Metminco Limited

ABN 43 119 759 349

Annual Report - 31 December 2018

Directors	Kevin Wilson (Executive Chairman) Roger Higgins (Non-Executive Director) Glenister Lamont (Non-Executive Director)
Company secretary	Andrew Metcalfe Geoffrey Widmer
Registered office	Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia
Principal place of business	Suite 3, Level 2 470 Collins Street Melbourne VIC 3000 Australia
Share register	Link Market Services Limited Level 12, 680 George Street, Sydney, NSW, Australia, 2000 1300 554 474
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 1 727 Collins St Melbourne VIC 3000
Stock exchange listing	Metminco Limited shares are listed on the Australian Securities Exchange (ASX code: MNC)

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Consolidated Group' or the 'Group') consisting of Metminco Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2018.

Directors
The following persons were Directors of Metminco Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Kevin Wilson	Executive Chairman (appointed 23 March 2018)
Roger Higgins	Non-Executive Director
Glenister Lamont	Non-Executive Director (appointed 28 May 2018)
William Howe	Managing Director (resigned 23 March 2018)
Francisco Vergara-Irarrazaval	Non-Executive Director (retired 28 May 2018)
Ram Venkat	Non-Executive Director (resigned 19 March 2018)

Principal activities and significant changes in the nature of events.
The Group's Quinchia Gold Project encompasses a potential development project at Miraflores, as well as assets with substantial exploration upside potential including the significant gold porphyry system targets of Tesorito, Dosquebradas and Chuscal. During the year, work continued on an Environmental Impact Statement for potential gold mining operations at Miraflores and exploration drilling of a gold porphyry at Tesorito.

In December 2018, Metminco entered into a joint venture (JV) to explore and develop the Chuscal Gold Prospect in Quinchia, Colombia. Chuscal is a major drill-ready gold exploration target, defined by soil and rock chip geochemistry. Chuscal is situated 1,700m south of the proposed Miraflores plant and 1,100m south of Tesorito. Drilling, subject to finance, will commence as soon as permits and approvals are granted.

While the Company also retains its 100% Chilean Projects, the primary focus is on the Quinchia Gold Project and the Chilean projects are on care and maintenance whilst Directors seek the sale of the land and mineral rights. These Chilean projects provide significant exposure to copper through Mollacas on which a mining study announced in 2014 demonstrated robust economics for development of the Mollacas Project, which is subject to resolution of a dispute with the surface land holder. The Vallecillo Project is a polymetallic deposit with identified resources.

In September 2018, the Company announced that it had entered into an agreement to acquire Sunshine Minerals Limited, a company incorporated in the Solomon Islands, which holds an 80% interest in a nickel laterite deposit, the Jejevo Nickel Project. The Company subsequently withdrew from the agreement as it was unable to complete the due diligence to its satisfaction.

During the year the Company removed its listing from the London Alternative Investment Market (AIM), and transferred most United Kingdom based shareholders to the Australian register.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $7,833,968 (31 December 2017: $35,227,373).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 15 February 2019 the Company announced it had reached agreement to defer to June 2020 a $3 million deferred acquisition payment due to RMB (Australia) Holdings Limited ('RMB') in June 2019.

On 13 March 2019, the Company announced a proposed Merger of Metminco and Andes Resources Limited ('Andes') to create a leading Colombian gold explorer and developer. The proposed Merger will result in the Company holding a dominant position in the richly gold-copper endowed Mid-Cauca Gold Belt. The proposed Merger will bring together Metminco's advanced Quinchia Gold Project, with Andes' extensive tenement holding to create a company with multiple advance exploration assets in richly endowed gold camps. A total of up to $4 million will be raised as part of the proposed Merger.

In March 2019, the company completed a placement of convertible notes to raise up to $1 million (as part of the $4 million proposed Merger financing). The Convertible Notes are interest free and repayable in limited circumstances. The Convertible Notes will convert into fully paid ordinary shares in Metminco. Funds raised will primarily be applied to progress the proposed Merger, undertake geophysical and geochemical work to further refine drill targeting at the Chuscal Gold Prospect in Colombia, and provide working capital.

Also as part of the proposed merger, Metminco is in the process of negotiating a significant restructuring of the existing RMB deferred acquisition payments of $5 million through a payment of $500,000 on completion of the merger, a debt for equity swap for $2.5 million, and realigning future payments of $2 million to project milestones out to 2025.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law. The Group is subject to environmental regulations in foreign countries where it operates, such as Chile and Colombia. The Directors are not aware of any breaches of the legislation during the year that are material in nature.

Information on Directors

Name:	Kevin Wilson
Title:	Executive Chairman
Qualifications:	BSc, MBA
Experience and expertise:	Kevin was appointed Executive Chairman on 23 March 2018. He has over 30 years' experience in the minerals and finance industries. He was the Managing Director of Rey Resources Limited, an Australian energy exploration company, from 2008 to 2016 and the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. He has prior experience as a geologist with the Anglo American group in Africa and North America and as a stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australia and USA. Mr Wilson is currently also Chairman (non-executive) of Navarre Minerals Limited and non-executive director of Investigator Resources Limited.
Other current directorships:	Non-executive Chairman - Navarre Minerals Limited and Non-executive Director - Investigator Resources Limited.
Former directorships (last 3 years):	Rey Resources Limited (August 2007 to June 2016)
Interests in shares:	36,905,172 ordinary shares in Metminco Ltd
Interests in options:	5,017,104 listed options
Interests in rights:	46,400,000 LTIP performance rights

Name:	Roger Higgins
Title:	Non-Executive Director
Qualifications:	BE, MSc, and PhD
Experience and expertise:	Roger was appointed to the Board on 8 October 2013. He has over 40 years of mining industry experience, which has included environmental, strategy, project development and operational roles. Roger's earlier career included various hydrology related positions in Papua New Guinea (Australian Government and Bougainville Copper), and four years at the University of New South Wales, where he completed a PhD in water resource economics. He subsequently spent 26 years with BHP including roles as Manager Planning and Development BHP Copper, General Mine Manager Escondida, Managing Director Ok Tedi, Vice President Project Development Chile, and Vice President and Chief Operating Officer Australia, responsible for the Olympic Dam and Cannington mines. Thereafter he spent five years with Teck Resources Limited as Senior Vice President Copper in Vancouver BC, where he led operations and related activities in Canada, Chile and Peru. He is a non-executive Director of WorleyParsons Ltd, Ok Tedi Mining Ltd, Newcrest Mining, and Minotaur Exploration (Chairman from 1 January 2017), and an Adjunct Professor with the Sustainable Minerals Institute at the University of Queensland. Professional Socieites include Fellow, Institution of Engineers, Australia and Fellow, Australasian Institute of Mining and Metallurgy.
Other current directorships:	Non-executive Director - Newcrest Mining Ltd (October 2015 to current), Minotaur Exploration Ltd (July 2016 to current) and WorleyParsons Ltd (from February 2019).
Former directorships (last 3 years):	
Interests in shares:	2,123,348 ordinary shares in Metminco Ltd
Interests in options:	417,636 listed options & 9,600,000 unlisted LTIP performance options

Name:	Glenister Lamont
Title:	Non-Executive Director
Qualifications:	BEng. MBA,
Experience and expertise:	Glenister joined the Board on 28 May 2018. He is a professional non-executive director, who has been Chair of several ASX listed resource companies as well as a director of other listed companies, government, not-for-profit and investment entities. Encompassing a 40-year executive career, Glenister has been CEO of a listed gold explorer, General Manager for two ASX 200 companies and Executive Director at UBS Australia. This gives him significant depth of finance, business and management experience, both domestically and internationally.
Other current directorships:	Non-executive Chairman - Golden Rim Resources Limited (July 2007 to current)
Former directorships (last 3 years):	Valence Industries Ltd (December 2008 to November 2016)
Interests in shares:	2,625,000 ordinary shares in Metminco Ltd
Interests in options:	625,000 listed options & 9,600,000 unlisted LTIP performance options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries

Graeme Hogan was the Company Secretary and CFO until 28 May 2018. On 26 April 2018 Geoffrey Widmer was appointed Joint Company Secretary alongside Graeme Hogan.

