



**Metminco Limited (to be renamed Los Cerros Limited)
ACN 119 759 349**

Bonus Options Prospectus

This Prospectus is being issued for a bonus offer to Eligible Shareholders of one Quoted Option (**Bonus Option**) for every five Shares held on the Record Date (**Offer**). No funds will be raised as a result of the Offer.

This is an important document and requires your immediate attention. It should be read in its entirety. If you are in doubt about what to do, you should consult your professional adviser without delay.

The Bonus Options offered in connection with this Prospectus should be considered as speculative nature.

Important Information

This Prospectus is dated 5 December 2019 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Bonus Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

No person is authorised to give any information or to 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 in connection with the Offer.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

As this is a bonus issue of Options, Shareholders are not required to apply for Bonus Options.

A copy of this Prospectus is available for inspection at the registered office of the Company at Suite 3, Level 2, 470 Collins Street, Melbourne, Victoria 3000 during normal business hours.

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

The Company will apply for Official Quotation by ASX of the Bonus Options offered by this Prospectus.

No action has been taken to permit the offer of Bonus Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Bonus Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to WST unless otherwise indicated.

Corporate Directory

Directors

Jason Stirbinskis
Ross Ashton
Kevin Wilson

Managing Director
Non-Executive Chairman
Non-Executive Director

Joint Company Secretaries

Julia Beckett
Jessamyn Lyons

Registered and Principal Office

C/- Assoc & Associates,
Suite 3, Level 2, 470 Collins Street
Melbourne, Victoria 3000

Telephone: 61 8 6245 2050
Email: info@metminco.com.au
Website: www.metminco.com.au

Share Registry*

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000

Telephone: 1300 554 474 (within Australia)
+61 2 8280 7100 (outside Australia)

Solicitors

HWL Ebsworth Lawyers
Level 20, 240 St Georges Terrace
Perth WA 6000

Auditor*

Grant Thornton Audit Pty Ltd
Collins Square, Tower 1
727 Collins Street
Melbourne, VIC, 3008

ASX Codes:

Shares: MNC (to become LCL)
Quoted Options: MNCOA (to become LCLOA)
Proposed Code for Bonus Options: MNCOB (to become LCLOB)

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

Indicative Timetable

Event	Date
Notice to Optionholders	5 December 2019
Lodgement of Prospectus with ASIC	5 December 2019
Lodgement of Appendix 3B, Announcement and Prospectus with ASX	5 December 2019
Shares trade ex-Bonus Option entitlements	10 December 2019
Record Date for Bonus Options	11 December 2019
Intended date of issue Lodge Appendix 2A	Before 9am WST, 18 December 2019
Normal trading in Bonus Options	19 December 2019

Note

* These dates are indicative only and may change without prior notice. As such the date the Bonus Options are expected to commence trading on ASX may vary.

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Letter from the Board

Dear Shareholder

On behalf of the Directors, I am pleased to offer you the opportunity to participate in this Offer for Bonus Options, which comes at a very exciting time in our business. We are now part way through our first ever drilling program into the Chuscal Gold Target, located in the Mid-Cauca porphyry belt of Colombia, and results received to date have been highly encouraging

In undertaking this Bonus Offer we'd like to thank our shareholders that have supported the Company through a very important series of transactions undertaken over the past several months, which have led to the formation of the Metminco business we are today, which we believe has assembled an enviable suite of exploration projects in a region that has already proven to host several multi-million ounce gold projects.

Eligible Shareholders who hold Shares on the Record Date are offered one (1) Bonus Option for every five (5) Shares held on the Record Date. As this is a bonus issue of Quoted Options, Shareholders are not required to complete an application to receive the Bonus Options.

The Bonus Options have a nil issue price, and will be exercisable at \$0.16 each and expire on 16 August 2021. The full terms and conditions of the Quoted Options are in Section 4.1 of this Prospectus.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options offered by this Prospectus should be considered speculative. Please refer to Section 3 for details relating to investment risks.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6245 2050. For general shareholder enquiries, please contact the Share Registry on 1300 554 474 (within Australia) or +61 2 8280 7100 (outside Australia).

On behalf of the Board, I look forward to your continued support and on updating you on the Company's progress.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Ross Ashton', is written over a circular stamp or seal.

Ross Ashton
Non-Executive Chairman

Investment Overview

This Section is intended to highlight key information for potential investors and shareholders. It is an overview only, and is not intended to replace the Prospectus. Shareholders and investors should read the Prospectus in full.

Key Information	Further Information
<p>Transaction specific prospectus</p> <p>This Prospectus is a transaction specific prospectus for an offer of Bonus Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>	<p>Section 4.4</p>
<p>Risk factors</p> <p>Potential investors and Shareholders should be aware that the grant of Bonus Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3, including (but not limited to) risks in respect of:</p> <ul style="list-style-type: none"> • Exercise price of Bonus Options: There is no guarantee the Bonus Options will trade on the ASX or that there will be a liquid market for the Bonus Options. If Bonus Options are exercised, there is no guarantee that Shares issued on exercise of those Bonus Options will trade above the exercise price paid for those Shares. • Dilution: If you do not exercise the Bonus Options, because either you sell those Bonus Options on market, because you allow those Bonus Options to expire without being exercised, or you do not receive Bonus Options because you are an Excluded Holder, and other investors exercise their Bonus Options, your shareholding will be diluted. • Exploration success: Mining exploration and development is a high-risk undertaking. The success of the Company depends on the delineation of economically minable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. Exploration of the Company's projects may be unsuccessful, resulting in a reduction of the value of those projects and diminution in the cash reserves of the Company. • Future Capital Requirements: The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements. The Company's ability to raise further equity or debt, or to divest part of 	<p>Section 3</p>

