andeanmining

Alternative EFT Payment Option for Brokers and Wholesale Investors

This section applies only to Brokers and Professional Investors wishing to settle in bulk with the Lead Manager (Individuals - please use the link on the application form to pay by EFT or BPay).



Payments may be made to the Lead Manager's Trust Account. Details and instructions are listed below:

Account name: Novus Capital Ltd Trust Account 2 Bank: Australia & New Zealand Banking Corporation

BSB: 012 013

Account: 642 023 992 SWIFT: ANZBAU3M

Ref: Investor name - and "Andean"

Application Forms should be accessed from the Prospectus and e-mailed to: <a href="mailed:gavan.farley@novuscapital.com.au">gavan.farley@novuscapital.com.au</a>.

#### (ii) Paper Application

Completed Application Forms and accompanying cheques, made payable to "Andean Mining Limited" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date. Applicants should return their completed hard copy Application Forms to the Share Registry at the address shown below:

#### Posted to:

Andean Mining Limited IPO C/- Automic Pty Ltd GPO Box 5193 SYDNEY NSW 2001

#### Delivered to:

Andean Mining Limited IPO C/- Automic Pty Ltd Level 5, 126 Phillip Street SYDNEY NSW 2000 between 9am to 5pm (Sydney time)

Applicants should ensure that they have submitted their completed Application Form(s), either via the online service or by returning their completed hard copy Application Form(s) by no later than 5:00 pm (Sydney time) on the Closing Date. Please note that you are not required to sign an Application Form.

The Company may elect to extend the Offer or any part of it, or to accept late applications in particular cases or generally. The Offer, or any part of it, may be closed at an earlier date or time without notice, or your broker may impose an earlier closing date. Applicants are therefore encouraged to submit their Application Forms as soon as possible. Please contact your broker for instructions.

# **6.10** Acceptance of applications

An Application in the Offer is an offer by an Applicant to the Company to apply for Shares in the amount specified on the Application Form at the Offer Price and on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) (including the terms and conditions in Section 6.8 and the acknowledgements in Section 6.12). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than the Specified Amount in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

An Application may be accepted by the Company and in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

If an Application Form is not completed correctly or if the accompanying payment is the wrong amount, the Company may, in its discretion, still treat the Application Form to be valid. The Company's decision to treat an application as valid, or how to construe, amend or complete it, will be final.

continued

## **6.11 Applications Monies**

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Employee Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down and any excess refunded (without interest).

If the amount of your Application Monies that you pay via BPAY is less than the amount specified on your online Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your online Application Form) or your Application may be rejected.

## 6.12 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Lead Manager and Sponsoring Broker their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- declared that the Applicant(s) is/are a resident of Australia or New Zealand (except as applicable to certain sophisticated investors in Singapore or Hong Kong);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus; and
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed.

Each Applicant under the Offer will be taken to have represented, warranted and agreed as follows:

- it understands that the Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, registration under the Securities Act and any other applicable securities laws;
- it is not in the United States or a U.S. Person;
- it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States; and
- it will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia except in transactions exempt from, or not subject to, registration under the Securities Act and in compliance with all applicable laws in the jurisdiction in which Shares are offered and sold.



# 6.13 Escrow arrangements

ASX has indicated that it will classify certain Shares held by Existing Shareholders as restricted securities. It is expected that those Shareholders will enter escrow deeds with the Company, and that certain other Existing Shareholders who are not related parties, promoters or substantial shareholders of the Company will be subject to restriction notices.

An "escrow" is a restriction on the sale, disposal or encumbering of, or certain other dealings in respect of, the Shares concerned for the period of the escrow, subject to certain exceptions (which will be set out in the documents). The effect of the escrow deeds and restriction notices will be that the escrowed Shares cannot be dealt with for the duration of the escrow period. See Section 7.6 for a summary of the terms of the escrow arrangements and the limited exceptions that permit dealing in the escrowed Shares during the relevant escrow periods.

It is expected that, on Listing, an aggregate of approximately 40% of the Company's issued share capital will be subject to ASX imposed escrow.

## 6.14 Restrictions on distributions

#### **New Zealand**

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act laws and any other applicable securities laws.

#### **Singapore**

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- i. to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;
- ii. to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018; or
- iii. otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- b. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

continued

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 275 of the SFA except:

- 1. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- 2. where no consideration is or will be given for the transfer;
- 3. where the transfer is by operation of law;
- 4. as specified in Section 276(7) of the SFA; or
- 5. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

#### **Hong Kong**

The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to this document. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.

This document has not been authorised by the Securities and Futures Commission in Hong Kong pursuant to section 104 of the Securities and Futures Ordinance (Cap. 571) nor has this Prospectus been registered by the Registrar of Companies in Hong Kong pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32).

Accordingly, the shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "Prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) Hong Kong) and any rules made thereunder.

## 6.15 Discretion regarding Offer

The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company also reserves the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for.

# 6.16 ASX listing, registers and holding statements and settlement

# (a) Application to ASX for listing and quotation of Shares

The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of the Shares on ASX under the code 'ADM'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.



If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

Upon Listing, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

# (b) CHESS and issuer sponsored holdings

The Company will apply to participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are effected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (HIN) for CHESS holders or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

## (c) Selling Shares on market

Shares are expected to commence trading on the ASX on a normal settlement basis on 22 December 2021.

It is the responsibility of each person who trades in Shares to confirm their holding before trading in Shares. If Shares are sold before receiving a holding statement, Successful Applicants do so at their own risk. The Company, the Share Registry and the Lead Manager disclaim all liability, whether in negligence or otherwise, if a Shareholder sells Shares before receiving a holding statement, even if the Shareholder obtained details of their holding from the Offer Information Line or confirmed their firm allocation through a Broker.

# 6.17 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

#### (a) Introduction

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

The summary assumes that the Company is admitted to the Official List.

continued

#### (b) Voting at a General Meeting

Subject to any shares which may be issued in the future with special rights, every member present in person at a general meeting of the Company or by proxy, representative or attorney has one vote has one vote on a show of hands and, on a poll, one vote for each fully paid share. On a poll, partly paid shares confer a fraction of a vote in proportion to the amount paid up on the share.

#### (c) Meetings of Members

Each shareholder is entitled to receive notice of, attend and vote at meetings of the Company and received all notices, accounts and documents required to be sent to shareholders under the constitution, the Corporations Act and ASX Listing Rules.

## (d) Dividends

The Board may from time to time declare a dividend, or determine a dividend is payable, and may fix the amount, time for and method of payment. Dividends are payable on all shares in proportion to the amount paid up for the total issue price paid for the shares. Interest is not payable on a dividend.

#### (e) Transfer of Shares

Shares in the Company may be transferred by a proper transfer effected in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules where the transfer is regulated by the ASX and as otherwise permitted by the Corporations Act, or by written instrument permitted by the ASX Listing Rules or the Corporations Act.

The directors may in their absolute discretion decline to register a transfer of shares where the shares are not quoted on the ASX. Where the Shares or other securities are quoted by ASX, the Directors may in their absolute discretion refuse to register any transfer in any of the circumstances permitted by the ASX Listing Rules. The Company must refuse to register a transfer of shares where doing so would be a breach of the ASX Listing Rules.

## (f) Issue of Further Shares

Subject to the Corporations Act, the constitution and the ASX Listing Rules the Directors may issue and allot, or dispose of shares on terms determined by the Directors.

# (g) Winding Up

If the Company is wound up, the liquidator may divide among the members all or any of the Company's assets and determine how the division between the different classes of members is to be carried out. The liquidator may vest all or any of the Company's assets in a trust or trusts determined by the liquidator for the benefit of the contributories.

# (h) Small Holdings

Subject to the Corporations Act and the ASX Listing Rules, the Company may sell the shares of a shareholder who holds less than a marketable parcel of shares.

#### (i) Proportional Takeover Provisions

The constitution contains provisions for member approval of any proportional takeover bid. These provisions will lapse on the third anniversary of the date the constitution is adopted.

## (j) Directors

The minimum number of directors is three and the maximum number is ten. The directors may elect a director as chairperson of directors' meetings and may determine the period for which the chairperson will hold office.

One third of the directors must retire on a rotating basis at each annual general meeting. Directors must also retire on the third annual general meeting following their appointment or election, even if this means more than one third of the directors are retiring at that meeting. Directors that retire at a meeting may stand for re-election at that meeting. A Managing Director is not subject to retirement by rotation and is not to be taken into account in determining the rotation or retirement of Directors.



To be nominated to stand for election as a director, a person, other than a retiring director, must be proposed as a candidate by at least 50 members or members holding between them at least 5% of the votes that may be cast at a general meeting.

#### (k) Directors - Remuneration

Subject to the ASX Listing Rules, the directors as a whole, excluding executive directors, may be paid or provided remuneration for their services the total amount or value of which must not exceed \$450,000 or an aggregate maximum per annum as determined from time to time by the Company in general meeting. The remuneration of an executive director may from time to time be fixed by the directors. The remuneration may be by way of salary or commission or participation in profits or by all or any of these modes but may not be by commission on, or a percentage of, operating revenue.

#### (I) Directors Indemnity and Insurance

To the extent permitted by law, the Company indemnifies every person who is or has been an officer of the Company against any liability (other than for legal costs) incurred by that person as an officer of the Company. The Company also indemnifies every person who is or has been an officer of the Company against reasonable legal costs incurred in defending an action for a liability incurred or allegedly incurred by that person as an officer of the Company.

The above includes liabilities and reasonable legal costs incurred by the officer as an officer of a subsidiary of the Company where the Company requested the officer to accept that appointment.

#### (m) Variation of Class Rights

The rights attached to any class of shares may be varied in accordance with the Corporations Act.

#### (n) Alteration of Constitution

The constitution may only be amended by special resolution of the members in accordance with the Corporations Act.

#### (o) Performance Shares

A summary of terms of the Performance Shares are set out in Section 6.18.

#### 6.18 Performance Shares

The Company has resolved to issue 7,674,815 Performance Shares to the Managing Director and CEO, certain entities controlled by the Directors, and to an Existing Shareholder controlled by the Company Secretary and CFO after Completion but before the Listing Date (subject to the Performance Shares not comprising more than 10% of the Company's issued share capital at that time). All of the Performance Shares will be issued for nil consideration. The Performance Shares will automatically convert on a 1:1 basis into Shares if the Resource Hurdle is met. In addition, the Performance Shares

- will convert on an all or nothing basis:
- are not transferable;
- do confer on the holder the right to receive notice of any general meeting of the Company;
- do not confer on the holder a right to vote;
- do not confer on the holder a right to any dividend;
- do not confer on the holder a right to a return of capital;
- do not confer on the holder a right to participate in the distribution of surplus assets on winding up;
- do not confer on the holder a right to participate in rights issues or bonus or entitlement issues; and
- do permit an adjustment to the number of shares if the Company undertakes a share split or capital consolidation.

continued

Each Performance Share will automatically convert into one Share on the earlier of the Resource Hurdle being met and a party (not being either an Existing Shareholder or a party with control of the Company immediately prior to the Listing Date) acquiring control (as defined in section 50AA of the Corporations Act) of the Company. All Performance Shares will expire and be redeemed by the Company for nil consideration if the Resource Hurdle is not met within 3 years after the Listing Date.

The Resource Hurdle in respect of the El Dovio Tenements will be met by the reporting of there being the estimation of a Mineral Resource of 500,000 oz gold equivalent or 125,000t copper metal equivalent (in each case being of an ore grade at or better than the Cut-Off Ore Grade) with at least 50% of the resource classified by an independent Competent Person as an Indicated Mineral Resource within 3 years of the Listing Date. A minimum cut-off grade of 0.5g/t gold equivalent or 0.65% copper equivalent (where the metal equivalent is reported in accordance with the requirements of clause 50 of the JORC Code) will be used in determining the metal content of the resources calculated.

#### Why are the Performance Shares being issued?

The Performance Shares are being issued to remunerate or incentivise the Directors (and the Company Secretary and CFO) and are not ordinary course of business remuneration securities

#### Who will the Performance Shares be issued to?

It is intended that Performance Shares will be issued to entities controlled by each of the Directors and to an Existing Shareholder controlled by the Company Secretary and CFO, as follows:

Holder	Related Party	No of Performance Shares	Current Shareholding
William James Howe	Current director	2,455,965	3,945,421
Hammerfest Investments Pty Ltd ACN 109 596 778	Entity controlled by a related party (current director, Mr Phillip Wing)	2,148,925	3,683,007
Air Dry Systems Pty Ltd	Entity controlled by a related party (current director, Mr Maxwell James Green)	2,148,925	3,386,868
Fabian Entertainment Ltd	Entity controlled by a related	460,500	Nil
<paul family="" ingram="" trust=""></paul>	party (current director, Mr Paul Ingram)		
Tawmii Management Services Pty Ltd <tawmii a="" c="" superannuation=""></tawmii>	No	460,500	696,671
TOTAL		7,674,815	11,711,967

Details of the related parties which have an interest in Performance Shares are set out above, and Sections 5.3(b) and 5.4 also detail the interests in Shares and options held by those parties. Each of the related parties is an entity controlled by a Director or the Company Secretary and CFO, and each Director and the Company Secretary and CFO will be closely involved in implementing or supervising the implementation of the Andean Mining Group's plans and, in particular, its proposed drilling program for the Andean Tenements following Listing, which is central to being able to determine any Mineral Resource.

For completeness, Sections 5.4 and 5.5 also detail the remuneration packages for the management team and fees payable to Directors in that capacity.



#### On what basis will the Performance Shares be issued?

The total number of Performance Shares to be issued to the relevant parties in direct proportion to the holdings of Shares which the related parties involved acquired by investing cash consideration for Shares in the Company in the early rounds of capital raisings undertaken by the Company. As such the aggregate number of Performance Shares to be issued reflects the proportionate investment by those related parties in aggregate in those early rounds of investment and apportionment of the deferred value or "at risk" component of that investment in respect of that aggregate investment. From within that pool of 7,674,815 Performance Shares, the Board has determined to allocate 460,500 Performance Shares to Mr Paul Ingram, thereby reducing the pro rata allocation of Performance Shares to the other recipients. The Board has identified that Paul Ingram brings particular skills to the Board in relation to managing major mineral exploration programmes, designing and implementing techniques for exploration in remote areas, technical management, and project evaluation, which the Board recognises are of particular relevance to the Company's proposed exploration program on the El Dovio Project. Accordingly the Board believes it is appropriate to make the allocation to Paul Ingram to reflect his engagement and the material role it is anticipated he will play in assisting the Company to implement that exploration programme in a timely fashion and assisting the Company to be in a position to know if the Resource Hurdle has been met within 3 years of Listing.

The total consideration paid by the relevant Existing Shareholder controlled by each related party is set out in the table below:

Existing Shareholder	Total shares pre-Offer (consolidated) not including Performance Shares	Total Paid (\$)
Hammerfest Investments Pty Ltd ACN 109 596 778	3,683,007	268,376.19
MJ & RL Green	2,017,480	123,090.47
Maxwell James Green	1,369,388	62.00
Tawmii Management Services Pty Ltd	696,671	53,141.56
Nicola Jane Howe	1,656,518	75.00
William J Howe	2,288,903	100,215.23
		544,960.45

The Company considers that the allocation of the Performance Shares proportionate to the investment and risk of the recipients is necessary to enable the Company to proceed with the Offer at the Offer Price and is both the appropriate and equitable approach to take.

What happens if there is a change of control of the Company or the Resource Hurdle is met within 3 years of the Prospectus Date?

If the Resource Hurdle is met or a change of control occurs within 3 years of the Listing Date, the Company's share capital will increase by 7,662,370 Shares to be held by the holders of the Performance Shares, which will comprise slightly less than 10% of the Company's total issued share capital at the Listing Date and will have a dilutionary effect on New Shareholders.

If the Resource Hurdle is not met or a change of control does not occur within that 3 year timeframe, then the Performance Shares will be redeemed by the Company for nil consideration and will have no bearing or dilutionary effect on the Company's issued capital thereafter.



Additional Information

# 7. Additional Information



# 7.1 Registration

Andean Mining Limited was registered in New South Wales on 9 April 2018.

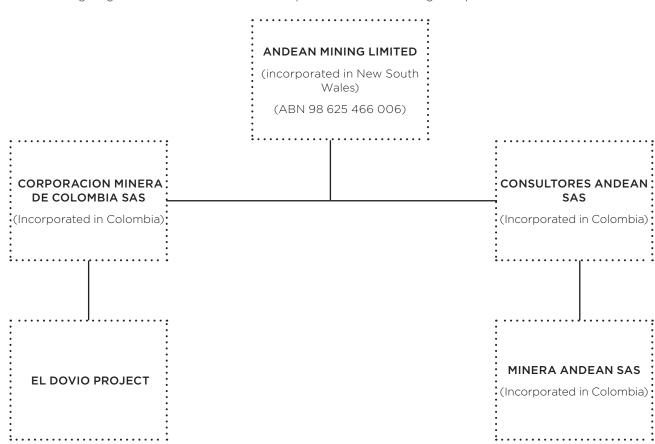
# 7.2 Company tax status and financial year

The Company will be subject to tax at the Australian corporate tax rate.

The Company's financial year for taxation purposes ends on 30 June.

## 7.3 Group corporate structure

The following diagram shows the entities that comprise the Andean Mining Group.



As shown above, the Company is the parent entity of the Andean Mining Group, and its purpose is to pursue various investment opportunities in the resources sector. The Company's wholly owned subsidiary, CMC is responsible for development, structuring, financing, acquisition, exploration and exploitation of mining projects. The Andean Tenements are held by CMC.

# 7. Additional Information

continued

# 7.4 Options granted

The Company has either granted or resolved to grant an aggregate of 32,674,820 options to Existing Shareholders (including to Directors, entitles controlled by current or former Directors and to an entity controlled by the Company Secretary and CFO). These options have not yet been exercised.

A summary of options granted is as follows:

## **Options held by Existing Shareholders**

The following table sets out the number and terms of options held, or to be held, by certain Existing Shareholders. Note that the Company has resolved to grant 25,000,000 Eligible Seed Investor Options to the parties set out below after Completion but before the Listing Date.

Total Number of Ordinary Shares Over Which Option Granted	Exercise Period	Consideration for Exercise per Share
25,000,000	Any time during the period of 3 years from the Listing Date	\$0.20 per share
3,837,410	Any time during the period of 3 years from the Listing Date	\$0.25 per share
3,837,410	Any time during the period of 4 years from the Listing Date	\$0.30 per share

## Options held by Directors or their related entities

The following Directors or their related entities each hold options in the Company. Key terms of the options on issue to these entities are below.

Name Of Holder	Category of Options	Number of Ordinary Shares Over Which Option Granted	Exercise Price	Expiry Date
Philip Wing	Director Options	767,482	\$0.25	3 years from the Listing Date
	Director Options	767,482	\$0.30	4 years from the Listing Date
	Eligible Seed Investor Options	4,717,145	\$0.20	3 years from the Listing Date
William Howe	Director Options	767,482	\$0.25	3 years from the Listing Date
	Director Options	767,482	\$0.30	4 years from the Listing Date
	Eligible Seed Investor Options	5,053,240	\$0.20	3 years from the Listing Date
Maxwell James Green	Director Options	767,482	\$0.25	3 years from the Listing Date
	Director Options	767,482	\$0.30	4 years from the Listing Date
	Eligible Seed Investor Options	4,337,856	\$0.20	3 years from the Listing Date
Paul Ingram	Director Options	767,482	\$0.25	3 years from the Listing Date
	Director Option	767,482	\$0.30	4 years from the Listing Date



#### **Terms Attaching to Options**

All of the options granted or, in the case of the Eligible Seed Investor Options, to be granted, in the Company have the following key terms:

#### (a) Entitlement

Each option entitles the holder to subscribe for one Share in the capital of the Company upon exercise of the option. The Shares issued on exercise of the options rank equally with the then issued shares of the Company.

The options:

- are non-transferable:
- do not entitle the optionholder to participate in any dividends;
- do not carry a right to vote; and
- will not be guoted on ASX.

#### (b) Exercise

Each option will expire on the date specified in the Company's option register as the expiry date or, if no such date is specified, 5 years from the date of issue (**Expiry Date**). The options are exercisable at any time between the period beginning on the date of their grant and ending on the Expiry Date (**Exercise Period**). The options may be exercised during the Exercise Period by notice in writing to the Company and payment of the relevant exercise price for each option.

#### (c) Issue

The Company will allot and issue, and apply for official quotation on ASX of the Shares pursuant to the options within 15 days after receipt of notice from the optionholder and payment of the Exercise Price.

## (d) Reconstruction of Capital

There are no participation rights or entitlements inherent in the options and optionholders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options without exercising the options.

#### (e) New issues

There are no participation rights or entitlements inherent in the options and optionholders will not be entitled to participate in new issues of capital offered to the Company's shareholders during the currency of the Options without exercising the options.

#### (f) Adjustment for bonus issues

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- a. the number of Shares which must be issued on the exercise of an option will be increased by the number of Shares which the holder would have received if the options held by the holder had been exercised before the record date for the bonus issue; and
- b. no change will be made to the Exercise Price.

### (g) No adjustment for rights issue

Neither the Exercise Price nor the number of underlying Shares into which one option is exercisable will change in circumstances where the Company makes an issue of Shares pro rata to existing shareholders.

# 7. Additional Information

continued

#### 7.5 Material Contracts

#### (a) CMC Purchase Agreement

The Company is party to a Share Purchase Agreement dated 7 May 2020 with Newrange pursuant to which it acquired all of the issued share capital of CMC through the Company's subsidiary, Minera Andean S.A.S. CMC owns a 100% interest in the projects, exploration tenements and surface rights.. Completion of the transaction occurred in May 2020 and all obligations to pay cash consideration, for reimbursement of expenses directly related to the development of the El Dovio Project, of US\$1,000,000, undertake a pre-closing transfer of the Yarumalito project tenement, and issue shares in the Company to Newrange to maintain its 15% interest up to the date of lodgement of this Prospectus with ASIC have been met.

Under the SPA the Company has an ongoing obligation to pay a 'Net Smelter Return Royalty' (**NSR**) to Newrange based on the cashflow from the El Dovio Tenements. The NSR is to be calculated on a calendar quarterly basis as 2% of Gross Revenue (revenue based on arm's length market value, including insurance payments and expropriation compensation after costs, covering all mining Products from the El Dovio Property) less Permissible Deductions (sales charges, transportation costs, mining expenses for smelting, treatment, handling, refining and insurance costs). The obligation to pay the NSR will terminate once US\$6,000,000 in aggregate payments have been made.

The Anori Tenements are the subject of an objection by CMC to the transfer of the tenement to Triangle Treasure S.A.S. for unpaid proceeds of sale and breach of contract. The dispute has been ongoing in the Colombian legal system since 2019 and remains unresolved as at the time of this float. The Company and Newrange have agreed that any settlement proceeds from this dispute following the Listing will be distributed based on the pro-rata expenditure contribution of each party to the dispute should a settlement/court outcome be reached.

#### (b) Broker Mandate

#### (i) Lead Manager Mandate

Under an agreement dated 6 December 2020 the Lead Manager and Sponsoring Broker has agreed to provide capital raising services and financial and corporate advice in relation to the Offer in return for a fee to be paid by the Company as well as an issue of options in the Company (**Lead Manager Mandate**). The Lead Manager has agreed to share the corporate advisory role with Cadmon Advisory Pty Ltd (**Cadmon**). The Lead Manager has issued a sub-mandate to Cadmon.

#### (ii) Role as Lead Manager and Financial & Corporate Adviser

The Lead Manager has agreed to act in the following capacities:

- a. financial and corporate adviser in relation to the Offer;
- b. sponsoring broker/lead manager in relation to the Offer; and
- c. corporate adviser following Listing.

#### (iii) Fees and Broker Shares

Under the Lead Manager Mandate, the Company has agreed to pay the following fees to Novus Capital (excluding GST and disbursements):

- a. Initial Engagement Fee: \$15,000 (paid on completion of the pre-Offer raise);
- b. *Monthly Advisory and Work Fee:* \$9,000 for work from December 2020 to February 2021 and \$7,000 for work from March to May for advisory services up to the Completion of the Offer;
- c. Monthly Co Adviser Fee: \$5,000 for services provided by Cadmon from January to February and \$4,000 for work from March to May (limited to a maximum of 6 months post Completion or 12 months whichever comes sooner).
- d. Management Fee: 1% of all capital raised in each of the pre-Offer and Offer stages (payable on all monies raised);
- e. Brokerage Fee: 5% of all capital raised in each of the pre-Offer and Offer stages (payable on all monies raised); and
- f. Sponsoring Broker Fee: \$15,000.

The Lead Manager will share the brokerage fee with Cadmon Advisory (as indicated) but not the Management fee.



In addition to the fees set out above, the Company has issued or agreed to issue 975,000 Shares in the Company as a Success Fee

a. Success Fee: 975,000 Shares as a success fee for the pre-Offer and Offer. Over the first \$500,000, the fee will be split between the Brokers to the Offer in proportion to the amount raised by each. This is subject to a 50% claw back condition if the Offer does not proceed through no fault of the Company within 12 months of the completion of the pre-Offer.

#### (iv) Best endeavours

The Lead Manager is acting on a best endeavours basis and does not represent or guarantee the success of the Offer. The Lead Manager is not underwriting the Offer.

#### (v) Liability and indemnity

Subject to certain customary exclusions (including any bad faith or unlawful conduct of an indemnified party), the Company agrees to keep the Lead Manager and certain affiliated parties indemnified from losses suffered in connection with the Offer.

#### (vi) Termination

The Lead Manager Mandate may be terminated by the Company in the following circumstances:

- a. The Company has the right to terminate its arrangements with the Lead Manager at any time after 9 months from the start of the agreement by issuing a minimum of 60 days' notice if pre-Offer and 90 days if post-Offer
- b. The Company has the right to terminate its arrangements with the Lead Manager at any time before 9 months from the start of the agreement by issuing a minimum of 60 days' notice in writing.

The Lead Manager in its sole and absolute discretion may terminate the Lead Manager Mandate at any time upon giving the Company 30 days' notice of its intention to do so.

#### (c) Series 2 Convertible Notes

In December 2020, the Company issued convertible notes with a face value of \$1,000 to 65 noteholders to raise a total of \$2.26 million to fund the Company's obligations under the Newrange Share Purchase Agreement and the preparation of this Prospectus, and to provide working capital to the Andean Mining Group. The convertible notes have a coupon of 6% per annum calculated on a 365 day year, with interest capitalised annually. Conversion of the notes will occur automatically on the maturity date, which is the Completion Date. On conversion, the face value and accrued interest on each note will be converted to Shares issued at a 50% discount to the Offer Price.

The Company subsequently issued 250 additional convertible notes with a face value of \$1,000 to 11 noteholders in Q1 FY22 to raise a total of \$250,000 to further fund the preparation of this Prospectus and provide additional working capital to the Andean Mining Group. The convertible notes were issued on the same terms as the notes set out above. It is anticipated that these notes will convert into approximately 2,524,509 Shares at Completion, assuming Completion takes place on 15 November 2021.

It is anticipated that all of the notes referred to above will convert into an aggregate of approximately 26,253,895 Shares following Completion, assuming Completion takes place on 15 November 2021. Should the convertible notes convert on another date, then the number of Shares issued will vary by approximately 4,126 Shares per day representing changes in the accrued interest amount per day.

Prior to conversion into Shares, the notes do not entitle noteholders to any dividends, distributions, voting rights or rights to participate in any issue of securities by the Company.

## 7.6 Escrow arrangements

On Listing, some of the Shares and all Performance Shares will be classified by the ASX as 'restricted securities', applying the ASX Listing Rules and its discretion. In addition, certain options on issue at the date of Listing and any Shares to be issued upon conversion of these options, will also be classified by the ASX as restricted securities.

# 7. Additional Information

continued

Chapter 9 of the ASX Listing Rules precludes holders of the restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction period. The holder of such securities will be precluded from granting a security interest over those securities. However, the ASX may consent to those securities being sold under a takeover bid or under a merger by way of a scheme or arrangement under the Corporations Act.

Existing Shareholders and holders of Options who have Shares or Options which are classified by ASX as being restricted will be required to enter into mandatory escrow restriction deeds with the Company in relation to those securities or, if ASX permits, will be issued with a restriction notice, in each case applying the restrictions set out in Appendix B to the ASX Listing Rules.

The main restriction periods applicable to the Existing Shareholders are as follows:

Shareholder	Applicable Escrow/Restriction Period
Seed capitalists that are related parties or promoters	The restriction Period is 24 months from the Listing Date.
Seed capitalists that are not related parties or promotors	The Restriction Period is 12 months from issue, if the subscription price was less than 80% of the price per Share under the Offer.
	This will apply to Shares issued prior to the Offer.
Vendors of the Company assets that are	The Restriction Period is 24 months from the Listing Date.
related parties or promoters	This will apply to Shares issued prior to the Offer.
Promoters or professional consultants	The Restriction Period is 24 months from the Listing Date.
Securities that are not Shares	The Restriction Period is the same as the Restriction Periods for each relevant group of Shareholders noted above.

The restriction on disposing broadly restricts the escrowed Shareholder from, among other things, selling, assigning, transferring or otherwise disposing of any legal, beneficial or economic interest in the escrowed Shares, creating or agreeing to create a security interest over the escrowed Shares, doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the escrowed Shares or agreeing to do any of those things during the escrow (restriction) period.

It is expected that, on Listing, an aggregate of approximately 40% of the Company's issued share capital will be subject to ASX imposed escrow.

#### 7.7 Litigation and claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or Governmental prosecution of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Company. The Company's subsidiary, CMC, is currently involved in litigation with respect to the reinstatement of rights related to a License; however, these proceedings are being undertaken for the benefit of the Andean Mining Group and do not involve any material expenditure.



# 7.8 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others).

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

# 7.9 Regulatory relief

#### (a) ASIC exemptions and relief

The Company has relied on regulatory relief from the Corporations Act in relation to section 609(13A), section 609(13C) and section 609(13D) of the Corporations Act, introduced by ASIC Class Order [CO 13/520] as amended by the ASIC Corporations (Amendment) Instrument 2020/721 issued on 27 August 2020.

### (b) ASX waivers and confirmation

The Company has obtained in principle advice from ASX which has indicated that, based on the information provided to it by the Company and facts known to it as at 17 May 2021, ASX is not currently aware of any reason that would cause it to exercise its discretion to refuse admission to the Official List under ASX Listing Rule 1.19.

### (c) Performance Shares

The Company has obtained in principle advice from ASX with respect to the terms of the Performance Shares indicating that ASX would be likely to confirm that those terms as appropriate.

## 7.10 Taxation considerations

## (a) Summary of tax issues for Australian tax resident investors

The comments in this Section 7.13 provide a general outline of Australian tax issues for Australian tax resident Shareholders who acquire Shares under this Prospectus and that hold Shares in Andean Mining on capital account for Australian income tax purposes. The categories of Shareholders considered in this summary are limited to individuals, companies (other than life insurance companies), trusts, partnerships and complying superannuation funds that hold their shares on capital account.

This summary does not consider the consequences for foreign resident Shareholders, insurance companies, banks, Shareholders that hold their shares on revenue account or carry on a business of trading in shares, Shareholders who are exempt from Australian tax, or Shareholders who are subject to the Taxation of Financial Arrangements rules contained in Division 230 of the Income Tax Assessment Act 1997.

The summary in this Section is general in nature and is non exhaustive of all Australian tax consequences that could apply in all circumstances of any given Shareholder. The individual circumstances of each Shareholder may affect the taxation implications of the investment of the Shareholder.

It is recommended that all Shareholders consult their own independent tax advisers regarding the income tax (including capital gains tax), stamp duty and GST consequences of acquiring, owning and disposing of Shares, having regard to their specific circumstances.

The summary in this Section is based on the relevant Australian tax law in force, established interpretations of that law and understanding of the practice of the relevant tax authority at the time of issue of this Prospectus. The summary does not take into account the tax law of countries other than Australia.

# 7. Additional Information

continued

Tax laws are complex and subject to ongoing change. The tax consequences discussed in these summaries do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise implications of ownership or disposal of the Shares will depend upon each Shareholder's specific circumstances.

This summary does not constitute financial product advice as defined in the Corporations Act.

#### (b) Company Status and Financial Year

The Company has a balance date of 30 June. The Company is a tax resident of Australia and subject to income tax at the standard corporate tax rate of 30% (subject to the base rate entity rules which may give rise to a lower corporate tax rate).

#### (c) Dividends paid on Shares

Dividends may be paid to Shareholders by Andean Mining. Andean Mining may attach 'franking credits' to such dividends. Franking credits broadly represent the extent to which a dividend is paid by Andean Mining out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked. The dividend should be included in each Shareholder's assessable income for the relevant year of income.

It should be noted that the concept of a dividend for Australian income tax purposes is very broad and can include payments that are made in respect of such things as off-market share buy-backs.

To the extent that franking credits are attached to a dividend, Australian tax resident Shareholders should include in their assessable income an amount equal to the franking credits (in addition to the dividend paid) in the income year in which the dividend is paid or credited.

Australian tax resident Shareholders should be entitled to a tax offset equal to the franking credits attached to the dividend so long as they are a "qualified person". A "qualified person" is a Shareholder who, in broad terms, hold Shares in Andean Mining "at risk" for a period of more than 45 days within a period beginning on the day after the date on which the Shareholder acquired the Shares and ending on the 45th day after the date on which the Shares became "ex dividend". An individual may also be a "qualified person" where their total franking credit entitlement in the relevant income year is below \$5,000 for the relevant year.

Dividend washing rules can apply in certain cases, such that no tax offset is available (nor is an amount required to be included in assessable income in relation to an attached franking credit) for a dividend received on Shares. Broadly, the rules can apply where Shareholders seek to obtain additional franking benefits by disposing of Shares ex-dividend and re-purchasing a substantially equivalent parcel of Shares cum-dividend on a special market. Shareholders should seek independent tax advice regarding the dividend washing rules, and consider the impact of these rules, having regard to their own personal circumstances.

In some cases, an amount of a tax offset not applied against an Australian tax resident Shareholder's tax liability can be refunded to that Shareholder. Whether this is available depends on the particular circumstances of the Shareholder, including their entity type.

Shareholders who are not tax residents of Australia should generally be subject to Australian dividend withholding tax with respect of any unfranked dividends paid by the Company. Prima facie, the dividend withholding tax rate imposed is at 30%, however this rate may be reduced where the shareholder is a tax resident of a country that has a double tax treaty with Australia.

Dividends paid which are fully franked are exempt from Australian dividend withholding tax.

# (d) Australian Capital gains tax (CGT) implications for Australian tax resident Shareholders on a disposal of Shares

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the Australian CGT provisions in respect of the disposal of their shares. A capital gain will arise where the capital proceeds on disposal exceed the cost base of the share (broadly, the cost base is the amount paid to acquire the share plus any (non-tax deductible) transaction costs incurred in relation to the acquisition or disposal of the shares). In the case of an arm's length on-market sale, the capital proceeds should be the total amount of



the money and property received from the sale of the shares. A CGT discount may be applied against the capital gain (after first deducting any available capital losses, see below) where the Shareholder is an individual, complying superannuation entity or trustee, and the Shares have been held for more than 12 months prior to the CGT event. Where the CGT discount applies, any capital gain arising to individuals and entities acting as Trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any capital gain may be reduced by one-third, after offsetting current year or prior year capital losses.