Graeme Hogan resigned as Company Secretary and Chief Financial Officer effective 28 May 2018. On that day Andrew Metcalfe was appointed Joint Company Secretary and CFO. Andrew Metcalfe and Geoffrey Widmer are in office at the date of this report.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2018, and the number of meetings attended by each Director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
Kevin Wilson (appointed 23 March 2018)	4	4	-	-
Roger Higgins (director for full year)	5	5	1	1
Glenister Lamont (appointed 28 May 2018)	3	3	-	-
William Howe (resigned 23 March 2018)	2	2	-	-
Francisco Vergara-Irarrazaval (retired 28 May 2018)	1	2	1	1
Ram Venkat (resigned 19 March 2018)	1	1	-	-

Held: represents the number of meetings held during the time the Director held office.

A circular resolution of the Board or Audit and Risk Committee was used where necessary.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board, in the absence of the Nomination and Remuneration Committee, is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 31 May 2012, where the shareholders approved a maximum annual aggregate remuneration of $600,000.

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPIs') being achieved. KPIs may include profit contribution, leadership contribution and project milestones. No STI was granted in 2018.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value and project milestones. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 31 December 2018.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined exploration objectives being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board.

The Board is of the opinion that improved results can be attributed in part to the adoption of performance based compensation and is satisfied that performance based compensation can increase shareholder wealth if maintained over the coming years.

Voting and comments made at the company's 28 May 2018 Annual General Meeting ('AGM')
At the 28 May 2018 AGM, 91.5% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2017. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
31 Dec 2018	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-executive Directors:							
Roger Higgins (i)	37,500	-	-	-	-	5,245	42,745
Glenister Lamont (i)	27,092	-	-	2,799	-	5,245	35,136
Francisco Vergara - Irarrazaval	15,625	-	-	-	-	-	15,625
Ram Venkat	76,253	-	-	-	-	-	76,253
Executive Directors:							
Kevin Wilson (i)	139,786	-	-	14,182	-	38,864	192,832
William Howe	225,000	-	-	-	-	-	225,000
Other Key Management Personnel:							
Nicholas Winer	83,333	-	-	-	-	-	83,333
Colin Sinclair	180,000	-	-	-	-	-	180,000
Graeme Hogan	120,897	-	-	10,339	-	-	131,236
Geoffrey Widmer	48,017	-	-	-	-	-	48,017
Andrew Metcalfe	46,625	-	-	-	-	-	46,625
	1,000,128	-	-	27,320	-	49,354	1,076,802

(i) Salary or fees for 2018 included an amount of $183,532 that was accrued as at reporting date.

31 Dec 2017	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Long service leave $	Share-based payments: Equity-settled $	Total $
Non-executive Directors:							
Roger Higgins	37,500	-	-	-	-	-	37,500
Francisco Vergara - Irarrazaval	37,500	-	-	-	-	-	37,500
Ram Venkat	143,743	-	-	-	-	-	143,743
Phillip Wing	58,333	-	-	-	-	-	58,333
Executive Directors:							
William Howe	225,000	-	-	-	-	-	225,000
Other Key Management Personnel:							
Colin Sinclair	150,000	-	-	-	-	-	150,000
Graeme Hogan	8,372	-	-	795	-	-	9,167
Brian Jones	109,000	-	-	-	-	-	109,000
Stephen Tainton	17,667	-	-	11,276	-	-	28,943
Phillip Killen	337,855	-	-	30,002	-	-	367,857
	1,124,970	-	-	42,073	-	-	1,167,043

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 31 Dec 2018	Fixed remuneration 31 Dec 2017	At risk - STI 31 Dec 2018	At risk - STI 31 Dec 2017	At risk - LTI 31 Dec 2018	At risk - LTI 31 Dec 2017
Non-Executive Directors:						
Roger Higgins (i)	100%	100%	-	-	-	-
Glenister Lamont (i)	100%	-	-	-	-	-
Francisco Vergara - Irarrazaval	100%	100%	-	-	-	-
Ram Venkat	-	100%	-	-	-	-
Phillip Wing	-	100%	-	-	-	-
Executive Directors:						
Kevin Wilson (i)	100%	-	-	-	-	-
William Howe	100%	100%	-	-	-	-
Other Key Management Personnel:						
Nicholas Winer	100%	-	-	-	-	-
Colin Sinclair	100%	100%	-	-	-	-
Graeme Hogan	100%	100%	-	-	-	-
Geoffrey Widmer	100%	-	-	-	-	-
Andrew Metcalfe	100%	-	-	-	-	-
Brian Jones	-	100%	-	-	-	-
Stephen Tainton	-	100%	-	-	-	-
Phillip Killen	-	100%	-	-	-	-

(i) Fixed remuneration excludes share based payments in the form of performance options and performance rights issued to directors during the financial year ended 31 December 2018.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Kevin Wilson
Title:	Executive Chairman
Details:	Written contract (6 months' notice)
Name:	Roger Higgins
Title:	Non-Executive Director
Details:	No written contract
Name:	Glenister Lamont
Title:	Non-Executive Director
Details:	No written contract
Name:	William Howe
Title:	Managing Director (resigned 23 March 2018); Chief Operating Officer from March 2018
Details:	Written contract (12 months' notice)
Name:	Francisco Vergara-Irarrazaval
Title:	Non-Executive Director (retired 28 May 2018)
Details:	No written contract
Name:	Ram Venkat
Title:	Non-Executive Director (resigned 19 March 2018)
Details:	Written contract (6 months' contract with 6 weeks' notice)
Name:	Geoffrey Widmer
Title:	CFO / Joint Company Secretary
Details:	Written contract (12 months' contract with 3 months' notice)
Name:	Andrew Metcalfe
Title:	CFO / Joint Company Secretary
Details:	Written contract (12 months' contract with 3 months' notice)
Name:	Graeme Hogan
Title:	CFO and Company Secretary (resigned 28 May 2018)
Details:	Written contract (3 months' notice)
Name:	Colin Sinclair
Title:	Executive Exploration Manager
Details:	Written contract (12 months' contract with no termination notice)
Name:	Nicholas Winer
Title:	Executive Exploration Director
Details:	Written contract (6 months' notice)

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 31 December 2018. Directors received performance rights and performance options during the year ended 31 December 2018 that was approved for issue by shareholders at the 2018 Annual General Meeting.

Options - unlisted LTIP performance options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Glenister Lamont	4,800,000	28 May 2018	31 Dec 2018	31 Dec 2018	$0.0120	$0.00146
Glenister Lamont	4,800,000	28 May 2018	31 Dec 2019	31 Dec 2019	$0.0160	$0.00182
Glenister Lamont	4,800,000	28 May 2018	31 Dec 2020	30 Dec 2020	$0.0240	$0.00187
Roger Higgins	4,800,000	28 May 2018	31 Dec 2018	31 Dec 2018	$0.0120	$0.00146
Roger Higgins	4,800,000	28 May 2018	31 Dec 2019	31 Dec 2019	$0.0160	$0.00182
Roger Higgins	4,800,000	28 May 2018	31 Dec 2020	31 Dec 2020	$0.0240	$0.00187

Performance options granted carry no dividend or voting rights.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting and exercisable date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Kevin Wilson	11,600,000	28 May 2018	31 Dec 2018	31 Dec 2018	$0.0120	$0.00146
Kevin Wilson	11,600,000	28 May 2018	31 Dec 2019	31 Dec 2019	$0.0160	$0.00182
Kevin Wilson	11,600,000	28 May 2018	31 Dec 2019	31 Dec 2019	$0.0000	$0.00348
Kevin Wilson	11,600,000	28 May 2018	31 Dec 2020	31 Dec 2020	$0.0240	$0.00187
Kevin Wilson	11,600,000	28 May 2018	31 Dec 2020	31 Dec 2020	$0.0000	$0.00432

Performance rights carry no dividend or voting rights.