Key Information	Further Information
<p>its interest in a tenement, and the terms of such transactions will vary according to a number of factors, including the success of exploration results and the future development of the tenements, stock market conditions and prices for commodities. Additional financing may not be available on terms acceptable to the Company, or at all.</p> <ul style="list-style-type: none"> <p>Sovereign Security Risk: The Company's operations are substantially located in Colombia and are subject to various in-country security risks. These risks and uncertainties include, but are not limited to, terrorism, trafficking narcotics, hostage taking, labour unrest, general strikes, the risks of war or civil unrest, expropriation and nationalisation, illegal mining and changing political conditions. The region of South America, including Colombia and Chile, is currently experiencing an outbreak of civil unrest and there is a possibility that this will escalate or be sustained. It is not possible to predict if this could result in, for instance, a delay to the sale of Mollacas (Chile) or interruptions to the Company's business plans in Colombia.</p> 	
<p>Offer</p> <p>The Offer is being made as a bonus issue of one (1) Bonus Option for every five (5) Shares held by Shareholders registered at the Record Date, to be issue for nil consideration. Fractional Entitlements will be rounded up to the nearest whole number.</p> <p>No funds will be raised as a result of the Offer.</p>	Section 1.1
<p>Eligible Shareholders</p> <p>The Offer is made to Eligible Shareholders only. Eligible Shareholders are those holders of Shares who:</p> <ul style="list-style-type: none"> are the registered holder of the Shares as at 5.00pm (WST) on the Record Date; and have a registered address in Australia or New Zealand. 	Sections 1.6 and 1.7
<p>Use of funds</p> <p>Nil funds will be raised as a result of the Offer.</p> <p>The Company will receive \$0.16 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately \$5,327,661. There is no certainty that any Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Bonus Options will be used towards continued development on the Company's existing projects and for working capital.</p>	Section 2.4

Key Information					Further Information																									
<p>Indicative capital structure and balance sheet</p> <p>Assuming that no existing Options are exercised, or Performance Rights converted into Shares before the Record Date, the effect of the Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.</p> <table border="1"> <thead> <tr> <th></th> <th>Shares</th> <th>Quoted Options</th> <th>Unquoted Options</th> <th>Performance Rights</th> </tr> </thead> <tbody> <tr> <td>Balance at the date of this Prospectus</td> <td>166,489,396</td> <td>13,683,636</td> <td>28,830,000</td> <td>1,910,000</td> </tr> <tr> <td>Maximum to be issued pursuant to the Offer</td> <td>-</td> <td>33,297,879</td> <td>-</td> <td>-</td> </tr> <tr> <td>Unquoted Options to be quoted</td> <td></td> <td>20,850,001</td> <td>(20,850,001)</td> <td></td> </tr> <tr> <td>Total on issue post Offer</td> <td>166,489,396</td> <td>67,831,516</td> <td>7,980,001</td> <td>1,910,000</td> </tr> </tbody> </table> <p>The Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. There will be no effect on the Company's balance sheet.</p>						Shares	Quoted Options	Unquoted Options	Performance Rights	Balance at the date of this Prospectus	166,489,396	13,683,636	28,830,000	1,910,000	Maximum to be issued pursuant to the Offer	-	33,297,879	-	-	Unquoted Options to be quoted		20,850,001	(20,850,001)		Total on issue post Offer	166,489,396	67,831,516	7,980,001	1,910,000	Sections 2.2 and 2.5.
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Key Information					Further Information																				
<p>Directors' participation and interests</p> <p>The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective entitlement to Bonus Options, is set out below.</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>Performance Rights</th> <th>Entitlement</th> </tr> </thead> <tbody> <tr> <td>Jason Stirbinskis</td> <td>166,669</td> <td>1,875,000</td> <td>-</td> <td>33,333</td> </tr> <tr> <td>Ross Ashton</td> <td>4,911,398</td> <td>1,562,500</td> <td>-</td> <td>982,280</td> </tr> <tr> <td>Kevin Wilson</td> <td>922,630</td> <td>125,428</td> <td>1,160,000</td> <td>184,526</td> </tr> </tbody> </table> <p>As approved by Shareholders on 28 November 2019, the Company intends to issue a further 6,000,000 unquoted Options to Mr Jason Stirbinskis, 2,000,000 unquoted Options to Mr Ross Ashton and 2,000,000 unquoted Options to Mr Kevin Wilson, on the terms and conditions set out in the Company's notice of meeting dated 25 October 2019.</p>					Director	Shares	Options	Performance Rights	Entitlement	Jason Stirbinskis	166,669	1,875,000	-	33,333	Ross Ashton	4,911,398	1,562,500	-	982,280	Kevin Wilson	922,630	125,428	1,160,000	184,526	Section 4.9
Director	Shares	Options	Performance Rights	Entitlement																					
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Ross Ashton	4,911,398	1,562,500	-	982,280																					
Kevin Wilson	922,630	125,428	1,160,000	184,526																					

Key Information	Further Information
<p>Forward looking statements</p> <p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'anticipates' or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 3.</p>	<p>Important Information and Section 3</p>

1. **Details of the Offer**

1.1 **The Offer**

The Offer is being made as a bonus issue of one (1) Bonus Option for every five (5) Shares held by Shareholders registered at the Record Date, to be issued for nil consideration. Fractional Entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus up to 33,297,879 Bonus Options could be issued pursuant to this Offer (assuming no Options or Performance rights are exercised prior to the Record Date). No funds will be raised as a result of the Offer.