Where the Shareholder is the trustee of a trust that has held the Shares for more than 12 months before disposal, the CGT discount may flow through to the beneficiaries of the trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

A capital loss will be realised where the reduced cost base of the share (the reduced cost base is determined by a similar (although not identical) calculation to the cost base) exceeds the capital proceeds from disposal. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

# (e) Australian Capital gains tax (CGT) implications for foreign tax resident Shareholders on a disposal of Shares

Foreign tax resident Shareholders may make a capital gain on the disposal of taxable Australian property (including shares). For tax purposes, the Shares will only be considered taxable Australian property where broadly:

- The foreign tax resident Shareholder owns an interest of 10% or more in Andean Mining; and
- More than 50% of the value of Andean Mining relates to taxable Australian real property (i.e. Australian land or buildings).

On the basis that the value of Andean Mining is unlikely to be generated mostly from Australian real property interests, it is unlikely that the Shares would be considered taxable Australian property. As such, foreign tax resident Shareholders who acquire and subsequently dispose of their Shares are unlikely to be subject to Australian tax on any gains from the disposal of the Shares. At the same time, any capital loss cannot be utilised by the foreign tax resident Shareholder to reduce their Australian tax liability (if any).

#### (f) Withholding Tax

Resident Shareholders may, if they choose, notify Andean Mining of their tax file number (TFN), ABN, or a relevant exemption from withholding tax with respect to dividends.

In the event that Andean Mining is not so notified, Australian tax may be required to be deducted at the maximum marginal tax rate plus the Medicare levy from the cash amount of the unfranked portion (if any) of the dividends. No amount is required to be deducted by Andean Mining in respect of fully franked dividends. The rate of withholding is currently 47%.

Andean Mining is required to withhold and remit to the ATO such tax until such time as the relevant TFN, ABN or exemption notification is given to Andean Mining. Shareholders will be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on the dividends in their individual income tax returns.

A Shareholder that holds Shares as part of an enterprise may quote their ABN instead of their TFN. Foreign tax resident shareholders are not required to comply with the above requirement.

#### (g) Stamp Duty

Shareholders should not be liable for stamp duty in respect of their initial subscription of Shares on the basis that Andean Mining does not hold any relevant interests in Australian real property. Under current stamp duty legislation, no stamp duty should ordinarily be payable by Shareholders on any subsequent transfer of Shares whilst the Company remains listed on the ASX.

Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

# 7. Additional Information

continued

#### (h) Australian Goods and Services Tax (GST)

Under current Australian law, no GST should be payable by Shareholders in respect of the issue, acquisition, disposal or transfer of their Shares in Andean Mining regardless of whether or not the Shareholder is registered for GST. Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition of the Shares. Separate GST advice should be sought by Shareholders in this respect relevant to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by Andean Mining.

# 7.11 Selling restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia, New Zealand, Singapore and Hong Kong (to the extent permitted below).

#### **Singapore**

This document and any other material relating to the Shares have not been, and will not be, lodged or registered as prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to per-sons 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 the SFA, or as otherwise pursuant, and in accordance with the conditions of any other applicable provisions of the SFA. See Section 6.14 for details of restrictions on distribution and offering of this Prospectus in Singapore.

#### **Hong Kong**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice. See Section 6.14 for details of restrictions on distribution and offering of the Prospectus in Hong Kong.

## 7.12 Consents to be named and statement of disclaimers of responsibility

Each of the parties listed below in this Section 7.15 each a consenting party, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions form this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Novus Capital has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as lead manager and sponsoring broker to the Offer in the form and context in which it is named;
- Cadmon Advisory has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as broker to the Offer in the form and context in which it is named;
- Ash Street has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to taxation matters) to the Company in relation to the Offer in the form and context in which it is named;



- Hall Chadwick has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its
  written consent to be named in this Prospectus as Investigating Accountant to the Company in relation to
  the Financial Information in the form and context in which it is named and to the inclusion of its Investigating
  Accountant's Report on the Financial Information set out in Annexure A in the form and context in which
  it appears in this Prospectus;
- Hall Chadwick has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax adviser to the Company in the form and context in which it is so named:
- Hall Chadwick NSW has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as auditor to the Company in the form and context in which it is so named;
- Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as share registry of the Company in the form and context in which it is named. Automic Pty Ltd has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company. Automic Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus;
- Asesoria Minera SA has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Colombian legal adviser in the form and context in which it is named and to the inclusion of its Independent Solicitor's Report on Title set out in Annexure C in the form and context in which it appears in this Prospectus;
- Indeport has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Independent Technical Expert in the form and context in which it is named and to the inclusion of its Independent Technical Assessment Report set out in Annexure B in the form and context in which it appears in this Prospectus;
- Neal Leggo has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, his written consent to be named in this Prospectus as the Competent Person in the form and context in which he is named; and
- Newrange has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named.

#### 7.13 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under the Prospectus are governed by the laws applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

# 7.14 Statement of directors

This Prospectus is authorised by each director of the Company who consents to its lodgement with ASIC and its issue.

# **Glossary**

Term	Meaning	
\$AU or \$	Australian dollar	
US\$	United States dollar	
AASB	Australian Accounting Standards Board	
Andean Mining or Company	Andean Mining Limited ACN 625 466 006	
Andean Mining Group	The Company and each of its subsidiaries from time to time	
Andean Tenements	The tenements held by the Company located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia, being two granted tenements (Concession Contracts IEH-08401 and IEH-08441) and two tenement applications (Concession Contract Application 502166 and Concession Contract Application 502167) and the tenements (KIM-14026X and B7715005) located in the department of Antioquia, municipality of Anori, under the authority of The Secretary of Mining of the department of Antioquia. Those titles are in the process of resignation (KIM-14026X) and assignment (B7715005)	
Anori Tenements	Tenements (KIM-14026X and B7715005) located in the department of Antioquia, municipality of Anori, under the authority of The Secretary of Mining of the department of Antioquia. Those titles are in the process of resignation (KIM-14026X) and assignment (B7715005)	
Applicant	A person who submits an Application	
Application	An application made to subscribe for Shares offered under this Prospectus	
Application Form	The application form attached to or accompanying this Prospectus (including the electronic form provided by an online application facility)	
Application Monies	The amount accompanying an Application Form submitted by an Applicant	
Asesoria Minera	Asesoria Minera SAS	
ASIC	Australian Securities and Investments Commission	
Ash Street	Ash Street Partners Pty Ltd ACN 165 119 657	
ASX	Australian Securities Exchange	
ASX Listing Rules	The rules of the ASX that govern the admission, quotation and removal of securities from the Official List	
ASX Recommendations	The ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4 <sup>th</sup> Edition, February 2019)	
ASX Settlement Operating Rules	The settlement rules of ASX as amended, varied or waived from time to time	
Australian Accounting Standards	Australian Accounting Standards and Interpretations issued by the AASB	
Board	The board of directors of the Company from time to time	
Brokers to the Offer	Each of Novus Capital and Cadmon Advisory	
Cadmon Advisory	Cadmon Advisory Pty Ltd ACN 616 484 756	
CEO	The Company's chief executive officer	
CFO	The Company's chief financial officer	



Term	Meaning					
CHESS	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules					
Closing Date	The date on which the Offer is expected to close, being 9 December 2021 (unless it is closed earlier)					
CMC	Corporacion Minera de Colombia SAS					
<b>Competent Person</b>	Has the meaning given in clause 11 of the JORC Code					
Completion	Completion of the Offer, being the date on which Shares are issued to Successful Applicants in accordance with the terms of the Offer					
Constitution	he Company's Constitution, as amended from time to time					
Corporations Act	The Corporations Act 2001 (Cth)					
Directors	Each of the directors of the Company from time to time					
EBIT	Earnings before interest and tax					
EBITDA	Earnings before interest, tax, depreciation and amortisation					
El Dovio Tenements	The tenements held by the Company located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia, being two granted tenements (Concession Contracts IEH-08401 and IEH-08441) and two tenement applications (Concession Contract Application 502166 and Concession Contract Application 502167)					
El Dovio Project	The Company's El Dovio copper/gold project located in central western Colombia					
Eligible Seed Investor Options	Options to acquire Shares in the Company having the terms set out in Section 7.4					
Enterprise Value	The sum of the Company's market capitalisation at the Offer Price and its pro forma net debt					
Existing Convertible Notes	Series 2 Convertible Notes on the terms and conditions set out in Section 7.5(c)					
Existing Shares	The Shares held by the Existing Shareholders					
Existing Shareholders	Those persons either holding shares in the Company on the Prospectus Date or to be issued shares before the Listing Date, being either Performance Shares or Shares or the conversion of the Existing Convertible Notes					
Exposure Period	The seven day period after the Prospectus Date (which period may be extended by ASIC for up to an additional seven days)					
Financial Information	Has the meaning given in Section 3					
FY	Year to 30 June					
GST	Has the meaning given in the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)					
Hall Chadwick	Hall Chadwick Corporate (NSW) Limited ACN 080 462 488					
Historical Financial Information	Has the meaning given in Section 3					
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board					
Indicated Mineral Resource	Has the meaning given in clause 20 of the JORC Code					

### Glossary

continued

Term	Meaning					
Investigating Accountant	Hall Chadwick					
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, as amended from time to time					
Lead Manager	The lead manager and sponsoring broker of the Offer being Novus Capital					
Listing	Admission of the Company to the Official List and quotation of the New Shares on the ASX					
Listing Date	The date on which Listing occurs					
Maximum Subscription	The subscription by Applicants for 35 million Shares at the Offer Price to raise \$7 million					
Minimum Subscription	The subscription by Applicants for 30 million Shares at the Offer Price to raise \$6 million					
Mineral Resource	Has the meaning given in clause 20 of the JORC Code					
New Shares	The new Shares to be issued by the Company under the Offer					
New Shareholders	Persons acquiring Shares under the Offer (excluding any Existing Shareholders who acquire Shares under the Offer)					
Newrange	Newrange Gold Corp. (TSXV: NRG)					
Novus Capital	Novus Capital Limited ACN 006 711 995					
NPAT	Net profit after tax					
NSR	Net Smelter Return Royalty					
Offer The offer under this Prospectus of New Shares for issue by the Company						
Offer Period The period from the Opening Date, and ending on the Closing Date						
Offer Price	\$0.20 per Share					
Official List	The official list of the ASX					
Opening Date	The date on which the Offer is expected to open being 19 November 2021					
Performance Shares	Redeemable convertible preference shares in the Company with the terms summarised in Section 6.18					
Pro Forma Financial Information	Has the meaning given in Section 3					
Proper ASTC transfer	Has the meaning given in the <i>Corporations Regulations 2001</i> (Cth), regulation 1.0.12					
Prospectus	This document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document					
Prospectus Date	The date on which this Prospectus was lodged with ASIC, being 1 November 2021					
Related Body Corporate	Has the meaning given in the Corporations Act					



Term	Meaning				
Resource Hurdle	The Resource Hurdle in respect of the El Dovio Tenements will be met by the reporting of there being the estimation of a Mineral Resource of 500,000 oz gold equivalent or 125,000t copper metal equivalent (in each case being of an ore grade at or better than the Cut-Off Ore Grade) with at least 50% of the resource classified by an independent Competent Person as an Indicated Mineral Resource within 3 years of the Listing Date. A minimum cut-off grade of 0.5g/t gold equivalent or 0.65% copper equivalent (where the metal equivalent is reported in accordance with the requirements of clause 50 of the JORC Code) will be used in determining the metal content of the resources calculated				
SGA	The Securities and Futures Act				
Share	A fully paid ordinary share in the capital of the Company				
Shareholder	A holder of a Share in the Company				
Share Registry	Automic Group or Automic Pty Ltd				
Statutory Historical Financial Information	Has the meaning given in Section 3				
Successful Applicant	An Applicant who is issued or transferred Shares under the Offer				
U.S. Person	Has the meaning given in Rule 902(k) of Regulation S under the U.S. Securities Act				
U.S. Securities Act	U.S. Securities Act of 1933, as amended				

### **Corporate Directory**

### Company's registered office

Level 1, 25 King Street Sydney NSW 2000

### **Lead Manager and Sponsoring Broker**

### **Novus Capital Limited**

Level 24, Royal Exchange Building 56 Pitt Street Sydney NSW 2000

#### **Broker to the Offer**

### **Cadmon Advisory Pty Ltd**

Levels 2 and 3 Professional Chambers 120 Collins Street Melbourne VIC 3000

### **Legal Advisers**

### Ash Street Partners Pty Ltd

Level 1, 25 King Street Sydney NSW 2000

### **Auditor**

### Hall Chadwick NSW

Level 40, 2 Park Street Sydney NSW 2000

#### **Offer Information Line**

If you have any questions in relation to the Offer, contact Automic Group on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 9.00am and 5.00pm (Sydney time), Monday to Friday

### Offer website

https://investor.automic.com.au/#/ipo/andeanmining

### **Share Registry**

### **Automic Pty Ltd**

Level 5, 126 Phillip Street Sydney NSW 2000

### **Investigating Accountant**

### Hall Chadwick Corporate (NSW) Limited

Level 40, 2 Park Street Sydney NSW 2000

# Annexure A Investigating Accountant's Report





Corporate Finance & Advisory Services

29 October 2021

The Directors Andean Mining Limited 25 Tawnii Place Castle Hill NSW 2154

Dear Sirs,

Independent Limited Assurance Report on Historical and Pro-forma Consolidated Financial Information

We have been engaged by Andean Mining Limited ("Andean" or "the Company") to report on the historical and pro forma consolidated historical financial information for inclusion in the Prospectus relating to the proposed issue of shares in the Company to raise a minimum of \$6 million and up to \$7 million before the costs of the issue (the "Offer").

Expressions and capitalised terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it should only be issued by an entity which holds an Australian Financial Services License (No. 227902) under the *Corporations Act 2001*. Hall Chadwick Corporate (NSW) Limited holds the appropriate Australian Financial Services License under the *Corporations Act 2001*.

### Background

The Company was established for the purpose of pursuing various investment opportunities in the resources sector, specifically taking advantage of the Board's significant experience and understanding of the copper and gold mining sector in South America.

Andean has purchased a Colombian company (Corporacion Minera del Colombia SAS or CMC) which owns two licences (Andean Licences) located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia. The Andean Licence areas are prospective for copper gold, silver and zinc.

The purposes of the Offer are to facilitate an application by the Company for admission to the Official List and to position the Company to implement its exploration programs.

### Scope

Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical financial information of the Company:

 the historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019 ("FY2019"), 30 June 2020 ("FY2020") and 30 June 2021 ("FY2021"); HALL CHADWICK CORPORATE (NSW) LIMITED

ACN 080 462 488

SYDNEY

Level 40, 2 Park Street Sydney NSW 2000 Australia

GPO Box 3555 Sydney NSW

2001

Ph: (612) 9263 2600

Fx: (612) 9263 2800

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## Annexure A Investigating Accountant's Report

continued



Corporate Finance & Advisory Services

- b) the historical Consolidated Statements of Cash Flows for FY2019, FY2020 and FY2021; and
- the historical Consolidated Statements of Financial Position as at 30 June 2021.

### Pro forma Consolidated Historical Financial Information

You have requested Hall Chadwick Corporate (NSW) Limited to review the proforma consolidated statement of financial position of the Company as at 30 June 2021 assuming the completion of the Offer and inclusive of the further transactions detailed in the Prospectus that have occurred or are intended to occur subsequent to 30 June 2021.

The financial information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles detailed in International Financial Reporting Standards and the adopted accounting policies of the Company.

The Historical Financial Information of Andean has been extracted from the financial reports audited by Hall Chadwick in accordance with Australian Auditing Standards. Hall Chadwick has issued an unqualified audit opinion for each period but noted a material uncertainty related to going concern due to negative operating cash flows and working capital.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement accounting principles applied to the financial information and the transactions to which the pro forma adjustments relate, as described in the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the financial information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

### Directors' responsibility

The directors of the Company are responsible for the preparation of historical and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of pro forma consolidated historical financial information that is free from material misstatement whether due to fraud or error.

### Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard





Corporate Finance & Advisory Services

on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we have become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report has been compiled with consideration of APES 110 Code for Professional Accountants, given that Hall Chadwick are the auditors of Andean and HCC have prepared this report. HCC adopts internal procedures and structures to safeguard our independence and manage any perceived conflict of interest arising from the role of Hall Chadwick as auditor of Andean.

#### Conclusions

Historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical financial information is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in the Prospectus.

Pro forma consolidated historical financial information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma consolidated historical financial information is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in the Prospectus.

### **Restriction on Use**

Without modifying our conclusions, we draw attention to the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

We disclaim any assumption of responsibility for any reliance on this report or on the financial information to which it relates, for any purpose other than that for which it was prepared.

#### **Disclosure of Interest**

Hall Chadwick Corporate (NSW) Limited does not have any interest in the outcome of the Prospectus other than the issue of this report for which normal professional fees will be received. Hall Chadwick Corporate (NSW) Limited does not hold nor have any interest in the ordinary shares of the Company. Hall Chadwick Corporate (NSW) Limited was not involved in the preparation of any part of the Prospectus and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in the Prospectus.

# Annexure A Investigating Accountant's Report

continued



Corporate Finance & Advisory Services

### Consent

Hall Chadwick Corporate (NSW) Limited has consented to the inclusion of this assurance report in the Prospectus in the form and context in which it is included.

Yours faithfully

**Drew Townsend** 

HALL CHADWICK CORPORATE (NSW) LIMITED





### **FINANCIAL SERVICES GUIDE**

Dated 29 October 2021

### What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Hall Chadwick Corporate (NSW) Limited ABN 28 080 462 488, Australian Financial Services Licence Number 227902 ("HCC").

#### This FSG includes information about:

- HCC and how they can be contacted;
- the services HCC is authorised to provide;
- how HCC are paid;
- any relevant associations or relationships of HCC;
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that HCC has in place.

This FSG forms part of an Investigating Accountant's Report ("Report") which has been prepared for inclusion in a disclosure document. The purpose of the disclosure document is to help you make an informed decision in relation to a financial product. The contents of the disclosure document, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

### Financial services that HCC is authorised to provide

HCC holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of finance products.

### HCC's responsibility to you

HCC has been engaged by the Directors of Andean Mining Limited to prepare this Report for inclusion in a Prospectus in relation to the offering of shares in Andean Mining Limited on the ASX ("Offer").

You have not engaged HCC directly but have received a copy of the Report because you have been provided with a copy of the Prospectus. HCC nor the employees of HCC are acting for any person other than Andean Mining Limited. HCC is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

#### General advice

As HCC has been engaged by Andean Mining Limited, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Prospectus before making any decision in relation to the Offer.

#### Fees HCC may receive

HCC charges fees for preparing reports. These fees will usually be agreed with, and paid by, Andean Mining Limited. Fees are agreed on either a fixed fee or a time cost basis. In this instance, Andean Mining Limited has agreed to pay HCC \$25,000 (excluding GST and out of pocket expenses) for preparing the Report on Historical and Pro forma Consolidated Historical Financial Information to be included in the Prospectus. HCC and its officers,

## Annexure A Investigating Accountant's Report

continued



Corporate Finance & Advisory Services

representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

HCC officers and representatives receive remuneration from Hall Chadwick Sydney professional advisory and accounting practice (the Hall Chadwick Sydney Partnership). Remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report. Further details may be provided on request.

#### Referrals

HCC does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

#### Associations and relationships

Through a variety of corporate and trust structures HCC is controlled by and operates as part of the Hall Chadwick Sydney Partnership. HCC's directors may be partners in the Hall Chadwick Sydney Partnership. Mr Drew Townsend, director of HCC and partner in the Hall Chadwick Sydney Partnership, has prepared this Report. The financial product advice in the Report is provided by HCC and not by the Hall Chadwick Sydney Partnership.

From time to time HCC, the Hall Chadwick Sydney Partnership and related entities ("HC Entities") may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses. HC Entities have previously provided advisory services to the Company for which fees have been invoiced on a time-cost basis.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of Andean Mining Limited or has other material financial interests in the Offer.

### **Complaints resolution**

If you have a complaint, please let HCC know. Formal complaints should be sent in writing to: The Complaints Officer
Hall Chadwick Corporate (NSW) Limited
GPO Box 3555
Sydney NSW 2001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on (02) 9263 2600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

### External complaints resolution process

If HCC cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA provides free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at their website www.afca.org.au or by contacting them directly at: Australian Financial Complaints Authority Limited

GPO Box 3, Melbourne Victoria 3001

Telephone: 1800 931 678
Facsimile (03) 9613 6399
Email: info@afca.org.au





Corporate Finance & Advisory Services

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

### **Compensation arrangements**

HCC has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

### **Contact details**

You may contact HCC at: Hall Chadwick Corporate (NSW) Limited GPO Box 3555 Sydney NSW 2001

Telephone: (02) 9263 2600 Facsimile: (02) 9263 2800

# INDEPENDENT TECHNICAL ASSESSMENT REPORT

on the El Dovio Project

**Andean Mining Limited** 

Prepared by Indeport Pty Ltd on behalf of:

Andean Mining Limited

24 October 2021



### **EXECUTIVE SUMMARY**

Indeport Pty Ltd (Indeport) has been commissioned by Andean Mining Limited (Andean Mining) to provide an Independent Technical Assessment Report on the mineral assets of Andean Mining. Indeport understands that Andean Mining is seeking to list on the Australian Securities Exchange (ASX) and that this report is to be included in a prospectus (Prospectus) to be lodged by Andean Mining with the Australian Securities and Investments Commission and may be relied upon by shareholders and potential investors.

The mineral assets of Andean Mining comprise the El Dovio project located in Colombia, South America, 250km west of Bogota. A map showing the location of this project is presented in Figure 1-1, and the tenements which comprise the mineral assets are detailed in Table 1 of this report. The El Dovio project is considered to be at an advanced exploration stage of development where significant intersections of mineralisation have been made but Mineral Resources are not yet reported.

Indeport has completed a desktop review of the project which involved compiling and reviewing the project's technical aspects, including previous work, regional geological setting, local geology, mineralisation, metallurgical studies, exploration potential and planned exploration.

The El Dovio project consists of 2 granted tenements, Concession Contracts IEH-08401 and IEH-08441, with a total area of approximately 12.9km². Andean Mining secured 100% ownership with the purchase of Corporacion Minera de Colombia SAS (CMC) from Newrange Gold Corp of Canada in 2020.

Previous exploration on the El Dovio property has delineated significant intercepts of high grade gold-copper mineralisation within a sequence of volcanic and sedimentary rocks which has been interpreted to be of the volcanogenic massive sulphide (VMS) type of mineral deposit.

Regionally, the project lies within the Western Cordillera of Colombia hosted in the Cañasgordas Group, a 800km long belt of Cretaceous aged rocks which was accreted onto continental South America during the Miocene. El Dovio lies within a mineralised regional belt which hosts the El Roble VMS deposit approximately 110km to the northeast which is currently in mine production. The belt also hosts several other known VMS occurrences such as the Guadelupe, El Alacran, La Equis, Santa Anita and Anza deposits.

The rock units of the project area are assigned to the Dagua Structural Complex and comprise mainly basalt, tholeitic andesite and dolerite interlayered with sedimentary units composed of mudstone, slates, sandstones, greywacke, chert and limestones in less proportion. The sequence is intruded by dolerite dykes. The mafic volcanics and sediments have been deeply weathered by the warm, wet tropical conditions forming a deep soil cover supporting thick rain forest growth and resulting in very limited outcrop exposure. Outcrop is restricted to the base of drainages and ridgelines. The exception is the siliceous mineralised zones, which have resisted weathering, with near fresh siliceous massive sulphide mineralisation found close to the surface.

Outcropping gold-copper-zinc-silver (Au-Cu-Zn-Ag) mineralisation in the Sabana Blanca zone was discovered initially in 1974, and the majority of previous exploration has been focused there. There is no record or evidence of any artisanal mining on the property or the surrounding district. In 1988, Nittetsu Mining Company developed a short exploration adit on high grade mineralisation in the Sabana Blanca zone. From 1991-1993 Mineros S.A. explored the El Dovio project drilling 691m of small diameter diamond core in 15 shallow holes. Subsequently, Newrange Gold Corp (then called CMC), explored the El Dovio property with most activity during the 2011-2014 period, drilling 23 holes for 2,592.5m, resulting in

continued

numerous intersections of high-grade gold and copper mineralisation in trench channel, underground channel and diamond drillhole samples.

Soil geochemical surveys undertaken by CMC delineated a soil anomaly roughly one kilometre long associated with the mineralisation in the east trending Sabana Blanca zone. Ground magnetic surveying was undertaken but without useful results.

All previous explorers have undertaken trenching of surface exposures of mineralisation at the El Dovio project with sampling of trench exposures yielding some significant intercepts of gold-copper-zinc-silver mineralisation including: 4.2g/t Au and 1.7% Cu over 9m; 11.7g/t Au and 0.92% Cu over 16m; 7.8g/t Au and 0.38% Cu over 4m; 13.0g/t Au and 5.87% Cu over 6m; and 10.42g/t Au and 2.34% Cu over 9m from the Sabana Blanca zone.

CMC successfully re-opened the Sabana Blanca adit and conducted saw cut channel sampling which returned results of 21m grading 9.18g/t Au and 2.46% Cu, 18m averaging 4.98g/t Au, and 7m averaging 4.81g/t Au.

Diamond drilling undertaken by previous explorers at the El Dovio project have yielded many significant intercepts of gold-copper-zinc-silver mineralisation. Thirty diamond drillholes are recorded in the El Dovio database for a total length of penetration of 3,138m. Most drilling has been targeted into the Sabana Blanca zone, with the Brazo 1 zone and the Sabana Blanca Creek area each tested with 2 drillholes. The twenty best drillhole intersections are:

- 15.4m @ 3.43g/t Au, 3.59% Cu, 0.4% Zn, & 17.9g/t Ag, from 77.5m in drillhole D13\_02
- 6.9m @ 5.86g/t Au, 5.89% Cu, 1.28% Zn, & 34.3g/t Ag, from 86.5m in drillhole D13\_05
- 27.5m @ 2.3g/t Au, 0.2% Cu, 0.9% Zn, & 6.2g/t Ag, from 0m in drillhole 1360\_02
- 16.7m @ 2.39g/t Au, 1.11% Cu, 0.49% Zn, & 6.2g/t Ag, from 0m in drillhole 1360\_01
- 18.6m @ 1.58g/t Au, 1.32% Cu, 0.65% Zn, & 6.7g/t Ag, from 37.7m in drillhole D13\_07
- 4.1m @ 9.27g/t Au, 1.33% Cu, 4.51% Zn, & 25.8g/t Ag, from 38.8m in drillhole P4
- 9.7m @ 3.86g/t Au, 0.62% Cu, 1.07% Zn, & 6.3g/t Ag, from 75.6m in drillhole D13\_01A
- 7.6m @ 1.09g/t Au, 4.39% Cu, 0.29% Zn, & 16.2g/t Ag, from 93m in drillhole D13\_04
- 4.4m @ 9.56g/t Au, 0.01% Cu, 0.85% Zn, & 6.8g/t Ag, from 114.8m in drillhole D13\_01A
- 11m @ 2.62g/t Au, 0.75% Cu, 0.22% Zn, & 6.4g/t Ag, from 71m in drillhole D13\_04
- 20.5m @ 1.5g/t Au, 0.1% Cu, 0.6% Zn, & 12.6g/t Ag, from 0m in drillhole 1360\_03
- $\bullet \qquad 7.3 \text{m} \ @\ 2.39 \text{g/t Au, } 1.37\% \ \text{Cu, } 1.02\% \ \text{Zn, } \&\ 6.4 \text{g/t Ag, from } 49.6 \text{m} \ \text{in drillhole D13\_06}$
- 6.8m @ 1.1g/t Au, 2.73% Cu, 0.12% Zn, & 10.8g/t Ag, from 34m in drillhole SBC14\_02
- 3m @ 8.02g/t Au, 0.82% Cu, 0.47% Zn, & 4.9g/t Ag, from 61m in drillhole SBC14\_01
- 9m @ 1.43g/t Au, 0.81% Cu, 0.41% Zn, & 4.7g/t Ag, from 55.5m in drillhole D13\_08
- 2.6m @ 2.59g/t Au, 4.17% Cu, 1.36% Zn, & 15.4g/t Ag, from 88m in drillhole P7
- 4.8m @ 2.14g/t Au, 1.05% Cu, 1.48% Zn, & 7.5g/t Ag, from 56.9m in drillhole SBC14\_02
- 3.4m @ 3.26g/t Au, 0.94% Cu, 0.61% Zn, & 14.1g/t Ag, from 31.2m in drillhole P2
- 3m @ 3.88g/t Au, 0.63% Cu, 1.15% Zn, & 5.5g/t Ag, from 69.5m in drillhole D13\_08
- 5m @ 0.52g/t Au, 0.22% Cu, 4.04% Zn, & 5g/t Ag, from 17m in drillhole SB14\_02

In the Sabana Blanca zone, gold-copper-zinc-silver mineralisation consists of pyrite, pyrrhotite, chalcopyrite, sphalerite and minor other sulphides in a silica matrix. Mineralisation occurs as both massive tabular bodies and filling fractures in the host rock. Intercepts of mineralisation have been linked in plan and cross section to form polymetallic massive sulphide lodes within broad zones of stockwork mineralisation weakly anomalous in gold-copper-zinc-silver.



This broad zone is orientated east to east-northeast, is up to 60m wide in outcrop and approximately 300m long that has locally been traced down dip up to 200m below outcrop in drillholes, with sparsely outcropping mineralisation traced along strike for approximately one kilometre.

A composite bulk sample from unoxidised mineralisation from the Sabana Blanca adit was submitted for metallurgical testwork to McClelland Laboratories of Reno, Nevada in 2012. Very high recoveries of 96.4% of the contained gold, 97.8% of copper, 91.1% of silver and 96.8% of the zinc were produced using a froth floatation circuit. While preliminary in nature, this work indicates that the Sabana Blanca mineralisation could be effectively recovered by conventional floatation processes. Further testwork is currently in progress.

VMS deposits commonly have stringer or feeder zones beneath their massive zone that consist of cross-cutting veins and veinlets of sulphides in a matrix of pervasively altered host rock and gangue. The style of mineralisation observed at the Sabana Blanca zone has the characteristics of such VMS stringer zones.

Indeport considers the El Dovio project offers strong potential for the discovery of further gold-copper-zinc-silver mineralisation based on our analysis of the data obtained by previous exploration. Indeport has reviewed the planned exploration drilling of the Sabana Blanca zone and consider that Andean Mining's aspiration of being able to define a reportable Mineral Resource following completion of the proposed drilling program is not unreasonable, if the width and grade of the known mineralisation continues into the target zones. Indeport stress that there can be no certainty that such continuity of mineralisation will exist.

Indeport considers that the broader project area is prospective for VMS style mineralisation and worthy of further exploration, with target zones identified and ready for more detailed surface work and follow-up drilling at Brazo 1, Contacto and Granizales.

#### **Planned Expenditure**

Andean Mining has provided to Indeport their proposed exploration expenditure for the 2 year period following the capital raising. For the minimum raising a budget of approximately A\$3.8M is allocated to exploration expenditure, while for the maximum raising a budget of approximately A\$4.8M is allocated to exploration expenditure, as detailed in Table 9-1 and Table 9-2 of Section 9 of this report. Andean Mining plan to undertake a significant program of surface exploration followed by diamond drilling focusing on the Sabana Blanca zone.

Indeport considers that the exploration strategy and programs proposed by Andean Mining are consistent with the mineral potential and status of the project. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.

Neal Leggo

BSc (Hons) Geology, MAIG, MSEG

For and on behalf of Indeport Pty Ltd 24 October 2021

continued

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### 1. INTRODUCTION

### 1.1 Terms of Reference

Indeport Pty Ltd (Indeport) (ABN 22628058944) has been commissioned by Andean Mining Limited ('Andean Mining' or 'the Company') to provide an Independent Technical Assessment Report (ITAR) on the mineral assets of Andean Mining. Andean Mining is an Australian public company with its registered office in New South Wales, which is seeking to list on the Australian Securities Exchange (ASX) via a Public Offering of 30,000,000 Shares at an issue price of A\$0.20 per Share to raise A\$6,000,000, with oversubscriptions up to a total raising of A\$7,000,000.

This report is to be included in a prospectus (Prospectus) to be lodged by Andean Mining with the Australian Securities and Investments Commission (ASIC) and shareholders or potential investors may rely upon this report. The funds raised will be used for the purpose of exploration, development and evaluation of the mineral assets described.

The mineral assets of Andean Mining comprise the El Dovio Project located in Colombia, South America

A desktop review of the project has been completed which involved compiling and reviewing the project's technical aspects, including previous work, regional geological setting, local geology, mineralisation, exploration potential and planned exploration. The objectives of this report are to provide a geological overview of the exploration project covering pertinent aspects. This report has been compiled based on information available up to and including 30 March 2021, any statements and opinions are based on this date and could change over time depending on exploration results, information availability, commodity prices and market factors. This report has been commissioned from and prepared by Indeport for Andean Mining. Each statement or opinion is made by Indeport in good faith and in the belief that it is not false or misleading. Each statement or opinion contained within this report is based on information and data supplied by Andean Mining to Indeport, or otherwise obtained from public searches conducted by Indeport for the purposes of this report.

This report has been prepared for the purpose of incorporation in the Prospectus to be prepared by Andean Mining for lodgement with the ASX. This report is not intended to be used for any purpose beyond this and should not be relied upon for any other purpose.

This report has been prepared in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - The JORC Code, 2012 Edition (JORC Code) and the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – The VALMIN Code, 2015 Edition (VALMIN Code) which is binding upon Members of the Australian Institute of Geoscientists (AIG). The report has been prepared in accordance with rules and guidelines issued by such bodies as the ASIC and ASX that pertain to Independent Expert Reports.

In preparing this report Indeport:

- Relied on the accuracy and completeness of the data provided to it by Andean Mining, and that Andean Mining made Indeport aware of all material information in relation to the Project.
- Relied on Andean Mining's representation that it will hold adequate security of tenure for exploration and assessment of the projects to proceed.
- Required that Andean Mining provide an indemnity to the effect that Andean Mining would compensate Indeport in respect of preparing the ITAR against any and all losses, claims, damages and liabilities to which Indeport or its Associates may become subject



under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of Andean Mining or any of its directors or officers knowingly providing Indeport with any false or misleading information, or Andean Mining, or its directors or officers knowingly withholding material information.

 Required an indemnity that Andean Mining would compensate Indeport for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the ITAR.

### 1.2 Tenement Status Verification

Andean Mining has commissioned independent legal advice regarding the status of the tenements underlying the mineral assets that are referred to in this report. Indeport has not reviewed the material agreements relating to the mineral assets of Andean Mining and is not qualified to make legal representations in this regard. Specific details regarding tenements, agreements and contracts are detailed elsewhere in the prospectus.