Retention rights
There were no retention rights over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 31 December 2018.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Kevin Wilson	-	-	36,905,172	-	36,905,172
Roger Higgins	263,770	-	1,859,578	-	2,123,348
Glenister Lamont	-	-	2,625,000	-	2,625,000
William Howe	3,365,743	-	571,421	(571,421)	3,365,743
Francisco Vergara-Irarrazaval	1,277,800	-	6,069,550	-	7,347,350
Ram Venkat (i)	384,000	-	1,250,000	(1,634,000)	-
Colin Sinclair	630,813	-	1,000,000	(1,000,000)	630,813
Graeme Hogan (i)	100,000	-	475,000	(575,000)	-
Philip Wing (i)	584,583	-	-	(584,583)	-
Philip Killen (i)	590,183	-	-	(590,183)	-
Stephen Tainton (i)	116,872	-	-	(116,872)	-
	7,313,764	-	50,755,721	(5,072,059)	52,997,426

(i) These members ceased to be key management personnel during the reporting period and as such nil disclosure is required.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Kevin Wilson	-	5,017,104	-	-	5,017,104
Roger Higgins	-	417,636	-	-	417,636
Glenister Lamont	-	625,000	-	-	625,000
Francisco Vergara-Irarrazaval	-	2,023,184	-	-	2,023,184
Graeme Hogan	-	158,334	-	-	158,334
	-	8,241,258	-	-	8,241,258

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Kevin Wilson	-	58,000,000	-	(11,600,000)	46,400,000
	-	58,000,000	-	(11,600,000)	46,400,000

Performance option holding
The number of performance options issued in the Company held during the financial year by each Director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance options over ordinary shares					
Roger Higgins	-	14,400,000	-	(4,800,000)	9,600,000
Glenister Lamont	-	14,400,000	-	(4,800,000)	9,600,000
	-	28,800,000	-	(9,600,000)	19,200,000

This concludes the remuneration report, which has been audited.

Shares under option
Listed Options

Grant date	Expiry date	Exercise price	Number under option
Apr, May & Dec 2018	1 Jun 2020	$0.011	547,369,372

Unlisted options

Grant date	Expiry date	Exercise price	Number under option
17 May 2017	17 May 2019	$0.0810	12,345,639
25 May 2017	25 May 2019	$0.0810	12,345,639
28 May 2018	31 Dec 2019	$0.0160	9,600,000
28 May 2018	31 Dec 2020	$0.0240	9,600,000
			43,891,278

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Auditor
Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Kevin Wilson
Executive Chairman

29 March 2019

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Auditor's Independence Declaration

To the Directors of Metminco Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Metminco Limited for the year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 29 March 2019

Metminco Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2018

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Revenue			
Interest revenue		3,611	-
Expenses			
Employee benefits expense		(1,301,801)	(1,295,015)
Foreign exchange loss		(23,087)	(110,185)
Depreciation and amortisation expense	4	(31,599)	(40,282)
Impairment of property, plant & equipment	13	(61,935)	(934,037)
Loss on sale of asset	5	-	(27,228,513)
Impairment of exploration expenditure	14	(3,546,813)	(48,437)
Share based payment expense	21	(739,945)	(426,174)
Realised loss on derivative asset	9	(228,273)	(797,257)
Unrealised loss on derivative asset	9	-	(1,260,330)
Impairment of non-current receivables		-	(180,669)
Profit on disposal of assets		-	23,182
Finance costs	4	(406,495)	(559,484)
Corporate expenses	4	(917,514)	(1,416,089)
Occupancy		(133,770)	(161,574)
Administration	4	(446,347)	(792,509)
Total expenses		(7,837,579)	(35,227,373)
Loss before income tax expense		(7,833,968)	(35,227,373)
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Metminco Limited		(7,833,968)	(35,227,373)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(50,263)	(208,982)
Other comprehensive loss for the year, net of tax		(50,263)	(208,982)
Total comprehensive loss for the year attributable to the owners of Metminco Limited		(7,884,231)	(35,436,355)
		Cents	**Cents**
Basic loss per share	31	(1.12)	(27.69)
Diluted loss per share	31	(1.12)	(27.69)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Assets			
Current assets			
Cash and cash equivalents	7	167,614	834,377
Other receivables	8	73,323	167,382
Derivative asset	9	-	272,683
Other	10	61,426	48,610
		302,363	1,323,052
Asset held for sale	11	2,861,983	2,586,122
Total current assets		3,164,346	3,909,174
Non-current assets			
Property, plant and equipment	13	637,774	569,642
Exploration and evaluation	14	10,411,767	12,015,128
Total non-current assets		11,049,541	12,584,770
Total assets		14,213,887	16,493,944
Liabilities			
Current liabilities			
Trade and other payables	15	4,413,855	2,584,054
Borrowings	16	-	808,020
Provisions	17	213,133	187,214
Total current liabilities		4,626,988	3,579,288
Non-current liabilities			
Other payables	18	1,781,946	4,322,867
Total non-current liabilities		1,781,946	4,322,867
Total liabilities		6,408,934	7,902,155
Net assets		7,804,953	8,591,789
Equity			
Issued capital	19	339,411,378	332,987,792
Reserves	22	12,216,161	(29,914,047)
Accumulated losses		(343,822,586)	(294,481,956)
Total equity		7,804,953	8,591,789

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Metminco Limited
Consolidated statement of changes in equity
For the year ended 31 December 2018

Consolidated	Issued capital $	Acquisition reserve $	Convertible note equity & option reserves $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2017	329,032,074	(41,506,662)	54,686	11,309,289	(259,254,583)	39,634,804
Loss after income tax expense for the year	-	-	-	-	(35,227,373)	(35,227,373)
Other comprehensive loss for the year, net of tax	-	-	-	(208,982)	-	(208,982)
Total comprehensive loss for the year	-	-	-	(208,982)	(35,227,373)	(35,436,355)
Shares issued during the period	4,375,000	-	-	-	-	4,375,000
Transaction costs	(419,282)	-	-	-	-	(419,282)
Equity component of convertible note	-	-	11,448	-	-	11,448
Options issued	-	-	426,174	-	-	426,174
Balance at 31 December 2017	332,987,792	(41,506,662)	492,308	11,100,307	(294,481,956)	8,591,789

Consolidated	Issued capital $	Acquisition reserve $	Convertible note equity & option reserves $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
Balance at 1 January 2018	332,987,792	(41,506,662)	492,308	11,100,307	(294,481,956)	8,591,789
Loss after income tax expense for the year	-	-	-	-	(7,833,968)	(7,833,968)
Other comprehensive loss for the year, net of tax	-	-	-	(50,263)	-	(50,263)
Total comprehensive loss for the year	-	-	-	(50,263)	(7,833,968)	(7,884,231)
Shares issued during the period	7,089,392	-	-	-	-	7,089,392
Transaction costs	(665,806)	-	-	-	-	(665,806)
Equity component of convertible note	-	-	(11,448)	-	-	(11,448)
Options issued	-	-	739,945	-	-	739,945
Options expired - prior period adjustment	-	-	(54,688)	-	-	(54,688)
Transfer acquisition reserve to retained earnings	-	41,506,662	-	-	(41,506,662)	-
Balance at 31 December 2018	339,411,378	-	1,166,117	11,050,044	(343,822,586)	7,804,953