All of the Bonus Options offered under this Prospectus will be issued on the terms and conditions set out in section 4.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to section 4.2 of this Prospectus.

Details of the purpose and effect of the Offer are set out in section 2.

1.2 **Minimum Subscription**

There is no minimum subscription.

1.3 **ASX Listing**

Application for Official Quotation of the Bonus Options offered pursuant to this Prospectus will be made in accordance with the timetable set out on page iv of this Prospectus. The Bonus Options will also be issued in accordance with this timetable, however they will remain unquoted until such time as the Company satisfied the quotation requirements. The Company anticipates that quotation will occur soon after issue.

The Bonus Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 quoted options on issue, with at least 50 holders with a marketable parcel (within the meaning of the Listing Rules)).

If ASX does not grant Official Quotation of the Bonus Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC) any Bonus Options issued will be void in accordance with section 723 of the Corporations Act.

The fact that ASX may grant Official Quotation to the Bonus Options is not to be taken in any way as an indication of the merits of the Company or the Bonus Options now offered. ASX takes no responsibility for the contents of this Prospectus.

1.4 **Issue**

Bonus Options issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out on page iv of this Prospectus.

Holding statements for Bonus Options issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out on page iv of this Prospectus as soon as practicable after their issue.

1.5 **CHESS**

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

Under CHESS, Shareholders will not receive a certificate but will receive a statement of their holding of Bonus Options.

If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of Bonus Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Bonus Options, including a notice to exercise the Bonus Options.

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

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

1.6 **Overseas Shareholders**

This Prospectus does not, and is not intended to, constitute an offer of Bonus Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Bonus Options may not be offered or sold, in any country outside Australia or New Zealand where it would be unlawful to do so.

The Offer is being made in New Zealand pursuant to the Financial Markets Conduct (Incidental Offers) Exception Notice 2016). This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Prospectus is not a product disclosure statement for the purpose of New Zealand law, and may not contain all the information that a product disclosure statement under New Zealand law is required to contain.

It is not practicable for the Company to comply with securities laws of overseas jurisdictions (other than New Zealand)). The Company has formed this view having considered:

- (a) the number of overseas shareholders;
- (b) the number and value of the Bonus Options that would be offered to those overseas Shareholders; and
- (c) the cost of complying with the legal requirements and the requirements of regulatory authorities in the overseas jurisdictions.

Accordingly, the Offer is not being extended and Bonus Options will not be issued to Shareholders with a registered address which is outside Australia and New Zealand.

1.7 Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

1.8 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 3.

1.9 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Bonus Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Bonus Options.

1.10 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 December 2018, can be found in the Company's Annual Report announced on ASX on 29 March 2019 and, for the half-year ended 30 June 2019, the Half Year Accounts announced on ASX on 12 September 2019. The Company's continuous disclosure notices (i.e. ASX announcements) since 12 September 2019 are listed in Section 4.5. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Shareholders review these and all other announcements.

1.11 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 8 6245 2050.

For general shareholder enquiries, please contact the Share Registry on 1300 554 474 (within Australia) or +61 2 8280 7100(outside Australia).

1.12 Name Change

On 28 November 2019, the Company sought and obtained Shareholder approval to change its name from Metminco Limited to Los Cerros Limited. The Company expects the name change to be effected by the ASX after the Issue Date.

2. Effect of the Offer

2.1 Purpose of the Offer

The purpose of the Offer is to reward Shareholders for supporting the Company and to provide the Company with a potential source of additional capital if Bonus Options are exercised. No funds will be raised through the issue of the Bonus Options pursuant to this Prospectus, however if all Bonus Options are exercised, the Company will receive approximately \$5,327,661.

2.2 Capital structure on completion of the Offer

Assuming that no existing Options are exercised, or Performance Rights converted into Shares before the Record Date, the effect of the Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

	Shares	Quoted Options	unquoted Options	Performance Rights
Balance at the date of this Prospectus	166,489,911	13,683,636 ¹	28,830,000 ²	1,910,000 ³
Maximum to be issued pursuant to the Offer	-	33,297,879 ⁴	-	-
Unquoted Options to be quoted ⁵		20,850,001	(20,850,001)	
Total on issue post Offer	166,489,911	67,831,516	7,980,001	1,910,000

Notes:

- Each of the 13,683,636 currently Quoted Options (MNCOA) has an exercise price of \$0.44 and expiry on 1 June 2020.
- Comprised of:
 - 240,000 unquoted Options exercisable at \$0.64, expiring on 31 December 2019;
 - 240,000 unquoted Options exercisable at \$0.96, expiring on 31 December 2019;
 - 5,546,875 unquoted Options exercisable at \$0.32, expiring on 1 July 2023;
 - 656,250 unquoted Options exercisable at \$0.32, expiring on 31 August 2023;
 - 46,875 unquoted Options exercisable at \$0.32, expiring on 15 November 2023;
 - 9,375,000 unquoted Options exercisable at \$0.16, expiring on 16 August 2021⁵;
 - 11,475,000 unquoted Options exercisable at \$0.16, expiring on 16 August 2021⁵; and
 - 1,250,000 unquoted Options exercisable at \$0.24, expiring on 16 August 2022.
- Comprised of
 - 1,160,000 Performance Rights (terms and conditions summarised in the notice of annual general meeting announced 26 April 2018); and