### 1.3 Qualifications and Experience

The author of this report is Mr Neal Leggo, a consultant geologist with over 35 years' experience in minerals geology including senior management, consulting, exploration, resource estimation, development, underground mining and open pit mining. He has worked in a wide variety of Australian geological terranes and within the Asia-Pacific region. He has undertaken a previous assignment in Colombia. He specialises in copper, gold, silver-lead-zinc and iron ore for which he has the 5 years' experience required for code-compliant reporting. He also has experience with uranium, vanadium, manganese, tin, tungsten, nickel, lithium, niobium, gemstones, mineral sands and industrial minerals. He previously worked for CSA Global, Ravensgate, FMG, Crescent Gold, Hatch Associates, BHP, MIMEX, Mount Isa Mines, Central Pacific Minerals and Gold Copper Exploration. He possesses extensive knowledge of available geological, geophysical, geochemical and exploration techniques and methodologies, combined with strong experience in mining, feasibility study and development of mineral deposits. Mr Leggo completed a Bachelor of Science with first class honours at the University of Queensland in 1980; is a Member of the Australian Institute of Geoscientists (Member No. 1996) and thus holds the relevant qualifications and professional association membership required by the ASX, JORC and VALMIN to qualify as a Competent Person as defined in the JORC Code. Since 2012 Mr Leggo has been providing consulting services to the mining industry and has authored 17 Independent Technical Assessment Reports and been a co-author for 12 Independent Technical Project Review & Valuation reports.

### 1.4 Independence

The author of this report and Indeport are independent of Andean Mining, its directors, management and advisors and have no economic or beneficial interest in any of the mineral assets being reported on. Indeport is remunerated for this report by a professional fee and not contingent on the outcome of this report. Fees arising from the preparation of this report are listed elsewhere in the Prospectus. The relationship with Andean Mining is purely one of professional association between client and independent consultant. None of the individuals employed or contracted by Indeport are officers or employees of Andean Mining or any group, holding or associated companies of Andean Mining. Indeport regards itself as independent there being no business or professional relationships or interests which would affect the expert's ability to present an unbiased opinion within this report.

continued

### 1.5 Specialist Declarations and Consent

The information in this report that relates to Technical Assessment of and Mineral Assets is based on information compiled by and conclusions drawn by Mr Neal Leggo, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Leggo is a director of Indeport Pty Ltd, an independent consultant. Mr Leggo has sufficient experience that is relevant to the Technical Assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the "Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets" and 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 Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### 1.6 Competent Person Statement

The information in this report that relates to reporting of Exploration Results is based on information compiled by and conclusions drawn by Mr Neal Leggo, a Competent Person who is a Member of the Australian Institute of Geoscientists. Mr Leggo is a director of Indeport Pty Ltd, an independent consultant. Mr Leggo has sufficient experience that is relevant to the Exploration Results under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken 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 Leggo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

### 1.7 Sources of Information

The principal sources of information used to compile this report comprise technical reports and data variously compiled by Andean Mining and their partners and consultants, publicly available information such as TSX-V news releases, government reports and discussions with Andean Mining personnel. A listing of the principal sources of information are included in the references section of this report.

Figures used in this report have been prepared by Indeport in 2021 based on the data provided by Andean Mining.

Indeport did not carry out a site visit to the project area. Indeport is satisfied that there is sufficient current information available to allow an informed appraisal to be made. Indeport is of the opinion that no significant additional benefit would have been gained through a site visit to the project given the early stage of development.

Indeport has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy and completeness of the technical data upon which this report is based. A final draft of this report was also provided to Andean Mining, prior to finalisation by Indeport, requesting that Andean Mining identify any material errors or omissions prior to its final submission. Andean Mining has warranted to Indeport that the information provided for preparation of this ITAR correctly represents all material information relevant to the Projects. Indeport does not accept responsibility for any errors or omissions in the data and information upon which the opinions and conclusions in this report are based, and does not accept any consequential liability arising from commercial decisions or actions resulting from errors or omissions in that data or information.

Statements attributable to third parties are contained in this report which are based on statements made in publicly available technical reports, government publications and

 $Independent\ Technical\ Assessment\ Report-El\ Dovio\ Project\ -\ by\ Indeport$ 

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scientific journal papers. The authors of these reports, publications and papers have not provided consent for their use in this report. These statements are included in this report in line with ASIC Instrument 2016/72.

Consent has been sought and obtained from Andean Mining representatives and consultants to Andean Mining to include technical information and opinions expressed by them.

### 1.8 Background Information

The El Dovio project comprises the mineral assets of Andean Mining. The project is located in Colombia, South America. A location map of the project is presented in Figure 1-1 below and a list of the tenements which comprise the mineral assets is detailed in Table 1 of this report. The project is at the advanced exploration stage of development.

Figure 1-1: Location Map of the El Dovio Project



continued

### 2. LOCATION

The El Dovio property is located in western Colombia 120km north of the city of Cali (Figure 2-1) and 250km west of Bogota the capital (Figure 1-1). It lies within the provincial government area of Department of Valle del Cauca, the local government area of Department of El Valle and in the Municipality of El Dovio. The nearest settlement is the village of Lituania and the nearest town is El Dovio. The property covers an area of approximately 1,297 hectares and consists of two tenements.

The property is accessible from the regional centre of Pereira via paved road to the town of El Dovio, then via uncovered road to Lituania and finally via narrow vehicle tracks. From the city of Medellin, El Dovio town is reached by vehicle via a 6.5hour/318km journey. The 25km from there to site via Lituania is a 1hour journey.

1,100,000mE 1,050,000mE 1,150,000mE Roads Rivers DIAPAGA PEREIRA **EL DOVIO PROJECT** A 25 Kilometres 1,000,000mN 950,000mN 950,000mN 900,000mN CALI O 1,050,000mE 1,400,000mE 1,150,000mE 850,000mN

Figure 2-1: El Dovio Project Location Map

The El Dovio project area lies on the western flank of the Western Cordillera of the Colombian Andes, at an elevation of between 1200 and 1400m asl, with a strong to moderate topography. The word "Dovio", means "place surrounded by mountains". The surrounding area is characterised by a mountainous landscape (1400-2500m asl) belonging to the Serranía de Los



Paraguas range which is a branch of the Cordillera Occidental, which makes up the watershed of the Garrapatas River. The area has a temperate climate, with high humidity and high rainfall.

The property lies approximately 230 road kilometres north-northeast of Colombia's largest Pacific seaport at Buenaventura. The concentrates produced by the Mina El Roble copper-gold mine are shipped from this port.

The El Dovio Project area has no installed electricity or water services and lacks reliable cellular telephone coverage. Water for basic services is obtained from streams which flow continually. The main economic activities are based on agriculture and livestock. Andean Mining owns a small exploration camp and two basic dwellings within the project area. Infrastructure in the immediate area consists of steep tracks, unpaved roads and small rural settlements. The settlement of Lituania has basic services of power and water with weak mobile coverage and a limited internet connection. The residents provide a ready labour force for exploration activities. The Company leases a building in El Dovio township which can serve as a exploration office, and currently is used as a store for drill core, samples and equipment. Further buildings are available to accommodate company employees. Infrastructure in Valle del Cauca includes paved roads, towns, electrical power, national highways and sufficient facilities to service exploration and development activities. Medellin has all the facilities of a major city and services Colombia's well established mining industry.

continued

### 3. TENURE

### 3.1 Granted Tenements

Andean Mining secured 100% ownership of the El Dovio project in Colombia with the purchase of Corporacion Minera de Colombia SAS (CMC) from Newrange Gold Corp (Newrange) of Canada in 2020.

The project consists of 2 granted tenements, Concession Contracts IEH-08401 and IEH-08441, with a total area of approximately 1,297 hectares (12.9km²). The licence details are listed in Table 3-1 and their location is shown in Figure 3-1 and Figure 3-2.

Table 3-1: Tenement Schedule - El Dovio Project

Tenement ID	Registered Holder	Area ha	Status	Grant Date	Term
IEH-08401	Corporacion Minera de Colombia SAS	150.852	Granted Exploration Stage	27 Feb 2010	2 years extendable for 11 years
ЕН-08441	Corporacion Minera de Colombia SAS	1,145.763	Granted Exploration Stage	13 Jan 2012	3 years extendable for 11 years

 $Notes: Specific \ details \ regarding \ the \ tenements \ and \ any \ material \ agreements \ pertaining \ to \ them \ are \ available \ in \ a \ dedicated \ section \ within \ the \ Prospectus.$ 

On February 24, 2014 CMC announced it had successfully negotiated the purchase of approximately 35 hectares of surface real estate covering all known and prospective mineralisation and surrounding areas at El Dovio (CMC, 2014a). Surface rights are discussed in more detail elsewhere in the Prospectus.

Indeport was provided an English translation of a report by a Colombian attorney on the legal standing of Andean Mining's tenements (Parra, 2021a). This stated that the current registered holders of the Mining Titles (tenements) are Corporación Minera de Colombia S.A.S.; that no pending assignments were found for titles IEH-08401 or IEH-08441 so the control of the interest is exclusive for the current owner, Corporación Minera de Colombia S.A.S.; there are no encumbrances or agreements registered over the Mining Titles; the Mining Titles are subject to standard conditions that must be complied with; and that none of the Mining Titles are subject to unusual conditions of a material nature.

The report (Parra, 2021) discussed various aspects concerning the Mining Titles under the following headings: the governing legislation, title and standing, term of the concession and renewal, activity approvals, environment, social restrictions, environmental-mining policy of insurance, area of the concession, work programs and expenditure, area fees, minerals covered, suspension from obligations due to COVID 19, and statutory reporting obligations.

Specific details regarding the tenements and any material agreements pertaining to them are available in a dedicated section within the Prospectus.



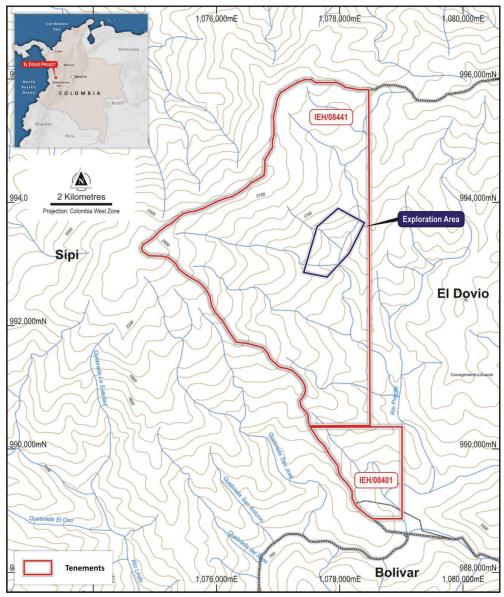


Figure 3-1: Map of the El Dovio Project Granted Tenements

### 3.2 Tenement Applications

Andean Mining made application for 2 additional tenements in the Valle del Cauca in March 2021. Concession Contract Application 502166 is situated immediately south of IEH/08401, while Concession Contract Application 502167 is situated approximately 40km northeast of IEH/08441. The details of the tenement applications are listed in Table 3-2 and their location is shown in Figure 3-2. Grant of these applications not expected until 2022 or 2023.

continued

Table 3-2: Tenement Applications - El Dovio Project

Tenement ID	Registered Applicant	Area ha	Status	Application Date	Туре
502166	Corporacion Minera De Colombia S.A.S	829.7	Application	23/03/2021	Concession Contract
502167	Corporacion Minera De Colombia S.A.S	906.4	Application	23/03/2021	Concession Contract

Notes: Specific details regarding the tenement applications and any material agreements pertaining to them are available in a dedicated section within the Prospectus.

Indeport was provided an English translation of a report by a Colombian attorney on the legal standing of Andean Mining's tenement applications (Parra, 2021b). This stated that the current registered applicants of these concession contract applications are Corporación Minera de Colombia S.A.S. and they are pending the evaluation by the National Mining Agency.

1,100,000mE 1,125,000mE **Application Tenements** 502167 1,025,000mN ANSERMANUEVO C OARGELIA, COLOMBIA 1,000,000mN 1,000,000mN 10 Kilometres OBANDO C IEH/08441 LA UNIONO OLA VICTORIA IEH/08401 502166 OROLDANILLO 1,075,000mE 1,125,000mE ZARZAL

Figure 3-2: Map of the El Dovio Project Tenement Applications



### 4. GEOLOGY AND MINERALISATION

### 4.1 Volcanogenic Massive Sulphide Deposit Model

Previous exploration on the El Dovio property has delineated gold-copper-zinc-silver (Au-Cu-Zn-Ag) mineralisation within a sequence of volcanic and sedimentary rocks which has been interpreted to be of the volcanogenic massive sulphide (VMS) deposit type of mineral deposit. Andean Mining has indicated to Indeport that their proposed exploration will be focused on discovering copper-gold rich VMS mineralisation and their programs will be based on the genetic model of VMS deposits, which has been well established through decades of geoscientific research. The following summary of the pertinent features of VMS deposits is based on a compilation volume published by the USGS (Shanks and Koski, 2012).

Volcanogenic massive sulphide deposits, also known as volcanic-hosted massive sulphide, volcanic-associated massive sulphide, or seafloor massive sulphide deposits, are important sources of copper, zinc, lead, gold and silver. These deposits form at or near the seafloor where circulating hydrothermal fluids driven by magmatic heat are quenched through mixing with bottom waters or porewaters in near-seafloor lithologies. Massive sulphide lenses vary widely in shape and size and may be pod like or sheetlike. They are generally stratiform and may occur as multiple lenses.

Volcanogenic massive sulphide deposits range in size from small pods of less than a ton (which are commonly scattered through prospective terranes) to supergiant accumulations like Rio Tinto (Spain), Kholodrina (Russia), Windy Craggy (Canada), Brunswick No. 12 (Canada), and Ducktown (United States).

Volcanogenic massive sulphide deposits range in age from 3550 Ma (million years) to zero-age deposits that are actively forming in extensional settings on the seafloor, especially mid-ocean ridges, island arcs, and back-arc spreading basins. The widespread recognition of modern seafloor VMS deposits and associated hydrothermal vent fluids and vent fauna has been an important geoscientific breakthrough, and seafloor exploration and scientific studies have contributed much to the understanding of ore-forming processes and the tectonic framework for VMS deposits in the marine environment.

Massive mineralisation in VMS deposits typically consists of greater than 40 percent sulphides, usually pyrite, pyrrhotite, chalcopyrite, sphalerite, and galena; non-sulphide gangue typically consists of quartz, barite, anhydrite, iron oxides, chlorite, sericite, talc, and their metamorphosed equivalents. Ore composition may be Pb-Zn, Cu-Zn, or Pb-Cu-Zn dominated, and some deposits are zoned vertically and laterally.

Many deposits have stringer or feeder zones beneath the massive zone that consist of crosscutting veins and veinlets of sulphides in a matrix of pervasively altered host rock and gangue. Alteration zonation in the host rocks surrounding the deposits are usually well-developed and include advanced argillic (kaolinite, alunite), argillic (illite, sericite), sericitic (sericite, quartz), chloritic (chlorite, quartz), and propylitic (carbonate, epidote, chlorite) types. An unusual feature of VMS deposits is the common association of stratiform "exhalative" deposits precipitated from hydrothermal fluids emanating into bottom waters. These deposits may extend well beyond the margins of massive sulphide and are typically composed of silica, iron, and manganese oxides, carbonates, sulphates, sulphides, and tourmaline.

The presence of high gold concentrations in some deposits was studied by Hannington and Scott (1989) and Hannington and others (1999), resulting in the recognition of low-Fe sphalerite and certain sulfidation equilibria as guides to Au-rich systems. Some terranes, particularly those dominated by mafic volcanic rocks, may provide an enriched source rock control on the formation of Au-rich VMS deposits (Stolz and Large, 1992).

continued

### 4.2 Regional Geology

The El Dovio Project is located in the Cordillera Occidental (Western Cordillera) which forms one of the many ranges of the Andes mountains of South America.

### 4.2.1 Tectonic Setting

The tectonic setting of the Northern Andes has been summarised by Naranjo et. al. (2018) as follows:

In their northernmost extension, the Andes divide into three main branches, the Western, Central and Eastern Cordilleras (Figure 4-1). The Western and Central Cordilleras are separated by the Cauca Valley, and the Central and the Eastern Cordilleras are separated by the Magdalena Valley, an intermontane basin. The Llanos basin marks the foreland basin between the Andes and the Guyana Shield.

Each branch of the northern Andes is characterised by its own tectonic history, linked to interactions between the Caribbean, Nazca, and South American plates. These interactions resulted in complex combinations of subduction, magmatism, terrane accretion, thrusting, and uplift as well as local extension and formation of foreland basins. Based on the geological history, it has been postulated that several terranes accreted episodically to the South American continent between the Cretaceous and the Miocene.

The Eastern Cordillera is a fold-and-thrust belt of predominantly Mesozoic sedimentary sequences overlying Palaeozoic and Precambrian basement rocks. The Central Cordillera contains an eastern terrane, which is composed of autochthonous Palaeozoic basement rocks and volcano-sedimentary sequences of the deformed and metamorphosed Cajamarca Complex. Plutonic rocks of Jurassic-Cretaceous age, including the Ibagué and Antioquia batholiths, intruded the basement rocks of the Central Cordillera and reflect magmatic activity during subduction of the Farallon plate. The boundary between Chibcha terrane (Eastern Cordillera) and Tahamí terrane (eastern part of the Central Cordillera) is interpreted to be localised along the northeast-trending Otu-Pericos and north-northeast- to north-trending Palestina fault systems.

The autochthonous rocks of the Central Cordillera are divided from the oceanic crust of the Western Cordillera by the Romeral fault zone, a tectonic melange several kilometres wide. The Romeral fault zone cuts the Cretaceous oceanic arc of the Quebradagrande Complex, which was accreted to the Central Cordillera at about 117 to 107 Ma. The allochthonous Western Cordillera consists of oceanic terranes with predominantly mafic to ultramafic igneous and volcano-sedimentary rocks that represent the accreted remnants of the Caribbean large igneous province, which collided with South America at  $\sim\!75$  Ma. This collisional event caused the formation of a subduction-related magmatic arc, tectonic shortening, the onset of uplift and exhumation of the Central Cordillera, and formation of the foreland basins of the Middle Magdalena basin east of the Central Cordillera during the Palaeocene.

The age of major deformation in the Central Cordillera is early- to mid-Eocene, as evidenced by the Middle Magdalena Valley unconformity. This regional pediment surface, which developed over approximately 15 million years, formed during eastward migration of the axis of uplift in the Central Cordillera.

In the Miocene, the Panama-Choco block collided with the Western Cordillera, producing the present-day northward convexity of Panama. It also induced further uplift of the Central Cordillera, exhumation of deeper crustal levels, and formation of an intermediate-silicic magmatic arc related to eastward subduction of the Nazca plate. The present-day manifestation of ongoing volcanic activity is the Cenozoic volcanic belt of the Northern volcanic zone (Naranjo et. al., 2018).



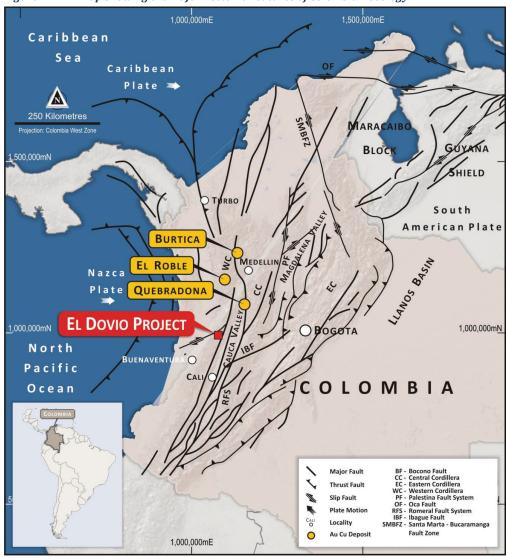


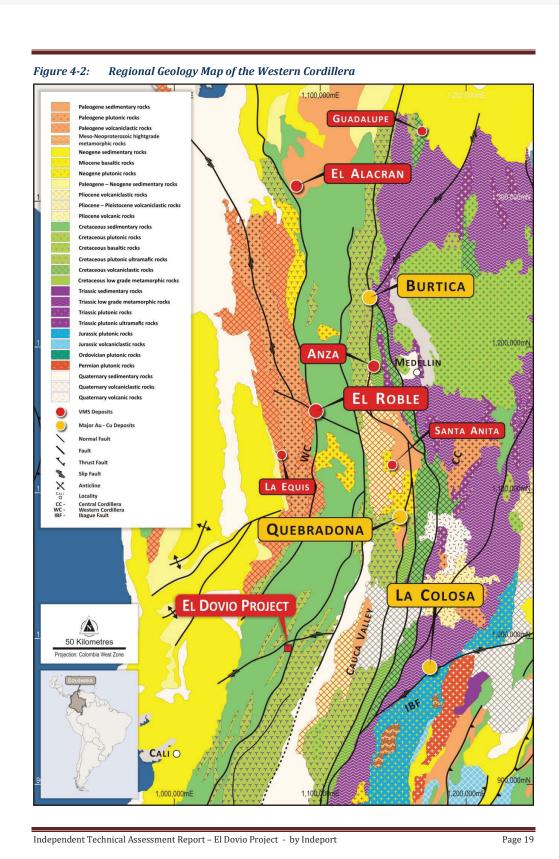
Figure 4-1: Map showing the Major Tectonic Features of Colombian Geology

Source: geology based on Naranjo et. al. (2018)

### 4.2.2 Regional Geology

The regional geology of the Western Cordillera is illustrated in Figure 4-2, showing the belt of Cretaceous aged rocks hosting the El Dovio deposit, in green colours. These Cretaceous units are assigned to the Cañasgordas Group which was accreted onto continental South America during the Miocene. The Cañasgordas Group is approximately 30km thick and forms a unit of the Choco Block. The Choco block, an oceanic, exotic terrane with no geological affinity with South America, accreted and obducted onto the oceanic, Late Jurassic-Early Cretaceous Gorgona and Romeral terranes of the northwestern flanks of the Western Cordillera. The Cañasgordas Group can be traced for over 800km along the western cordillera of Colombia (Figure 4-2).

continued





Locally, mafic volcanic rocks including pillow basalts, tuffs, hyaloclastites, and agglomerates are referred to as the Barroso Formation; pelagic sedimentary rocks including chert, siltstone and minor limestone belong to the Penderisco Formation. All of these rock units were deformed and metamorphosed during Late Cretaceous to Tertiary accretion of the Cañasgordas Group to continental South America. Accretionary tectonics resulted in both lowangle thrusting and high-angle strike-slip faulting that trend in a general north-south direction (Kelly and Cruz, 2018).

The Geological Survey of Colombia has recently published a metallogenic map of Colombia (López-Isaza, 2018) which classifies the El Dovio deposit as a VMS deposit and locates it within a specific metallogenic belt.

### 4.2.3 Regional Mineral Deposits

El Dovio is located within a known mineralised regional belt, approximately 800km long, that also hosts the El Roble VMS deposit approximately 110km to the northeast and several other known VMS occurrences such as the Guadelupe, El Alacran, La Equis, Santa Anita and Anza deposits, the locations of which are shown on Figure 4-2.

The high grade copper-gold El Roble deposit is currently producing at 900 tonnes per day from an underground mine by Atico Mining Corporation (Atico) (TSX-V: ATY), with a concentrate exported via highway truck to the Pacific coast port of Buenaventura. It has been mined intermittently since the early 1970's. The historical production from the El Roble mine for the period 1990 to 2017 has been recorded as 2.42Mt at a head grade of 2.78% Cu and 2.39g/t Au (Kelly and Cruz, 2018). The most recently reported Ore Reserve estimate was 1.47Mt at 3.4% Cu and 1.88g/t Au (Kelly and Cruz, 2018). Reserves plus historical mined tonnes thus total 3.89Mt at 2.77% Cu and 2.44g/t Au.

The El Roble deposit consists of a series of massive sulphide lenses, separated by faulting which are interpreted as the dismembered fragments of a once coherent, single, massive sulphide body. The mineral deposit that comprises the El Roble Project consists of mafic-type VMS mineralisation. The host rocks are basalt flows, black chert, grey chert and sandstone. The deposition of the VMS mineralisation is considered syngenetic with the black chert, which generally forms both the hanging wall and footwall to the mineralisation. The El Roble stratigraphy has been overturned by folding such that it now dips steeply to the east. The dimensions of the deposit are 325m along strike by 600m deep and up to 45m in thickness. Continuity of the mineralisation is locally disrupted by Cenozoic andesite and latite dykes up to 10m in width that intrude both the VMS mineralisation and the host rocks. The massive sulphide mineralisation is fine-grained, consisting predominantly of pyrite and chalcopyrite, along with minor pyrrhotite and sphalerite. Gold occurs as electrum in sub-100micron grains in the spaces between pyrite grains. Gangue minerals include quartz and chlorite along with lesser calcite, dolomite and minor hematite and magnetite (Kelly and Cruz, 2018; Smith and Pohl, 2012).

The Anzá exploration project is located on the east side of the Western Cordillera, 50km west of Medellín. Anza lies within a 15km wide belt of the Barroso Formation consisting of basalt and andesite basalt, with lens-shaped outcrops of fine-grained sediments. Exploration initially focused on a VMS model following drill intersections of massive sulphides associated with stratabound deposits of gypsum. The gypsum is being mined at a small scale. The massive sulphide mineralisation comprises iron-rich sphalerite and galena with minor pyrite, chalcopyrite and bornite with a fine matrix of silica and gypsum. Sulphide textures range from fine-grained to coarse-grained and can be massive, banded or breccia. Recent exploration has intersected significant gold (Cu-Pb-Zn-Ag) in vein style mineralisation which is interpreted as being related to a hydrothermal system with strong structural control (Andes GMS, 2019).

continued

El Dovio, El Roble and Anzá are classified as mafic-type VMS deposits. Other mafic-type VMS deposits in Colombia are Guadalupe (Antioquia province) and Santa Anita (Choco province), while the El Alacran (Cordoba province) and La Equis (Choco province) deposits are classified to the felsic sub-type by the USGS (Mosier et. al., 2009). They all lie in Upper Cretaceous aged rocks (approximately 80 Ma).

### 4.3 Local Geology

The El Dovio project consists of 2 granted tenements and 2 tenement applications (refer Section 3) which lie in the Valle del Cauca and are underlain by volcanic and sedimentary rocks of Cretaceous age. Figure 4-3 shows the locations of the El Dovio property (granted tenements) and the tenement applications relative to the regional geology.

1,125,000mE 1,100,000mE **Granted Tenements Application Tenements** 502167 Locality 1,025,000mN NSERMANUEVO ( O ARGELIA, COLOMBIA TORO O 1,000,000mN M 10 Kilometres OBANDO C IEH/08441 LA UNIONO LA VICTORIA IEH/08401 502166 1,075,000mE ZARZAL

Figure 4-3: Geology Map of the Valle del Cauca Showing Tenements and Applications

 $Notes: The \ legend \ for \ the \ geological \ units \ shown \ on \ this \ map \ is \ provided \ in \ Figure \ 4-2 \ above$ 

The El Dovio property contains Au-Cu-Zn-Ag polymetallic massive sulphide mineralisation hosted within a sequence of volcanic and sedimentary rocks of Cretaceous age. The host units are assigned to the Dagua Structural Complex of Cretaceous age. The mineralisation at El Dovio occurs as polymetallic, structurally controlled veins within broad zones of weakly anomalous stockwork mineralisation. This style of mineralisation is characteristic of the stringer zones that are known to occur beneath VMS systems. Sparsely outcropping mineralisation has been traced along strike for approximately one kilometre. A geological map of the main project area is provided in Figure 4-4.



### 4.3.1 Lithology

The Dagua Structural Complex units which underly the project area are composed mainly of basalt, tholeitic andesite and dolerite interlayered with sedimentary units composed of mudstone, slates, sandstones, greywacke, chert and limestones in less proportion. The sequence is intruded by dolerite dykes. In the Sabana Blanca zone the host is basalt and lithic wacke. The basalt is a fine to medium-sized aphyric basalt, olive green in colour when fresh. The lithic wacke is of medium grainsize with a predominance of basaltic rock fragments.

The mafic volcanics (basalt, tholeiitic andesite and dolerite) have been deeply weathered by the warm, wet tropical conditions forming a deep soil cover supporting thick rain forest growth and resulting in very limited outcrop exposure. Outcrop is restricted to the base of drainages and ridgelines. Deep soils have similarly formed over sedimentary rock units. The exception is the mineralised zones, which have resisted weathering due to their high silica content and low content of feldspars and mafic minerals. Thus, near fresh siliceous mineralisation is found close to the surface. This has assisted exploration allowing effective channel sampling of rock by trenching through soil cover to expose basement.

In the Sabana Blanca zone, fresh Au-Cu-Zn-Ag mineralisation consists of pyrite, pyrrhotite, chalcopyrite, sphalerite and minor other sulphides in a silica matrix. These minerals are presented by forming massive tabular bodies and filling fractures in the host rock. In weathered mineralisation secondary minerals such as malachite, azurite, cuprite and iron oxides are observed in a silica matrix.

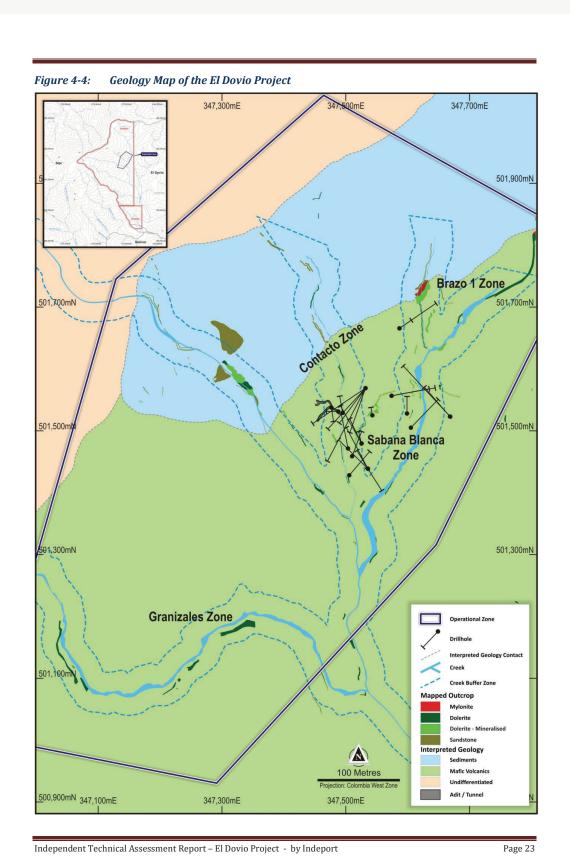
A contact has been mapped/interpreted between a sediment dominated unit in the north and a mafic volcanic unit to the south (Figure 4-4). The contact has been interpreted to be either steeply dipping to the southeast, or vertical.

### 4.3.2 Structure

The main structural system is oriented N20 $^{\circ}$ -30 $^{\circ}$ E, which define lithological belts in the area with a marked north-northeasterly trend. Rock units are tilted but not strongly folded. Detailed analysis of the structural geology of the property has been hampered by poor outcrop and lack of directional orientation of drill core.

The rocks have been effected by low level metamorphism indicating burial to only relatively shallow crustal levels.

continued





### 4.3.3 Mineralisation

Outcropping Au-Cu-Zn-Ag mineralisation in the Sabana Blanca zone was discovered initially, and the majority of previous exploration has been focused there. Subsequently further zones of mineralisation were discovered in the surrounding area which are named the Brazo 1 and Granizales zones. In this section, the nature of the mineralisation is described in terms of geology, mineralogy, petrology and structure, with the details of mineral exploration activities including trench intercepts, underground channel intercepts, and drill intercepts, summarised in Sections 5.4, 5.5, and 5.6, with detailed tables of analytical results provided in Appendix 1.

#### Sabana Blanca Zone

In the Sabana Blanca zone, situated in the central part of the El Dovio property (Figure 4-4), Au-Cu-Zn-Ag polymetallic massive sulphide mineralisation is hosted within a sequence of metamorphosed volcanic and sedimentary rocks of Cretaceous age. In this zone disseminated, semi massive and massive mineralisation is comprised of chalcopyrite, sphalerite, pyrite and pyrrhotite as disseminated to massive sulphide zones in a gangue of multi-phased crystalline quartz (Figure 4-5).

Previous exploration at El Dovio has concentrated on the Sabana Blanca zone, with drilling consistently intersecting parallel zones of high grade mineralisation within a much broader halo of stock work mineralisation. In the high grade zones mineralisation typically consists of multi-phased, colloform banded quartz veins, with chalcopyrite, sphalerite and pyrite. Mineralisation in the halo zones is typified by weak to moderate stock work quartz - sulphide veinlets and fracture fillings (Figure 4-5).

Mineralisation is hosted in metamorphosed and brecciated mafic volcanic rocks in and near the contact zone of the large dolerite dyke and high grade mineralisation appears to be controlled by, and forms at the contact zones of the dolerite dyke and enclosing volcanic rocks. The spatial association of mineralisation with the dolerite dyke indicates potential for significant strike and depth extensions of the Sabana Blanca zone.

Exploration to date has identified a broad mineralised zone hosting smaller lodes of high grade polymetallic mineralisation. This broad zone is orientated east to east-northeast and ranges up to 68m wide in outcrop and approximately 300m long that has locally been traced down dip up to 200m below outcrop in drillholes, with sparsely outcropping mineralisation traced along strike for approximately one kilometre.

Mineralogical analysis has been undertaken on a composite sample of unweathered coppergold mineralisation from the Sabana Blanca zone. The sample is primarily comprised of quartz with numerous fragments of volcanic rock. Chalcopyrite is the primary sulphide that varies in size from 1 micron to several millimetres. The larger chalcopyrite grains carry small inclusions of other sulphides such as sphalerite. Pyrite is present in significant amounts, ranging in size from 1 micron to 500 microns. Sphalerite occurs in masses up to 1 mm and as small inclusions in chalcopyrite and pyrite. Pyrrhotite is also present as aggregates in quartz, chalcopyrite, and pyrite. Gold is fine grained at sizes of 2 to 25 micron, with the majority associated with chalcopyrite.

Mineralisation at Sabana Blanca contains many structural features indicative of a shallow epithermal vein system. Drill core logging provides ample evidence of a hydrothermal model of formation with multiple episodic and repetitive mineralising events. Coliform banded crystalline quartz cementing multiphase breccias with sulphides is an observed rock texture which is indicative of active boiling during hydrothermal mineral deposition - an hypothesis which would explain the particularly high gold grades observed in the Sabana Blanca zone. Further research is required to adequately determine the geological environment which has resulted in the formation of the mineralisation.

continued



Figure 4-5: High Grade Copper/Gold Mineralisation in Drill Core

Note: Surface diamond drillhole D13-02; Mineralised intersection of 6.65m @ 4.79g/t Au, 6.56% Cu, 28.36g/t Ag and 0.29% Zn ((from 85.25m down hole).

Mapping and rock sampling by previous explorers identified a highly altered and silicified, north-south trending structure almost perpendicular to the main Sabana Blanca trend. This mineralised cross-structure is over 3m in width and projects directly into the Sabana Blanca

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zone. The zone remains open to expansion in all directions, as sampling was unable to define the limits of mineralisation due to thick soil cover concealing basement rock.

#### Brazo 1 Zone

The Brazo 1 zone was identified by CMC in 2011. Approximately 200m northeast of the Sabana Blanca zone in an area where composite channel sample results averaging 13.6g/t Au, 1.6% Zn and 10.7g/t Ag over 2m within a broader 9m wide zone that averaged 3.8g/t Au, 0.6% Zn and 4.1g/t Ag (CMC, 2014c).

Bedded sulphide mineralisation at Brazo 1 consists of finely bedded pyrite with traces of chalcopyrite and sphalerite in thin bedded carbonaceous chert sediments overlying metamorphosed volcanic rocks. These volcanics are interpreted to be equivalent in age and geological environment to the volcanic sequence hosting the El Roble deposit to the north.