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		(3,361,900)	(4,388,346)
Interest received		3,611	-
Net cash used in operating activities	30	(3,358,289)	(4,388,346)
Cash flows from investing activities			
Payments for plant and equipment	13	(14,244)	-
Payments for exploration and evaluation	14	(1,752,353)	(2,759,699)
Payments against deferred acquisition consideration	18	(1,000,000)	(1,000,000)
Payments for purchase of land	13	(169,812)	-
Proceeds from disposal of plant and equipment		-	23,182
Proceeds from sale of Los Calatos		-	6,538,365
Net cash from/(used in) investing activities		(2,936,409)	2,801,848
Cash flows from financing activities			
Proceeds from issue of shares	19	7,089,392	1,825,000
Cash received from convertible notes		-	750,000
Cash received from derivative asset	9	44,410	194,412
Share issue transaction costs	19	(665,806)	(419,282)
Cash paid for redemption of convertible notes	16	(842,381)	-
Net cash from financing activities		5,625,615	2,350,130
Net increase/(decrease) in cash and cash equivalents		(669,083)	763,632
Cash and cash equivalents at the beginning of the financial year		834,377	71,548
Effects of exchange rate changes on cash and cash equivalents		2,320	(803)
Cash and cash equivalents at the end of the financial year	7	167,614	834,377

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The table below outlines the accounting treatment for financial assets and financial liabilities under AASB 139 as compared to AASB 9:

Financial instrument	Previous AASB 139	Current AASB 9
Cash and cash equivalents	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost
Borrowings	Amortised cost	Amortised cost
Deferred consideration	Amortised cost	Amortised cost
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss

The Group's other receivables do not meet the definition of a financial asset as they include GST receivable and prepayments.

As a result, Group management is satisfied that there is no impact from the transition from AAS139 to AASB9.

Note 1. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. The Group does not derive any revenue from its exploration activities at this stage, as such has not recognised any operating revenue to date. Eventually when the Group starts generating revenue, revenue will be recognised in accordance with AASB 15. Therefore, there is no impact from the transition from AASB118 to AASB 15.

Going concern
The Consolidated Group incurred a net loss after tax of $7,833,968 (31 December 2017: $35,227,373), has net cash used in operations of $3,358,289 during year ended 31 December 2018 (31 December 2017: $4,388,346) and has a cash balance of $167,614 at that date (31 December 2017: $834,377).

It also has net current liabilities of $1,462,642 (31 December 2017: net current assets of $329,866) and net assets of $7,804,953 (31 December 2017: $8,591,789).

Although the Group has taken steps to ensure its outgoing expenditure is at the minimum levels required to maintain its projects in good standing and meet its governance, compliance and ASX listing obligations, additional funding will be required within the next 12 months to meet these obligations. The Company continues to review various capital raising options to underpin the continued solvency of the business and support its working capital and business development. This has been realised by the proposed merger with Andes Resources Ltd and a commitment to raise a total of up to A$4 million as reported in Note 29 - Events after the reporting date, of which $1,002,000 was raised in March 2019 by way of a convertible note placement.

If all these capital raising initiatives do not materialise, then there is possibility that the Group may not be able to raise the additional financing required, which gives rise to a material uncertainty that may cast significant doubt upon the Group’s ability to continue as a going concern.

Notwithstanding the material uncertainty the Directors are satisfied that the Company and Group have sufficient cash reserves together with its strategies as alluded to above to maintain its current portfolio and meet its debts as and when they fall due. Therefore, these financial statements have been prepared on a going concern basis.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements 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 in Note 2.

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 35.

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metminco Limited ('Company' or 'parent entity') as at 31 December 2018 and the results of all subsidiaries for the year then ended. Metminco Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated 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 de-consolidated 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.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Metminco Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars 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.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

Interest
Interest 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.

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 1. Significant accounting policies (continued)

Non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Joint ventures
A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

Property, plant and equipment
Land and buildings are shown at fair value, based on periodic, at least every 3 years, valuations by external independent valuers, less subsequent depreciation and impairment for buildings. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land and buildings are credited in other comprehensive income through to the revaluation surplus reserve in equity. Any revaluation decrements are initially taken in other comprehensive income through to the revaluation surplus reserve to the extent of any previous revaluation surplus of the same asset. Thereafter the decrements are taken to profit or loss.

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 land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years
Plant and equipment under lease	2-5 years

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

Leasehold improvements and plant and equipment under lease 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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 1. Significant accounting policies (continued)

Leases
Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the period of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Exploration and evaluation assets
Where no mineral resources have been established or where such resources have not been evaluated sufficiently to permit the establishment of economically recoverable reserves, exploration in relation to each identifiable area is written off in the year when it is incurred. Exploration and evaluation expenditure is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision 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 carry forward costs in relation to that area of interest.

In the 2018 financial year, a detailed review was undertaken of the exploration and evaluation assets held in the Groups' Quinchia Gold Project resulting in a decision to impair and expense expenditure relating to the Tesorito, Dosquebradas and Chuscal project target areas and expenditure outside of the Miraflores project target area.

Impairment of non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. This includes considering the requirements set out in AASB 6 Exploration for and Evaluation of Mineral Resources. In respect of the capitalised exploration and development expenditure. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Plant and equipment, and capitalised exploration and development expenditure, are assessed for impairment on a cash generating unit ("CGU") basis. A cash generating unit is the smallest grouping of assets that generates independent cash flows, and generally represents an individual project. Impairment losses recognised in respect of cash generating units are allocated to reduce the carrying amount of the assets in the unit on a pro-rata basis. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior year. A reversal of an impairment loss is recognised in profit or loss immediately.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 1. Significant accounting policies (continued)

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial American Tree method of valuing securities that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Note 1. Significant accounting policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 1. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Metminco Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
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.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 1. Significant accounting policies (continued)

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019. Management's assessment of these amendments is that they will have no material impact on the Group's transactions or balances recognised in the financial statements.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of property, plant and equipment
The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Derivative financial instruments
Forward foreign exchange contracts, designated as cash flow hedges, are measured at fair value. Reliance is placed on future cash flows and judgement is made on a regular basis, through prospective and retrospective testing, including at the reporting date, that the hedges are still highly effective.

Employee benefits provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Deferred consideration
The deferred consideration liability is the difference between the total purchase consideration, usually on an acquisition of a business combination, and the amounts paid or settled up to the reporting date, discounted to net present value. The consolidated entity applies provisional accounting for any business combination. Any reassessment of the liability during the earlier of the finalisation of the provisional accounting or 12 months from acquisition-date is adjusted for retrospectively as part of the provisional accounting rules in accordance with AASB 3 'Business Combinations'. Thereafter, at each reporting date, the deferred consideration liability is reassessed against revised estimates and any increase or decrease in the net present value of the liability will result in a corresponding gain or loss to profit or loss. The increase in the liability resulting from the passage of time is recognised as a finance cost.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Where no mineral resources have been established or where such resources have not been evaluated sufficiently to permit the establishment of economically recoverable reserves, exploration in relation to each identifiable area is written off in the year when it is incurred. Where exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 3. Operating segments

Identification of reportable operating segments
The Company's primary activity is mineral exploration in the geographic area of South America. This focus is consistent with the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily for the sole purpose of mineral exploration.

Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors, being the chief decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual and half yearly financial statements of the Group.

Intersegment transactions
There are no intersegment transactions.