- (ii) 750,000 Performance Rights issued under the Company's long term incentive plan (the terms of the long term incentive plan disclosed in the notice of annual general meeting announced 26 April 2018).
4. Up to 33,297,879 Bonus Options will be issued in accordance with the timetable set out at the commencement of this Prospectus, with the maximum number of Bonus Options being issued under this Prospectus being subject to Section 1.6. Within 7 days after the date of this Prospectus, an application will be made to ASX for the Bonus Options to be quoted on the ASX (ASX:MNCOB). If ASX does not give permission for quotation of the Bonus Options within 3 months after the date of this Prospectus (or a later date permitted by ASIC), all Bonus Options issued will be void in accordance with section 723 of the Corporations Act.
 5. As disclosed in the Company's prospectus dated 19 July 2019, the Company intends to seek quotation from the ASX of the Class X Replacement Options and Free-Attaching Options (which share the same terms as the Bonus Options) (Note 2(vi) and (vii) above, respectively) at the same time and together with the application for quotation of the Bonus Options. These Options are also intended to be quoted under the ASX code MNCOB.

2.3 Substantial Holders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
RMB Australia Holdings Ltd	25,200,000	15.1
Sandfire Resources NL	24,973,410	15.0
Bullet Holding Corp	14,625,000	8.8
Subtotal	64,798,410	38.9
TOTAL SHARES ON ISSUE	166,489,911	100.0

The Offers will have no effect on the quantity of Shares held by these substantial shareholders as only Bonus Options are being issued.

2.4 Use of funds

Nil funds will be raised as a result of the Offer.

The Company will receive \$0.16 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately \$5,327,661. There is no certainty that any Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period. It is currently intended that any funds raised by the exercise of the Bonus Options will be used towards continued development on the Company's existing projects, evaluation of new opportunities and for working capital. Working capital includes but is not limited to corporate administration and operating costs and may be applied to additional directors' fees or executive fees, ASX and Share Registry fees, legal, tax and audit fees, insurance and travel costs and payment of creditors or other liabilities. The Company notes there are extra costs associated with the Bonus Options. Upon each exercise of Bonus Options, the Company must lodge an Appendix 3B with the ASX and will, accordingly, incur further costs in this regard.

The application of funds will depend on when Bonus Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

2.5 **Effect on Balance Sheet**

The Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. There will be no effect on the Company's balance sheet unless the Bonus Options are exercised.

2.6 **Market price of Shares**

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

Lowest: \$0.074 on 25 October 2019; and

Highest: \$0.12 on 16 September 2019.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with the ASIC was \$0.10.

3. Risk Factors

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Securityholders and potential investors should read the entire Prospectus and consider consulting their professional advisers.

The Directors consider that the following summary represents some of the major risk factors which Securityholders and potential investors need to be aware of in evaluating the Company's business and risks of investing in the Company. Securityholders and potential investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

3.1 Risks specific to the Offer

- (a) **Exercise price of Bonus Options:** There is no guarantee the Bonus Options will trade on the ASX or that there will be a liquid market for the Bonus Options. If the Bonus Options are exercised, there is no guarantee that Shares issued on exercise of those Bonus Options will trade above the exercise price paid for those Shares.
- (b) **Dilution:** If you do not exercise the Bonus Options, because either you sell those Bonus Options on market, because you allow those Bonus Options to expire without being exercised, or you do not receive Bonus Options because you are an Excluded Holder, and other investors exercise their Bonus Options, your shareholding will be diluted.

3.2 Risks specific to the Company

(a) Exploration risk

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

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

(b) **Future capital requirements**

The Company may have difficulty in obtaining future equity or debt funding to support exploration programs, evaluation and development of its tenements. Further finance will be required to extend the Company's current drilling program.

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

Should it subsequently be established that a mining production operation is technically, environmentally and economically viable, the Company will require additional financing to establish mining operations and production facilities. The Company may not be able to raise the additional finances that may be required for future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which will impact on the amount of additional capital that may be required.

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

(c) **Regulatory risks**

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

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

Colombia, where the Company's operating assets reside, and other jurisdictions in which they may operate in the future, differ from the legal system found in Australia. This could lead to exposure to any or all of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations;

- (ii) delays in redress or greater discretion on the part of governmental authorities; and
- (iii) restrictions on the potential extraction and export of mineral ores or concentrates.

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

(e) **Sovereign Security Risks**

The Company's operations are substantially located in Colombia and are subject to various in-country security risks. These risks and uncertainties include, but are not limited to, terrorism, trafficking narcotics, hostage taking, labour unrest, general strikes, the risks of war or civil unrest, expropriation and nationalisation, illegal mining and changing political conditions. The region of South America, including Colombia and Chile, is currently experiencing a period of civil unrest and there is a possibility that this will escalate or be sustained. It is not possible to predict if this will result in, for instance, a delay to the sale of Mollacas (Chile) or interruptions to the Company's business plans in Colombia.