Initial drilling in the Brazo 1 zone has tested down dip projections of surface mineralisation.

### Granizales Zone

The Granizales zone is located 600m to the southwest of the Sabana Blanca zone. Mineralisation is characterised by strong to intense silica flooding, quartz veining and abundant sulphides. The extent of the mineralisation is unknown due to cover.

Rock sampling at the Granizales zone identified mineralisation at surface with grades up to 8.0g/t Au and 1.8% Cu (CMC, 2011d).

continued

# 5. EXPLORATION

## **5.1** Exploration History

Outcropping mineralisation in the Sabana Blanca zone was discovered in 1974. No records of the initial discovery work are available. Difficult access prevented exploration until the 1980's when a road was built to the nearby hamlet of Lituania.

There is no record or evidence of any artisanal mining on the property or the surrounding district. It is interpreted that any gold released into the regolith would be rapidly carried away to the major river systems by the very high water flows of the drainages with their steep gradients not producing long lasting trap sites. Additionally the gold in El Dovio is very fine grained occurring within chalcopyrite grains (refer Section 6.2).

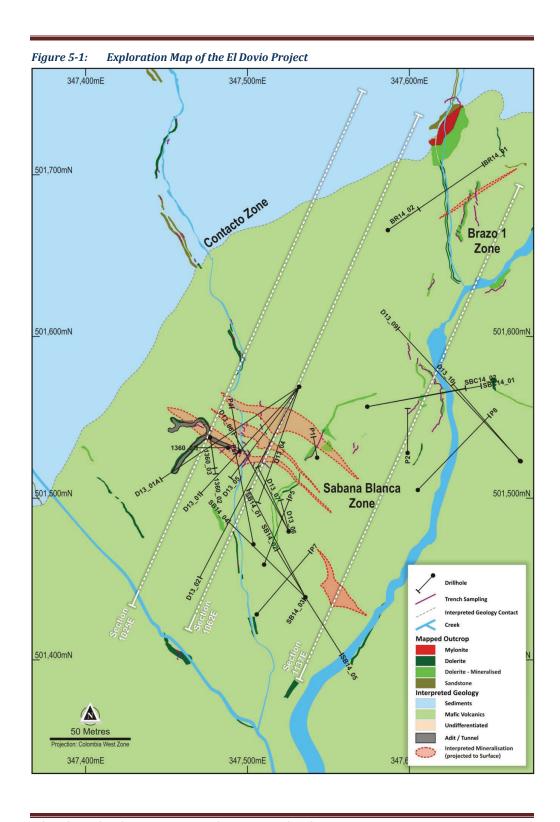
In 1988, Nittetsu Mining Company of Japan, in association with a local Colombian prospector, developed a short exploration adit (mined tunnel) near Quebrada Soberana (Soberana Creek) on high grade mineralisation of the Sabana Blanca zone. Nittetsu subsequently withdrew from Colombia due to escalating civil unrest. No records of the exploration undertaken during this phase are available.

From 1991-1993 Mineros de Antioquia (now Mineros S.A.) explored the El Dovio project. They drilled 691m of small diameter (A and B series) diamond core in 15 shallow holes, and undertook surface and underground rock sampling which returned significant intercepts of copper, gold, silver, and zinc over widths ranging from 3 to 15m in surface, underground and drill exposures. Some records of the results of the Mineros sampling are available, however there is no description of the sampling methods used. It is likely that the samples were assayed in a local uncertified laboratory. The project database records 7 of these Mineros holes (P1, P2, and P4-P8).

In 2009 Newrange Gold Corp, formerly trading as Colombian Mines Corporation (CMC), became interested in the El Dovio property (CMC, 2009); and in 2010 undertook initial field work which reported "highly favourable results justifying further work by the company" (CMC, 2010) and finalised acquisition of the property (from Mineros). CMC initially interpreted the El Dovio mineralisation as a gold rich VMS with a partially preserved stringer zone (feeder zone) and embarked on a comprehensive exploration program based on that ore genesis model which continued apace from 2011 to 2014. After 2014 CMC focused their expenditure on other projects, and in 2016 changed their name to Newrange Gold Corp, but continued to hold the project until 2020. Work undertaken included geochemical sampling, rehabilitation of historical mine workings, underground sampling, surface sampling and mapping, trench sampling, geophysical magnetic surveying, and core drilling from both surface and underground. In total 2,593m of diamond drilling was undertaken in 19 drillholes. All exploration results were continuously reported in a series of News Releases to the TSX Venture Exchange (TSX-V), which were authorised by a Qualified Person under the Canadian exploration reporting system. However, no full NI 43-101 technical report was submitted to the SEDAR database by CMC.

CMC was granted key Concession Contracts in November 2011 and the core exploration area was excluded from the Pacific forest zone in October 2012. Permits for water diversion and discharge were issued to CMC in April 2013 and the company began its Phase I drilling program in early June 2013. The 2014, Phase II drilling program began in April 2014 concluding in August. No further drilling has been undertaken on the project since 2014.





continued

## 5.2 Geochemistry

### 5.2.1 MMI Geochemistry

A Mobile Metal Ion (MMI) soil geochemical anomaly roughly 1 kilometre long is associated with the mineralisation in the Sabana Blanca zone. Several other large geochemical anomalies, indicate additional exploration potential on the property. One of these anomalies corresponds well with a favourable geological contact between the marine volcanic rocks that host the Sabana Blanca zone and overlying marine sediments.

MMI soil geochemical surveys were undertaken by CMC during the 2010-2011 period. Methods and QAQC protocols employed for the MMI sampling and analysis are described in Appendix 2. This MMI geochemistry identified two semi-parallel gold and copper anomalies, each approximately 1,000m long and 100m wide. The first of these anomalies is coincident with the Sabana Blanca zone mineralisation. This anomaly covers the entire extent of the known mineralisation and extends approximately 100m to the northeast and more than 500m to the southwest beyond known surface exposures. The anomaly indicated significant potential to expand the target zone and this encouraged CMC to follow-up with trenching and drilling. The second anomaly, situated approximately 200m up slope is coincident with a geological contact between the marine volcanic rocks that host the Sabana Blanca mineralisation and overlying marine sediments. Several smaller MMI anomalies are present throughout the survey area, including one coincident with mineralisation in the Granizales area (CMC, 2011e).

# 5.3 Geophysics

A ground magnetic survey was conducted by KTTM in 2013 with 11 line-km of magnetic data collected covering an area of  $6 \, \mathrm{km}^2$  (Robillard, 2013). The survey lines were oriented northwest-southeast perpendicular to the known geology regional trend. The lines were generally 1000m long, with a station spacing of 25m and average line spacing of 25m and covered an area of 0.5km wide by 1km long. Methods and QAQC protocols employed for the ground magnetic survey are described in Appendix 2.

The magnetic data were reprocessed developing a range of digital map products including a 3D inversion (Ellis, 2014). The results were presented as colour coded shadow relief contour maps, one of the Total Magnetic Intensity (Figure 5-2) and the other Reduced to the Pole (Figure 5-3). The purpose of reducing maps to the north pole is to facilitate the interpretation as anomalies on such maps are located directly underneath highs. Magnetic anomalies on data near the equator and not reduced to the pole will appear as lows. No interpretation of the data/images were provided by the geophysical contractors undertaking the work.

Indeport considers that the steep terrain and poor survey control on the data, have reduced the quality of the ground magnetic data. This, combined with the variable depth of weathering, have made interpretation of the magnetics relative to the known geology difficult.



Colombina Mines Inc.
El Dovio Project
Choco State, Colombia
Total Field Magnetics

994,000 + + + + + + 994,000

993,500 | Granizales + + + + 992,500

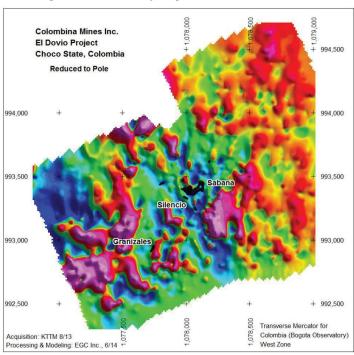
1,078,000

Transverse Mercator for Colombia (Bogota Observatory) West Zone

Figure 5-2: Total Magnetic Intensity Map



Acquisition: KTTM 8/13
Processing & Modeling: EGC Inc., 6/14



Source: Ellis, 2014.

continued

### 5.4 Trenching

All previous explorers have undertaken trenching of surface exposures of mineralisation at the El Dovio project with sampling of trench exposures yielding some significant intercepts of gold-copper mineralisation. Due to uncertainty of the location, sampling and analytical methods of historical explorer Mineros, these results are not reported here. These encouraging trench results were important in guiding the more recent exploration work of CMC.

In May 2011 CMC reported that saw cut channel sampling of mineralisation exposed by its program of hand-dug surface trenching of outcropping mineralisation at the Sabana Blanca zone had returned outstanding gold-copper-zinc-silver assays (CMC, 2011a). Further trenching and sampling continued to expand the mineralised zone (CMC, 2011b and 2011c). These reported results are provided in Table 5-1 with trench locations shown in Figure 5-1.

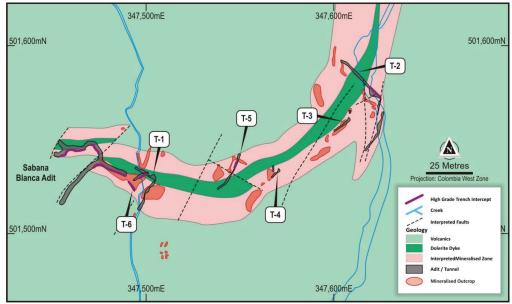


Figure 5-4: Map of the Sabana Blanca Zone showing Trench Sampling and Mapping

Notes: Geolgical mapping and interpretation by CMC. All sample widths are along trench length, not true width.

Table 5-1: Significant Trench Sampling Intercepts on the El Dovio Project

Trench ID	Sample Length	Au	Cu	Zn	Ag
	m	g/t	%	%	g/t
T-1	41	2.6	1.6	0.2	9.7
including	4	7.9	3.5	0.4	21.4
T-2 south	45	5.6	0.5	0.4	6.8
including	7	27.4	0.2	0.6	8.1
including	3	58.6	0.3	0.8	14.6
including	1	104.5	0.1	1.1	21.7
T-2 north	20	2.5	0.4	0.5	4.8
T-3	13	1.9	0.5	0.05	26.5
T-4	9	1.2	0.9	0.03	10.2

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Trench ID	Sample Length m	Au g/t	Cu %	Zn %	Ag g/t
T-5	24	1.4	0.3	0.06	2.2
including	4	7.8	0.4	0.04	9.85
T-6	6	13.0	5.9	1.4	43.4
including	2	25.9	10.5	0.3	70.3

Note: All sample widths reported are along trench length, not true width.

In November 2011 CMC reported that saw cut channel sampling of mineralisation exposed by a recent mudslide on the ridge above the Sabana Blanca adit returned results averaging 10.42g/t Au, 20.7g/t Ag, 2.34% Cu and 2.23% Zn over 9m representing an approximate true width of 4m (CMC, 2011e).

Surface sampling was also undertaken over Brazo 1 and the Granizales zones which returned anomalous gold-copper-zinc-silver results. These prospects are discussed in Section 4.3.2. A trench excavated across the mineralised outcrop south of the Sabana Blanca zone returned an average grade of 7.87g/t Au, 2.1% Cu, 0.38% Zn and 11.82g/t Ag over a 3m sampled true width. Saw cut channel sampling at the Granizales zone identified mineralisation at surface with grades up to 8.0g/t Au and 1.8% Cu (CMC, 2011d). Results of trench sampling conducted at the Brazo 1 zone included composite channel samples averaging 13.6g/t Au, 1.6% Zn and 10.7g/t Ag over 2m within a broader 9m wide zone that averaged 3.8g/t Au, 0.6% Zn and 4.1g/t Ag (CMC, 2014c).

A full listing of the coordinates, length and analytical results for all channel samples in the El Dovio database is provided in Appendix 1. Methods and QAQC protocols employed for the trench sampling and analysis are described in Appendix 2. Figure 5-1 provides a map which shows the location of trench and surface outcrop transect sampling undertaken on the project.

### 5.5 Exploration Adit Sampling

The Sabana Blanca adit is located near Soberana Creek just north of the western end of a zone of surface exposed mineralisation. In 1988, Nittetsu Mining Company of Japan, in association with a local Colombian prospector, developed this short exploration adit on high grade mineralisation of the Sabana Blanca zone. No records of the exploration undertaken during this phase are available.

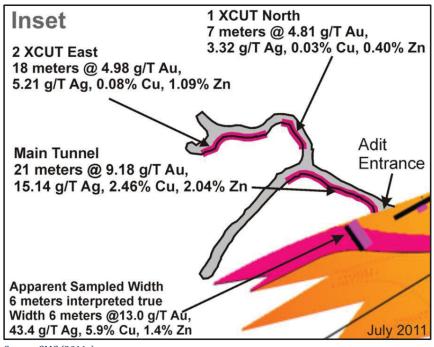
From 1991-1993 Mineros de Antioquia explored the El Dovio project. It is reported Mineros undertook underground rock sampling in the Sabana Blanca adit which returned significant intercepts of copper, gold, silver, and zinc over widths to 15m. Subsequently the adit entrance was covered by natural landslides and thus concealed.

In the first half of 2011, CMC successfully re-opened the Sabana Blanca adit and conducted saw cut channel sampling. CMC reported the initial results of saw cut channel sampling of mineralisation in underground exposures of fresh sulphide mineralisation in the Sabana Blanca adit which returned results of 21m grading 9.18g/t Au and 2.46% Cu, 7m averaging 4.81g/t Au, and 18m averaging 4.98g/t Au (CMC, 2011c). The channel samples were diamond saw cut and taken on uniform 1m intervals along both sides of the adit. The reported results do not represent a true thickness of mineralisation, but instead generally demonstrate the continuity of grade and mineralisation along trend. These high grades encouraged CMC to undertake more comprehensive underground channel sampling in the adit. These results are provided in Appendix 1. Sampling methods and QAQC protocols employed for the underground sampling and analysis are described in Appendix 2.

continued

Figure 5-5 provides a map plotting the location of and significant intercepts for channel samples cut from underground exposures in the Sabana Blanca adit by CMC.

Figure 5-5: Underground and Trench Sampling - Sabana Blanca Adit



Source: CMC (2011c)

Note: All sample widths reported are along channel length, not true width.

Table 5-2 provides a tabulation of the most significant intercepts of mineralisation in rock chip channel samples taken from underground exposures in the Sabana Blanca adit by CMC.

Table 5-2: Significant Underground Sampling Intercepts - Sabana Blanca Adit

Area	Sample Length	Au	Cu	Zn	Ag
	m	g/t	%	%	g/t
Main Tunnel	21.0	9.18	2.46	2.04	15.1
including	6.0	13.6	5.66	1.22	29.8
1 Cross-cut North	7.0	4.81	0.03	0.40	3.32
including	2.0	12.5	0.03	0.51	5.78
2 Cross-cut East	18.0	4.98	0.08	1.09	5.21
including	3.0	14.4	0.24	3.16	12.3

Note: All sample widths reported are along channel length, not true width.

The underground workings expose the mineralisation in a way that provides three-dimensional information at a detailed level, and also yields representative samples that have not been subjected to surface weathering.

# 5.6 Drilling

The diamond drilling undertaken by previous explorers at the El Dovio project have yielded some significant intercepts of gold-copper-zinc-silver mineralisation. Thirty diamond

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drillholes are recorded in the El Dovio database for a total length of penetration of 3,138m as detailed in Table 5-3. A full drill collar table is provided in Appendix 1 which details hole ID, hole type, collar coordinates, dip and azimuth, year, prospect and location description for each drillhole in the project database.

Table 5-3: Drilling Summary

Company	Year	No. Holes	Total Depth	Prospects
Mineros	1991	7	545.6	Sabana Blanca
CMC	2013	11	1,482.1	Sabana Blanca, Sabana Blanca Creek
CMC	2014	12	1,110.4	Sabana Blanca, Brazo 1
TOTAL		30	3,138.0	

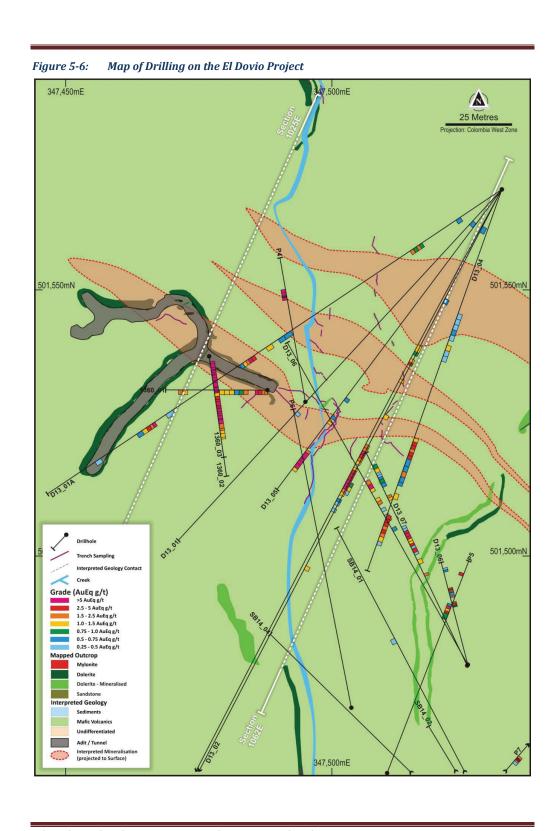
It is reported that historical explorer Mineros drilled 691m of diamond core in 15 shallow holes in 1991, however only 7 of these holes (P1, P2, and P4-P8) have data recorded in the El Dovio database. Four of the holes drilled by Mineros returned significant intercepts of mineralisation, the best of which was:

4.1m @ 9.27g/t Au, 1.33% Cu, 4.51% Zn, & 25.8g/t Ag, from 38.8m in drillhole P4.

Due to the small diameter of the core, combined with uncertainty of the sampling and analytical methods of Mineros, these results are considered to have a lower confidence level. It is noted that these encouraging drilling results were important in guiding the subsequent exploration work of CMC.

Most drilling has been targeted into the Sabana Blanca zone, with the Brazo 1 zone and the Sabana Blanca Creek area each tested with 2 drillholes. Figure 5-6 provides a map plotting the location of drillholes. Three schematic cross sections are provided which illustrate the path of some drillholes through the Sabana Blanca zone (Figure 5-7, **Error! Reference source not found.** and Figure 5-9). Also shown are significant intercepts and interpreted zones of mineralisation. Refer to Section 7.2 for an explanation of the intercepts and to Table 5-4 for tabulation of the analytical results.

continued





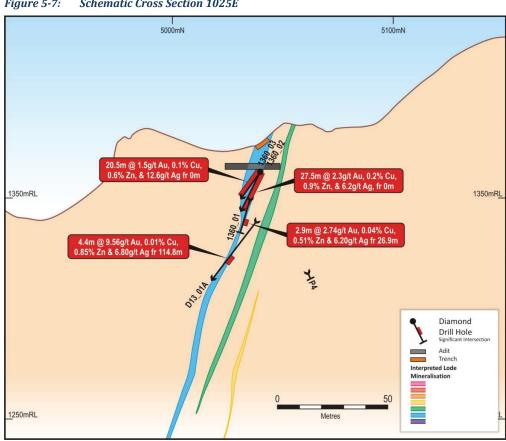
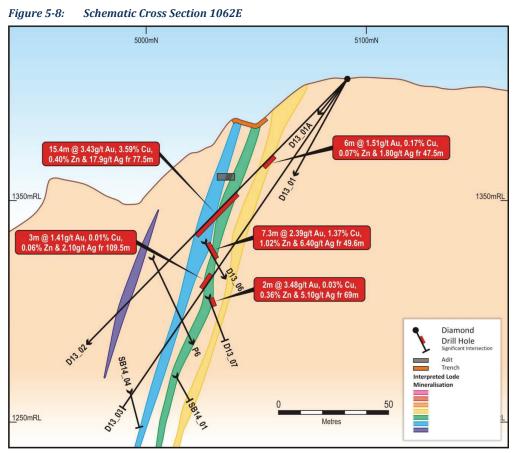


Figure 5-7: Schematic Cross Section 1025E

Cross section is on a local grid oriented to be approximately perpendicular to the trend of the Sabana Blanca mineralisation. Section window is +/- 10m. An arrowhead is used where drillholes go off section. Mineralised zones represent a low confidence interpretation which requires significant confirmation drilling. Intercepts shown are downhole lengths, true width are not known.

CMC's Phase 1 program of 2013 consisted of 1,482m in 11 drillholes (D13-01A to D13-10) mainly drilled in the Sabana Blanca zone which tested the area eastward and down dip from the Sabana Blanca adit (Figure 5-6). Holes D13-01A, -01, -02, -03, -04, and -05 were drilled from an elevated pad construction 35m above and 60m northwest of the adit back across the Sabana Blanca zone in a vertical drill fan (Error! Reference source not found.). These 6 d rillholes tested mineralisation in the Sabana Blanca zone near the Sabana Blanca Adit and down dip for more than 100m below outcrop. Holes D13-06, -07 and -08 were drilled from a pad 60m southeast of the adit back across the Sabana Blanca zone in a vertical drill fan (Figure 5-6). Results confirm the projected steep southerly dip of the Sabana Blanca zone and traced mineralisation down dip from the surface for roughly 100m.

continued



Cross section is on a local grid oriented to be approximately perpendicular to the trend of the Sabana Blanca mineralisation. Section window is +/- 10m. An arrowhead is used where drillholes go off section. Mineralised zones represent a low confidence interpretation which requires significant confirmation drilling. Intercepts shown are downhole lengths, true width are not known.

Eight drillholes returned significant intercepts of mineralisation, the best of which were:

- 15.4m @ 3.43g/t Au, 3.59% Cu, 0.4% Zn, & 17.9g/t Ag, from 77.5m in drillhole D13\_02
- 6.9m @ 5.86g/t Au, 5.89% Cu, 1.28% Zn, & 34.3g/t Ag, from 86.5m in drillhole D13\_05
- 18.6m @ 1.58g/t Au, 1.32% Cu, 0.65% Zn, & 6.7g/t Ag, from 37.7m in drillhole D13\_07
- 9.7m @ 3.86g/t Au, 0.62% Cu, 1.07% Zn, & 6.3g/t Ag, from 75.6m in drillhole D13\_01A
- 7.6m @ 1.09g/t Au, 4.39% Cu, 0.29% Zn, & 16.2g/t Ag, from 93m in drillhole D13\_04
- 4.4m @ 9.56g/t Au, 0.01% Cu, 0.85% Zn, & 6.8g/t Ag, from 114.8m in drillhole D13\_01A
- 11.0m @ 2.62g/t Au, 0.75% Cu, 0.22% Zn, & 6.4g/t Ag, from 71m in drillhole D13\_04
- 7.3m @ 2.39g/t Au, 1.37% Cu, 1.02% Zn, & 6.4g/t Ag, from 49.6m in drillhole D13\_06

The 15.4m intercept from 77.5m in drillhole D13\_02 contained a particularly impressive intercept of 6.65m @ 4.79g/t Au, 28.36g/t Ag, 6.56% Cu and 0.29% Zn from 85.25m to 91.9m.

The final two Phase 1 drillholes targeted the Sabana Blanca Creek (SBC) zone, where high grade surface mineralisation was delineated in Sabana Blanca Creek on the eastward projection of the Sabana Blanca zone. Holes D13-09 and -10 were drilled from a pad 175m east of the adit in a northwesterly directed vertical fan (Figure 5-6). No significant intercepts were recorded.

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It is interpreted that these holes drilled parallel to the mineralisation in the barren footwall (Figure 5-9).

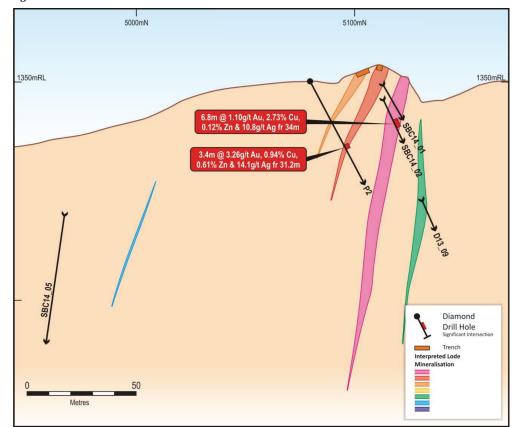


Figure 5-9: Schematic Cross Section 1137E

Cross section is on a local grid oriented to be approximately perpendicular to the trend of the Sabana Blanca mineralisation. Section window is +/- 10m. An arrowhead is used where drillholes go off section. Mineralised zones represent a low confidence interpretation which requires significant confirmation drilling. Intercepts shown are downhole lengths, true width are not known.

CMC's Phase 2 program of 2014 consisted of 3 drillholes (1360-01 to 1360-03) collared from underground in the Sabana Blanca Adit, which provided access to drill test high grade targets that were not able to be adequately tested from the surface (Figure 5-7). Drill results corroborated the high grade results from saw cut channel samples in the Sabana Blanca adit. Drillhole 1360-01 intersected disseminated, semi massive and massive mineralisation comprised of chalcopyrite, sphalerite, pyrite and pyrrhotite as disseminated to massive sulphide zones in a gangue of multi-phased crystalline quartz. Drillhole 1360-01 returned 2 significant intercepts of mineralisation:

- 16.7m @ 2.39g/t Au, 1.11% Cu, 0.49% Zn, & 6.2g/t Ag, from 0m
- 2.9m @ 2.74g/t Au, 0.04% Cu, 0.51% Zn, & 6.2g/t Ag, from 26.9m

Holes 1360-02 and 1360-03 were drilled from the intersection of the Sabana Blanca adit and the first cross cut south (XC-1S) and also intersected disseminated, semi-massive and massive sulphide mineralisation (Figure 5-7). Core from hole 1360-03 shows evidence of multiple

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continued

phases of brecciation and mineralisation. These holes were drilled at low angles to the plane of the mineralisation trend, did not cross the entire width of the zone and are not considered true thickness. Significant intercepts of mineralisation were:

- 1360\_02: 27.5m @ 2.3g/t Au, 0.2% Cu, 0.9% Zn, & 6.2g/t Ag, from 0m
- 1360\_03: 20.5m @ 1.5g/t Au, 0.1% Cu, 0.6% Zn, & 12.6g/t Ag, from 0m

CMC's Phase 3 program of 2014 consisted of 9 drillholes (BR14-01, BR14-02, SB14-01 to SB-05, SBC14-01, and SBC14-02) targeting 3 zones. Holes SB14-01, -02, -03, -04, and -05 were drilled from a pad constructed 105m southeast of the adit with three holes in a fan back across the Sabana Blanca zone, one vertical and one angled at -75° to the southeast away from known mineralisation (Figure 5-6). The 3 northwest directed drillholes tested mineralisation in the Sabana Blanca zone below the Sabana Blanca Adit and down dip for more than 100m below outcrop (Figure 5-7 and **Error! Reference source not found.**). Holes SBC14-01 and -02 were drilled from a pad 90m east of the adit back across the Sabana Blanca Creek zone in a vertical drill fan (Figure 5-6 and Figure 5-9). These drillholes returned significant intercepts of mineralisation:

- SBC14\_01 : 3m @ 8.02g/t Au, 0.82% Cu, 0.47% Zn, & 4.9g/t Ag, from 61m
- SBC14\_02: 6.8m @ 1.1g/t Au, 2.73% Cu, 0.12% Zn, & 10.8g/t Ag, from 34m and
- 4.8m @ 2.14g/t Au, 1.05% Cu, 1.48% Zn, & 7.5g/t Ag, from 56.9m

Two drill holes (BR14-01 and BR14-02) provided an initial test of the Brazo 1 zone where laminated base metal mineralisation had been discovered from surface prospecting and sampled by trenching (Figure 5-6). Anomalous intercepts of gold-copper mineralisation were encountered.

#### **5.6.1** Drillhole Analytical Results

Table 5-4 provides a tabulation of the significant intercepts of mineralisation in core holes drilled at El Dovio. All drill intercepts reported are drilled length as insufficient drilling has been completed in this area to reasonably determine the geometry and estimate true width. A full listing of all intercepts which recorded grades over 1.0g/t gold equivalent (AuEq) for greater than 2m downhole is provided in Appendix 1, along with details of the calculation of the metal equivalence used in determining cut-off grades.

Table 5-4: Significant Drilling Intercepts on the El Dovio Proje	<i>Table 5-4:</i>	Significant Drillin	g Intercepts on	the El Dovio Proje
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HOLE ID	FROM	то	INT	Au	Cu	Zn	Ag
	m	m	m	g/t	%	%	g/t
D13_02	77.5	92.9	15.4	3.43	3.59	0.40	17.9
D13_05	86.5	93.4	6.9	5.86	5.89	1.28	34.3
1360_02	0.0	27.5	27.5	2.30	0.20	0.90	6.2
1360_01	0.0	16.7	16.7	2.39	1.11	0.49	6.2
D13_07	37.7	56.3	18.6	1.58	1.32	0.65	6.7
P4	38.8	42.9	4.1	9.27	1.33	4.51	25.8
D13_01A	75.6	85.3	9.7	3.86	0.62	1.07	6.3
D13_04	93.0	100.6	7.6	1.09	4.39	0.29	16.2
D13_01A	114.8	119.1	4.4	9.56	0.01	0.85	6.8
D13_04	71.0	82.0	11.0	2.62	0.75	0.22	6.4
1360_03	0.0	20.5	20.5	1.50	0.10	0.60	12.6
D13_06	49.6	56.9	7.3	2.39	1.37	1.02	6.4

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HOLE ID	FROM	то	INT	Au	Cu	Zn	Ag
	m	m	m	g/t	%	%	g/t
SBC14_02	34.0	40.8	6.8	1.10	2.73	0.12	10.8
SBC14_01	61.0	64.0	3.0	8.02	0.82	0.47	4.9
D13_08	55.5	64.5	9.0	1.43	0.81	0.41	4.7
P7	88.0	90.6	2.6	2.59	4.17	1.36	15.4
SBC14_02	56.9	61.7	4.8	2.14	1.05	1.48	7.5
P2	31.2	34.5	3.4	3.26	0.94	0.61	14.1
D13_08	69.5	72.5	3.0	3.88	0.63	1.15	5.5
SB14_02	17.0	22.0	5.0	0.52	0.22	4.04	5.0
P5	63.9	66.8	2.9	1.80	1.45	1.68	19.0
SB14_03	53.5	58.0	4.5	1.67	0.58	0.71	7.0
D13_02	47.5	53.5	6.0	1.51	0.17	0.07	1.8
1360_01	26.9	29.8	2.9	2.74	0.04	0.51	6.2
D13_01A	27.0	30.0	3.0	2.71	0.05	0.14	2.1
D13_07	69.0	71.0	2.0	3.48	0.03	0.36	5.1
SB14_03	73.6	79.5	5.9	0.77	0.23	0.24	3.3
D13_03	109.5	112.5	3.0	1.41	0.01	0.06	2.1

Note: Significant Intercepts calculated from consecutive downhole samples for which the length-weighted average grade exceeded 1.0g/t gold equivalent (AuEq) for greater than 2m downhole. An internal dilution constraint of 4m was applied. Gold equivalent (AuEq) was calculated for each sample from the gold, copper, zinc and silver grades using the formula:  $AuEq = (Au \times 1) + (Cu \times 1.1673) + (Zn \times 0.4386) + (Ag \times 0.0127)$ 

All intercepts reported are downhole length as true width is not known.

### 5.6.2 Drill Sampling and Analysis

CMC core samples were cut using a diamond saw and analysed at SGS's Medellin laboratory. Gold was analysed by fire assay with an ICP/OES finish. Silver and base metal analyses were determined with ICP/OES techniques. A series of blank, duplicate, certified standard samples at a rate of 1:30 or higher were introduced into the sample stream. Methods and QAQC protocols employed for the drill core sampling, logging and analysis are described in Appendix 2.

All CMC drillhole collars, trenches and underground channels were picked up by licenced surveyors using ground based systems. All collars of the Mineros drillholes (1990's) were relocated by CMC and subsequently picked up by licenced surveyors.

A listing of all significant intersections - assay results including collar statistics for the historical drill holes are provided in Appendix 1. Commentary on the JORC Table 1 criteria for the exploration drilling data are provided in Appendix 2.

### 5.7 Current Exploration

Since acquiring the project Andean Mining has not undertaken any significant on ground work, with efforts focusing on the development of new interpretations and targets. Andean Mining's consultants have reviewed the available exploration data; corrected survey issues in the data; constructed an Access database of the drill, underground and trench data; developed maps and sections of the property; designed a diamond drilling program; made recommendations on the required locations for drill pads to be constructed; and designed a comprehensive surface exploration program covering the entire project area which includes surveying, geological mapping, geochemistry and geophysics over 3 phases of exploration.

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continued

Andean Mining commissioned an environmental consultant to assist with the development of an application to the relevant Colombian authorities to undertake ground disturbing exploration activities.



# 6. DEVELOPMENT STUDIES

### **6.1** Environment

Environmental studies were commissioned by CMC in 2011 over the El Dovio project area. As the project lay within the Pacific Forest Zone at this time an application was made for a core exploration area within the property, covering 60 hectares, to be excluded from this environmental reserve (Figure 3-1). A substantial technical document was submitted to the relevant government authority to enable this exclusion (CMC, 2011g). This study was prepared and structured in accordance with the Terms of Reference established by the Colombian Ministry of Environment, Housing and Territorial Development (MAVDT), through Resolution 0918 of 2011. The study also underpinned applications for the permits required to undertake exploration activities. Fieldwork for the environmental study was carried out in August 2011 in accordance with the standard methodologies of each scientific discipline by appropriately qualified professionals. The study covered the following: geomorphology, soils, hydrology, water quality, hydrobiology, flora, fauna, social aspects, ethnography, and socioeconomics.

The core exploration area (Exclusion Area) was excluded from the Pacific Forest Reserve Area in October 2012. Permits for water diversion and discharge were issued to CMC in April 2013 (CMC, 2014b).

## 6.2 Metallurgy

#### 6.2.1 CMC Testwork

Metallurgical testwork on a 53kg bulk sample of unoxidised/unweathered mineralised rock from the Sabana Blanca zone was commissioned by CMC in 2012. The bulk sample was excavated from the Sabana Blanca adit at El Dovio at depths from 3 to 30m below surface. The bulk sample was prepared by compositing together channel samples cut from exposures of mineralisation in tunnel walls, with 30 samples from the main tunnel, 27 samples from the 2 East cross-cut and 12 samples from the 1 North cross-cut. The bulk composite sample reported an average grade of 5.3g/t Au, 0.86% Cu, 4.7g/t Ag, and 1.12% Zn, which CMC considered to represent average grade mineralisation for the Sabana Blanca zone. The bulk sample was delivered to McClelland Laboratories of Reno, Nevada. The sample was treated using standard froth flotation methods after stage crushing and grinding to 80% passing 75 microns (200 mesh), a prevalent grind size in froth flotation mills (CMC, 2012).

Very high recoveries of 96.4% of the contained gold, 97.8% of copper, 91.1% of silver and 96.8% of the zinc were produced in the metallurgical tests into a bulk concentrate. The cleaner concentrate was 14.26% of the feed weight and the weight concentration ratio was fairly low at 7:1 (cleaner concentrate: feed). Gold, Ag, Cu and Zn concentration ratios were between 6.6:1 (Ag) and 6.9:1 (Cu). Gold, Ag, Cu and Zn grades in the cleaner concentrate were 35.5g/t, 45.0g/t, 5.89% and 7.61%, respectively. The cleaner tail was 5.94% of the feed weight but contained much lower quantities of the respective metals (McClelland, 2013).