Segment assets
Where an asset is used across multiple segments, the asset is allocated to that segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities
Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not: considered part of the core operations of any segment:
- Income tax expense
- Deferred tax assets and liabilities
- Current tax liabilities
- Head office income / expenses and related assets / liabilities

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2018	Mineral Exploration $	Non-core Reconciling Items $	Total $
EBITDA	(888,964)	(2,901,774)	(3,790,738)
Depreciation and amortisation	(29,488)	(2,110)	(31,598)
Impairment of assets	(3,608,748)	-	(3,608,748)
Interest revenue	-	3,611	3,611
Finance costs	-	(406,495)	(406,495)
Loss before income tax expense	(4,527,200)	(3,306,768)	(7,833,968)
Income tax expense			-
Loss after income tax expense			(7,833,968)
Assets			
Segment assets	13,959,425	254,462	14,213,887
Total assets			14,213,887
Liabilities			
Segment liabilities	351,676	6,057,258	6,408,934
Total liabilities			6,408,934

Consolidated - 31 Dec 2017	Mineral Exploration $	Non-core Reconciling Items $	Total $
EBITDA	(961,826)	(33,617,344)	(34,579,170)
Depreciation and amortisation	(38,591)	(1,691)	(40,282)
Impairment of assets	(48,437)	-	(48,437)
Finance costs	-	(559,484)	(559,484)
Loss before income tax expense	(1,048,854)	(34,178,519)	(35,227,373)
Income tax expense			-
Loss after income tax expense			(35,227,373)
Assets			
Segment assets	15,286,863	1,207,081	16,493,944
Total assets			16,493,944
Liabilities			
Segment liabilities	379,673	7,522,482	7,902,155
Total liabilities			7,902,155

Geographical information

	Sales to external customers		**Geographical non-current assets**	
	31 Dec 2018 $	**31 Dec 2017 $**	**31 Dec 2018 $**	**31 Dec 2017 $**
Australia	-	-	10,527	3,063
Colombia	-	-	11,039,014	12,555,560
Chile	-	-	-	26,147
	-	-	11,049,541	12,584,770

Note 3. Operating segments (continued)

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Expenses

	Consolidated	
	31 Dec 2018 $	**31 Dec 2017 $**
Loss before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	31,599	40,282
Impairment		
Property, plant and equipment	61,935	934,037
Exploration and evaluation	3,546,813	48,437
Total impairment	3,608,748	982,474
Other expenses		
Corporate expenses	917,514	1,416,089
Administration expenses	446,347	792,509
Total other expenses	1,363,861	2,208,598
Finance costs		
Interest and finance charges paid/payable	22,915	130,244
Fair value adjustment to deferred consideration (i)	383,580	429,240
Finance costs expensed	406,495	559,484
Net loss on disposal		
Loss on sale of asset	-	27,228,513
Share-based payments expense		
Share-based payments expense (ii)	739,945	426,174
Employee benefits expense		
Employee and directors' benefits expense	1,301,801	1,295,015

(i) The deferred consideration of $A5 million at the end of 31 December 2018, for Miraflores Compania Minera SAS, has been discounted at 8% per annum to determine fair value. Refer to Note 18 - Non-current liabilities - payables.

(ii) The value of share-based payments represents the value of options and performance options and rights issued to related and non-related parties during the financial year ended 31 December 2018 in lieu of services rendered. (Refer to Note 21 for further information).

Note 5. Loss on sale of asset

On 27 June 2017 the Company announced the sale of its Peruvian Los Calatos asset in exchange for cash

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Balance as at the beginning of the year (investment in associate)	-	33,766,877
Sale proceeds received	-	(6,538,364)
Loss on sale	-	27,228,513

Note 6. Income tax

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(7,833,968)	(35,227,373)
Tax at the statutory tax rate of 27.5%	(2,154,341)	(9,687,528)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Allowable capital raising deductions	(36,420)	(82,377)
Impairment of assets	(1,166,965)	13,320
Foreign exchange (gain)/loss	(39,639)	19,490
Provisions	7,524	(18,549)
Accruals	(37,382)	30,897
	(3,427,223)	(9,724,747)
Difference in overseas tax rates	(8,900)	99,299
Deferred tax asset not recognized during the year	3,436,123	9,625,448
Income tax expense	-	-

Note 7. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Cash at bank	167,614	834,377

Note 8. Current assets - other receivables

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Other receivables	73,323	167,382

Note 9. Current assets - derivative asset

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Derivative asset	-	272,683

On 31 January 2017 the Company entered into a Subscription Agreement, Escrow Agreement and Sharing Agreement with Lanstead Capital L.P. regarding a $3 million derivative asset facility. Pursuant to these agreements the Company issued 25,316,456 shares at $0.1185 per share for an aggregate subscription amount of $3 million. As security for the proceeds of these shares the recipient of the shares placed $3 million in government bonds with an escrow agent as security for the proceeds receivable. Whilst A$0.45 million was received in advance, the remaining A$2.55 million was to be received over 18 months pursuant to the Company's measured share price compared to the benchmark price of $0.158.

Effective 28 March 2018 the arrangement was terminated and the difference between cash received and the derivative asset value was realised.

Movement in the fair value of the derivative asset is as follows:

	Opening balance 1 January 2018	Derivative asset book value	Cash received from derivative asset	Loss on Settlement (realized loss)	Fair value adjustment	Closing balance 31 December
Current derivative asset - 2017	-	2,550,000	(219,730)	(797,257)	(1,260,330)	272,693
Current derivative asset - 2018	272,683	-	(44,410)	(228,273)	-	-

Note 10. Current assets - other

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Prepayments	61,426	48,610

Note 11. Current assets - asset held for sale

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Land	2,861,983	2,586,122

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Opening Balance	2,586,122	-
Reclassified from property, plant and equipment	-	2,586,122
Impact of foreign exchange movement	275,861	-
	2,861,983	2,586,122

Note 11. Current assets - asset held for sale (continued)

The Directors agreed that the land at Mollacas, Chile is surplus to requirements and has therefore been offered for sale. The Directors have recorded the land at the lower valuation based upon a prompt sale value as provided by an independent valuer. The independent valuation is subject to changes in water conditions and water supply to the property which can change from time to time. The movement in the value of land during the financial reporting dates is due to foreign currency translation.

Note 12. Non-current assets - receivables

	Consolidated	
	31 Dec 2018 $	**31 Dec 2017 $**
VAT Receivables (i)	370,057	180,669
Provision for impairment of VAT receivables	(370,057)	(180,669)
	-	-

(i) VAT incurred by Miraflores Compania Minera SAS relating to Quinchia Project in Colombia.

Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2018 $	**31 Dec 2017 $**
Land - at cost	556,792	450,032
Plant and equipment - at cost	1,427,412	1,355,993
Less: Accumulated depreciation	(1,346,430)	(1,236,383)
	80,982	119,610
	637,774	569,642

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land $	Plant and equipment $	Total $
Balance at 1 January 2017	4,409,481	128,868	4,538,349
Disposals	-	(23,181)	(23,181)
Exchange differences	(439,290)	54,205	(385,085)
Impairment of assets	(934,037)	-	(934,037)
Reclassification to land held for sale	(2,586,122)	-	(2,586,122)
Depreciation expense	-	(40,282)	(40,282)
Balance at 31 December 2017	450,032	119,610	569,642
Additions	169,812	14,244	184,056
Disposals	-	(8,050)	(8,050)
Exchange differences	(1,117)	(13,223)	(14,340)
Impairment of assets	(61,935)	-	(61,935)
Depreciation expense	-	(31,599)	(31,599)
Balance at 31 December 2018	556,792	80,982	637,774

Note 14. Non-current assets - exploration and evaluation

	Consolidated	
	31 Dec 2018	**31 Dec 2017**
	$	**$**
Exploration and evaluation	10,411,767	12,015,128

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration and Evaluation Expenditure $	Total $
Balance at 1 January 2017	9,486,691	9,486,691
Expenditure during the year	2,759,669	2,759,669
Exchange differences	(182,795)	(182,795)
Impairment of assets	(48,437)	(48,437)
Balance at 31 December 2017	12,015,128	12,015,128
Expenditure during the year	1,752,353	1,752,353
Exchange differences	191,099	191,099
Impairment of assets	(3,546,813)	(3,546,813)
Balance at 31 December 2018	10,411,767	10,411,767

Exploration and evaluation capitalised at 31 December 2018 represents the Miraflores Gold Project within the Quinchia Gold Portfolio.

Recoverability of the carrying amount of exploration assets is dependent upon the successful recovery of ore reserves. Impairment indicators in AASB 6 are considered for each area of interest.