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

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

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

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

(g) **Chuscal expenditure risk**

The Company is party to a farm-in joint venture agreement with AngloGold, which currently owns the Chuscal project. The farm-in joint venture agreement with AngloGold was finalised in December 2018 and the exploration licences granted to AngloGold in May 2019. The earn-in period for the joint venture commenced 22 May 2019. Metminco is required to spend US\$2,500,000 by 22 May 2022 in order to obtain

a 51% interest in the Chuscal licences. The Company has commenced exploration at Chuscal and, subject to results, expects to have spent approximately \$900,000 at Chuscal by 31 December 2019.

In order for the Company to satisfy the requirement of US\$2,500,000, it will be required, subject to relevant Australian Dollar/US Dollar exchange rates at the relevant future date, to raise further equity or other capital, and deploy this at Chuscal prior to 22 May 2022 or the interest in the Chuscal licences will not be earned.

As with all exploration, it is not possible to predict the degree of success that the Company will have at Chuscal. In the event that the Company chooses to not fulfil the earn-in, it would not be obligated to continue spending the full US\$2,500,000 but, in this case, will not earn its interest in Chuscal.

(h) **Environmental risk**

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

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

(i) **Social Licence**

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

(j) **Mine development risk**

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

(k) **Metallurgy**

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

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

(l) **Insurance risks**

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

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

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

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

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

Mr Nick Winer was engaged by the Company as a key in-country exploration consultant under a consultancy agreement. The consultancy agreement ends on 31 December 2019 unless extended by mutual agreement. At present, the Company does not expect the consultancy agreement, in its current form, to be extended by mutual agreement.

(o) **Exploration costs**

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

(p) **Commodity Prices**

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

(q) **Tax rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the Shares and the grant of Bonus Options involves tax considerations that may differ for each Shareholder. There could be a variety of taxation consequences for Shareholders in relation to the grant of Bonus Options including adverse consequences. Each Shareholder is encouraged to seek professional tax advice in connection with any investment and in relation to the grant of Bonus Options in the Company.

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

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

(r) **Litigation Risks**

The Company is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is aware that a former director of a company that was acquired by the Company (Minera Seafield, now called Miraflores Compania Minera SAS) previously lodged a claim with the Labour Court in Medellin, Colombia (Juzgado Laboral del Circuito de Medellin) seeking termination payments, unpaid bonus payments and damages in the amount of approximately US\$2 million. The Directors are of the opinion that the claim can be successfully defended and believe that the risk of the Company facing an unfavourable judgement is remote. The next court hearing has been deferred to early 2020 subject to confirmation from the Colombian courts. The Company intends to defend the proceeding.

The Company's subsidiary, Miraflores Compania Minera S.A.S received advice from Phillipi, Prietocarrizosa Ferrero Du & Uria, an international law firm operating in Colombia, setting out that the probability that the claim against Miraflores Compania Minera S.A.S. would be successful was "low".

(s) **Competition risk**

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

(t) **Force Majeure**

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

(u) **Land Access risk**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights.

Mineral rights in Colombia are governed under the National Mining Code which defines the procedures and obligations that need to be met to obtain and maintain the mineral rights. Exploration applications are granted on a first come first served basis. Applications are subject to analysis by the authorities to define the area within the application boundary that was "available" at the time of application. There is no guarantee that all or part of the application will be granted until the authorities have conducted this study.

Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it already owns.

Access to land for exploration and evaluation purposes can be obtained by: private access and compensation agreement with the landowner; purchase of surface rights; or through judicial rulings. However, access rights to the licences can be affected by many factors including:

- (i) presence of small artisanal mining operations which are common in the gold bearing areas of Colombia;
- (ii) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdiction where the Company operates;
- (iii) sporadic lawlessness and sovereign security issues (refer to Sovereign Security Risks in Section 3.2(e));

- (iv) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions where the Company operates;
- (v) social licence to operate (refer to Social Licence Risks in Section 3.2(i)); and
- (vi) natural occurrences including inclement weather, volcanic eruptions, lahars and earthquakes.

All of these issues have the potential to delay, curtail and preclude the Company's operations. Whilst the Company will have the potential to influence some of these access issues, and retains staff to manage those instances where negotiations are required to gain access, is not possible for the Company to predict the extent to which the above-mentioned risks and uncertainties may adversely impact on the Company's operations.

(v) **Going Concern risk**

The most recent full year accounts of the Company include a material uncertainty as to each entity's ability to continue as a going concern. Further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all.

The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including sale of the Company's Chilean assets, prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, share market and industry conditions and the price of relevant commodities and exchange rates.

If adequate funds are not available on acceptable terms the Company may not be able to develop its projects and it may impact on the Company's ability to continue as a going concern.

3.3 **General risks**

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

(a) **Economic Risks**

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

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

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

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

(b) **Security risk**

The business of the Company may be materially impacted by breaches of security, on-site or via technology, either by unauthorised access, theft, destruction, loss of information or release of confidential data. The Company's security measures may not be sufficient to detect or prevent such breaches of security.

(c) **Climate change risk**

Climate change is a risk the Company has considered, particularly related to its operations in the mining industry. The climate change risks particularly attributable to the Company include:

- (i) 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
- (ii) 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.

3.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by Shareholders in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Bonus Options offered under this Prospectus.

Therefore, the Bonus Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Bonus Options.

Shareholders should consider that their investment in the Company is highly speculative and should consult their professional advisers for further advice.

4. Additional information

4.1 Terms and conditions of Bonus Options

The terms and conditions of the Bonus Options are as follows:

(a) **Entitlement**

Each Bonus Option entitles the holder (**Optionholder**) to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.