While preliminary in nature, this work indicates that the Sabana Blanca mineralisation could be effectively recovered by conventional flotation processes. It is deduced from these results that gold is present as very fine particles within chalcopyrite grains. No gravitational recovery testwork have been conducted.

### 6.2.2 Andean Mining Testwork

In late 2019 Andean Mining contracted Resource Development Inc. (RDI) to conduct a scoping level metallurgical study for the El Dovio Project. The primary objective of the study was to

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continued

complete differential rougher and cleaner flotation testing to produce separate copper and zinc concentrates from the massive sulphide polymetallic ore. Comminution testing was also completed to provide data for crushing and grinding circuit design. This testing set out to establish a flow sheet that can be used to test variability samples and estimate metal recovery and grade.

The sample was collected from underground exposure of mineralisation in the adit by an experienced geological contractor using a fuel-powered saw gasoline grinder and then with a hammer and chisel. The samples collected comprised approximately 80kg of sample in  $2 \log 1/2 \times 3/4$  for Bond Abrasion Index work and  $20 \log 30$  pieces of  $2 \times 3$  size for Crusher Work Index.

The composited sample assayed 16.4g/t Au, 32g/t Ag, 6.4% Cu, 0.9% Zn and 11.2% sulphur. RDI noted the sample to be a massive sulphide with most of the sulphur present as sulphide sulphur, chalcopyrite and pyrite being the major sulphide minerals with lower amounts of pyrrhotite and sphalerite. The head assay values and the XRD results were in good agreement (RDI, 2020).

#### **Mineralogy**

Mineralogical analysis of the composite sample made the following findings. The sample was primarily comprised of quartz with numerous fragments of volcanic rock. Chalcopyrite is the primary sulphide that varies in size from 1 micron to several millimetres. The larger chalcopyrite grains carry small inclusions of other sulphides such as sphalerite. Pyrite is present in significant amounts, ranging in size from 1 micron to 500 micron. Sphalerite occurs in masses up to 1 mm and as small inclusions in chalcopyrite and pyrite. Pyrrhotite is also present as aggregates in quartz, chalcopyrite, and pyrite. Gold is fine grained at sizes of 2 to 25 micron, with the majority associated with chalcopyrite.

### **Grind Study**

Bench-scale laboratory grind studies were undertaken to develop data for grind time-grind size relationship for the composite samples. One-kilogram charges were ground in a laboratory rod mill at 50% solids for varying times. The ground products were screened wet on a 400 mesh screen and the coarse and fine fractions were dried. The coarse fraction was dry screened and the size distribution of the samples calculated. A Bond's Ball Mill Work Index (BWi) was determined for the supplied sample at a closed size of 100 mesh (150 microns). The work index of the sample was 15.55 kWh/st. The results indicate that the sample would be considered hard. A Bond Abrasion Index (Ai) was determined for the supplied sample. The abrasion index of the sample was 0.798. The results indicate that the sample would be considered abrasive. A Crusher Work Index (CWi) was determined for the supplied sample. The crusher index of the sample was 12.2 kWh/st. The results indicate that the sample would be considered medium hardness.

#### **Rougher Flotation Testing**

The scoping level rougher flotation test results indicate the following:

- The differential flotation approach floated nearly all of the metals contained in the sample. Each individual metal recovery was generally around 95% once all concentrates were combined, which is consistent with previous bulk flotation results.
- The majority of the gold and silver present in the sample reported to the copper concentrate. Approximately 93.6% of the gold and 86.0% of the silver reported to the copper concentrate in test FT6.
- The final flotation stage to recover any remaining sulphides did not collect a significant amount of metals and is not needed.

Cleaner flotation testing was being conducted at the time of the preparation of this report.

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# 7. EXPLORATION POTENTIAL AND TARGETS

The El Dovio Project is an advanced-stage exploration project prospective for gold-copper deposits.

The El Dovio Project is positioned in a prospective location in terms of a regional geological and mineralisation setting, occurring within an extensive belt of metamorphosed marine volcano-sedimentary rocks known to host VMS and other polymetallic type prospects and deposits throughout western Colombia and Ecuador.

The El Dovio property hosts high grade polymetallic gold-silver-copper-zinc mineralisation within a sequence of volcanic and sedimentary rocks and has been interpreted to be of the VMS type of mineral deposit. Andean Mining has indicated that their proposed exploration will be guided by the genetic model of VMS deposits. Indeport concur with this focus, although consider that a hydrothermal model could alternatively be applicable. However, the hydrothermal genetic model would not reduce the prospectivity rating of the project, given the high gold and copper grades intersected to date.

Mineralisation has been defined in surface outcrop by trenching, at shallow depth by underground sampling and at depth by diamond drilling. The majority of significant intersections have been in the Sabana Blanca zone, with mineralisation also identified at the Brazo 1 and Granizales zones. These form targets for Andean Mining's proposed exploration programs with the Sabana Blanca zone being the primary focus. Conceptual targets including the Contacto zone offer additional potential.

# 7.1 Target Generation

The total area of Andean Mining's tenure stretches 7km north-south and 3.5km east-west and is entirely underlain by prospective Cretaceous volcanic and sedimentary rocks of the Dagua Structural Complex, the hosts to the known mineralisation (Figure 4-2). Exploration by previous explorers has been heavily focused around several areas of outcropping mineralisation, with limited regional target generation work. Traverse geological mapping, MMI soil geochemical and ground magnetic surveys (refer Sections 5.1 to 5.3) have been undertaken, but the extent has been limited to the 'operational area' (Figure 7-1). Indeport considers there remains significant greenfields exploration potential throughout the tenement area

Andean Mining has indicated to Indeport that it is their intention to undertake a multidisciplinary exploration program across the full area of the El Dovio property with the aim of identifying additional anomalism and geological indications of VMS mineralisation hosted by the prospective Cretaceous units which underly the area.

An initial orientation phase will be undertaken comprising surveying, geochemistry, geophysics and geology, which is expected to be completed within a 9 month period.

Figure 7-1 shows the arrangement of the planned survey grid points and sample location across the project area.

A helicopter-borne aeromagnetic survey (helimag) of the project area, focusing on more prospective areas identified by the orientation exploration phase is planned.

Further details of the target generation phase of Andean Mining's proposed exploration program are provided in Section 9.2.1.

continued

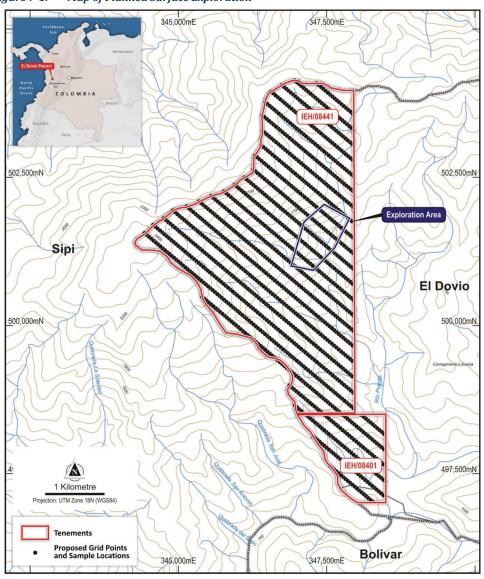


Figure 7-1: Map of Planned Surface Exploration

### 7.2 Sabana Blanca Zone

The Sabana Blanca zone is interpreted as shallow-level hydrothermal mineralisation with a VMS affinity. There is a strong north-northeasterly structural control, which has a significant strike length in the order of 1km. Mineralisation has been intersected over a depth range of 200m with 7 lodes interpreted (Figure 7-2) and is open at depth. Analytical results have identified broad halos of stockwork style mineralisation surrounding higher grade intervals. High grade copper/gold zones averaging between 3m and 6m are developed within a broader mineralised system between 10 and 68m in width. Therefore, development scenarios involving both high grade/low tonnage and low grade/high tonnage mining operations can be considered when assessing potential for economic exploitation, as the project moves forward.

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Mineralisation remains open to additional extension on strike and at depth. This is the main focus of the drilling program which has been planned by Andean Mining.

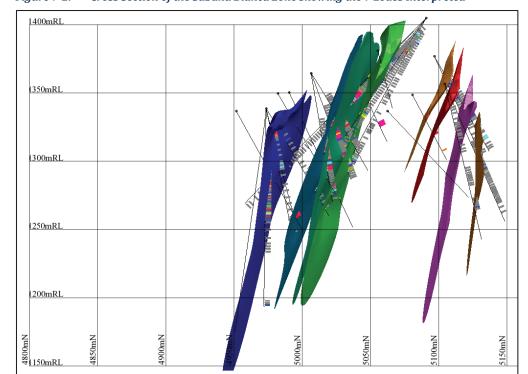


Figure 7-2: Cross Section of the Sabana Blanca Zone showing the 7 Lodes Interpreted

Note: Cross section is on a local grid oriented orthogonally looking west. Section window is +/-200m centered on 347,500mE. Colour bars on drillholes should be ignored, as they are mostly obscured by lode wireframes.

A detailed 3D design of a diamond drilling program has been undertaken by Andean Mining using geological modelling software. Initially mineralised lodes were interpreted from existing drill intercepts, trench intercepts and underground channel intercepts. In all 7 lodes were wireframe for the Sabana Blanca zone. Following this, the lodes were projected down dip and along strike at orientations interpreted using available structural data. The locations of the broader zones of low grade mineralisation were also noted. Due to the steep terrain of the area, the location of drill pads must be carefully considered in relationship to terrain gradients. In addition there is an environmental restriction on undertaking pad preparation or drilling within 30m of a watercourse. Fans of drillholes were designed to intersect the interpreted mineralised lodes below and along strike from existing intercepts at nominal 25m or 50m spacings. The designed program comprises 42 holes for approximately 7,000 m from 13 drill pads, with allowance for intermediate drill pads positioned to enable follow-up drilling. A geology map and 15 cross-sections were developed using geological modelling software at a scale suitable for plotting on large sheets. These are too large for presentation in this report, but form a useful tool for the Competent Person in preparing this report.

Figure 7-3 shows in plan view the collars and paths of a selection of the proposed drillholes which have been designed using 3D geological modelling software by Andean Mining. Also shown are the pads and access tracks which will be required to be constructed to get drill rigs into position. These pads and access tracks have been submitted to Colombian authorities for specific environmental approvals.

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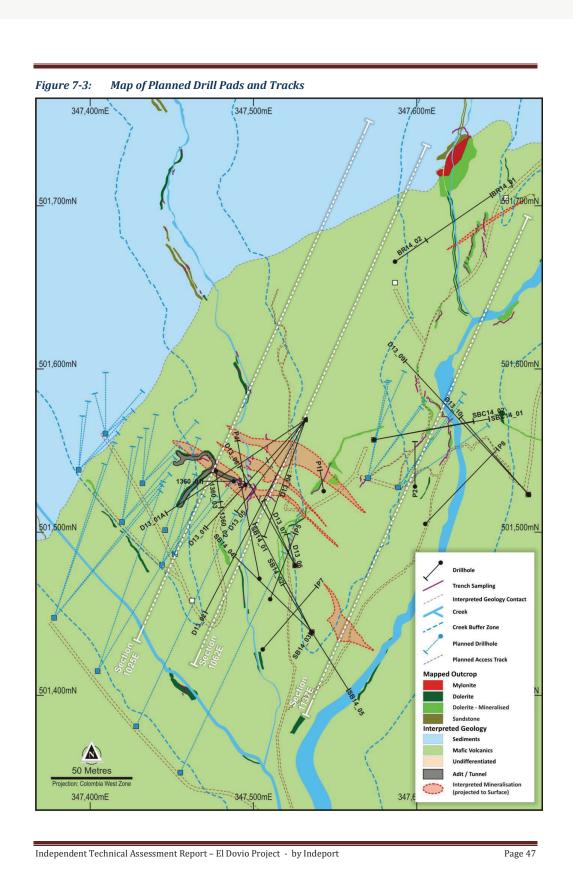




Figure 7-4 and Figure 7-5 show a selection of the proposed drillholes in cross section illustrating the depths at which the proposed drillholes intersect the targeted extensions of the mineralised lodes below existing drilling. Refer to Figure 5-7 (Section 1025E) and **Error! Reference source not found.** (Section 1062E) above for greater detail on the geology and intercepts in the existing drilling.

The locations of the proposed drill pads and access tracks formed a key input into the environmental approvals documentation prepared by Andean Mining's consultants. Applications have been submitted to the relevant Colombian authorities to undertake the proposed exploration drilling program, with grant of approvals expected within the coming months.

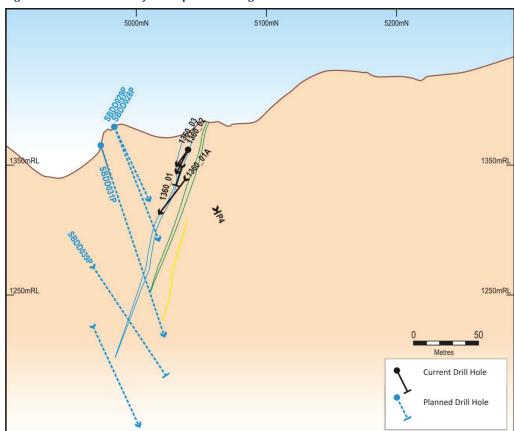
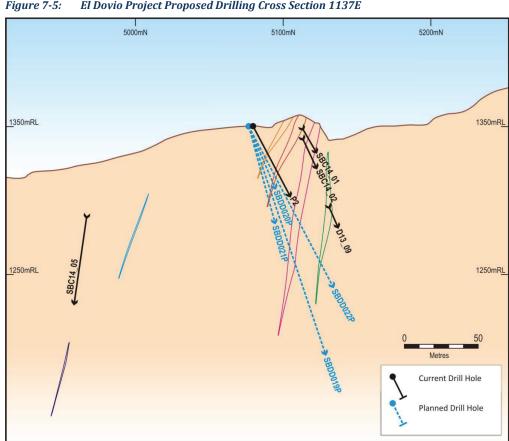


Figure 7-4: El Dovio Project Proposed Drilling Cross Section 1025E



*Figure 7-5:* El Dovio Project Proposed Drilling Cross Section 1137E

#### 7.3 **Other Targets**

#### Brazo 1 Zone

Laminated base metal mineralisation has been identified by surface prospecting and sampled at the Brazo 1 zone (Figure 5-6). Channel sampling of trenches and diamond drilling at the Brazo 1 zone has provided an initial test with anomalous intercepts of gold-copper mineralisation encountered in mafic volcanic lithologies. Mineralisation remains open to  $additional\ extension\ on\ strike\ and\ at\ depth.\ Further\ exploration\ is\ warranted\ to\ test\ the\ extents$ of the mineralised system and identify vectors to the zones of higher grades and thicknesses. Existing data indicates the zone dips steeply to the southeast.

Andean Mining have planned to drill holes from pads constructed on the steep hill to the southeast of the surface outcrops to intersect the target zone with drillholes directed to the northwest (Figure 7-3).

### **Granizales Zone**

At the Granizales zone gold-copper mineralisation is characterised by strong to intense silica flooding, quartz veining and abundant sulphides. The zone remains open in all directions, as sampling was constrained due to cover. Further mapping, trenching and drill testing are warranted to determine the potential of this target.

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#### The Contacto Zone

The Contacto zone is an horizon prospective for the development of VMS type deposits comprising a favourable geological contact between the marine volcanic rocks that host the Sabana Blanca zone and overlying marine sediments. In the Brazo 1 zone to the east, narrow intercepts of banded massive sulphide have been intersected which have been assigned a preliminary interpretation of bedded VMS. The Sabana Blanca zone is interpreted as a feeder or "stringer zone" which lies stratigraphically beneath the Contacto horizon. The intersection of this horizon with the trend of the Sabana Blanca zone is considered a strong exploration target on the basis of two separate ore genesis models. For the classic VMS model the horizon represents a submarine seabed on which exhalative mineralisation is deposited from volcanic vents from which metal-rich hydrothermal fluids are escaping, driven by hydrothermal convection cells. The Sabana Blanca mineralisation could represent footwall stringers formed at depth by the same hydrothermal convection cells. Contacts such as this often host bedded VMS as at the Mina El Roble deposit approximately 110km to the northeast. An alternative model would consider the horizon represents a favourable trap site where two rock types with contrasting mechanical competencies are prone to develop breccia zones during deformation. Thus, a favourable trap site for later mineral deposition. In either case this zone represents a prospective target for further exploration and increases the overall mineral potential of the El Dovio property.

Geochemical soil anomalies correspond with this favourable geological contact between the marine volcanic rocks and overlying marine sediments. Geochemistry thus provides an additional targeting tool for use in future exploration programs. The MMI technique has been successfully employed on the project in the past and the existing data provides a good baseline for further sampling using this method.

### 7.4 Overall Exploration Potential

Indeport considers the El Dovio project offers strong potential for the discovery of further gold-copper mineralisation based on our analysis of the data obtained by previous exploration. Indeport has reviewed the planned exploration drilling of the Sabana Blanca zone and consider that Andean Mining's aspiration of being able to define a reportable Mineral Resource following completion of the proposed drilling program is not unreasonable, if the width and grade of the known mineralisation continues into the target zones. Indeport stress that there can be no certainty that such continuity of mineralisation will exist.

Indeport considers that the broader project area is prospective for VMS style mineralisation and worthy of further exploration, with target zones identified and ready for more detailed surface work at Brazo 1, Contacto and Granizales.

continued

### 8. RISK

## 8.1 General Geological and Exploration Risk

The business of mineral deposit exploration involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, there are no known commercial mineral deposits on the El Dovio property.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority. Renewal conditions may include increased expenditure and work commitments. The imposition of new conditions or the inability to meet those conditions may adversely affect the security of tenure.

The exploration activities of Andean Mining on the Project may be affected by a range of risk factors, which are, to varying extents, beyond the control of the Company including:

- geological conditions,
- limitations on activities due to adverse weather conditions,
- natural disaster events including earthquake, volcanic eruption, landslide, and flood,
- pandemics, civil unrest and security issues,
- unanticipated operational and technical difficulties,
- delays in sourcing specialist contractors for undertaking exploration programs,
- cost increases,
- maintaining title to the mineral exploration tenements comprising the project,
- gaining environmental approvals to undertake exploration programs,
- changing government regulations, and
- maintaining a social licence to operate with respect to local communities.

### 8.2 Project Specific Risks

A number of specific risks for the El Dovio project pertaining to the geological and exploration data have been covered in this report. The detailed commentary on each of the criteria specified in the JORC Code Table 1, which is provided in Appendix 2, describes these specific risks. The more significant geological and exploration risks to the project are considered to be:

- The planned exploration programs are reliant on invoking a specific geological model (VMS) for the genesis of the observed mineralisation, which is an interpretation of the available data and has yet to be substantiated by academic-type geological studies.
- The difficulty of getting cost-effective trench and drill coverage of targeted zones due to environmental restrictions, steep terrain and thick vegetation.
- Survey issues identified in the location of drillholes and trenches require re-survey to ensure precise locations of mineralised samples.
- The poor quality and limited documentation of exploration data collected before 2010.
- This report has been prepared without the author / Competent Person having conducted an inspection of the site. Travel to the site was rendered impossible by restrictions imposed by the Australia and Colombian governments due to the global pandemic.
- The report relies primarily on digital data recorded by previous explorers of the project which was supplied to the author by the Company, and public news releases of significant exploration results to the TSX-V. Regional descriptions were sourced from public domain documents.

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# 9. PLANNED EXPLORATION EXPENDITURE

## 9.1 Exploration Strategy

Andean Mining has indicated to Indeport that they will undertake a systematic, staged approach to their exploration program on their El Dovio Project.

Andean Mining have undertaken thorough research in compiling and analysing the available historical data, developing an exploration database, and undertaking an analysis and targeting exercise. Andean Mining will maximise the usefulness of this asset by developing appropriate programs to test the concepts and targets developed, which are described in Section 7.

Indeport considers that the exploration strategy proposed by Andean Mining is consistent with the geological potential of the El Dovio Project.

## 9.2 Planned Work Program

Andean Mining has provided to Indeport their proposed work program for the 2-year period following the capital raising.

Exploration of the project will commence with an extensive surface program covering the entire tenement holding with the aim of generating new targets. Further surface work will be undertaken to improve the definition of known prospects including the Brazo 1, Contacto, and Granizales zones. A diamond drilling program will test the Sabana Blanca zone, commencing on receipt of the appropriate environmental approvals from the Colombian authorities.

Andean Mining staff will establish a project database management system and capture all geological data necessary, and in a form that allows for reporting of Exploration Results and Mineral Resources estimations in accordance with the JORC Code and Canadian NI 43-101 regulations.

Andean Mining will undertake road maintenance between Lituania and the project using local machinery and labour. Company employees will be located in El Dovio and within the Department of Valle del Cauca to undertake social programs, meetings and educational programs to establish the basis for a social licence for the project.

### **9.2.1** Surface Exploration - Orientation

Initial exploration will focus on target generation - the discovery of new mineralised zones - through a program of surface exploration (refer Section 7.1).

An initial orientation phase will be undertaken comprising surveying, geochemistry, geophysics and geology, which is expected to be completed within a 9 month period. Exploration activities planned for the orientation phase of work include the following:

- Surveying of 200m x 50m lines across the entire tenement package (Figure 7-1).
- Geological mapping of the entire tenement package with rock chip sampling.
- Soil geochemical sampling of the entire tenement package on a 200m x 50m grid with multi-element analysis.
- Gravity geophysical survey of the entire tenement package with readings on a 200m x 50m grid.
- Geological, geochemical and geophysical interpretation of results and reporting.

### 9.2.2 Surface Exploration - Focussed Assessment

Andean Mining has indicated to Indeport that it is their intention to undertake a helimag survey of the project area, focusing on more prospective areas identified by the orientation

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continued

exploration phase. The helimag method should overcome technical problems caused by rugged terrain encountered with the ground magnetic surveying method undertaken by CMC. Helimag offers the potential to map out the structural geology of the project area which would significantly assist in prioritising target areas for further assessment.

Andean Mining proposes to follow-up known prospects and targets generated from the orientation phase with focussed surface work designed specifically for each target area. Activities would include combinations of infill surveying at nominal  $100 \, \mathrm{m} \, \mathrm{x} \, 50 \, \mathrm{m}$  grid spacing, detailed geological mapping, tighter spaced geochemical soil sampling, hand digging of trenches to expose bedrock and/or insitu regolith for geological mapping, channel sampling and multi-element geochemical analysis.

### 9.2.3 Surface Exploration - Target Definition

Andean Mining propose to follow-up on the focussed exploration program with a ground based geophysical survey using the induced polarisation distributed acquisition system (IP-DAS) method. This survey will initially cover the known mineralised horizons at Sabana Blanca, Brazo 1, Granizales and Silencio and then extend to cover further target areas defined by the initial orientation and focussed exploration programs.

Electrical geophysical methods are highly effective in identifying VMS targets because they respond to the electrical conductivity of the rocks and minerals, which can vary by 20 orders of magnitude. Induced polarisation surveys measure the chargeability of the rock mass and the time variance in the response of the electromagnetic field, which is related to the ability of the minerals of the rock mass to retain electrical charges. Induced polarisation surveys are very effective in detecting disseminated sulphide bodies such as is developed at El Dovio. In VMS deposits, disseminated sulphides typically occur in the altered halo surrounding the massive sulphide orebody.

Electromagnetic techniques can directly detect conductive features such as base metal deposits where significant contrasts in conductivity values occur between the ore bodies and their resistive host rocks.

### 9.2.4 Drilling

A significant diamond drilling campaign at the Sabana Blanca zone will form a key element of the El Dovio exploration program. A detailed 3D design of a diamond drilling program has been undertaken by Andean Mining using geological modelling software. Section 7.2 provides a description of this program with the location of designed drillholes, drill pads and access tracks shown in plan view on Figure 7-3. Selected cross sections illustrating some of the designed drillhole paths are provided in Figure 7-4 and Figure 7-5. As designed, the drilling program comprises 42 holes for approximately 7,000 m from 13 drill pads, with allowance for intermediate drill pads positioned to enable follow-up drilling.

Diamond drilling is warranted at the Brazo 1 and Granizales prospects, however further surface exploration is recommended prior to detailed design of drillholes at these less advanced prospects.

### 9.2.5 Development Studies

Andean Mining plans to submit representative core samples of copper-gold mineralisation for detailed metallurgical testwork. An accredited laboratory will be commissioned to determine metal recoveries and other metallurgical properties for preliminary studies into the mineral economics of the El Dovio project.

Andean Mining plans to undertake geological modelling of the Sabana Blanco mineralisation following the completion of the planned diamond drilling program. This future work would

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involve undertaking 3D wireframes of interpreted lodes, block modelling and grade estimation using geostatistical techniques.

The development of a maiden Mineral Resource estimate for the El Dovio project is a goal for Andean Mining. Should this goal be achieved, Andean Mining has advised it plans to undertake a Scoping Study on the project. Indeport notes that there can be no certainty that sufficient quantity and quality of mineralisation will be delineated within the project to determine a Mineral Resource.

### 9.2.6 Environmental Permitting

The proposed surface exploration activities are permitted under the terms of the current tenement approvals. Additional environmental permitting is required to undertake the proposed drilling programs and the associated ground disturbances. During the period from January to March 2021, Andean Mining completed the environmental studies needed to prepare these applications using appropriately qualified personnel and managed by environmental consultants. An application for an environmental permit was submitted to the Colombian government environmental authority on 3 September 2021.

The Colombian government website states that the average time for such approval is 85 working days (Minambiente, 2021).

# 9.3 Proposed Exploration Expenditure

Andean Mining has provided to Indeport their proposed exploration expenditure for the 2 year period following the capital raising, which is summarised in Table 9-1 for a capital raising of \$6M and Table 9-2 for a capital raising of \$7M.

Table 9-1: Budget for Andean Mining Exploration Projects - A\$6M Raise

Activity	Year 1	Year 2	Total Budget
	A\$	A\$	A\$
Exploration	2,062,000	1,950,000	4,012,000
Metallurgical Testwork		100,000	100,000
IPO Costs	468,000		468,000
Corporate Costs	585,000	590,000	1,175,000
Working Capital	245,000		245,000
TOTAL	3,360,000	2,640,000	6,000,000

Table 9-2: Budget for Andean Mining Exploration Projects - A\$7M Raise

Activity	Year 1	Year 2	Total Budget
	A\$	A\$	A\$
Exploration	2,550,000	2,380,000	4,930,000
Metallurgical Testwork		100,000	100,000
IPO Costs	530,000		530,000
Corporate Costs	585,000	590,000	1,175,000
Working Capital	265,000		265,000
TOTAL	3,930,000	3,070,000	7,000,000

continued

The exploration program has been provided as a single item in these tables as the detailed allocation of funds to specific activities and prospects is subject to ongoing variation depending on the timing of environmental approvals, results of early activities, and the availability of specialist contractors. For the minimum raising a budget of approximately A\$3.8M is allocated to exploration expenditure, while for the maximum raising a budget of approximately A\$4.8M is allocated to exploration expenditure.

Surface exploration at El Dovio will commence once the IPO exercise is completed. Drilling programs would commence at Sabana Blanca soon after environmental approvals are received.

The surface exploration strategy outlined in Sections 9.2.1 to 9.2.3 allows for systematic exploration of the entire tenement package to effectively define the potential of the tenements and identify potential targets for follow up exploration using appropriate geological, geochemical and geophysical methods. Implementing the full surface exploration work program allows for the majority of funds raised in the IPO to be used to advance the entire tenement holding through to a drill ready status by the end of year 2, with working capital available for implementing advanced exploration.

It is Andean Mining's intention to commence drilling at the Sabana Blanca prospect on the grant of environmental approvals. The exploration budget for the minimum raising provides for approximately 6,000m of diamond drilling. The exploration budget for the maximum raising provides for approximately 9,700m of diamond drilling.

Implementing this drilling program will draw funding away from the surface exploration program, requiring the postponement of much of the focussed assessment and target definition components of the planned surface exploration program outlined in Sections 9.2.2 and 9.2.3. Indeport considers this flexible approach to budget allocation is appropriate.

Indeport considers that the proposed exploration budget is consistent with the mineral potential and status of the El Dovio project. The proposed expenditure is sufficient to meet the costs of the exploration programs proposed and to meet statutory tenement expenditure requirements.



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#### 11. **GLOSSARY**

Volcanic rock type comprising masses of angular volcanic fragments. agglomerate

andesite Fine-grained volcanic rock composed of andesine feldspar and mafic minerals. anomaly

Area of higher exploration results than the local background level indicating

potential mineralisation.

aphyric Texture of volcanic rocks - having few or no phenocrysts, ie not porphyritic. argillic Type of hydrothermal alteration of wall rock which introduces clay minerals including kaolinite, smectite and illite which occurs at low temperatures.

assav The testing and quantification metals of interest within a sample.

autochthonous Tectonic geology term where a large block of crust is in the place of its original

formation relative to its basement, rather than faulted into position.

batholith Massive igneous intrusion extending into the earth's crust.

breccia Fragmented rock with angular components.

Cenozoic Youngest geologic time period - rocks younger than 66 million years (Ma).

Copper iron sulphide mineral (CuFeS<sub>2</sub>). chalcopyrite

comminution The breaking, crushing and grinding of rock material to form smaller particles. Pulversised ore minerals output from a mill via a metallurgical process, which is concentrate

transported to a smelter/refinery for purification to metal/s.

carbonate Rock or mineral dominated by the carbonate ion (CO2-3), with calcium,

magnesium or iron and carbon and oxygen; eg limestone and marble.

colloform Rock texture with a rounded, fine banding formed by rhythmic precipitation. Complex An intricate assemblage of geological units, typically in metamorphic or igneous

terranes

Cretaceous Geologic time period - rocks younger than 146 Ma to older than 66 Ma.

Mineral deposit - a natural concentration of metallic minerals in the earth's crust. deposit

Drilling method employing a (industrial) diamond encrusted drill bit for diamond drilling

retrieving a cylindrical core of rock.

dolerite Mafic, holocrystalline, subvolcanic rock equivalent to volcanic basalt or plutonic

gabbro; known as diabase in North America.

dykes A tabular body of intrusive igneous rock, crosscutting the host strata at a high

Eocene Geologic time epoch - rocks younger than 56 Ma to older than 34 Ma.

epithermal Category of hydrothermal mineralisation formed at shallow to intermediate

crustal depths at 50-300°C under low pressure.

Volcanic process where hydrothermal fluids are discharged at the bottom of the exhalative

sea or immediately below the surface in the form of black smokers.

fault A zone of structural dislocation, along which rock masses have moved past each other during crustal deformation, resulting in crushed rock, veining and breccia.

felsic Igneous rocks with a large percentage of light-coloured minerals such as quartz, feldspar, and muscovite. It is contrasted with mafic rocks, which are relatively

richer in magnesium and iron.

flotation Metallurgical process involving the separation of suphide minerals from lighter

minerals using frothing agents to form a concentrate of valuable metal sulphides.

Pertaining to the formation of mineral deposits through specific geological genetic

processes such as hydrothermal alteration or igneous activity.

geochemical Exploration techniques involving the analysis of the chemical composition of

geologic materials usually to low and precise concentrations.

geophysical Exploration methods which measure the physical properties of a rock mass such

as density (gravity), magnetism, resistivity (IP), conductivity (EM).

Independent Technical Assessment Report - El Dovio Project - by Indeport



greywacke Hard, dark-coloured, sandstone composed of poorly sorted angular grains of

quartz, feldspar and rock fragments set in a clay matrix.

Geophysical survey method using a hand-held magnetometer to record the ground magnetic

strength of the earth's magnetic field, usually along a grid.

A type of volcanic rock containing glassy clasts, which form during volcanic hyaloclastite

eruptions under water.

Rock that has formed from molten rock or magma by cooling and solidified. igneous intermontane A wide valley between mountain ranges that is partly filled with alluvium. intrusive Any igneous rock formed by intrusion and cooling of hot liquid rock below the

earth's surface.

Iurassic Geologic time period - rocks younger than 210 Ma to older than 145 Ma. lithology

The description of a rock unit's physical characteristics visible in hand or core samples, such as colour texture grain-size and composition.

lode A body of metalliferous mineralisation formed in a lens or vein.

mafic Igneous rock composed dominantly of dark coloured minerals such as amphibole

pyroxene and olivine, generally rich in magnesium and iron.

magmatic Derived from or associated with magma. Magma is a complex high-temperature  $\,$ 

fluid substance present within the earth, which on cooling forms igneous rocks.

magnetite A mineral comprising iron and oxygen which commonly exhibits magnetic

properties.

metamorphic

A geological breccia of large-scale formed above a subduction zone environment. melange metallogenic The study of the genesis and regional distribution of mineral deposits, and their relationship in space and time to regional tectonic features of the Earth's crust.

A rock that has been altered by metamorphism from a pre-existing igneous or

sedimentary rock type.

metamorphism Alteration of the minerals, textures and composition of a rock caused by exposure

to severe heat, pressure and chemical actions.

Mineral Resource That portion of a mineral deposit for which there are reasonable prospects for

eventual economic extraction.

mineralisation Rock which contains elevated levels of an economically important metal(s) or the

geologic process which causes a rock to have a high content of metal(s).

Miocene Geologic time epoch – rocks younger than 23 Ma to older than 5.3 Ma. obducted

The overthrusting of continental crust by oceanic crust or mantle rocks at a

convergent plate boundary.

Ore Reserve The economically mineable part of a Mineral Resource. A visible exposure of bedrock on the surface of the Earth. outcrop

Geologic time epoch - rocks younger than 66 Ma to older than 55 Ma. Palaeocene

A very gently sloping (1°-7°) inclined bedrock surface. pediment

plate Pieces of Earth's crust and uppermost mantle (lithosphere) around 100 km thick

which are mobile in geological time, causing many geological processes.

pluton Body of intrusive igneous rock, typically several kilometres in dimension.

propylitic Type of alteration of rock, caused by iron and magnesium bearing hydrothermal

fluids, altering biotite or amphibole within the rock groundmass.

pyrite Iron sulphide mineral (FeS2).

Iron sulphide mineral with the formula Fe(1-x)S(x = 0 to 0.2); it is weakly pyrrhotite

magnetic.

Common mineral composed of crystalline silica, with chemical formula  $SiO_2$ . auartz Geological material sitting above bedrock including soil, transported cover, regolith

laterite, hardpan and weathered rock.

In situ mineral occurrence from which valuable or useful minerals may be resource

recovered.

continued

sedimentary A term describing a rock formed from sediment.

sericitic Type of rock alteration (sericitisation) caused by hydrothermal fluids where

plagioclase feldspar is altered to fine white mica (sericite).

sequence Group of rock formations formed in a time sequence and now layered atop each

other.

soil sampling The collection of soil specimens for mineral analysis.

sphalerite Zinc iron sulphide mineral (Zn, Fe)S.

strata Sedimentary rock layers.

statiform The arrangement of mineral deposit in strata or layers.

stratigraphic Pertaining to the composition, sequence and correlation of stratified rocks.

strike Horizontal direction or trend of a geological strata or structure.

stringer Zone of a VMS deposit characterised by vein-hosted sulfides (chalcopyrite, pyrite,

and pyrrhotite) with quartz, chlorite and lesser carbonates and barite; which is overlain by a mound of massive exhalites, and flanked by stratiform exhalative

sulfides known as the apron.

structural Pertaining to rock deformation or to features that result from it.

subduction Geological process at convergent boundaries in which an oceanic lithospheric

plate dives beneath another plate and sinks into the Earth's mantle.