Impairment:
In the 2018 financial year, a detailed review was undertaken of the exploration and evaluation assets held in the Groups' Quinchia Gold Project resulting in a decision to impair and expense expenditure relating to the Tesorito, Dosquebradas and Chuscal project target areas and other expenditure outside of the Miraflores project target area.

Capitalised costs amounting to $1,752,353 for the period ended 31 December 2018 (for the year ended 31 December 2017: $2,759,699) have been included in cash flows from investing activities.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	31 Dec 2018	**31 Dec 2017**
	$	**$**
Trade payables	710,426	780,870
Deferred consideration	2,886,751	962,250
Other payables	816,678	840,934
	4,413,855	2,584,054

Refer to note 23 for further information on financial risk management.

Note 16. Current liabilities - borrowings

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Convertible notes payable	-	808,020

In May 2017, the Company entered into a A$750,000 unsecured convertible note facility with Redfield Asset Management. The convertible notes were redeemed on 24 April 2018 by repaying the face value of the notes of A$750,000 plus accrued interest for a total payment of A$842,381.

Refer to note 23 for further information on financial risk management.

Note 17. Current liabilities - provisions

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Annual leave	213,133	187,214

Note 18. Non-current liabilities - other payables

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Deferred consideration (i)	1,781,946	4,322,867

(i) In May 2016, the Quinchia Gold Portfolio in Colombia was acquired from RMB Australia Holdings Limited (RMB). Part consideration for the purchase included A$7 million in deferred acquisition payments. A scheduled payment of $1 million occurred in June 2017 and a further scheduled $1 million payment occurred in June 2018.
In February 2019 it was agreed with RMB to defer a $3 million deferred acquisition payment from June 2019 to June 2020 (refer Note 29 - Events after reporting the reporting period) when the final deferred acquisition payment of $2 million is also due.
The remaining $5 million of deferred acquisition payments due in June 2020 are currently being restructured in connection with a proposed Merger which was announced subsequent to the end of the financial year (refer Note 29 - Events after reporting the reporting period).

Refer to note 23 for further information on financial risk management.

The deferred consideration has been discounted at 8% per annum (2017: 8% per annum).

	Opening Balance 1 January $	Payment during the year $	Fair value adjustment $	Closing Balance 31 December $
Deferred consideration (present value) - 2017	5,855,877	(1,000,000)	429,240	5,285,117
Deferred consideration (present value) - 2018	5,285,117	(1,000,000)	383,580	4,668,697

Note 19. Equity - issued capital

	Consolidated			
	31 Dec 2018 Shares	31 Dec 2017 Shares	31 Dec 2018 $	31 Dec 2017 $
Ordinary shares - fully paid	1,136,416,664	101,883,843	339,411,378	332,987,792

Note 19. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 Jan 2017	4,513,918,626		329,032,074
50:1 Share consolidation	4 Jan 2017	(4,423,638,158)	$0.0000	-
Shares issued	31 Jan 2017	11,603,375	$0.1185	1,375,000
Costs of capital raising		-	$0.0000	(419,282)
Balance	31 December 2017	101,883,843		329,987,792
Re-allocate from partly paid ordinary shares on termination of derivative asset facility with Lanstead Capital L.P.	28 Mar 2018	25,316,456	$0.1185	3,000,000
Shares issued - placement	28 Mar 2018	19,080,045	$0.0080	152,640
Shares issued - entitlements issue	24 Apr 2018	694,831,892	$0.0080	5,558,655
Shares issued - in lieu	30 Apr 2018	2,702,152	$0.0080	21,617
Shares issued - placement	22 May 2018	68,734,589	$0.0080	549,877
Shares issued - placement	3 Oct 2018	135,000,000	$0.0040	540,000
Shares issued - rights issue	17 Dec 2018	88,867,687	$0.0030	266,603
Costs of capital raising		-	$0.0000	(665,806)
Balance	31 December 2018	1,136,416,664		339,411,378

Movements in partly paid ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 Jan 2017	-		-
Shares issued	31 Jan 2017	25,316,456	$0.1185	3,000,000
Balance	31 December 2017	25,316,456		3,000,000
Re-allocate to fully paid ordinary shares on termination of derivative asset facility with Lanstead Capital L.P.	28 Mar 2018	(25,316,456)	$0.1185	(3,000,000)
Balance	31 December 2018	-		-

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 19. Equity - issued capital (continued)

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2017 Annual Report.

Note 20. Equity - options

Options:
31 December 2018 - Listed

Grant date	Expiry date	Exercise price $	Outstanding at 31 Dec 2017	Issued during year	Exercised during year	Lapsed during year	Outstanding at 31 Dec 2018
25/04/2018	01/06/2020	$0.0110	-	231,610,770	-	-	231,610,770
30/04/2018	01/06/2020	$0.0110	-	9,876,512	-	-	9,876,512
22/05/2018	01/06/2020	$0.0110	-	22,911,530	-	-	22,911,530
28/05/2018	01/06/2020	$0.0110	-	237,970,560	-	-	237,970,560
24/12/2018	01/06/2020	$0.1100	-	45,000,000	-	-	45,000,000
			-	547,369,372	-	-	547,369,372

All outstanding options above were exercisable as at 31 December 2018.

Performance Options:
31 December 2018 - Unlisted

Grant date	Expiry date	Exercise price $	Outstanding at 31 Dec 2017	Granted during year	Exercised during year	Lapsed during year	Outstanding at 31 Dec 2018
17/05/2017	17/05/2019	$0.0810	12,345,639	-	-	-	12,345,639
25/05/2017	25/05/2019	$0.0810	12,345,639	-	-	-	12,345,639
28/05/2018	31/12/2018	$0.0120	-	9,600,000	-	(9,600,000)	-
28/05/2018	31/12/2019	$0.0160	-	9,600,000	-	-	9,600,000
28/05/2018	31/12/2020	$0.0240	-	9,600,000	-	-	9,600,000
			24,691,278	28,800,000	-	(9,600,000)	43,891,278

All outstanding performance options above were exercisable as at 31 December 2018.

Performance Options:
31 December 2018 - Unlisted

Note 20. Equity - options (continued)

Grant date	Expiry date	Exercise price $	Outstanding at 31 December 2017	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2018
28/05/2018	31/12/2018	$0.0120	-	11,600,000	-	11,600,000	-
28/05/2018	31/12/2019	$0.0160	-	11,600,000	-	-	11,600,000
21/05/2018	31/12/2019	$0.0000	-	11,600,000	-	-	11,600,000
28/05/2018	31/12/2020	$0.0240	-	11,600,000	-	-	11,600,000
28/05/2018	31/12/2020	$0.0000	-	11,600,000	-	-	11,600,000
			-	58,000,000	-	11,600,000	46,400,000

Options:
31 December 2017 - Unlisted

Grant date	Expiry date	Exercise price $	Outstanding at 31 Dec 2016	Granted during year	Exercised during year	Lapsed during year	Outstanding at 31 Dec 2017
01/08/2014	01/08/2017	$0.0302	5,000,000	-	-	(5,000,000)	-
17/05/2017	17/05/2019	$0.0810	-	12,345,639	-	-	12,345,639
25/05/2017	25/05/2019	$0.0810	-	12,345,639	-	-	12,345,639
			5,000,000	24,691,278	-	(5,000,000)	24,691,278

All outstanding performance options above were exercisable as at 31 December 2017.

Note 21. Equity - share based payments

	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Options – 21.1	690,589	426,174
Long-term incentive plan – 21.2	49,354	-
	739,943	426,174

Note 21. Equity - share based payments (continued)

21.1 Options

The Group has determined the fair value of its options, performance options and performance rights ('options and rights') using the Binomial American Tree method of valuing securities. The following options and rights were issued during the year ended 31 December 2018, alongside the key inputs utilised in the pricing model, including the Group's risk-free borrowing rate and volatility of the Group's shares.

Options awarded in consideration for capital raising fees (following approval at AGM held on 28 May 2018) are as follows.