(b) **Exercise Price and Expiry Date**

Each Bonus Option has an exercise price of \$0.16 and will expire on 16 August 2021 (**Expiry Date**).

Any Bonus Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(c) **Exercise Period**

The Bonus Options are exercisable at any time and from time to time on or prior to the Expiry Date.

(d) **Quotation of the Options**

The Company intends to apply for Official Quotation of the Bonus Options.

(e) **Transferability of the Options**

The Bonus Options will be transferable subject to compliance with the Corporations Act and Listing Rules.

(f) **Notice of Exercise**

The Bonus Options may be exercised by notice in writing to the Company in a form reasonably acceptable to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by cheque or electronic funds transfer.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that option as at the date of receipt.

(g) **Shares Issued on Exercise**

Shares issued on exercise of the Bonus Options rank equally with the then Shares of the Company.

(h) **Timing of Issue of Shares**

Within 15 Business Days after the later of the following:

- (i) receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Bonus Option being exercise; and

- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information,

the Company will:

- (iii) issue the Shares pursuant to the exercise of the Bonus Options;
- (iv) give ASX a notice that complies with section 708A(5)(e) of the Corporations Act (to the extent required); and
- (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Bonus Options.

If the Company is unable to deliver a notice under paragraph (d) or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company will lodge with ASIC a "cleansing prospectus" prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors. Where a "cleansing prospectus" is required, any Shares issued on exercise of Bonus Options will be subject to a holding lock until such time as a prospectus is issued by the Company.

(i) **Participation in New Issues**

There are no participation rights or entitlements inherent in the Bonus Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options.

(j) **Adjustment for Bonus Issues of Shares**

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

- (i) the number of Shares which must be issued on the exercise of a Bonus Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Bonus Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(k) **Adjustment for Entitlements Issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue to which paragraph (j) will apply) there will be no adjustment of the Exercise Price of a Bonus Option or the number of Shares over which the Bonus Options are exercisable.

(l) **Adjustments for Reorganisation**

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholders will be varied in accordance with the Listing Rules.

4.2 **Rights and liabilities attaching to Shares**

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

(a) **General meeting and notices**

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

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

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

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

(b) **Voting rights**

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

(c) **Alteration of Capital**

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

(d) **Variation of Rights**

Subject to the Constitution, Corporations Act and Listing Rules, if at any time the share capital is divided into different classes of shares, the rights attached to the

shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued shares of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class.

(e) **Transfer of Shares**

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

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

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

(f) **Dividends**

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

(g) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4.3 **Dividend Policy**

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

4.4 **Company is a disclosing entity**

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

information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.5 below). Copies of all documents announced to the ASX can be found at <https://www.metminco.com.au/site/news/ASX-Announcements>.

4.5 Copies of documents

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

- (a) the financial statements of the Company for the financial year ended 31 December 2018, being the last financial statements for a financial year of the Company lodged with ASX on 29 March 2019;
- (b) the half year report of the Company for the half year ended 30 June 2019 as lodged with ASX on 12 September 2019; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the financial statements referred to in Section 4.5(b) above until the date of this Prospectus:

Date lodged	Subject of Announcement
5 December 2019	Second hole at Chuscal intersects vein grading 17.1g/t gold
2 December 2019	Sale of Chilean Assets - Update
28 November 2019	Results of Meeting
26 November 2019	Appointment of joint company secretary
25 November 2019	1st Hole at Chuscal Intersects Impressive 350m Gold Interval
22 November 2019	Trading Halt
11 November 2019	Metminco Opens Local Plantain Project
30 October 2019	Quarterly Activities Report and Quarterly Cashflow Report
30 October 2019	First Chuscal Drill Hole Completed
25 October 2019	Change of name to Los Cerros Limited & Notice of Meeting
24 October 2019	Chuscal Drilling Update

Date lodged	Subject of Announcement
23 October 2019	Non-Binding Term Sheet for Sale of Non-Core Chile Assets
8 October 2019	Chuscal Presentation Pack
4 October 2019	Tesorito Pre-Drill Program
2 October 2019	Diamond drilling contract executed, drillers on-site
24 September 2019	Chuscal drilling contract executed, drillers on-site
20 September 2019	Consolidation/Split - MNC
20 September 2019	Capital Consolidation Update
18 September 2019	Chuscal Gold Project Pre-Drill Program Well Advanced
16 September 2019	Appendix 3B

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

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 4.13 and the consents provided by the Directors to the issue of this Prospectus.

4.6 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus, save for the information set out below:

- (a) the Company has made an indicative proposal to acquire an additional gold exploration interest in Colombia through the issue of scrip consideration for an amount of less than \$1,000,000. As at the date of this Prospectus, the Company has not received a formal response to the proposal; and
- (b) subject to market conditions, the Company has been actively considering raising funds by way of an equity issue of Shares. The Company has not yet resolved :
 - (i) whether it will undertake an issue;
 - (ii) whether any potential issue would be by way of private placement or by other means; and
 - (iii) the quantum, pricing and timing of any potential issue.

4.7 **Determination by ASIC**

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

4.8 **ASIC Instruments**

The Offer is made pursuant to ASIC Corporations (Exposure Period) Instrument 2016/74 which exempts the Company from complying with section 727(3) of the Corporations Act to the extent that that section prohibits the Company from issuing Options in the seven-day period after the date of lodgement of the Prospectus with ASIC.