 $\label{tectonic} \mbox{Forces or movements resulting in the formation of geologic structural features}.$ 

tenement Area of land over which the rights to explore for minerals and/or undertake

mining have been granted.

tenements For the El Dovio project this term refers to Concession Contracts IEH-08401 and

IEH-08441.

tenure General term for areas of land over which the rights to explore for minerals

and/or undertake mining have been granted or under application.

terrane Any rock formation or series of formations or the area in which a particular

 $formation\ or\ group\ of\ rocks\ is\ predominant.$ 

tholeitic Type of mafic volcanic of a unique geochemistry which are formed at mid-ocean

ridges, back-arc basins, oceanic islands formed by hotspots, island arcs and

continental large igneous provinces.

tuff Rock made of volcanic ash ejected from a vent during a volcanic eruption.

thrust Type of fault, where the upper block is thrust over the top of the lower block.

Thrust faults are at low angles (to horizontal) when initially formed.

ultramafic Igneous and meta-igneous rocks composed of greater than 90% mafic minerals

with very high magnesium and iron content, very low silica and potassium

content.

unconformity Buried erosional or non-depositional surface separating two rock masses or

strata of different ages, indicating that sediment deposition was not continuous.

volcanics Rocks formed or derived from volcanic activity.

wireframe A digital representation of a 3D surface/solid created in geological software by

linking sample points from drill hole to drill hole.



### 11.1 List of Abbreviations

3D Three-dimensional

Ag Silver As Arsenio

ASX Australian Securities Exchange

Au Gold

AuEq Gold equivalent

Cu Copper

CuEq Copper equivalent

DHEM Down hole electromagnetic (geophysical survey method)

g/t Grams per tonne

ICP Inductively coupled plasma (-OES = optical emission spectrometry; -MS = mass spectrometry)

ITAR Independent Technical Assessment Report

IP-DAS Induced polarisation - distributed acquisition system

JORC Joint Ore Reserves Committee

JORC Code 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources

and Ore Reserves

k Thousand(s) km Kilometre(s) km² Square kilometre(s)

m Metre(s)
M Million(s)

Ma Mega annum - 1 million years ago

MAIG Member of the Australian Institute of Geoscientists

MMI Mobile Metal Ion

NI 43-101 National Instrument 43-101

oz Ounce (Troy ounce - measure of weight)
QAQC Quality assurance quality control

SEDAR System for Electronic Document Analysis and Retrieval (of Canadian Securities Administrators)

t Tonne(s)

TMI Total magnetic intensity
TSX Toronto Securities Exchange
TSX-V TSX Venture Exchange

VMS Volcanogenic massive sulphide (mineral deposit classification)

VALMIN Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities

for Independent Expert Reports

XRD X-ray diffraction (analytical method)

Zn Zinc

# Annexure B Independent Technical Assessment Report

continued

### **Appendix 1: Exploration Results**

### Appendix 1-A: Table of Drillhole Collar Details - El Dovio Project

HOLE ID	HOLE	TOTAL	EAST	NORTH	RL	DIP	AZIM	YEAR	ZONE	Description of
	TYPE	DEPTH	m	m	m	deg	deg			Collar Location
		m								
1360-01	DDH	34.0	347488.7	501531.2	1361.8	-54.0	270.0	2014	SB	adit portal
1360-02	DDH	45.5	347476.9	501537.6	1361.8	-60.0	173.0	2014	SB	adit/first cross cut
1360-03	DDH	29.9	347476.9	501537.6	1361.8	-50.0	173.0	2014	SB	adit/first cross cut
BR14-01	DDH	98.0	347586.7	501665.8	1374.2	-43.0	55.1	2014	BR	Brazo 1
BR14-02	DDH	70.0	347586.7	501665.8	1374.2	-70.8	54.6	2014	BR	Brazo 1
D13-01	DDH	184.8	347531.9	501568.9	1404.9	-60.0	221.6	2013	SB	60m NW of adit
D13-01A	DDH	151.0	347531.9	501568.9	1404.9	-46.2	235.0	2013	SB	60m NW of adit
D13-02	DDH	190.0	347531.9	501568.9	1404.9	-45.8	208.4	2013	SB	60m NW of adit
D13-03	DDH	180.0	347531.9	501568.9	1404.9	-55.5	207.3	2013	SB	60m NW of adit
D13-04	DDH	109.0	347531.9	501568.9	1404.9	-45.8	200.3	2013	SB	60m NW of adit
D13-05	DDH	100.0	347531.9	501568.9	1404.9	-44.7	216.8	2013	SB	60m NW of adit
D13-06	DDH	100.0	347525.8	501479.2	1364.7	-45.1	334.7	2013	SB	60m NW of adit
D13-07	DDH	90.0	347525.8	501479.2	1364.7	-60.0	333.7	2013	SB	60m NW of adit
D13-08	DDH	97.0	347525.8	501479.2	1364.7	-77.3	345.0	2013	SB	60m NW of adit
D13-09	DDH	150.0	347668.3	501523.1	1356.5	-41.5	317.3	2013	SBC	175m east of adit
D13-10	DDH	130.3	347668.3	501523.1	1356.5	-59.7	316.7	2013	SBC	175m east of adit
P1	DDH	44.5	347543.0	501525.1	1381.1	-73.0	350.0	1991	SB	near adit
P2	DDH	55.0	347598.9	501528.0	1348.6	-60.0	0.0	1991	SB	near adit
P4	DDH	55.0	347495.0	501529.0	1362.0	-60.0	350.0	1991	SB	near adit
P5	DDH	85.3	347510.6	501459.2	1349.9	-60.0	20.0	1991	SB	near adit
P6	DDH	114.4	347503.6	501471.5	1350.4	-60.0	349.0	1991	SB	near adit
P7	DDH	101.5	347505.7	501428.2	1336.8	-60.0	40.0	1991	SB	near adit
P8	DDH	90.0	347605.2	501505.1	1337.0	-45.0	44.0	1991	SB	near adit
SB14-01	DDH	109.0	347535.8	501438.8	1338.7	-45.5	332.0	2014	SB	105m SE of adit
SB14-02	DDH	100.0	347535.8	501438.8	1338.7	-69.8	329.8	2014	SB	105m SE of adit
SB14-03	DDH	145.0	347535.8	501438.8	1338.7	-89.5	215.9	2014	SB	105m SE of adit
SB14-04	DDH	113.0	347535.8	501438.8	1338.7	-54.3	313.8	2014	SB	105m SE of adit
SB14-05	DDH	169.0	347535.8	501438.8	1338.7	-75.4	134.7	2014	SB	105m SE of adit
SBC14-01	DDH	100.0	347574.0	501556.6	1377.0	-44.2	79.4	2014	SBC	90m east of adit
SBC14-02	DDH	97.0	347574.0	501556.6	1377.0	-50.3	79.6	2014	SBC	90m east of adit

Notes: DDH=diamond drillhole; Grid system - Gauss Western Origin Flat Coordinate System, Datum Bogota; DIP – angle from horizontal; AZIM – azimuth from grid north; YEAR – year hole drilled; ZONE – prospect (abbreviations are: SB=Sabana Blanca, SBC=Sabana Blanca Creek, BR=Brazo 1); adit – refers to the portal of the Sabana Blanca adit.



### **Appendix 1-B: Table of Significant Drillhole Intersections**

(>1.0g/t AuEq, minimum width 2.0m, maximum 4m internal waste)

			1		1	1	1	I	1	
HOLE ID	FROM	то	INT	Au	Cu	Zn	Ag	AuEq	CuEq	S
	m	m	m	g/t	%	%	g/t	g/t	%	%
1360_01	0.0	16.7	16.7	2.39	1.11	0.49	6.2	4.0	3.5	3.57
1360_01	26.9	29.8	2.9	2.74	0.04	0.51	6.2	3.1	2.7	3.45
1360_02	0.0	27.5	27.5	2.30	0.20	0.90	6.2	2.5	2.2	5.11
1360_03	0.0	20.5	20.5	1.50	0.10	0.60	12.6	1.7	1.2	3.50
D13_01A	27.0	30.0	3.0	2.71	0.05	0.14	2.1	2.9	2.5	0.33
D13_01A	75.6	85.3	9.7	3.86	0.62	1.07	6.3	5.1	4.5	4.22
D13_01A	114.8	119.1	4.4	9.56	0.01	0.85	6.8	10.0	8.7	2.29
D13_02	47.5	53.5	6.0	1.51	0.17	0.07	1.8	1.8	1.5	0.82
D13_02	77.5	92.9	15.4	3.43	3.59	0.40	17.9	8.0	7.0	5.39
D13_03	109.5	112.5	3.0	1.41	0.01	0.06	2.1	1.5	1.3	0.71
D13_04	71.0	82.0	11.0	2.62	0.75	0.22	6.4	3.7	3.2	3.71
D13_04	93.0	100.6	7.6	1.09	4.39	0.29	16.2	6.6	5.7	6.05
D13_05	86.5	93.4	6.9	5.86	5.89	1.28	34.3	13.7	12.1	7.49
D13_06	49.6	56.9	7.3	2.39	1.37	1.02	6.4	4.5	3.9	3.93
D13_07	37.7	56.3	18.6	1.58	1.32	0.65	6.7	3.5	3.0	3.24
D13_07	69.0	71.0	2.0	3.48	0.03	0.36	5.1	3.7	3.2	1.50
D13_08	55.5	64.5	9.0	1.43	0.81	0.41	4.7	2.6	2.3	2.44
D13_08	69.5	72.5	3.0	3.88	0.63	1.15	5.5	5.2	4.5	5.46
P2	31.2	34.5	3.4	3.26	0.94	0.61	14.1	4.8	4.2	0.00
P4	38.8	42.9	4.1	9.27	1.33	4.51	25.8	13.1	11.5	0.00
P5	63.9	66.8	2.9	1.80	1.45	1.68	19.0	4.5	4.0	0.00
P7	88.0	90.6	2.6	2.59	4.17	1.36	15.4	8.3	7.2	0.00
SB14_02	17.0	22.0	5.0	0.52	0.22	4.04	5.0	2.6	2.3	3.94
SB14_03	53.5	58.0	4.5	1.67	0.58	0.71	7.0	2.8	2.4	2.83
SB14_03	73.6	79.5	5.9	0.77	0.23	0.24	3.3	1.2	1.1	6.00
SBC14_01	61.0	64.0	3.0	8.02	0.82	0.47	4.9	9.3	8.0	2.60
SBC14_02	34.0	40.8	6.8	1.10	2.73	0.12	10.8	4.5	3.9	4.63
SBC14_02	56.9	61.7	4.8	2.14	1.05	1.48	7.5	4.1	3.6	5.67

Notes: Significant Intercepts calculated from consecutive downhole samples for which the length-weighted average grade exceeded 1.0g/t gold equivalent (AuEq) for greater than 2m downhole. An internal dilution constraint of 4m was applied.

 $\textit{Gold equivalent (AuEq) was calculated for each sample from the gold, copper, zinc and silver \textit{grades using the formula:} \\$ 

 $AuEq = (Au \times 1) + (Cu \times 1.1673) + (Zn \times 0.4386) + (Ag \times 0.0127)$ 

 $CuEq = (Au \times 0.8567) + (Cu \times 1) + (Zn \times 0.3758) + (Ag \times 0.0109)$ 

Equivalency calculations are included to more clearly present the approximate value of the high grade polymetallic mineralisation at El Dovio. 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. One troy ounce contains approximately 31.104 grams and one percent equals approximately 22 pounds per metric tonne.

All portions of drillholes not present in the above table were either not sampled and analysed, barren or low grade (not meeting the minimum specification of 1.0g/t gold equivalent (AuEq) for greater than 2m downhole.

There are 6 drillholes for which there are no analytical results in the project database: BR14\_02, P1, P6, P8, SB14\_04, SB14\_05.

Independent Technical Assessment Report – El Dovio Project

Appendix 1

# Annexure B Independent Technical Assessment Report

continued

### Appendix 1-C: Table of Selected High Grade Drillhole Intersections

### (>4.0g/t AuEq, minimum width 2.0m, maximum 2m internal waste)

HOLE ID	FROM m	TO m	INT m	Au g/t	Cu %	Zn %	Ag g/t	AuEq g/t	CuEq %	\$ %
1360_01	0	5.3	5.3	4.34	3.23	0.43	11.34	8.45	7.33	6.75
1360_02	4.3	10.34	6.04	7.87	0.84	3.73	18.24	10.72	9.19	8.66
1360_03	4.4	9.4	5	3.71	0.29	1.94	11.42	5.04	4.32	6.31
D13_02	77.5	83.5	6.0	3.18	1.90	0.65	12.62	5.84	5.11	5.43
D13_02	85.25	91.9	6.65	4.79	6.56	0.29	28.36	12.94	11.31	7.19
D13_04	72	77.1	5.1	4.08	1.38	0.36	11.12	5.98	5.21	5.67
D13_04	93	99.3	6.3	1.05	5.29	0.32	19.03	7.61	6.67	7.09
D13_05	87.35	92.3	4.95	7.47	7.71	1.70	44.27	17.78	15.59	9.35
D13_06	54.5	56.9	2.4	3.90	4.00	2.26	15.60	9.75	8.48	7.79
D13_07	50	56.25	6.25	1.97	3.79	1.11	16.42	7.10	6.21	7.60
D13_08	55.5	59.5	4.0	2.81	1.75	0.82	9.80	5.33	4.65	4.99



### **Appendix 1-D: Table of Significant Channel Sample Results**

### (>1.0g/t AuEq)

Longth	A.,	Cu	7,,	Λα	AuEa	CuEa	c	Facting	Northing	DI
Length	Au a/t	Cu %	Zn 0/-	Ag	AuEq	CuEq %	S 0/-	Easting	Northing	RL m
m	g/t		%	g/t	g/t	90.43	%	m	m	m
1.22	104.5	0.06	1.15	21.7	105.35		7.37	347618.7	501570.5	1340.1
1.24	70.59	0.24	0.08	50.9	71.55	61.71	0.23	347470.0	501544.9	1379.6
1.13	41.2	14.85	0.05	98	59.8	52.03	7.62	347493.0	501527.1	1360.7
1.31	34.1	14.8	0.05	64.8	52.22	45.26	7	347486.2	501531.9	1362.5
1.59	46	0.19	0.58	9.1	46.59	39.99	1.32	347617.8	501570.9	1340.8
1.03	45.45	0.08	0.14	30.5	45.99	39.65	0.41	347471.0	501544.4	1379.3
0.57	40.6	0.52	8.38	27.2	45.23	38.97	9.22	347472.5	501535.7	1362.1
1.36	23.92	10.72	0.22	42.3	37.07	32.1	6.29	347498.7	501527.5	1360.8
1.16	36	0.06	0.82	12.6	36.59	31.45	3.2	347472.9	501545.5	1362.2
0.99	22.2	10.65	0.96	46.3	35.64	30.91	9.64	347480.6	501534.1	1362.5
0.89	21.2	10.24	0.22	50.5	33.89	29.44	10	347481.1	501535.1	1370.4
0.97	23.94	3.11	4.86	32.9	30.12	26.07	9.83	347485.4	501533.2	1369.8
1.03	23.94	3.11	4.86	32.9	30.12	26.07	9.83	347513.4	501532.4	1384.1
1.03	10.15	14.5	0.03	35.7	27.54	23.89	4.13	347498.9	501522.8	1361.6
1.1	21.6	4.7	0.28	25.7	27.54	23.8	10	347498.7	501533.4	1371.0
1.21	25.4	0.53	0.68	13.1	26.48	22.79	3.71	347619.3	501569.7	1339.8
1.17	24.75	0.02	2.97	18	26.3	22.68	3.09	347641.3	501685.9	1382.5
2.73	22.5	2.39	1.3	21.4	26.13	22.56	7.4	347478.8	501536.8	1364.0
1.18	14.25	7.01	1.18	51.3	23.6	20.64	8	347488.0	501532.0	1367.6
0.95	22.5	0.15	0.3	11.6	22.95	19.76	2.91	347619.9	501550.5	1340.5
0.89	21.6	0.14	2.06	13.8	22.84	19.68	3.14	347460.0	501544.6	1362.2
1.01	14.45	6.37	0.41	46	22.65	19.78	6.7	347487.1	501531.6	1367.4
0.95	14.1	6.37	1.23	26.8	22.42	19.42	6.44	347487.1	501531.4	1362.2
1.53	20.76	0.12	0.29	14.6	21.21	18.29	0.8	347472.0	501543.9	1379.2
1.09	18.87	0.67	2.55	20	21.02	18.17	3.73	347486.4	501533.2	1369.6
0.96	10.55	8.13	0.56	26.4	20.62	17.88	10	347489.7	501531.0	1360.9
1.5	17.87	1.17	0.27	16.1	19.56	16.89	2.18	347508.9	501543.1	1387.7
1.19	8.92	8.68	0.2	29.5	19.51	16.96	8.77	347485.3	501532.1	1362.3
1.09	5.75	11.2	0.02	35.2	19.28	16.8	4.09	347497.7	501522.4	1360.6
1.05	15.8	0.4	5.75	17.7	19.01	16.43	5.46	347459.1	501544.5	1362.1
1.63	13.3	4.36	0.75	21.1	18.99	16.44	7.79	347481.4	501535.1	1364.1
1.9	13.9	2.77	3.64	17.6	18.95	16.38	9.66	347479.6	501536.1	1363.9
0.5	10.7	6.07	0.54	42.6	18.56	16.25	10	347492.6	501527.9	1360.7
1.06	15	0.37	5.95	13.7	18.22	15.72	10	347478.9	501535.1	1362.6
1.2	6.53	8.18	0.11	59.5	16.88	14.95	7.85	347613.3	501630.9	1357.1
0.95	10.42	3.7	3.12	37.8	16.59	14.52	6.89	347484.4	501533.3	1369.9
0.98	14.45	0.06	2.4	13.7	15.75	13.6	3.66	347455.6	501541.5	1362.6
1.41	11.61	3.38	0.06	8.8	15.69	13.52	0.02	347511.7	501520.5	1387.4
0.76	9.8	2.58	5.46	30.2	15.59	13.6	9.86	347482.6	501533.9	1371.3
1.04	10.02	1.89	6.4	24.8	15.35	13.35	9.61	347482.6	501533.9	1371.0
1.37	13.67	0.89	0.21	7.2	14.89	12.82	1.12	347508.6	501544.1	1387.3
1.15	6.83	6.31	0.02	40.8	14.72	12.94	9.5	347498.5	501521.8	1361.6
0.99	8.58	4.83	0.34	21.1	14.64	12.71	10	347481.6	501533.8	1362.6
1.02	7.48	5.59	0.52	16.2	14.44	12.5	6.69	347498.3	501523.2	1360.6
1.15	12	1.79	0.03	13.3	14.27	12.33	1.21	347605.6	501559.4	1357.8
1.2	5.93	6.48	0.09	44.5	14.1	12.44	6.46	347613.2	501631.0	1357.1
1.4	11.05	2.13	0.37	9.4	13.82	11.91	3.69	347500.3	501529.3	1362.1
0.98	11.3	1.1	1.86	18.2	13.63	11.83	8.45	347488.0	501531.0	1362.5
1.56	6.9	5.34	0.08	25	13.49	11.76	5.86	347487.5	501532.2	1364.0
1.02	0.76	10.2	0.02	58.8	13.42	11.98	4.32	347600.8	501553.5	1358.3
0.99	7.34	4.34	0.11	20.7	12.72	11.06	4.77	347491.6	501531.2	1361.8
1.63	6.02	5.39	0.26	19.4	12.67	11.01	7.67	347489.0	501531.3	1361.1
1.13	5.18	5.69	0.66	38.5	12.6	11.11	7.4	347496.7	501529.7	1361.9
2.86	6.96	3.88	1.91	7.1	12.42	10.7	4.82	347477.7	501536.4	1373.4
1.08	0.22	9.51	0.03	45.9	11.92	10.58	4.39	347600.1	501552.8	1358.5
0.97	0.56	8.58	0.01	78.4	11.58	10.55	4.66	347601.5	501554.1	1358.3

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Appendix 1

# **Annexure B** Independent Technical Assessment Report

continued

Length	Au	Cu	Zn	Ag	AuEq	CuEq	S	Easting	Northing	RL
m	g/t	%	%	g/t	g/t	%	%	m	m	m
1.02	7.07	3.39	0.07	4.2	11.11	9.55	0.02	347512.4	501519.8	1386.9
0.83	10.1	0.1	1.54	9.6	11.01	9.51	4.35	347464.8	501544.4	1362.1
1.27	10.55	0.15	0.32	9.7	10.99	9.49	1.02	347609.0	501579.8	1348.4
1.06	9.95	0.33	0.96	8	10.86	9.37	1.7	347620.3	501556.7	1341.6
2.09	7.2	1.96	2.36	16.2	10.73	9.32	6.4	347477.1	501537.2	1364.3
1.33	6.52	2.27	1.85	29.8	10.36	9.12	9.52	347489.1	501529.3	1362.1
1.52	5.51	2.82	1.75	59.9	10.33	9.34	10	347492.0	501528.6	1360.8
0.72	5.17	3.85	0.24	25.6	10.09	8.86	5.79	347495.5	501529.9	1361.9
0.99	5.37	1.38	6.31	18.3	9.98	8.7	7.73	347483.4	501533.5	1370.0
2.96	4.58	4.37	0.09	15.8	9.92	8.63	5.7	347486.0	501533.2	1364.2
2.03	9.27	0.38	0.04	12.2	9.89	8.57	0.23	347543.9	501534.0	1381.2
1.08	2.18	5.99	0.24	37.1	9.75	8.65	7.1	347611.9	501629.5	1357.2
1.18	1.06	6.74	1.37	6.8	9.61	8.29	3.76	347481.8	501533.9	1370.3
0.99	0.25	7.63	0.02	32.6	9.58	8.47	4.62	347603.4	501556.0	1358.1
1.79	5.36	2.39	1.87	16.1	9.17	7.99	9.12	347489.0	501531.7	1362.7
1.13	4.87	3.25	0.17	30.4	9.12	8.06	6	347503.6	501518.8	1360.0
1.04	5.36	1.42	4.4	10.1	9.08	7.86	10	347479.7	501534.5	1362.5
1.23	7.09	1.07	1.2	12.8	9.03	7.84	3.44	347481.8	501534.4	1371.4
0.98	4.16	0.36	9.66	8.4	8.92	7.71	8.04	347471.7	501535.4	1362.5
1.11	2.54	5.06	0.11	20.9	8.76	7.67	6	347503.8	501520.9	1360.1
1.08	2.54	5.06	0.11	20.9	8.76	7.67	6	347496.3	501520.8	1360.3
0.93	6.98	0.08	3.27	6.5	8.59	7.41	3	347600.6	501586.3	1357.4
1.08	5.27	1.28	3.69	15.8	8.58	7.48	10	347491.1	501529.5	1360.9
4.07	6.89	1.09	0.47	9.1	8.48	7.34	4.12	347621.3	501569.0	1337.6
1.15	6.53	0.74	2.1	9.9	8.44	7.31	6.29	347488.7	501530.3	1362.0
0.85	8.04	0.15	0.19	4.7	8.36	7.2	0.17	347218.6	501073.4	1354.5
0.91	5.9	2	0.07	3.2	8.31	7.14	0.02	347509.9	501521.4	1386.4
0.94	7.87	0.03	0.6	3.7	8.22	7.07	2.51	347474.3	501546.5	1361.9
1.01	4.66	2.09	1.89	17.6	8.15	7.13	10	347490.4	501530.3	1360.8
1	5.73	1.88	0.05	15.2	8.14	7.1	5	347503.5	501519.9	1360.1
1.28	5.36	1.59	1.28	11.4	7.92	6.88	5.82	347478.8	501536.4	1372.0
1.38	3.69	2.41	2.42	15.5	7.76	6.78	8.85	347477.0	501536.6	1373.1
0.99	0.77	4.54	2.7	34.9	7.7	6.88	10	347619.5	501562.1	1342.8
2.07	4.25	2.72	0.06	1.6	7.47	6.41	0.02	347509.3	501523.1	1387.4
1.05	7.03	0.1	0.28	2	7.29	6.27	1.61	347607.9	501581.1	1349.4
1.03	3.38	2.52	0.72	24.8	6.95	6.16	6	347600.2	501588.1	1357.3
2.13	6.39	0.37	0.03	7.5	6.93	6	0.09	347544.8	501535.9	1381.3
0.99	5.93	0.16	1.66	5.4	6.91	5.97	5.22	347461.0	501544.4	1362.5
0.99	3.59 4.09	2.76 2.15	0.08	2.2 3.7	6.87	5.91 5.74	0.02	347507.8	501558.0	1389.4
1.31					6.66	5.74	0.14	347510.5	501527.0	1383.9
	5.96 4.88	0.03	1.25 1.52	5.6	6.61	5.71	3.12 2.78	347455.0	501542.5 501533.4	1363.4
1.1	4.88 6.1	0.79	0.75	10.4 5	6.6 6.57	5.74	2.78	347487.4 347468.4	501533.4 501545.1	1369.6 1379.9
0.95	5.92	0.07	0.75	4	6.49	5.67	5.8	347468.4	501545.1	13/9.9
0.95	0.42	4.82	0.95	22.9	6.35	5.62	3.51	347474.5	501543.1	1358.2
0.76	2.16	3.5	0.02	22.9	6.31	5.62	0.04	347502.1	501554.8	1358.2
1.08	5.96	0.02	0.09	6	6.31	5.45	2.39	347472.2	501521.1	1362.5
1.03	0.27	4.57	0.01	22.6	5.9	5.23	2.39	347605.3	501546.4	1357.9
1.03	1.08	3.1	1.81	24.6	5.9	5.23	7	347600.3	501558.5	1357.9
1.74	3.64	1.63	0.24	7.9	5.75	4.99	4.03	347483.9	501533.8	1364.1
1.74	4.45	0.7	0.45	15.6	5.66	4.98	3.6	347458.4	501333.8	1334.4
2.29	5.16	0.04	0.43	4.4	5.63	4.86	2.9	347458.8	501545.8	1363.6
1.17	3.35	1.61	0.83	20.8	5.56	4.80	6.3	347486.2	501543.8	1367.2
1.29	5.24	0.09	0.10	7.9	5.56	4.82	0.72	347599.3	501551.1	1358.3
1.93	4.2	0.03	1.7	8.2	5.48	4.76	5	347473.1	501532.3	1362.7
2.14	5.13	0.02	0.52	7.8	5.48	4.76	2.73	347453.1	501530.5	1363.4
1.2	0.68	3.69	0.32	23.6	5.34	4.77	4.77	347619.8	501568.7	1339.8
0.93	0.13	4.13	0.08	27.3	5.33	4.79	5.38	347015.8	501002.1	1358.1
1.21	4.41	0.08	1.71	4.1	5.31	4.58	4.93	347466.8	501544.9	1362.1
1.05	2.35	2.47	0.06	3	5.3	4.56	0.09	347513.5	501533.3	1384.1
			1		10		1 2.05	1 525.5		

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Appendix 1



Length	Au	Cu	Zn	Ag	AuEq	CuEq	S	Easting	Northing	RL
m	g/t	%	%	g/t	g/t	%	%	m	m	m
1.03	2.76	1.96	0.08	12.6	5.24	4.59	3.04	347498.4	501529.0	1362.6
1.62	4.86	0.05	0.55	3.3	5.2	4.48	2.93	347460.6	501545.6	1363.7
1.35	4.7	0.24	0.1	3.5	5.07	4.37	0.09	347609.9	501579.5	1348.0
1.09	4.76	0.08	0.4	3	5.07	4.37	1	347600.0	501591.7	1356.8
0.98	3.58	0.23	2.43	6.1	4.99	4.33	6.87	347465.8	501544.5	1362.3
1.28	2.05	2.4	0.04	8.7	4.98	4.34	0.11	347511.1	501527.8	1384.8
1.2	2.86	1.39	0.64	11.9	4.91	4.31	2.25	347499.1	501524.0	1360.6
1.23	1.14	3.15	0.09	1.1	4.87	4.18	0.01	347510.7	501521.3	1386.5
0.94	0.42	1.11	6.75	14.8	4.86	4.29	10	347479.0	501537.5	1361.9
1.09	3.9	0.54	0.12	20.9	4.85	4.32	10	347614.4	501541.6	1341.6
1.07	4.25	0.15	0.74	6.1	4.83	4.18	2.45	347615.6	501571.1	1344.9
0.73	0.08	3.86	0.03	17.8	4.82	4.28	4.45	347227.2	501092.6	1361.3
1.63	2.96	1.34	0.4	6.3	4.78	4.15	5.97	347481.3	501536.2	1362.1
1.1	4.53	0.02	0.33	6.9	4.78	4.15	3.28	347631.8	501667.4	1365.2
0.96	4.43	0.04	0.44	5.1	4.73	4.1	2	347599.9	501589.1	1357.4
1.6	4.17	0.11	0.76	6.6	4.72	4.09	3.82	347475.5	501543.0	1363.2
0.78	1.17	2.63	0.39	15.6	4.61	4.08	4.07	347497.3	501529.0	1362.0
1.51	2.11	1.79	0.22	20.6	4.56	4.07	3	347599.7	501592.8	1357.0
1.2	0.99	2.76	0.09	22.5	4.54	4.07	2.43	347613.9	501631.9	1357.2
0.98	1.68	2.25	0.06	13.3	4.5	3.96	2	347504.4	501521.7	1360.1
0.51	1.72	1.91	0.48	20.9	4.43	3.96	4.13	347226.3	501090.6	1362.1
1.32	3.91	0.35	0.02	7.5	4.42	3.85	0.31	347565.7	501532.5	1364.7
1.68	2.15	1.9	0.03	3.2	4.42	3.81	0.05	347509.4	501522.1	1387.3
0.94	1.22	2.57	0.38	1.7	4.41	3.79	3.09	347480.5	501535.8	1370.8
0.96	0.23	3.32	0.09	19.2	4.39	3.92	4.59	347227.4	501094.8	1357.3
1.65	0.25	3.29	0.11	19.4	4.39	3.91	6.4	347619.3	501566.9	1342.5
1.01	3.99	0.08	0.48	4	4.34	3.75	2	347495.2	501526.2	1362.1
0.93	3.75	0.25	0.28	8.7	4.28	3.73	2.48	347456.8	501400.7	1336.5
0.96	3.72	0.05	0.93	6.6	4.27	3.71	3.84	347451.1	501542.6	1362.7
0.78	1.93	1.52	0.79	9.7	4.17	3.65	5	347498.1	501534.2	1371.5
1.36	3.88	0.07	0.34	4.2	4.16	3.6	2	347599.7	501590.8	1357.3
1.08	3.07	0.36	1.31	6.8	4.15	3.61	4.65	347488.8	501532.4	1368.0
0.92	3.21	0.32	1.19	3.3	4.15	3.58	3.4	347228.3	501094.8	1360.4
0.99	3.75	0.2	0.06	9.6	4.13	3.62	1.31	347614.9	501542.4	1341.4
0.84	3.86	0.03	0.41	1.7	4.1	3.52	3.06	347615.7	501571.9	1343.2
0.95	1.77	1.42	1.34	3.5	4.06	3.51	3.9	347476.1	501536.8	1373.2
1.44	3.81	0.02	0.41	1.4	4.03	3.46	1.69	347473.7	501546.2	1363.2
0.97	3.11	0.04	1.67	10.2	4.02	3.53	3.68	347620.7	501561.4	1340.9
1.06	3.52	0.01	0.89	4.6	3.99	3.45	2.11	347636.5	501684.6	1379.2
1.03	3.83	0.03	0.12	2.9	3.95	3.41	0.25	347467.5	501544.4	1379.7
0.91	1.74	1.64	0.05	13.4	3.85	3.4	2.77	347565.5	501528.0	1362.3
1.19	0.4	2.73	0.02	15.6	3.79	3.38	1.55	347568.2	501531.8	1362.3
1.12	0.18	2.86	0.11	17.7	3.79	3.39	3.57	347226.4	501094.4	1354.4
0.93	2.97	0.24	0.94	4.8	3.72	3.23	1.75	347225.3	501083.2	1375.0
0.87	0.66	2.54	0.03	5.8	3.71	3.23	0.02	347513.1	501519.1	1388.2
1.66	3.34	0.02	0.62	3.7	3.68	3.18	2.71	347467.1	501546.3	1363.6
1.52	0.1	3.01	0.08	1.6	3.67	3.16	0.02	347511.8	501528.8	1384.1
1.47	1.71	1.33	0.58	8.4	3.62	3.17	4.96	347499.8	501523.6	1362.0
2.39	3.27	0.08	0.25	2.7	3.51	3.03	0.77	347616.4	501570.8	1343.2
1.58	0.29	2.68	0.12	1	3.48	2.99	0.05	347507.8	501559.3	1389.8
1.09	3.4	0.02	0.1	0.9	3.48	2.99	0.53	347486.8	501533.5	1361.9
1.01	0.34	2.37	0.31	18	3.47	3.12	3.34	347226.9	501091.1	1362.9
0.98	2.02	0.67	1.17	10	3.44	3.03	4	347495.4	501527.1	1362.0
1.09	2.03	0.37	1.87	9.5	3.4	2.99	3.38	347458.5	501404.5	1333.9
0.78	0.93	1.73	0.47	17.6	3.38	3.04	4	347599.8	501593.6	1357.0
1.03	0.17	2.7	0.07	0.5	3.36	2.88	0.01	347508.5	501557.2	1389.3
0.92	2.99	0.03	0.37	2.7	3.22	2.78	2.57	347474.0	501544.0	1362.5
0.93	2.48	0.41	0.32	5.4	3.17	2.76	2	347599.5	501590.0	1357.6
2.21	2.88	0.02	0.48	3.4	3.16	2.73	2.83	347465.8	501545.5	1363.7
0.97	1.45	1.16	0.49	9.5	3.14	2.77	2.73	347227.4	501090.9	1364.5