Recipient	Terms of issue	Options issued	$ Share based payment value
Redfield Asset Management Pty Ltd	Options exercisable at $0.011 each on or before 1 June 2020	9,876,512	21,234
Patersons Securities Ltd as underwriters or their nominee	Options exercisable at $0.011 each on or before 1 June 2020	231,610,545	669,355
		241,487,057	690,589

The following options in lieu of services rendered were awarded during the year ended 31 December 2018:

Awarded during the year	Award date and vesting date	Expiry date	Fair value of option at award date ($)	Exercise price ($)	Value of options granted during the year ($)	Amount of expense recognised ($)	Risk free rate %	Expected volatility %
9,867,512	30/04/2018	01/06/2020	$0.00215	$0.011	21,234	21,234	2.12%	67.2%
231,610,545	24/04/2018	01/06/2020	$0.00289	$0.011	669,355	669,355	2.12%	67.2%
					690,589	690,589		

The following options in lieu of services rendered were awarded during the year ended 31 December 2017:

Awarded during the year	Award date and vesting date	Expiry date	Fair value of option at award date ($)	Exercise price ($)	Value of options granted during the year ($)	Amount of expense recognised ($)	Risk free rate %	Expected volatility %
12,345,639	17/05/2017	17/05/2019	$0.01745	$0.081	215,927	215,927	1.62%	80.0%
12,345,639	25/05/2017	25/05/2020	$0.01703	$0.081	210,247	210,247	1.62%	80.0%
					426,174	426,174		

Note 21. Equity - share based payments (continued)

21.2 Long term incentive plan

Performance Rights and Performance Options issued to related parties under the Company's Long-Term Incentive Plan was approved at AGM held on 28 May 2018. The Group has determined the fair value of its performance rights and options issues (for services rendered), using the Binomial American Tree method of valuing securities.

The following options and rights issued during the year ended 31 December 2018 to related parties under the Company's Long-Term Incentive Plan (following approval at AGM held on 28 May 2018), alongside the key inputs utilised in the pricing model, including the Group's risk-free borrowing rate and volatility of the Group's shares, are as follows.

Performance Rights and Performance Options.

Recipient	Terms of issue	Options issued	$ Share based payment value
Kevin Wilson	Performance Rights issued under terms of Company's Employee Long Term Incentive Plan	58,000,000	38,864
Glenister Lamont	Performance Options issued under terms of Company's Employee Long Term Incentive Plan	14,400,000	5,245
Roger Higgins	Performance Options issued under terms of Company's Employee Long Term Incentive Plan	14,400,000	5,245
		86,800,000	49,354

The following performance conditions are applicable to the rights awarded in the year:

- Tranche 1 - 11,600,000 Performance Rights vesting on a 30 day VWAP of 1.2 cents before December 31 2018;
- Tranche 2 - 11,600,000 Performance Rights vesting on a 30 day VWAP of 1.6 cents before December 31, 2019;
- Tranche 3 - 11,600,000 Performance Rights vesting on delivery of a resource of at least 1 million ounces gold at Tesorito before December 31, 2019;
- Tranche 4 - 11,600,000 Performance Rights vesting on a 30 day VWAP of 2.4 cents before December 31, 2020; and
- Tranche 5 - 11,600,000 Performance Rights vesting on delivery of a resource of at least 1 million ounces gold at Chuscal before December 31, 2020.

The 58 million Performance Rights are seen as incentivising Mr Wilson to achieve either share price targets or resources at exploration targets that if achieved will be to the benefit of all shareholders.

Management has assessed that those conditions are more than probable to be achieved by the expiry date and therefore the total value of the rights incorporates all tights awarded. The expense recorded as share based payments is recognised straight-line to the expiry date as there is a service condition inherent in the award whereby the recipient must continue to be employed by the Company for the rights to vest.

The tabled below discloses the number of performance rights granted, vested and lapsed during the year. Each performance right coverts to one ordinary share in the Group upon satisfaction of the performance conditions linked to the rights. The rights do not carry any other privileges. The fair value of the performance rights granted is determined based on the number of rights awarded multiplied by the share price of the Group on the date awarded.

Note 21. Equity - share based payments (continued)

The following performance rights were awarded during the year ended 31 December 2018.

Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance right at award date ($)	Service period date (days)	No. vested and lapsed during the year	Value of performance rights granted during the year ($)	Amount of expense recognised ($)
11,600,000	29/05/2018	31/12/2018	31/12/2018	$0.00146	217	11,600,000	-	-
11,600,000	29/05/2018	31/12/2018	31/12/2019	$0.00182	582	-	21,112	7,778
11,600,000	29/05/2018	31/12/2018	31/12/2019	$0.00348	582	-	40,368	14,872
11,600,000	22/05/2018	31/12/2018	31/12/2020	$0.00187	948	-	21,692	4,898
11,600,000	29/05/2018	31/12/2018	31/12/2020	$0.00432	948	-	50,112	11,316
						11,600,000	133,284	38,864

The following performance conditions are applicable to the options awarded in the year.

- Tranche 1: 4,800,000 Options vesting on 30 day VWAP of 1.2 cents before 31 December 2018;
- Tranche 2: 4,800,000 Options vesting on 30 day VWAP of 1.6 cents before 31 December 2019; and
- Tranche 3: 4,800,000 Options vesting on 30 day VWAP of 2.4 cents before 31 December 2020

The above Options have an issue price equal to the vesting price I.e. 1.2 cents for Tranche 1, 1.6 cents for Tranche 2 and 2.4 cents for Tranche 3.

The 28.8 million Options are seen as incentivising Mr Higgins and Mr Lamont to achieve share price targets that if achieved will be to the benefit of all Shareholders. The number of Options to be provided to Mr Higgins and Mr Lamont was a decision of the Board in response to the changes in the Board and Management. The number of Options to be provided and their terms were negotiated between Mr Higgins and Mr Lamont and the Board. There is no other disclosure as to why the specified number of Options are to be granted to Mr Higgins and Mr Lamont and why the specified value of the Options was chosen.

Management has assessed that those conditions are more than probable to be achieved by the expiry date and therefore the total value of the options incorporates all rights awarded. The expense recorded as share based payments is recognised straight-line to the expiry date as there is a service condition inherent in the award whereby the recipient must continue to be employed by the Company for the options to vest.

The tabled below discloses the number of performance options granted, vested and lapsed during the year. Each performance option coverts to one ordinary share in the Group upon satisfaction of the performance conditions linked to the options. The options do not carry any other privileges. The fair value of the performance options granted is determined based on the number of options awarded multiplied by the share price of the Group on the date awarded.

The following performance options were awarded during the year ended 31 December 2018.

Awarded during the year	Award date	Vesting date	Expiry date	Fair value of performance option at award date ($)	Service period date (days)	No. vested and lapsed during the year	Value of performance option granted during the year ($)	Amount of expense recognised ($)
9,600,000	29/05/2018	31/12/2018	31/12/2018	$0.00146	217	9,600,000	-	-
9,600,000	29/05/2018	31/12/2018	31/12/2018	$0.00182	582	-	17,472	5,424
9,600,000	29/05/2018	31/12/2018	31/12/2018	$0.00187	948	-	17,952	5,424
						9,600,000	35,424	10,848

There were no performance rights issued during the year ended 31 December 2017.

Note 22. Equity - reserves

	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Foreign currency reserve	11,050,044	11,100,307
Options reserve	1,166,117	480,860
Acquisition reserve	-	(41,506,662)
Convertible note equity reserve	-	11,448
	12,216,161	(29,914,047)

Note 23. Financial risk management

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board. These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and, if appropriate, hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

The Group’s financial instruments consist mainly of deposits with banks, trade and other receivables and trade and other payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated 31 Dec 2018 $	31 Dec 2017 $
Cash and receivables		
Cash and cash equivalents	167,614	834,377
Trade and other receivables	73,323	167,382
Derivative asset	-	272,683
Total cash and receivables	240,937	1,274,442
Financial liabilities (at amortised cost)		
Trade and other payables	1,527,104	2,429,824
Deferred consideration	4,668,697	5,285,117
Total financial liabilities	6,195,801	7,714,941

Market risk

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 23. Financial risk management (continued)

Price risk
Exposure to other price risk arises on derivative asset may result in the fair value of cash flows from the equity swap receipts due to movement in the Company's share price. The future receipts are calculated as the difference between the benchmark share price and the 5 day VWAP of the Company's share price as quoted on the ASX. The movement in the Company's share price cannot be reliably determined.