The Offer is also made pursuant to ASIC Corporations (Application Form Requirements) Instrument 2017/241 which exempts the Company from complying with section 723(1) of the Corporations Act to the extent that that section only permits an issue of Options in response to an application form included in or accompanied by a disclosure document.

4.9 **Interests of Directors**

(a) **Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (iv) as an inducement to become, or to qualify as, a Director; or
- (v) for services provided in connection with the formation or promotion of the Company, or the Offer.

(b) **Security holdings**

The relevant interests of each of the Directors in Securities as at the date of this Prospectus, together with their respective entitlement to Bonus Options, is set out below.

Director	Shares	Options	Performance Rights	Entitlement
Jason Stirbinskis	166,669	1,875,000	-	33,333
Ross Ashton	4,911,398	1,562,500	-	982,280
Kevin Wilson	922,630	125,428	1,160,000	184,526

As approved by Shareholders on 28 November 2019, the Company intends to issue a further 6,000,000 unquoted Options to Mr Jason Stirbinskis, 2,000,000 unquoted Options to Mr Ross Ashton and 2,000,000 unquoted Options to Mr Kevin Wilson, on the terms and conditions set out in the Company's notice of meeting dated 25 October 2019.

(c) **Remuneration of Directors**

The Constitution of the Company provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors in a general meeting, to be divided among the Directors and in default of agreement then in equal shares. The current maximum total aggregate amount of directors' fees payable to Non-Executive Directors without the approval of holders is set at \$600,000 per annum.

The Company may also pay the Director's travelling and other expenses they properly incur.

A Managing Director and Executive Directors are entitled to receive such remuneration as the Directors determine. Their remuneration must not include a commission on or percentage of operating revenue.

As at the date of this Prospectus, the Company has one executive director: Mr Jason Stirbinskis. The total annual base salary payable to Mr Stirbinskis is \$200,000 (excluding superannuation) pursuant to an executive services agreement entered into between Andes and Mr Stirbinskis, which was subsequently novated to the Company. Under the executive services agreement, Mr Stirbinskis was issued options to acquire fully paid ordinary shares in the capital of Andes (**Andes Options**). As part of the Company's acquisition of Andes, Mr Stirbinskis was issued Options replacing his Andes Options. The Options on issue to Mr Stirbinskis are set out in Section 4.9(b). No further issues of securities are contemplated under the executive services agreement, but it is noted that on 28 November 2019, Shareholders approved the issue of 6,000,000 unquoted Options to Mr Stirbinskis to incentivise future performance.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (**FY**), inclusive of directors fees, consultancy fees, superannuation benefits and share-based payments.

Director	FY ended 31 Dec 2018 (\$)	FY ended 31 Dec 2017 (\$)
Jason Stirbinskis ¹	-	-
Ross Ashton ²	-	-
Kevin Wilson ³	192,832	-
Roger Higgins ⁴	42,745	37,500
Glenister Lamont ⁵	35,136	-

Director	FY ended 31 Dec 2018 (\$)	FY ended 31 Dec 2017 (\$)
Francisco Vergara-Irarrazaval ⁶	15,625	37,500
Ram Venkat ⁷	76,253	143,743
Phillip Wing ⁸	-	58,333
William Howe ⁹	225,000	225,000

Notes:

1. Mr Stirbinskis was appointed as a Director on 16 August 2019 following completion of the Company's takeover of Andes Resources Limited (**Andes**). See above for further details of his remuneration.
2. Mr Ashton was appointed as a Director on 16 August 2019 following completion of the Company's takeover of Andes and as non-executive Chairman on 28 November 2019. Mr Ashton will receive 2,000,000 unquoted Options for his services as a director for two years, on the terms and conditions set out in the Company's notice of meeting dated 25 October 2019. He will receive no cash fees over this period.
3. Mr Wilson was appointed as a Director on 23 March 2018. As at the date of this Prospectus, none of this amount has been paid. Mr Wilson resigned his role as Executive Chairman on 16 August 2019, following completion of the Company's takeover of Andes and his role as Chairman on 28 November 2019. Mr Wilson will receive 2,000,000 unquoted options for his services as a director for two years on the terms and conditions set out in the Company's notice of meeting dated 25 October 2019. He will receive no cash fees over this period.
4. Mr Higgins resigned on 16 August 2019 following completion of the Company's takeover of Andes.
5. Mr Lamont resigned on 16 August 2019 following completion of the Company's takeover of Andes .
6. Mr Vergara-Irarrazaval resigned 28 May 2018.
7. Mr Venkat resigned 19 March 2018.
8. Mr Wing resigned 3 August 2017.
9. Mr Howe resigned 23 March 2018.

(d) **Director Loans**

Mr Ross Ashton and Mr Kevin Wilson have each entered into separate unsecured loan agreements on the terms below to meet cashflows and to support the operating activities of the Company (**Director Loan Agreements**). The Director Loan Agreements were made on arms-length terms.

The Director Loan Agreements are each for up to an amount of \$150,000 to be drawn-down in tranches of \$50,000. Currently \$150,000 has been drawn-down on the Director Loan Agreement with Mr Kevin Wilson and \$150,000 has been drawn-down on the Director Loan Agreement with Mr Ross Ashton.

The Director Loan Agreements have an interest rate of 9% per annum accruing daily on the amounts drawn.