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Appendix 1

# **Annexure B** Independent Technical Assessment Report

continued

Length	Au	Cu	Zn	Ag	AuEq	CuEq	S	Easting	Northing	RL
m	g/t	%	%	g/t	g/t	%	%	m	m	m
1.63	2.07	0.45	0.88	4.9	3.04	2.65	7.68	347478.1	501535.5	1362.6
2.55	1.33	0.28	2.8	5.4	2.95	2.57	5.52	347473.8	501537.6	1364.1
1.34	1.6	0.92	0.38	8.8	2.95	2.6	3.1	347619.5	501564.2	1342.1
2.17	2.73	0.02	0.26	2.6	2.9	2.51	2.04	347461.7	501545.6	1363.7
1.42	2.58	0.13	0.24	4.2	2.89	2.51	0.83	347610.8	501579.1	1346.2
1.03	0.37	1.9	0.03	21.9	2.88	2.64	1.53	347602.8	501555.3	1358.1
0.41	0.1	2.26	0.06	0.9	2.78	2.39	0.01	347509.4	501524.9	1385.2
1.03	2.55	0.01	0.41	2.2	2.77	2.39	3.98	347462.9	501544.0	1362.2
1.01	0.15	2.17	0.05	2.6	2.74	2.37	0.06	347513.4	501534.1	1384.5
1	0.3	1.83	0.25	13.9	2.72	2.45	2.9	347226.8	501091.2	1362.5
0.98	2.37	0.2	0.01	6 3.5	2.68	2.35	0.08	347567.4	501530.1	1362.3
0.66	2.47 0.96	0.02 1.26	0.31	8.4	2.67 2.66	2.32	0.56 4	347640.9 347497.4	501687.0 501534.3	1383.2 1371.4
0.66	0.46	1.4	0.27	8.9	2.62	2.34	3.74	347497.4	501092.8	1363.3
0.83	2.47	0.01	0.05	4.2	2.56	2.32	0.71	347469.2	501545.3	1379.9
1.01	2.21	0.04	0.56	2.2	2.53	2.19	3.89	347462.0	501544.1	1362.3
2.55	2.27	0.04	0.30	5.1	2.49	2.17	2.36	347456.8	501544.5	1363.7
0.95	2.37	0.02	0.12	1.9	2.47	2.13	0.78	347471.6	501547.0	1362.2
1.14	0.13	1.84	0.02	13.2	2.45	2.21	2.25	347566.0	501528.9	1363.0
1.26	1.76	0.11	1.14	3	2.43	2.1	4.94	347474.3	501536.7	1362.8
1.6	1	0.31	2.21	4.6	2.39	2.08	6.28	347475.6	501536.7	1362.2
0.95	2.02	0.03	0.66	3.1	2.38	2.07	2.19	347475.4	501545.0	1362.2
0.83	0.33	1.55	0.12	14.4	2.37	2.15	3.32	347224.5	501083.0	1375.0
0.98	2.02	0.14	0.27	3.1	2.34	2.03	1.79	347459.1	501401.9	1334.2
2.31	1.05	0.87	0.15	6.4	2.21	1.95	4.75	347620.1	501568.1	1341.0
1.58	1.99	0.02	0.25	4	2.17	1.89	3.52	347450.9	501542.6	1363.6
0.96	1.74	0.05	0.67	2.1	2.12	1.83	1.41	347227.6	501091.6	1365.8
1	1.74	0.04	0.67	2.8	2.12	1.84	3.37	347616.2	501572.6	1341.8
2.26	1.99	0.01	0.16	2.7	2.11	1.83	2.03	347463.9	501545.3	1363.6
1.06	1.94	0.01	0.11	3.8	2.05	1.79	0.86	347456.5	501541.7	1362.7
0.98	1.55	0.14	0.54	5.4	2.02	1.77	1.8	347620.4	501560.5	1342.0
0.98	1.87	0.01	0.22	2.3	2.01	1.74	0.37	347640.9	501675.3	1372.9
0.41	1.83	0.04	0.21	1.2	1.98	1.71	2.08	347476.6	501536.4	1362.2
1.01	1.22	0.32	0.71	3.5	1.95	1.7	2.75	347494.8	501530.4	1361.8
1.1	1.29 0.92	0.33 0.76	0.27	10.3 7.1	1.92 1.91	1.73 1.69	1.52 1.13	347619.6 347498.2	501552.9 501520.8	1343.2 1361.7
1.77	1.69	0.76	0.02	5.5	1.91	1.67	0.85	347475.6	501520.8	1363.1
1.4	0.6	1.02	0.16	4.7	1.88	1.65	2.19	347473.0	501532.0	1361.2
0.99	1.61	0.03	0.4	2.8	1.86	1.61	1.72	347640.4	501679.3	1377.3
1.76	0.77	0.81	0.12	6.3	1.85	1.63	4.32	347619.8	501567.8	1341.4
0.97	0.9	0.73	0.08	3.7	1.83	1.6	2.96	347483.2	501535.2	1362.2
0.88	1.68	0.01	0.27	1	1.82	1.57	1.94	347467.6	501545.2	1362.5
1	1.35	0.29	0.07	4.4	1.78	1.56	1	347599.5	501594.3	1357.0
0.96	0.64	0.88	0.13	1.8	1.75	1.51	0.26	347508.4	501551.4	1387.5
0.83	1.26	0.34	0.12	2.7	1.74	1.52	0.78	347500.3	501524.4	1362.3
0.84	1.5	0.01	0.49	1.2	1.74	1.5	3.86	347480.5	501536.8	1361.9
1.07	0.6	0.64	0.64	7.1	1.72	1.53	3.81	347619.6	501563.2	1342.2
1.03	0.44	0.97	0.28	0.8	1.71	1.47	2.51	347479.6	501536.2	1371.1
0.52	0.84	0.7	0.01	1.9	1.68	1.46	0.77	347293.5	501599.0	1412.8
0.74	1.35	0.12	0.3	4.8	1.68	1.48	1.97	347485.6	501530.2	1366.9
1.43	1.12	0.44	0.03	2.2	1.67	1.45	0.71	347501.0	501526.4	1361.0
2.06	1.11	0.07	1.04	1.9	1.67	1.45	2.04	347472.1	501536.9	1363.5
0.95	1.05	0.12	0.95	2.6	1.64	1.43	2.66	347478.1	501537.9	1361.8
1.23	0.39	1.04	0.01	1.5	1.63	1.41	0.23	347490.5	501608.1	1392.0
0.82	0.64	0.68	0.34	2.9	1.62	1.41	3.19	347492.5	501531.1	1361.9
1.04	1.49	0.05	0.07	2	1.6	1.39	0.51	347488.4	501533.4	1369.2
0.86	1.46 1.45	0.01	0.11	5.4 1.3	1.59 1.58	1.4	1.21 0.05	347474.7 347219.5	501542.3 501073.1	1362.3 1354.9
1.02	1.45	0.02	0.21	2.2	1.58	1.37	1.59	347219.5	501073.1	1354.9
1.02	0.57	0.01	0.06	2.4	1.56	1.36	0.08	347603.9	501576.9	1358.1
2.00	0.57	1 0.0	5.50		2.50	1.50	0.00	3.7303.3	551550.5	1000.1

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Appendix 1



Length	Au	Cu	Zn	Ag	AuEq	CuEq	S	Easting	Northing	RL
m	g/t	%	%	g/t	g/t	%	%	m	m	m
0.9	1.27	0.14	0.02	2.4	1.47	1.28	0.76	347565.8	501531.7	1364.5
1.39	1.1	0.21	0.08	5.6	1.45	1.29	1.24	347497.5	501520.1	1361.7
1.12	1.13	0.02	0.56	2.4	1.43	1.24	1.4	347476.0	501544.2	1361.9
0.94	0.99	0.24	0.26	1.2	1.4	1.21	3.25	347484.5	501532.7	1362.4
0.51	1.24	0.02	0.22	2.3	1.39	1.21	0.38	347229.0	501092.1	1366.7
1.08	0.56	0.55	0.29	3.9	1.38	1.21	0.98	347614.5	501632.8	1357.3
0.99	1.28	0.01	0.12	2.1	1.37	1.19	0.2	347641.9	501681.9	1379.7
1.23	1.01	0.1	0.51	1.7	1.37	1.19	1.72	347620.7	501559.6	1339.6
1.11	1.19	0.01	0.26	1.8	1.34	1.16	1.4	347640.3	501680.3	1378.1
1.04	0.9	0.11	0.66	1.3	1.33	1.15	3.91	347482.5	501533.5	1362.5
0.93	1.19	0.02	0.24	0.9	1.33	1.15	1.3	347463.9	501544.2	1362.1
1.01	0.96	0.24	0.07	3.6	1.32	1.16	0.12	347617.4	501545.6	1340.7
1.25	0.71	0.42	0.12	4.1	1.3	1.15	0.83	347604.6	501557.7	1358.0
2.08	0.19	0.78	0.15	0.8	1.18	1.01	0.01	347547.0	501541.5	1381.6
0.99	0.16	0.79	0.14	1.7	1.17	1.01	0.15	347508.5	501552.4	1387.1
1.59	0.24	0.69	0.22	1	1.15	1	0.04	347508.1	501549.5	1388.5
0.96	0.99	0.01	0.21	1.9	1.12	0.97	1.74	347476.7	501542.3	1361.7
0.96	0.11	0.78	0.1	3.9	1.11	0.99	0.56	347605.1	501584.9	1349.8
1.01	0.76	0.23	0.11	1.9	1.1	0.96	0.13	347619.0	501548.7	1340.5
1.1	0.64	0.2	0.47	1.6	1.1	0.96	3.26	347482.3	501535.7	1362.4
0.82	0.48	0.45	0.05	4.6	1.09	0.97	0.59	347612.7	501630.1	1357.2
1.05	0.14	0.31	1.21	2.4	1.06	0.93	10	347619.0	501566.1	1342.3
1.13	0.15	0.72	0.07	3.2	1.06	0.94	0.93	347605.1	501586.0	1349.3
2.54	0.79	0.06	0.39	1.5	1.05	0.91	2.41	347475.8	501538.1	1363.7
2.02	0.63	0.33	0.02	1.6	1.04	0.91	0.09	347546.2	501539.8	1381.4
1.1	0.4	0.36	0.13	12.4	1.03	0.99	3.33	347620.0	501552.2	1340.6
0.95	0.46	0.24	0.55	3.9	1.03	0.91	2.46	347619.7	501554.8	1342.7
0.77	0.1	0.57	0.48	4.3	1.03	0.92	2.02	347615.1	501633.5	1357.3

 $\textit{Gold equivalent (AuEq) was calculated for each sample from the gold, copper, zinc and silver \textit{grades using the formula:} \\$ 

 $AuEq = (Au \times 1) + (Cu \times 1.1673) + (Zn \times 0.4386) + (Ag \times 0.0127)$ 

 $CuEq = (Au \times 0.8567) + (Cu \times 1) + (Zn \times 0.3758) + (Ag \times 0.0109)$ 

Equivalency calculations are included to more clearly present the approximate value of the high grade polymetallic mineralisation at El Dovio. 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. One troy ounce contains approximately 31.104 grams and one percent equals approximately 22 pounds per metric tonne.

A total of 759 channel samples were collected from the El Dovio project. All trench and underground channel samples not present in the above table were either barren or low grade (not meeting the minimum specification of 1.0g/t gold equivalent (AuEq)). The locations of channel sampling on the El Dovio project are shown on figures in the report.

# Annexure B Independent Technical Assessment Report

continued

### Appendix 1-E: Tables of Significant Trench/Underground Intercepts

#### **Significant Trench Channel Sampling Intercepts**

Trench ID	Sample Length m	Au g/t	Cu %	Zn %	Ag g/t
T-1	41	2.6	1.6	0.2	9.7
including	4	7.9	3.5	0.4	21.4
T-2 south	45	5.6	0.5	0.4	6.8
including	7	27.4	0.2	0.6	8.1
including	3	58.6	0.3	0.8	14.6
including	1	104.5	0.1	1.1	21.7
T-2 north	20	2.5	0.4	0.5	4.8
T-3	13	1.9	0.5	0.05	26.5
T-4	9	1.2	0.9	0.03	10.2
T-5	24	1.4	0.3	0.06	2.2
including	4	7.8	0.4	0.04	9.85
T-6	6	13.0	5.9	1.4	43.4
including	2	25.9	10.5	0.3	70.3

Note: All sample widths reported are along channel length, not true width.

#### Significant Underground Channel Sampling Intercepts - Sabana Blanca Adit

•	•		_	_	_
Area	Sample Length m	Au g/t	Cu %	Zn %	Ag g/t
Main Tunnel	21.0	9.18	2.46	2.04	15.1
including	6.0	13.6	5.66	1.22	29.8
1 Cross-cut North	7.0	4.81	0.03	0.40	3.32
including	2.0	12.5	0.03	0.51	5.78
2 Cross-cut East	18.0	4.98	0.08	1.09	5.21
including	3.0	14.4	0.24	3.16	12.3

Note: All sample widths reported are along channel length, not true width.



# Appendix 2: JORC Code Table 1

### **Section 1 Sampling Techniques and Data**

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation,	All data presented herein were collected by previous owners of the property. Andean Mining Limited (Andean Mining) has commenced a validation of the nature and quality of the sampling and exploration undertaken by previous explorers.  Sampling by Newrange Gold Corp – formerly trading as Colombian Mines Corporation (CMC):
	such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of	Newrange Gold Corp held the El Dovio project from 2009 to 2020, with the majority of data collected from 2010 to 2014. CMC stated in public news releases to the TSX (2010 – 2014) that all samples were collected in accordance with accepted industry best practices.
	sampling.	MMI samples were collected by trained field technicians and transported by Company personnel to SGS Laboratory's Medellin sample preparation facilities and analysed at SGS's Lima, Peru laboratory.
		Trench channel samples were diamond saw cut to a nominal width of five centimetres, three centimetres deep and one metre in length yielding an average 3.7 kilograms per metre of sample length. After cutting, each sample is collected by hammer and chisel, sealed into individual sample bags, and delivered to the ALS-Chemex sample preparation facility in Medellin, Colombia. Sample Pulps are delivered by Chemex to their analytical laboratory in Lima, Peru. The Company maintains rigid QC-QA through insertion of a series of blank, duplicate and certified standards at a rate of 1:30 or higher.
		Underground channel samples cut to a nominal width of three centimetres, two centimetres deep and one metre in length. After cutting, each sample is collected by hammer and chisel, sealed into individual sample bags, and analysed as for trench samples (refer para above). Initial phase were diamond saw cut and taken on uniform 1m intervals along both sides of the adit, subsequent sampling was
		Diamond drilling by Mineros in 1991-93 was drilled in A or B diameter core.  Diamond drilling by CMC in 2012-14 was drilled in HQ diameter core for holes drilled from the surface and BTW-series diameter core for holes drilled from the underground adit. Drilling was undertaken by MTX drilling (now Logans Drilling) using man-portable rigs capable of setup on small pads in steep terrain. Core was transported from the site to CMC's core facility in Medellin, Colombia by CMC personnel. After being logged, photographed, diamond saw cut and sampled, samples were delivered to the SGS's Medellin laboratory for preparation and analyses.
		Historical Sampling: In 1988 Nittetsu Mining Company of Japan (Nittetsu) developed a short exploration adit on high grade mineralisation of the Sabana Blanca zone. No records of sampling are available in the project database, with all records presumed lost when Nittetsu withdrew from Colombia.
		From 1991-1993 Mineros de Antioquia (now Mineros S.A.) drilled, 15 shallow holes of small diameter core and undertook surface and underground rock sampling. Some records of the results of the Mineros sampling are available, however there is no description of the sampling methods used. It is known that Mineros wrote a report describing the exploration programs and results, however no copy of this report was able to be located in the project data room. Problems have been identified with the survey data which locates these samples.
	Include reference to measures taken	All data presented herein are from exploration undertaken by previous explorers.
	to ensure sample representivity and the appropriate calibration of any	For historical data, no records are available to comment on sample representivity.
	measurement tools or systems used.	CMC included a number of measures to ensure sample representivity including, using core drilling, core recovery measurement, channel sampling, duplicate samples and supervision of programs by a Qualified Person under the Canadian reporting system.
	Aspects of the determination of mineralisation that are Material to the Public Report.	All references to mineralisation are taken from reports and documents prepared by previous explorers and have been reviewed by the Competent Person and are considered to be fit for purpose. The majority of exploration data collected by CMC was stated in public news releases to the TSX between 2010 and 2014. Mr. Robert G. Carrington, P.Geo., a Qualified Person as defined by National Instrument 43-101 and President of CMC, reviewed and verified the technical information contained in these news releases.
	In cases where "industry standard" work has been done this would be relatively simple (e.g. "reverse circulation drilling was used to obtain 1m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay"). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual	In the Competent Person's opinion there is sufficient evidence that historical sampling (1990's) was performed to sufficient standards to be fit for the purpose of planning further exploration programs and generating targets for investigation. In the Competent Person's opinion the exploration data collected by CMC was performed to adequate industry standards and is fit for the purpose of public reporting of Exploration Results.  There are no known issues with the geology and mineralisation at the El Dovio project which would create sampling problems for industry standard sampling methods.

Independent Technical Assessment Report – El Dovio Project

Appendix 2

# **Annexure B** Independent Technical Assessment Report

Criteria	JORC Code explanation	Commentary					
Citteria	commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Commentary					
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Diamond drilling to produce a core sample is the only drill type to have been used previously. At this time, detailed information regarding drilling has not been compiled. Recording of this meta-data was not routinely undertaken by previous explorers.					
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed.	Core recovery was measured in the industry standard manner. Andean Mining plans to undertake validation of the data to determine whether this information has been collected in full.					
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Diamond drilling was the method used which is a good method to maximise sample recovery and ensure representative nature of the samples.					
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Andean Mining's review to date has indicated no material issues are apparent with drill sample recovery and the Competent Person is satisfied that the data it is fit for purpose.					
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	All holes have been geologically logged using a combination of qualitative or quantitative. Core photographs are available for the majority of the CMC drill core.  When CMC first acquired the El Dovio project a few boxes of the Mineros core (drilled in 1991-93) that had not been sampled were recovered. CMC logged and assayed that that core. The QP for CMC has reported viewing the core of all 15 of the Mineros drillholes during work conducted in 1995 (pers. comm. R. Carrington).					
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Andean Mining plans to undertake physical verification of the quality and level of detail of the geological logging data during Phase 1 of its exploration program.  Most of the geological logging was written in the Spanish language, which made assessment					
	The total length and percentage of the relevant intersections logged.	by the CP somewhat restricted. It is considered that the logging was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for investigation.					
Subsampling techniques and sample	If core, whether cut or sawn and whether quarter, half or all core taken.	The CMC core has been sawn and sampled according to industry standard (half core), Andean Mining is undertaking validation of the data. Sampling method for the Mineros core is unknown.					
preparation	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Only core drilling methods have been employed to produce drill samples.					
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.  Quality control procedures adopted	CMC (2009-2014)  MMI Soil Samples QAQC: As standard procedure, the CMC collected duplicate samples at the rate of approximately 1:30 during its MMI surveys.  Channel samples QC-QA: Standard procedure was insertion of a series of blank, duplicate and certified standards at a rate of 1:30 or higher.					
	for all subsampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in- situ material collected, including for	Core Samples QAQC: Standard procedure was insertion of a series of blank, duplicate and certified standard samples at a rate of 1:30 or higher.  Mineros (1991-93)  Core Samples QAQC: no QA data for the Mineros core and sub-sampling procedures					
	instance results for field duplicate/second-half sampling.  Whether sample sizes are appropriate to the grain size of the material being sampled.	unknown.  Core size of the CMC drill core is adequate for exploration and resource estimation purposes.  Mineros core is a small diameter (A and B) which makes it unsuitable for robust resource estimation, but useful for exploration purposes.					
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	All assay data presented herein are from exploration undertaken by previous explorers.  CMC (2009-2014)  All MMI soil samples are transported by Company personnel to SGS Laboratory's Medellin sample preparation facilities and analysed at SGS's Lima, Peru laboratory (ISO9001:2000).  Channel and trench samples were delivered to the ALS-Chemex sample preparation facility in Medellin, Colombia. Sample Pulps are delivered by Chemex to their analytical laboratory in Lima, Peru.					
		Core samples were delivered the SGS's Medellin laboratory for preparation and analyses, (ISO9001:2000). Gold was analysed by fire assay with an ICP/OES finish. Silver and base metal analyses were determined with ICP/OES techniques. A series of blank, duplicate, certified standard samples at a rate of 1:30 or higher were into the sample stream.					

Independent Technical Assessment Report – El Dovio Project

Appendix 2



Criteria	JORC Code explanation	Commentary
		Andean Mining has done sufficient verification of the assay data, in the Competent Person's opinion to provide sufficient confidence that the assaying was appropriate for the mineralisation present and is fit for the purpose of planning exploration programs and generating targets for investigation.  Mineros (1991-93)  Laboratory and assay methods used for the Mineros core samples are unknown.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	A GSM-19 Overhauser Magnetometer was used for the ground magnet survey of 2013. A base station was used to correct for diurnal variations of the earth magnetic field. The data was downloaded every night and corrected. All files (Base, mobile and corrected files) were transmitted simultaneously to KTTM's processing facility on a daily basis. The data was reviewed by KTTM daily for Quality control. Preliminary QA/QC maps were generated and were also send to Colombian Mines Corporation on a daily basis. Those maps were generated in a local arbitrary coordinate system. Once the survey was completed, the GPS coordinates data were merged with the magnetic data for final processing consisting of despiking, levelling and reduction to the pole with the Geosoft software.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	CMC (2009-2014)  MMI Soil Samples QAQC: As standard procedure, the CMC collected duplicate samples at the rate of approximately 1:30 during its MMI surveys.  Channel samples QC-QA: Standard procedure was insertion of a series of blank, duplicate and certified standards at a rate of 1:30 or higher.  Core Samples QAQC: Standard procedure was insertion of a series of blank, duplicate and
		certified standard samples at a rate of 1:30 or higher.  Mineros (1991-93)  QAQC for core samples unknown.
sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	Significant intersections have been taken from previous databases and cross check against historical news releases by CMC to the TSX-V. These correspond in broad terms but some variations in widths and bulked up grades are present due to the use of metal equivalents for historical reporting. Further methods for Andean Mining to fully verify the underlying data are discussed in other sections.
	The use of twinned holes.	No drilling of twin drillholes has been undertaken.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Andean Mining has done sufficient verification of the data, in the Competent Person's opinion to provide sufficient confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for investigation.  The Competent Person has inspected a random subset of original assay certificates for CMC sampling, against the database, which verified the data was consistent indicating data entry procedures, data verification, data storage protocols were robust.
	Discuss any adjustment to assay data.	No adjustments have been made to any of the assay data.
Location of data points	Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.	All CMC drillhole collars, trenches and underground channels were picked up by licenced surveyors using ground based systems. All collars of the Mineros drillholes (1990's) were relocated by CMC and picked up by licenced surveyors.  In the Competent Person's opinion confidence in the accuracy and quality of survey data is subject to uncertainty (refer to following sub-section), but that it is fit for the purpose of planning exploration programs and generating targets for investigation.  Andean Mining plans to fully verify the survey data as an initial phase of exploration in 2021.  A Mineral Resource is not determined.
	Specification of the grid system used.	A variety of grid systems have been used by previous explorers.  A series of collar pickups and station pegs were undertaken by a contract surveyor in 2011 using the "Magna Cirus" geoid. The use of this map projection (geoid) was abandoned once it was determined that it introduced serious mathematical errors. Surveying undertaken by a different contract surveyor in 2014 used the Colombian West grid. This survey was well monumented with aluminium caps cemented in for the control points with several in the vicinity of the camp and main outcrop area (pers. comm. R. Carrington).  Andean Mining have identified location errors in the database supplied by CMC caused by the 2011 survey issue. These have been rectified and a revised project database developed. Maps, sections and tables in this Report have been based on this revised database.
	Quality and adequacy of topographic control.	The local topography in the area is rugged with steep slopes and heavy vegetation. A theodolite survey undertaken in 2014 provides a detailed contour map of the project area. Andean Mining plans to fully verify the survey and topographic data as initial phase of exploration.
Data spacing and distribution	Data spacing for reporting of Exploration Results.	The availability of underground sampling of the Sabana Blanca mineralised zone via the historical Sabana Blanca Adit provides excellent exposures and 3-dimensional data not usually available in an exploration stage project.
		Various data spacing are present. The Sabana Blanca zone has much more close spaced sampling than the other mineralised zones. Examples of data spacing are provided in the

# Annexure B Independent Technical Assessment Report

continued

Criteria	JORC Code explanation	Commentary
		Report. All forms of sampling have been constrained by access limitations imposed by the rugged topography and thick vegetation of the site.
	Whether data spacing appropriate for Mineral Resource estimation.	Commenting on the data spacing is not applicable for the El Dovio project as a Mineral Resource is not determined.
	Whether sample compositing has been applied.	Commenting on the sample compositing is not applicable as a Mineral Resource is not determined.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.	The orientation of controlling structures has not been fully determined. A variety of drill orientations have been used previously. Underground exposures yielded from the adit provide improved (horizonal) orientation of sampling to achieve unbiased sampling of mineralisation. Surface trenches are cut at high angles across the mineralised zones. Surface drill holes were constrained to a few drill pads excavated where topography was less steep and away from environmentally restricted zones. Drill fans were drilled. Intersections of the mineralised zones were thus unavoidably at low angles for some drillholes.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	All drill intercepts reported herein are drilled intercept length. Insufficient drilling has been done on this project to reasonably determine the detailed geometry and estimate true width of many drillhole intercepts. It is possible that some sampling orientations used (trench, underground sample and drill hole) will have introduced a bias. This does not detract from the prospectivity of the El Dovio project, but will require attention for advanced stages of exploration.
Sample security	The measures taken to ensure sample security.	Samples collected by CMC were transported by Company personnel to SGS Laboratory's Medellin sample preparation facilities. Andean Mining understands that some of the historical samples have been preserved and is in the process of quantifying and securing this material.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Andean Mining has not performed any audits at this time.

### **Section 2 Reporting of Exploration Results**

### (Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	Andean Mining secured 100% ownership of the EI Dovio project with the purchase of Corporacion Minera de Colombia SAS from Newrange Gold Corp of Canada in 2020. The project consists of 2 granted tenements, Concession Contracts IEH-08401 and IEH-08441 with a total area of approximately 1,297 hectares (12.9km²). The licence details are listed in Table 3-1 and their location is shown in Figure 3-1. Specific details regarding the tenements and any material agreements pertaining to them are available in a dedicated section within the Prospectus.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The two granted tenements are 100% owned by Andean Mining and are in good standing. Andean Mining is unaware of any impediments for exploration on these tenements.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Previous exploration has been completed on Andean Mining's projects by CMC and Mineros. Refer to the Report for details and references to the previous work.
Geology	Deposit type, geological setting and style of mineralisation.	Refer to Section 4 of the Report (Geology and Mineralisation) for a full description of the geology of the project area and Section 10 (References) for sources of information about the geology and mineralisation.
Drill hole information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:	Summaries of significant previous drill intersections at Andean Mining's Prospects are provided in the Report as Appendix 1. These data pertain to all holes drilled that returned a best gold assay intersection equal to or greater than 2m at 1.0g/t Au; that returned a best copper assay intersection equal to or greater than 2m at 1.0% Cu. Appendix 1 tabulates the items specified in Table 1 of the JORC Code: easting and northing of the drill hole collar; elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar; dip and azimuth of the hole; downhole length and intersection depth; hole length.
	Exclusion of information	Not applicable, as no information has been excluded.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All assays are based on previous databases, and upon review have been treated at face value. No validation or check assaying has been carried out by Andean Mining.  Drill intercepts were calculated on a downhole length weighted basis.

Independent Technical Assessment Report – El Dovio Project

Appendix 2



Criteria	JORC Code explanation	Commentary
	Where aggregate intersections incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown	Significant Intercepts calculated from consecutive downhole samples for which the length-weighted average grade exceeded 1.0g/t gold equivalent (AuEq) for greater than 2m downhole. An internal dilution constraint of 4m was applied. Gold equivalent (AuEq) was calculated for each sample from the gold, copper, zinc and silver grades using the formula: $ \text{AuEq} = (\text{Au} \times 1) + (\text{Cu} \times 1.1673) + (\text{Zn} \times 0.4386) + (\text{Ag} \times 0.0127) $
	in detail.	Significant intersections at El Dovio project have been previously reported to the TSX-V by CMC in 2013 and 2014, but using different cut and equivalence criteria.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	Gold and copper equivalent (AuEq, CuEq) were calculated for each sample from the gold, copper, zinc and silver grades using the formula:
	should be eleutly stated.	AuEq = (Au x 1)+(Cu x 1.1673)+( Zn x 0.4386)+(Ag x 0.0127) CuEq = (Au x 0.8567)+(Cu x 1)+( Zn x 0.3758)+(Ag x 0.0109)
		Equivalency calculations are included to more clearly present the approximate value of the high grade polymetallic mineralisation at EI Dovio. 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. One troy ounce contains approximately 31.104 grams and one percent equals approximately 22 pounds per metric tonne.
		It is the opinion of the Competent Person that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.
Relationship between mineralisation widths and intersection lengths	These relationships are particularly important in the reporting of Exploration Results.	Previous drilling has been undertaken on various drill orientations, and thus does not necessarily represent true width intersections. Preliminary interpretations of the geometry of mineralised bodies has been drawn on some figures. These are regarded as low confidence interpretations at this stage, but do give a guide to potential true widths of mineralisation. Future work by Andean Mining will involve validation and reinterpretation of previous results and the drilling of additional holes to determine the orientation of mineralisation and thus true widths.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	As noted in the report, several drillholes collared in the adit are drilled close to the plane of mineralisation orientation and therefore much longer than true thickness of the zone.
	If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. "downhole length, true width not known").	The statement "downhole length, true width not known" has been added to captions and footnotes of relevant tables and figures presented in the Report.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intersections should be included	Please refer to the Report where appropriate maps and sections and tabulations of intersections are provided. Plan view of drill hole collar locations and appropriate sectional views are provided.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All previous drill holes are reported in collar tables and also displayed in plans and/or cross section diagrams. All intersections greater than cut-offs are reported in tables. All drill hole intervals not in these tables can be taken as unmineralised; either having assay results below the thresholds or having not been sampled based on visual logging as unmineralised waste rock.
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey; geochemical survey; bulk samples; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	All data presented herein are from exploration undertaken by previous explorers. The Report provides a comprehensive summary of the available information and data including exploration geological observations, geophysical survey results, geochemical survey results and metallurgical test results. However no information on bulk samples, bulk density, groundwater, geotechnical and rock characteristics, potential deleterious or contaminating substances is available.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Andean Mining propose to undertake extensive validation and field confirmation of previous drill and sampling data. Once the previous data review is completed, it is planned that they will undertake surveying, geochemistry, mapping, geophysics, diamond drilling, trenching, sampling, and study programs as discussed in Section 9 of the Report to generate new targets and test all high-priority targets.
	Diagrams clearly highlighting the areas of possible extensions.	Please refer to the Report for diagrams which clearly highlight the areas of possible extensions, including the main geological interpretations and future drilling proposed.





Medellin, Sep 29th, 2021.

The Directors

ANDEAN MINING LIMITED

Level 1, 25 King Str

Sydney

NSW 2000

Reference: Due Diligence Report on Mining Titles and Applications

**Dear Directors** 

This report relates to the following exploration licenses granted under Colombian Mining Law, 685 of 2001, (Mining Code), referred to in this report as the Mining Titles:

NUMBER	LICENSE	REGISTRATION NUMBER	MINING AUTHORITY
1.	7715	B7715005	Governorship of Antioquia
2.	KIM-14062X	KIM-14062X	Governorship of Antioquia
3.	IEH-08401	IEH-08401	ANM
4.	IEH-08441	IEH-08441	ANM

In addition, the proposals for the Concession Contract on behalf of CORPORACIÓN MINERA DE COLOMBIA are listed, which are in the pre-contractual process and are pending the evaluation by the Mining Authority, whose license identification are as follows:

NUMBER	APPLICATION	MINING AUTHORITY
1.	502166	ANM
2.	502167	ANM

In performing this due diligence, we have assumed the genuineness of the digital copies of the originals provided to us.

Our Report contains certain data, information and legal opinion which are based on, or refer to, the information provided to us in the main offices of the lawyer in charge of the mining titles, as well as information independently reviewed by us in the public records of certain



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corresponding competent Colombian authorities, from February 1 of 2021 to September 20 of 2021. This Report is limited to the Colombian laws of general application at the date of this document and is given on the basis that it will be governed by, and construed in accordance with, the laws of Colombia. We have made no investigation of, and do not express or imply any points of view about the laws of any other country or jurisdiction other than those of Colombia.

This does not address or consider any future amendments or changes that may be made to any relevant laws.

This Report is not a recommendation to any person entering into any transaction with or related to these mining titles.

Any transaction performed over these entities will be a commercial decision between parties involved.

We have not conducted physical due diligence on the Mining Titles area.

Our findings are set out below:

continued

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#### **ACRONYMS AND IMPORTANT DEFINITIONS**

Although expressly defined in the text of this Report, the following are the acronyms, abbreviations and definitions most frequently used herein:

# Ministry of Mines and National Energy (MINMINAS) implement

National government agency responsible for implementation, funding and monitoring of the formalization program.

Overall, it formulates, directs and coordinates public policies, plans, and programs for the mining sector (exploration, exploitation, transportation, processing, transformation and distribution of non-renewable resources).

#### ANM

National Mining Agency

- Manages mineral resources
- Administers contractual process and titles
- Follow-up and control of mining titles
- Control of taxes and royalty payments

Develops initiatives for the promotion and productivity of the sector

#### Regional Mining Secretariats

Minminas has delegated functions to

- · Control and legalization of mining activities
- Titles process
- Follow up on mining titles
- Regional formalization programs.

# Regional Autonomous Corporations (CARS)

**ANNA MINERÍA** 

In charge of managing environmental and natural renewable resources at a regional level. CARS has been involved in formalization efforts by allocating resources for piloting clean production programs, mostly focused on mercury reduction. They are involved in the National Strategic Plan for the Reduction and Elimination of Mercury. CARS has responsibilities, knowledge, and experience with

ASGM (see www.minambiente.gov.co).
ANM Integrated mining management system

FBM Basic mining format

PAR Regional attention points of ANM PTO Construction and work plan



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**ECRR** Colombian standard for the public reporting of exploration

results, Mineral Resources and Reserves

**RMN** National Mining Registration

COP \$ Colombian pesos.

We, us and our Refer to Asesoría Minera SAS.

continued

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#### 1. EXECUTIVE SUMMARY

#### 1.1 Title

- a. The current registered holders of the Mining titles are *Corporación Minera de Colombia S.A.S.*
- b. We found rights assignment proceedings for B7715005 mining concession contract. So far, no proceedings or filings with the National Mining Registry are completed, so the mining title control remains under *Corporación Minera de Colombia S.A.S.*
- c. No pending assignments were found for titles IEH-08401, IEH-08441 or KIM-14026X, so the control of the interest is exclusive for the current owner, *Corporación Minera de Colombia S.A.S.*

The chart below shows the holder of each concession contract and the assignment pending filing of the new corporation holding title:

	HOLDER					
LICENSE	RMN / CURRENTE CONTROLER	ASSIGNMENT IN FAVOR OF:	APPROVAL RESOLUTION			
B7715005	Corporación Minera de Colombia SAS	Triangle Treasure S.A.S.	No. 2017060178524 December 17, 2017			
KIM-14062X	Corporación Minera de Colombia SAS	None	None			
IEH-08401	Corporación Minera de Colombia SAS	None	None			
IEH-08441	Corporación Minera de Colombia SAS	None	None			

Due to the lack of the correct administrative procedure for the assignment of contract B7715005, a lawsuit was initiated against the secretariat of mines of the Government of Antioquia, which could take more than a year to resolve. This process does not imply economic contingencies for the owner company. The company is not required to pay any fees or license while the dispute is ongoing. The company must continue to maintain the contractual obligations.

#### 1.2 Encumbrances



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Other than the transfers referred to in paragraph 1.1(c) above, there are no encumbrances or agreements registered over the Mining Titles.

#### 1.3 Conditions

The Mining Titles are subject to standard conditions that must be complied with. None of the Mining Titles are subject to unusual conditions of a material nature, other than as disclosed in Chart 1.

#### 1.4 Concession Contract Proposal

By the filing of a Concession Contract Proposal, the applicant intends to obtain a concession to explore and exploit a mining deposit within a certain area and upon compliance with the requirements of Colombian law.