The Director Loan Agreements must be repaid in full:

- (i) on or before 1 February 2020; or
- (ii) immediately upon receipt of funds from an external source in excess of AU\$1,000,000 and subject to the approval of the Board,

or as otherwise agreed (**Repayment Date**). However, the Company can prepay the outstanding amount under the Director Loan Agreement plus accrued interest at any time.

If the Company fails to repay the loan by the Repayment Date, the Company will be in default and immediate repayment of the entire unpaid balance of the Director Loan Agreement can be demanded. If the loan is not repaid by the Repayment Date, the unpaid balance will continue to accrue interest until the loan is repaid.

The Company also entered into a loan agreement with Mr Wilson dated 1 March 2019, under which Mr Wilson advanced \$50,000 at an interest rate of 9% per annum accruing daily on the amounts drawn (**March Loan**). Mr Wilson has the right to demand the repayment of the March Loan but, as at the date of this Prospectus, has not exercised his right to do so.

4.10 **Related party transactions**

There are no related party transactions involved in the Offer.

4.11 **Interests of other persons**

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

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Bonus Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Bonus Options offered under this Prospectus.

HWL Ebsworth Lawyers will be paid approximately \$10,000 (plus GST) in fees for legal services in connection with the Offer.

Link Market Services Ltd has been appointed to conduct the Company's share registry functions and will provide administrative services in respect of this Offer, and will be paid for these services on standard industry terms and conditions.

4.12 Expenses of Offer

The estimated expenses of the Offer are as follows:

Estimated expenses of the Entitlement Offer	\$
ASIC lodgement fee	3,206
ASX quotation fee	15,087
Legal and preparation expenses	10,000
Printing, mailing and other expenses	5,500
Total	33,793

4.13 Consents

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

Each of the parties referred to in this Section:

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

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

Link Market Services Limited has given its written consent to being named as the Share Registry to the Company in this Prospectus. Link Market Services has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Phillipi, Prietocarrizosa Ferrero Du & Uria has given its written consent to being named as the Colombian solicitors to the Company in this Prospectus in respect of the litigation set out in Section 3.2(r) of this Prospectus. Phillipi, Prietocarrizosa Ferrero Du & Uria has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

5. **Directors' Statement and Consent**

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

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

A handwritten signature in black ink, appearing to read 'Ross Ashton', is written over a horizontal line. The signature is stylized and cursive.

Ross Ashton
Non-Executive Chairman

Dated: 5 December 2019

6. Definitions

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

\$	means Australian dollars.
AngloGold	means AngloGold Ashanti Colombia SA.
Andes	means Andes Resources Limited (ACN 166 866 691).
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.
ASX Settlement	means ASX Settlement Pty Limited ACN 008 504 532.
ASX Settlement Operating Rules	means ASX Settlement Operating Rules of ASX Settlement.
Board	means the Directors meeting as a board.
Bonus Option	means an option to acquire a Share on the terms and conditions set out in 4.1 of this Prospectus.
Business Day	means Monday to Friday inclusive, other than a day that ASX declares is not a business day.
CHESS	means ASX Clearing House Electronic Subregistry System.
Chuscal	means the Chuscal Gold Project in Quinchia, Colombia.
Company	means Metminco Limited (to be renamed Los Cerros Limited) (ACN 119 759 349).
Constitution	means the constitution of the Company as at the date of this Prospectus.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director Loan Agreements	means the loan agreements between the Company and Ross Ashton, and the Company and Kevin Wilson dated 1 November 2019.
Directors	mean the directors of the Company as at the date of this Prospectus.
Eligible Shareholder	means a Shareholder with a registered address in Australia and New Zealand on the Record Date.
Entitlement	means the entitlement of a shareholder who is eligible to participate in the Offer.

Excluded Holder	means a Shareholder who is not an Eligible Shareholder.
Free-Attaching Options	means the Options issued on 16 August 2019 to holders of convertible notes as approved and on the terms and conditions set out in the Company's notice of meeting held on 15 July 2019.
Issue Date	means the date specified in the Indicative Timetable.
Issuer Sponsored	means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.
Listing Rules	means the listing rules of ASX.
Offer	means the non-renounceable bonus issue, the subject of this Prospectus.
Official List	means the official list of ASX.
Official Quotation	means quotation of Securities on the Official List.
Option	means the right to acquire one Share in the capital of the Company.
Optionholder	means a holder of an Option.
Prospectus	means this prospectus dated 5 December 2019.
Quoted Option	means a right to acquire one Share in the capital of the Company that is quoted on the Official List.
Record Date	means 5.00 pm (WST) on the date identified in the proposed timetable.
Repayment Date	means the date for repayment under the Director Loan Agreements, being 1 February 2020 or as agreed.
Class X Replacement Options	means Options issued on 16 August 2019 to Andes Shareholders as consideration for the cancellation of their Andes options, as approved and on the terms and conditions set out in the Company's notice of meeting held on 15 July 2019.
Section	means a section of this Prospectus.
Securities	mean any securities including Shares, Options (including Bonus Options) or Performance Shares issued or granted by the Company.
Securityholders	means a holder of Securities.
Share	means a fully paid ordinary share in the capital of the Company.

Share Registry	means Link Market Services Limited (ACN 083 214 537).
Shareholder	means a holder of Shares.
Unquoted Option	means an Option that is not and will not be quoted on the Official List.
WST	means Western Standard Time.