The following is a description of the Concession Contract Proposals that are currently being processed:

APPLICATION	DATE PRESENTATION	OF	APPLICANT	MUNICIPALITY
502166	23 July, 2021		Corporación Minera de Colombia SAS	Bolívar y El Dovio - Valle del Cauca. Sipí -Chocó
502167	23 July, 2021		Corporación Minera de Colombia SAS	Ansermanuevo and El Águila – Valle del Cauca

#### 1.5 Land extension

The land extension of the application registered in ANNA MINERIA (ANM Integrated mining management system) is listed in the next chart:

LICENSE	EXTENSION
502166	829 and 7.113 mts
502167	906 and 4.046 mts

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#### 1.6 Area fees.

No fees apply while an application.

#### 1.7 Mining Feasibility.

The Mining Authority, after receiving the Mining Concession Contract Proposal application, evaluates that the applicant complies with the technical, legal, and economic requirements.

In the technical requirements, the Minimum Exploration Program - Form A is evaluated, including the minimum environmental and labor suitability, and that the plan complies with the laws in force and the environmental and social restrictions that may be verified in the requested area are reported.

It is important to clarify that the estimated economic investment is a minimum amount resulting from the application of the terms of reference established by the Mining Authority, taking into account the type of mineral and the area requested. Consequently, only this minimum investment must be complied with and there is no maximum cap on such investment. For this reason, it is not necessary to include investments that exceed these values on behalf of the company.

The legal capacity requirement verifies that natural persons have the capacity to exercise and are legally authorized to sign a concession contract, and legal entities must specifically include in their corporate proposal which minerals will be the target for exploration and exploitation, or the application will be rejected.

The economic capacity requirement verifies the accreditation of the necessary financial resources to carry out the mining project within the framework of the execution of a new mining concession contract, the economic capacity will be measured against the investment to be made by the applicant in accordance with the investment and financial estimate presented at the time of the application.

Once the Mining Authority verifies compliance with all the requirements, it proceeds to grant the Mining Concession Contract.

#### 2. Scope

#### 2.1. Scope:

This report deals with legal due diligence matters relating to the Mining Titles and has been prepared to:



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- a. confirm (or otherwise) the title to the Mining Titles.
- b. where possible, confirm the good standing of the Mining Titles.
- c. where possible, confirm that there has been no material non-compliance with the applicable laws affecting the Mining Titles as of the date of this report.
- d. where possible confirm compliance with environmental obligations, land access obligations, reporting obligations and native title or cultural heritage requirements.
- e. identify any encumbrances; and identify any overlapping tenures.

#### 2.2. Outside of Scope:

- a. Paragraph 2.1 contains the Scope. No other matters form part of the Scope of this report.
- b. Asesoría Minera S.A.S. Lawyers have not been instructed to, nor have we, concerned ourselves with business or financial due diligence or an assessment of the business, financial, technical or regulatory risks, apart from those regulatory risks necessarily falling within the Scope.

#### 3. Searches

- **3.1.** We have conducted and reviewed the results of the following searches:
  - The information obtained by us at the information system of the National Mining authority.
  - b. The information obtained by us at the Colombian Mining Cadaster "ANNA MINERIA".
- **3.2.** We have been provided an official certified copy of the original signed concession contract between the mining authority and the mining title owner of each mining title.
- **3.3.** We have been provided an official certified copy of the certificate of registration in the National Mining Registry of each mining title.
- **3.4.** We did enquiries with the Authority to confirm matters relating to compliance for the Mining Titles.

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#### 4. Qualifications

- 4.1. This report relates only to the relevant laws in force as at the date of the report and, except where expressly referenced, does not address or consider any future amendments or changes that may be made to any relevant laws.
- 4.2. Part 2 sets out the scope of this report. No other matters form part of the scope of this report.
- 4.3. The conclusions and legal opinions expressed in this report are limited to our review and analysis of the results of the searches identified in part 3 of this report, undertaken on instructions in a compressed timeframe.
- 4.4. Asesoría Minera S.A.S. Lawyers have not been instructed to, nor have we, nor do we have expertise in or, concerned ourselves with business or financial due diligence or an assessment of business, financial, technical or regulatory risks (apart from those regulatory risks necessarily falling within the scope).
- 4.5. Where laws are mentioned, this report does not purport to mention every requirement in respect of the relevant law and those that are referred to in many cases are not an exhaustive list. Accordingly, specific legal advice should be obtained for specific questions about individual laws.

#### 5. Assumptions

- **5.1.** We have made the following assumptions in the preparation of this report:
  - a. Our investigations were confined to searches set out in part 3 of this report. We note that this report is accurate and complete only to the extent that the reports extracted from the registers are correct as at the date the searches were conducted.
  - b. There have been no material changes in the standing of the Mining Titles since the date of our searches.



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- c. All information provided by *Corporación Minera de Colombia S.A.S.* (if any) is true, correct, complete, accurate and all documents are properly executed and valid on its face; and
- d. The Ministers administering the relevant acts and each of their delegates have been validly appointed and have acted within the scope of their power, authority and discretion in granting the Mining Titles and are able and willing to grant any required consents and approvals under the relevant legislation.

#### 6. Governing legislation

- 6.1. The Mining Law establishes a tenure regime that governs the exploration for and production of minerals in Colombia. The terms of an exploration and exploitation contract granted under the Mining Code, Law 685 of 2001, together with other statutory approvals under the Protection of the Environmental Law, Law 99 of 1993.
- 6.2. The Mining Law establishes the development assessment and approval framework for exploration and mining activities.
- 6.3. A Concession contract gives the holder the exclusive right to explore for any mineral group(s) within the Mining Title area, during the term of the contract, subject to the conditions of the contract and the Mining Law.
- 6.4. The granting of a Concession contract does not give any right to mine, nor does it guarantee a mining servitude will be granted within the contract area. Concession contracts are granted for a period of up to thirty years, Law 685 of 2001 Article 70.

The exploration stage of the contract is usually granted for a period of three years, and under request of a deferral could be extended up to 11 years.

Before the expiration of the period of exploitation the concessionaire may request a deferral of the contract for up to thirty (30) years, which will be registered at the National Mining Register.

Once the deferral is overdue, the concessionaire will have preference to contract the same area to continue exploitation of the property.

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#### 7. Title and standing

- 7.1. Chart 1 contains the outlining material information for the Mining Titles.
- 7.2. The current registered holders of the Mining Titles are:
  - a. Corporación Minera de Colombia S.A.S. is the sole registered holder of B7715005, KIM-14062X, IEH-08401 and IEH-08441.
  - b. No pending assignments were found for titles IEH-08401, IEH-08441 or KIM-14026X, so the control of the interest is exclusive for the current owner.
- 7.3. Transfers have been lodged against contract B7715005 for the transfer of the mining title to Triangle Treasure S.A.S. The Mining authority approval is required for the transfer of the contract to a new mining title owner. (Article 22 and 23 Law 685 of 2001). So far, no proceedings for filing with the National Mining Register are completed, so the mining title control remains under Corporación Minera de Colombia S.A.S.
- 7.4. It is a condition of each of the Mining Titles that the written approval of the Mining Authority is required before any:
  - a. change in effective control of the mining title owner, or
  - b. foreign acquisition of substantial control of the Mining Title holder.

The Mining Authority approval is not required where a change in effective control of the Mining Title holder, or a foreign acquisition of substantial control of the Mining Title holder, occurs as a result of the acquisition of shares or other securities on a registered stock exchange.

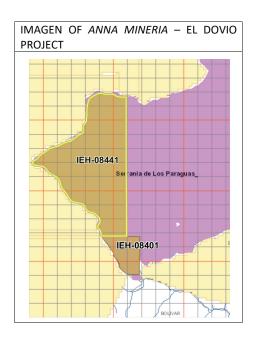
Corporación Minera de Colombia S.A.S. has control of all Mining Title as title holder and Andean Mining Corporation Pty Ltd, has control of Corporación Minera de Colombia S.A.S.

- 7.5. There are no agreements or encumbrances registered against the Mining Title.
- 7.6. Location. The company's mining titles are located in two different regions: the north of the department of Valle del Cauca on the border with Chocó - "El Dovio Project" and the other one in the department of Antioquia, in the municipality of Anori.
  - a. "El Dovio" project (IEH-08441 and IEH-08401) is under the authority of the National Mining Agency, whose inspection office is located in the city of Cali from where the



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obligations derived from the contract are monitored and the information is sent to the headquarters in the city of Bogota D.C. for relevant decision making.

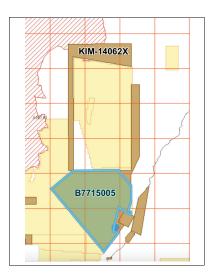


b. The mining titles located in the department of Antioquia, municipality of Anori, are under the authority of The Secretary of Mining of the department of Antioquia. Those titles are in the process of resignation (KIM-14026X) and assignment (B7715005).

Although the company no longer maintains its interest in preserving those concessions, the rights derived from these contracts remain registered in its name. The company has continued to comply with the obligations imposed by the law in these cases.

IMAGEN OF ANNA MINERIA – ANTIOQUIA PROJECT

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#### 8. Term of the concession and Renewal

- 8.1. In the concession contracts, terms of a total duration of 30 years were agreed.
- 8.2. The contract term of the exploration stage for Mining Titles IEH-08441, B7715005, KIM-14062X is three years.
- 8.3. For contract IEH-08401, the contract term for the exploration stage is two years. Modification of this stage was requested from the National Mining Authority, but this matter has not been resolved.
- 8.4. Where mining title obligations are suspended, doesn't enable to do any exploration work to be done in the area of the concession contracts.

On September 6, 2021, application for extension of the suspension of obligations of the mining title IEH-08401 was filed under number 32004-0, for a one-year term. If the Mining Authority grants the request, the term to request the extension of the exploration stage for an additional 2 years would be reactivated. If the Mining Authority does not grant the request, the mining title would continue in the first year of the Construction and Assembly stage. If the extension of exploration is not granted the company can request a resignment of the concession contract. In this case the company can lodge a new application for the same area. The company upon compliance with the



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requirements of Colombian law could obtain a new concession contract to explore and exploit a mining.

8.5. For contract IEH-08441 it is possible to request an extension of the exploration for periods of 2 years up to a maximum of 11 years. This must be done 3 months prior to the end of each period. Of the exploratory stage currently granted there is 1 year, 3 months and 19 days remaining.

The last suspension of obligations granted by the Mining Authority through Resolution No. GSC-515 of September 15, 2020, extended the term of the suspension to the term of the public health emergency determined by the National Government in the Colombian territory. As a result, the public health emergency has been extended by the National Government until November 30, 2021, and for this reason, it is understood that the suspension of obligations continues to be in force until that date or until the end of the state of public health emergency in Colombia. In addition, on September 10, 2021, under number 20211001404092, an extension of the exploration stage was requested. In the event of a favorable response from the Mining Authority, the exploration period should be extended for two more years.

- 8.6. However It is important to clarify that the government measures in the matter of covid do not impede the activities or the development of the company's activities in the national territory of Colombia.
- 8.7. An application for renewal of a Mining title can be made under Article 77 of the Mining law. This application must be made within the period of 2 years prior to the contract ceasing to have effect.

MINING TITLE	HOLDER IN RMN	GRANT	EXPIRATION DATE	END OF THE EXPLORATION STAGE	END OF THE CONSTRUCTION AND ASSEMBLY STAGE
IEH-08401	CORPORACION MINERA DE COLOMBIA S.A.S. (100%)	23 February, 2010	23 February, 2041	01 March, 2021	01 March, 2024
IEH-08441	CORPORACION MINERA DE COLOMBIA S.A.S. (100%)	13 January, 2012	12 January 2042	19 March, 2023	19 March, 2026

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B7715005	CORPORACION MINERA DE COLOMBIA (100%) Transfer to Triangle Treasure S.A.S., however the mining owner sued the mining authority, and the process has not been resolved yet.	30 May, 2012	29 May, 2042	19 November, 2023	19 November, 2026
KIM- 14062X (Resigned)	CORPORACION MINERA DE COLOMBIA S.A.S. (100%)	,	11 March, 2042	25 May, 2017	25 May, 2020

#### 9. Activity Approvals

9.1. Mining concession contracts are between the State and an individual to carry out, on account and at its own risk, the studies, works and installations of exploration for minerals (owned by the State) found within a determined area and to exploit under the terms and conditions established in mining law.

The concession contract includes, as part of its objectives, the stages of technical exploration, economic exploitation and beneficiation of minerals and the closing or abandonment of the corresponding works and installations on the concessionaire's own account and risk.

9.2. Within three years from the signing of the contract inscription, the concessionaire must complete the technical exploration of the contracted area.

The holder of mining title must not carry out assessable prospecting operations on land unless the contract has been granted:

- a. Terms of reference and mining guides that the environmental and mining authority adopted according to Articles 82 and 278, Law 685 of 2001.
- b. Prior consultation is required if the area of influence of the mining project, considering the biotic, abiotic, socioeconomic and cultural environmental impacts, overlaps with or affects the ethnic groups settled in the respective



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area. Temporary subtraction of overlapping areas with second-Law Forest reserve areas.

- c. The use of renewable natural resources, existing in lands of any type, will require the authorization of a competent environmental authority, water concessions, permits for dumping and forest use and occupation of waterways when necessary.
- 9.3. Once the period of exploration has ended, a period of three years commences for construction and installation, necessary for the exploiting work.

The holder of mining title must not carry out construction and installation on land unless the contract has been granted:

a. Approval of the plan of works and installations for exploitation, which should be attached to the contract as part of the obligation. Article 84, Law 685 of 2001.

The Construction and Work Plan is the final report of the exploration stage which provides the technical, logistics, economic and commercial baselines to decide whether or not to invest and develop a mining project. Before the exploration stage finishes, meaning 30 days before, concessionaires must submit their PTO for approval to the National Agency of Mining.

As established in Article 328 of Law 1955 of 2019, and Resolution No. 100 of 2020, issued by the National Mining Agency, the information reported on mineral resources and reserves must comply with the Colombian Standard of Resources and Reserves. or other international standards recognized by the Committee for Mineral Reserves International Reporting Standards - CRIRSCO and must be submitted together with the Construction and Work Plan - PTO, notwithstanding that the ANM may require such information at any contractual stage of the mining title.

The presentation of the information must be completed annually, and no later than the 5th of October of each year.

Failure to comply with this obligation, which is classified as moderate, in accordance with Resolution No. 91544 of December 24 of 2014, issued by the National Mining Agency, may result in the imposition of a fine of 27 Minimum Legal Monthly Wages in Force.

None of the mining titles have formal requirements from the Mining Authority to comply with this obligation, because the issues related to the contractual stages remain unresolved.

continued

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- b. Due to the presence of African-Colombian communities, where land collectively titled to Afro-Colombian communities has been certified in the municipality of Sipí Chocó, "previous consultation" as established in Law 21 of 1991, must be determined by the national authority for Prior Consultation, in cases where environmental authorities may require it, in accordance with the law.
- 3. The Director of Ethnic Affairs of the National Land Agency, through Official Communication No. 20215001055881 of August 20, 2021, indicated to the company that the project for the "Temporary Subtraction of an area of the Pacific Forest Reserve Dovio Exploration Project", does not overlap with requests for the formalization of collective territories in favor of ethnic communities, indigenous reserves, or collective titles of Afro-Colombian communities.

Likewise, the National Authority for Prior Consultation of the Ministry of the Interior, through Resolution No. ST-1162 of August 23, 2021, stated that prior consultation with Black, Afro-Colombian, Raizal and Palenquero communities in the area of influence of the project indicated by the company located in the municipality of El Dovio, jurisdiction of the department of Valle del Cauca, is not applicable.

- Definitive subtraction of overlapping areas with Second-Law Forest reserve areas.
- b. Subtraction of overlapping areas with temporary reserve areas.
- Express approval of the Environmental impact study and the issuing of the corresponding Environmental License. Article 85, Law 685 of 2001.
- d. On completion of the construction and installation period, the exploitation period commences.

The holder of a mining title must not carry out exploitation on land unless the contract has been granted:

- a. The same requirements of the numeral 9,3.
- b. A written notification to the Mining Authority and Environmental Authority of the intended start date of exploitation.



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#### 10. Environment

- 10.1. Each of the Mining Titles is subject to general conditions about environmental protection:
  - a. Protection of the environment: The mining title holder must prevent, or if that is not reasonably practicable, minimize so far as is reasonably practicable, any harm to the environment arising from activities carried out under this contract.
  - b. Rehabilitation condition: It is a general condition of a contract that the mining title holder must carry out rehabilitation of all disturbance caused by activities carried out under the contract in accordance with the requirements in Article 114, Law 685 of 2001.
- 10.2. The environmental control of mining titles IEH-08401 and IEH-08441 is under the control of the Regional Autonomous Corporation of Valle del Cauca CVC, which will be the entity in charge of resolving the procedures of subtraction of the protected areas and granting the environmental license for the execution of construction and assembly and exploitation work.
- 10.3. Law 2<sup>nd</sup> of 1959 forestry reserve. The framework for the development of the forestry economy and protection of the natural base of the country, resulted in seven (7) forestry reserves being established in Colombia through Law 2nd of 1959, which sought to promote the economic progress of the nation in accordance with the forest aptitude of the national soils, without compromising the patrimony prior to any intervention.

Based on this protocol, it was established that for projects of public and social interest it may be necessary to carry out activities that involve forest removal or land use, with those areas required to be removed from the Reserve.

At this time there is a draft law in Congress to analyze the relevance of this law, as the geographical reality does not coincide with what was stipulated by the authorities in 1959 and both the mining authority and the associations of extractive companies agree on the importance of a modification in this law.

Titles IEH-08401, IEH-08441 are overlapped over the second Law of 1959 forestry reserve, which implies the need to carry out a process of subtraction before the title holder can commence with operations.

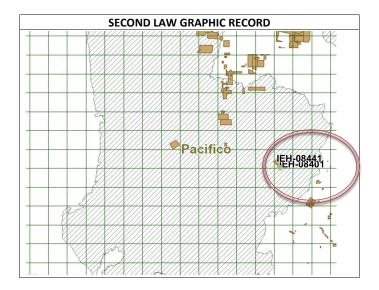
On mining title IEH-08441, the Company held a subtraction for the purposes of exploration issued by The Ministry of Environment and Sustainable Development,

continued

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through Resolution No. 1876 of 22 October, 2012, The approval allowed the Company to "Carry out temporary subtraction of 15 hectares 3,579 square meters of the Pacific Forest Reserve, established by Law 2 of 1959, to carry out mining exploration activities by *Corporación Minera de Colombia S.A.S.* covered by the mining concession contract IEH-08441 in the village of *Sabana Blanca*, Township of Lituania, municipality of El Dovio, Valle del Cauca for a period of 3 years.

Through file No. 4800090033912121001 of September 03, 2021, a new request for temporary subtraction of area in the mining title IEH-08441 was submitted to the Ministry of Environment and Sustainable Development, in accordance with the formalities of Resolution No. 1526 of September 03, 2012, which must be evaluated by the Competent Authority.



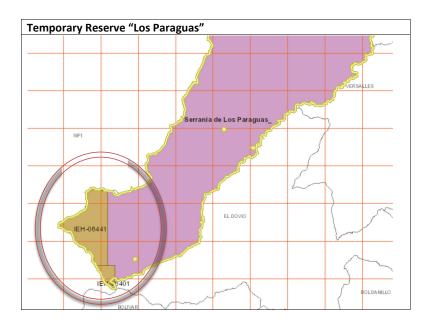
10.4. TEMPORARY RESERVES. Temporary reserve zones were declared by Resolution No. 0705 of June 28 of 2013 and Resolution No. 0761 of July 12 of 2013. For mining titles granted before such dates, no reduction of area or special formality will be necessary in order to carry out mining activities in these zones.

However, in exercising its special powers to determine the viability of the Environmental License, the Environmental Authority may exclude this zone from mining activities and decide adversely as to the exploitation of the overlapped area.



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The subtraction proceeding has to be conducted before the competent authority upon start-up of the tasks of construction, assembly and exploitation for the titles included within the temporary reserve zones determined above, as established in Law 685 of 2001 and Resolution No. 1526 of September 03 of 2012.



10.5. Invasion of areas of special ecologic importance.

Law 1453 of 2011, "by which the Penal Code, the Penal Procedure Code, the Infancy and Youth Code, and the rules for extinction of title are amended, and other regulations in matters of security are issued", in Article 39, provides the penalties due in the event of invasion of areas of ecological relevance, for this reason we recommend that all environmental permits are valid and up to date so as not to violate the mentioned statute.

10.6. Before the drilling program begins in the exploration stage it is mandatory to conclude the subtraction process of overlapping areas as mandated in second-Law forest reserve areas and obtain authorization for water use if necessary in the concession area from the environmental authority. This process cannot be initiated by the company until the subtraction be granted.

continued

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10.7. Further information about environment issues for each of the Mining Titles is set out in Chart 1

#### 11. Social Restrictions

- 11.1. Law 685 of 2001, of the Mining Code, conflicts with a number of other national policies, including Constitutional protections provided to Indigenous Peoples and Afro-Colombian Peoples and safeguards for the environment.
- 11.2. For Afro-Colombian and Indigenous Peoples, land is essential for their cultural identity, their spiritual practices and for maintaining the social fabric of their community.
- 11.3. Acadesan<sup>1</sup> is an Afro-Colombian Community Council that represents 72 villages situated along the banks and tributaries of the San Juan River. This is one of the most biodiverse parts of our planet, but it is best known for one key resource gold.

It is important to clarify that the Director of Ethnic Affairs of the National Land Agency, on August 20, 2021, through Official Communication No. 20215001055881, informs the company Corporación Minera de Colombia S.A.S. that "Temporary Subtraction of an area of the Pacific Forest Reserve Dovio Exploration Project", does not overlap with requests for formalization of collective territories in favor of ethnic communities, resguardos and resguardos, that "Temporary Subtraction of an area of the Pacific Forest Reserve Dovio Exploration Project", does not overlap with requests for formalization of collective territories in favor of ethnic communities, indigenous reserves or collective titles of Afro communities, however, this legal determination has not yet been reflected in the graphic system of the National Mining Agency.

Likewise, through Resolution No. ST-1162 of August 23, 2021, issued by the National Authority for Prior Consultation of the Ministry of the Interior, established that prior consultation with Black, Afro-Colombian, *Raizal* and *Palenquero* communities is not appropriate for projects of interest to the company that are located in the municipality of El Dovio, in the jurisdiction of the department of Valle del Cauca.

#### 12. Environmental-mining Policy of insurance

 $<sup>^{1}\</sup> https://www.mininterior.gov.co/sites/default/files/documentos/Consulta Previa/Certificaciones 2013/388.pdf$ 



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- 12.3. Under Article 280 of the Mining Law, the mining title holder must hold a performance insurance policy, that will cover the fulfillment of the mining and environmental obligations, the payment of fines and the forfeiture.
- 12.4. In the event that the policy is claimed, the replacement obligation of such guarantee will persist.
- 12.5. The value insured will be estimated based on the following criteria:
  - a. For the exploration stage, 5% of the annual value of the amount of the foreseen investment in exploration for the respective annuity.
  - b. For the construction stage, 5% of the annual investment.
  - c. For the exploitation stage, 10% of the result of multiplying the annual volume of minerals extracted of annual production estimated of mineral object from the concession, by the price at the mine head of the mentioned mineral, determined annually by the Government.
- 12.6. Such insurance policy, which should be approved by the granting authority, must be valid for a period of 3 years after cessation of operations on the concession. The amount insured should always correspond to the percentages established in Article 280, Law 685 of 2001.
- 12.7. All the mining titles have a valid Environmental and mining insurance policy as it is shown in the chart below:

	ENVIRONMENTAL-MINING POLICY OF INSURANCE					
MINING TITLE	VALIDITY SINCE	EXPIRATION DATE	INSURED VALUE			
IEH-08401	February 23 of 2021	February 23 of 2022	COP \$5,329,895			
IEH-08441	January 13 of 2021	January 13 of 2022	COP \$7,966,252			
B7715005	May 31st of 2020	May 31st of 2021	COP \$3,437,562.40			
KIM- 14062X	March 13 of 2021	March13 2022	COP \$7,603,903			

continued

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#### 13. Area of the Concession

- 13.3. The area of the concession contract is granted by boundary limits and not by capacity or space. In consequence, the concession holder does not have any right of claim in case that the real extension contained in such boundary limits is inferior to the one mentioned in the contract.
- 13.4. The Mining Title cannot be granted over land:
  - a. the subject of another Mining Title that includes the same group of minerals.
  - b. the subject of an application for either of the above.
- 13.5. The land extension of the mining title registered in the National Mining Registry is listed in the next chart:

LICENSE	EXTENSION	EXCLUSION
B7715005	2.373 and 8.568 mts2	None
KIM-14062X	1031 Ha and 5.231 mts2	None
IEH-08401	150 ha and 8.497 mts2	None
IEH-08441	1.145 Ha and 7.208 m2	None

#### 14. Work programs and expenditure

- 14.1 It is a condition of each of the Contracts that the Mining Title holder carry out the operations specified in the approved work program, called "Format A".
- 14.2 According to the information provided by the legal representative of the beneficiary company of the concession, in the mining title IEH-08401 and IEH-08441, all the activities proposed in the exploration schedule have been carried out.



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14.3 We did not find any request from the Mining Authority regarding the non-fulfillment of this obligation.

#### 15. AREA FEES

- 15.1. The surface fees on the total area of concessions during the exploration, the erection and construction or over its extensions that the contractor retains far exploring during the period of exploitation, constitute a price that will be collected by the contracting agency without taking in consideration as to who owns the property or possesses the lands of the contract.
- 15.2. The mentioned fees will be equivalent to a daily minimum salary per hectare and payable annually in advanced annuities starting from the date of execution of the contract.
- 15.3. The surface fees have been paid for all mining titles.
- 15.4. If the pending resignation or request for suspension of mining title KIM-14062X is not accepted by the mining authority, the obligation for payment of the Annual Fee exists and must be paid.

The amount to be paid if the resignation or suspension is not accepted, including interest, would be COP \$183,778,839.

In *Asesoría Minera*'s legal opinion it is not likely because *Corporación Minera* submitted the information required on time.

#### 16. Minerals

16.1. The minerals included in the Mining Title B7715005 are Copper Minerals and its Concentrates, Silver Minerals and its concentrates, Gold Minerals and its concentrates, zinc Minerals and its Concentrates.

continued

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- 16.2. The minerals included in the Mining Title IEH-08401 are Copper Minerals and its Concentrates, Silver Minerals and its concentrates, Gold Minerals and its concentrates, zinc Minerals and its Concentrates.
- 16.3. The minerals included in the Mining Title IEH-08401 are Copper Minerals and its Concentrates, Silver Minerals and its concentrates, Gold Minerals and its concentrates, zinc Minerals and its Concentrates.
- 16.4. The minerals included in the Mining Title KIM-14062X are Gold Minerals and its concentrates.
- 16.5. However, until the CONSTRUCTION AND WORK PLAN PTO is presented to the authorities, all minerals that are of interest to the holder can be included in the contract.

#### 17. Suspension of Obligations

- 17.1. The Secretary of Mining of the Department of Antioquia and the National Mining Authority, upon request of the beneficiary corporations of the mining titles, ordered several suspensions of contractual obligations due to serious public order problems in the project's area.
- 17.2. Resolution 1315 dated August 27, 2021, issued by the Ministry of Health and Social Protection, extended the health emergency until November 30, 2021 throughout Colombia, initially declared by Resolution 385 of 2020. This resolution does not currently impose any restriction that would impede access to or the development of the project.
- 17.3. Resolution 777 of 2021, dated June 2, 2021, issued by the Ministry of Health and Social Protection, adopted a general biosafety protocol for the development of economic, social and State activities. This resolution does not impose any restriction that would impede access to or the development of the Project as it does not specifically deal with the mining sector. However, CMC must implement biosafety protocols established by the Resolution. Currently, CMC have instituted a work at home protocol which has been lodged with the National Mining Agency.
- 17.4. There are currently no mobility restrictions enforced in Colombia, Valle del Cauca or El Dovio. The Andean Mining Group cannot guarantee that access will continue if further COVID-19 restrictions are implemented.



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- 17.5. During 2020, suspensions of obligations were declared due to contingencies derived from COVID 19, but at this time only IEH-08441 concession contract is still suspended. The other mining titles were not suspended and therefore the contractual obligations continue. The Mining Authority through Resolution No. GSC-515 of September 15, 2020, extended the effects of the suspension of mining title obligations to the extensions of the COVID-19 public health emergency decreed by the National Government. The above, considering the adverse financial and sanitary consequences caused by the pandemic in the development of the mining activity.
- 17.6. IEH-08441 is the only mining title that is suspended.
- 17.7. All the suspensions of the mining titles were requested by the company.
- 17.8. The suspension of mining titles means the suspension of the obligations established in the concession contract, including mining activities in the area and annual fees. The only contractual obligation is that the insurance policies must be updated. Due to the suspension of obligations granted to the company at its request, the company can resume contractual obligations by informing the mining authority and license fees then become payable again.
- 17.9. At the time the mining title is suspended the contractual obligations and the titles term for exploration, construction and assembly and exploitation stages stops until the suspension is lifted, either by the company or the authorities.

#### 18. Basic Mining Forms - FBM

- 18.1. The Mining Basic Form is a standard form to collect mining data that meets the technical, economic, and statistical information requirements related to the existing mining titles.
- 18.2. The Mining Basic Form seeks to:
  - a. Guarantee the compliance of the objectives foreseen in the conceptual design of the Colombian Mining Information System (SIMCO, Spanish).
  - b. Collect dynamic information that allows the generation of basic statistics related to the mining activity, the mining gross domestic product (GDP); information of the

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different sectors and other data the government deems basic to diagnose, project, and plan within the mining sector.

- c. Provide information to help other mining and statistic public entities to fulfill their functions.
- 18.3. Despite the fact that most titles are suspended, presentation of FBMs is necessary for the time elapsed between a request of suspension of obligations and the actual date of the suspension order, given that this lapse is already accrued.
- 18.4. There were deficiencies in the presentation of the Basic Mining Forms which were corrected by the owner but are pending to be evaluated again by the mining authority.

Specific details of each Concession Contract studied and analyzed can be found in the corresponding Due Diligence.

Yours faithfully,

Sauthuan P MARIA ISABEL RENDÓN PARRA

Mining and Administrative Law Specialist Attorney

### **PUBLIC OFFER APPLICATION FORM**

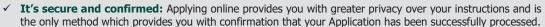
Your Application Form must be received by no later than: 9 December 2021 (unless extended or closed earlier)

### **Application Options:**

### Option A: Apply Online and Pay Electronically (Recommended)

### Apply online at: <a href="https://investor.automic.com.au/#/ipo/andeanmining">https://investor.automic.com.au/#/ipo/andeanmining</a>

- Pay electronically: Applying online allows you to pay electronically, via BPAY® or EFT (Electronic Funds Transfer).
- Get in first, it's fast and simple: Applying online is very easy to do, it eliminates any postal delays and removes the risk of it being potentially lost in transit.





To apply online, simply scan the barcode to the right with your tablet or mobile device or you can enter the URL above into your

### **Option B: Standard Application**

Enter your details below (clearly in capital letters using pen), attach cheque and return in accordance with the instructions on page 2 of the

1. Number of Shares applied for Application payment (multiply box 1 by \$0.20 per Share)  A\$ ,																							
2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)																							
																		Ро	st Co	de:			
3. Contact details Telephone Number Contact Name (PLEASE PRINT)																							
Email Address  By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).																							
4. CHESS Holders Only – Holder Identification Number (HIN)  Note: if the HIN is incorrect or the name and address details in section 2 does not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.																							
5. TFN/ABN/Exemption Code Applicant #1 Applicant #2 Applicant #3																							
If NOT an individual TFN/ABN, please note the type in the box C = Company; P = Partnership; T = Trust; S = Super Fund																							
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#### CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <sample a="" c="" family=""></sample>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <sample a="" c="" family="" super=""></sample>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <sample &="" a="" c="" son=""></sample>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <health a="" c="" club=""></health>	Health Club
Deceased Estates	Mr John Sample <estate a="" anne="" c="" late="" sample=""></estate>	Anne Sample (Deceased)

#### INSTRUCTIONS FOR COMPLETING THE FORM

#### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS PUBLIC OFFER APPLICATION FORM.

This is an Application Form for fully paid ordinary Shares in Andean Mining Limited (ACN 625 466 006) (Company) made under the terms of the Public Offer set out in the

Capitalised terms not otherwise defined in this document has the meaning given to them in the Prospectus. The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Shares. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and an Application Form, on request and without charge.

- Shares Applied For & Payment Amount Enter the number of Shares & the amount of the application monies payable you wish to apply for. Applications must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).
- Applicant Name(s) and Postal Address ONLY legal entities can hold Shares. The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logaina the Investor https://investor.automic.com.au/#/home
- CHESS Holders If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" ('SRN') will be allocated to you.

- TFN/ABN/Exemption If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment Payments for Applications made using a paper Application Form can only be made by cheque. Your cheque must be made payable to "Andean Mining Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable". Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Completed Application Forms and accompanying cheques must be received before 5:00pm (AEST) on the Closing Date by being delivered or mailed to the address set out in the instructions below.

Applicants wishing to pay by BPAY® or EFT should complete the online Application, which can be accessed by following the web address provided on the front of the Application Form. Please ensure that payments are received by 5:00pm (AEST) on the Closing Date. Do not forward cash with this Application Form as it will not be accepted.

#### **DECLARATIONS**

#### BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have received a copy of the Prospectus, either in printed or electronic form and have read the Prospectus in full;
- Have completed this Application Form in accordance with the instructions on the form and in the Prospectus:
- Declare that the Application Form and all details and statements made by me/us are complete and accurate:
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Agree and consent to the Company collecting, holding, using and disclosing my/our personal information in accordance with the Prospectus;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company:

- Acknowledge that once the Company accepts my/our Application Form, I/we may
- Apply for the number of Shares that I/we apply for (or a lower number allocated in a manner allowed under the Prospectus);
- Acknowledge that my/our Application may be rejected by the Company in its absolute discretion:
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Am/are over 18 years of age;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of

#### LODGEMENT INSTRUCTIONS

The Public Offer is expected to open on \_\_\_\_ 2021 and expected to close on \_ \_ 2021. The Directors reserve the right to close the Public Offer at any time once sufficient funds are received or to extend the Public Offer period. Applicants are encouraged to submit their Applications as early as possible. Completed Application Forms and payments must be submitted as follows:

**Paper Application and Cheque** OR

Andean Mining Limited C/- Automic Pty Ltd GPO Box 5193 SYDNEY NSW 2001

By Hand Delivery:

Andean Mining Limited C/- Automic Pty Ltd Level 5, 126 Phillip Street SYDNEY NSW 2000

#### Online Applications and BPAY® or EFT Payments Online:

https://investor.automic.com.au/#/ipo/andeanmining

#### **ASSISTANCE**

By Post:

Need help with your application, no problem. Please contact Automic on:



1300 288 664 within Australia +61 (2) 9698 5414 from outside Australia



LIVE WEBCHAT: Go to www.automicgroup.com.au



**EMAIL:** corporate.actions@automic.com.au





#### **Andean Mining Limited**

Level 1, 25 King Street Sydney, New South Wales 2000

www. and earmining. com. au