Interest rate risk
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments.

The Consolidated Group is exposed to interest rate and foreign exchange risk through cash assets held and financial liabilities owed as at the reporting date.

	Consolidated	
	31 Dec 2018	**31 Dec 2017**
	$	**$**
Cash assets held in Australian dollars and subject to floating interest rate	145,732	33,484
Australian currency equivalent of cash assets held in US dollars and subject to floating interest rate	3,984	780,740
Australian currency equivalent of cash assets held in UK pounds and subject to floating interest rate	2,580	19,170
Australian currency equivalent of cash assets held in other currencies and subject to floating interest rate	15,318	83
Total cash assets	167,614	833,477

Sensitivity Analysis
The following table illustrates sensitivities to the Group's exposures to changes in interest rates and exchange rates. The table indicates how profit and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

Interest Rate Sensitivity Analysis
At 31 December 2018, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Consolidated	31 December 2018	31 December 2017
Change in profit		
Increase in interest rate by 2%	3,352	16,678
Decrease in interest rate by 2%	(3,352)	(16,678)
Change in equity		
Increase in interest rate by 2%	3,352	16,678
Decrease in interest rate by 2%	(3,352)	(16,678)

Foreign Currency Risk Sensitivity Analysis
At 31 December 2018, the effect on profit and equity as a result of changes in the foreign exchange rates, with all other variables remaining constant would be as follows:

Consolidated	31 December 2018	31 December 2017
Change in profit		
Improvement in AUD to USD by 5%	(199)	(39,037)
Decline in AUD to USD by 5%	199	39,037

Note 23. Financial risk management (continued)

Change in equity		
Improvement in AUD to USD by 5%	(199)	(39,037)
Decline in AUD to USD by 5%	199	39,037
Change in profit		
Improvement in AUD to GBP by 5%	(661)	(959)
Decline in AUD to GBP by 5%	661	959
Change in equity		
Improvement in AUD to GBP by 5%	(661)	(959)
Decline in AUD to GBP by 5%	661	959
Change in profit		
Improvement in AUD to CLP by 5%	(104)	(25)
Decline in AUD to CLP by 5%	104	25
Change in equity		
Improvement in AUD to CLP by 5%	(104)	(25)
Decline in AUD to CLP by 5%	104	25

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Note 23. Financial risk management (continued)

Financial Liability and Financial Asset Maturity Analysis
31 December 2018

Consolidated Group	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Trade and other payables	(1,527,104)	-	-	(1,527,104)
Deferred consideration (i)	(2,886,751)	(1,781,946)	-	(4,668,697)
Cash and cash equivalents	167,614	-	-	167,614
Other receivables	73,323	-	-	73,323
Net (outflow)/inflow on financial instruments	(4,172,918)	(1,781,946)	-	(5,954,864)

(i) Under renegotiation (refer Note 29 - Events after the reporting period).

31 December 2017

Consolidated Group	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Trade and other payables	(2,429,824)	-	-	(2,429,824)
Deferred consideration	(962,250)	(4,322,867)	-	(5,285,117)
Cash and cash equivalents	834,377	-	-	834,377
Other receivables	167,382	-	-	167,382
Derivative asset	272,683	-	-	272,683
Net (outflow)/inflow on financial instruments	(2,117,632)	(4,322,867)	-	(6,440,499)

Fair value of financial instruments

Fair value estimation

Financial assets and financial liabilities are presented at fair value or at amortised cost in the statement of financial position. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Note 23. Financial risk management (continued)

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

Consolidated	31 Dec 2018 Carrying amount $	31 Dec 2018 Fair value $	31 Dec 2017 Carrying amount $	31 Dec 2017 Fair value $
Assets				
Cash and cash equivalents	167,614	167,614	834,377	834,377
Trade receivables	73,323	73,323	167,382	167,382
Derivative asset	-	-	272,683	272,683
Asset held for sale	2,861,983	2,861,983	2,586,122	2,586,122
	3,102,920	3,102,920	3,860,564	3,860,564
Liabilities				
Trade payables	710,462	710,462	780,870	780,870
Other payables	816,678	816,678	1,648,954	1,648,954
Deferred consideration	4,668,697	4,668,697	5,285,117	5,285,117
	6,195,837	6,195,837	7,714,941	7,714,941

The fair values disclosed in the above table have been determined based on the following methodologies:
Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value approximates to fair value. Deferred consideration represents short-term and long-term financial instruments which are valued at amortised cost which also approximates fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

Note 24. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Short-term employee benefits	988,059	875,615
Post-employment benefits	27,320	42,073
Termination benefits	12,069	249,355
Share-based payments	49,354	-
	1,076,802	1,167,043

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company, and its network firms:

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	126,480	144,398
Other services - Grant Thornton Audit Pty Ltd		
Advisory services	-	58,450
	126,480	202,848
Audit services - network firms		
Audit or review of the financial statements	15,462	-
Other services - network firms		
Preparation of the tax return	8,288	-
	23,750	-

Note 26. Contingent liabilities

The Company is aware that a former director and chief executive officer of one of the Company's subsidiaries (Miraflores Compania Minera SAS (previously Minera Seafield 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 is expected to occur on or around November 2019. The Company intends to defend the proceeding.

RMB Australia Holdings Limited - As part of the acquisition of the Quinchia Gold Portfolio in 2016, part of the deferred consideration included a maximum of A$7 million in royalty payments to RMB from future operating cashflows. Management are unable to assess the payment as being probable, and therefore the payment is included as a contingent liability rather than a provision.

Ausenco Chile Limitada - Under the terms of a Memorandum of Understanding with Ausenco Chile Limitada (‘Ausenco’) dated 30 November 2017, Metminco has agreed that Ausenco will provide a Guaranteed Maximum Price and a Lump Sum Turnkey price and will enter into an EPC for the development of the Miraflores mine. If Metminco withdraws from this agreement, Metminco has agreed to pay Ausenco $838,500 representing 150% of the $559,000 liability which is owed to Ausenco by Miraflores and accrued as a liability (refer Note 15).

The Company has no material commitment other than lease commitment obligations (refer Note 27) and mining access rights.

Otherwise the Group is not aware of any other contingent liabilities.

Note 27. Commitments

	Consolidated	
	31 Dec 2018	**31 Dec 2017**
	$	**$**
Lease commitments - operating (i)		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	51,580	52,258
One to five years	-	24,556
	51,580	76,814
Exploration Tenement Licence Commitments (ii)		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	457,458	347,831
Total commitment	457,458	347,831
Less: Future finance charges	-	-
Net commitment recognised as liabilities	457,458	347,831

(i) The Group has lease commitments over four premises in Colombia with terms ranging up to 13 months. Rent is payable monthly in advance

(ii) Represents mining and exploration licence fees for tenements held by the Group but not yet capitalised in the financial statements.

Note 28. Related party transactions

Parent entity
Metminco Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 32.

Joint ventures
Interests in joint ventures are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the Directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 29. Events after the reporting period

On 15 February 2019 the Company announced it had reached agreement to defer to June 2020 a $3 million deferred acquisition payment due to RMB (Australia) Holdings Limited (‘RMB’) in June 2019.

Note 29. Events after the reporting period (continued)

On 13 March 2019, the Company announced a proposed Merger of Metminco and Andes Resources Limited ('Andes') to create a leading Colombian gold explorer and developer. The proposed Merger will result in the Company holding a dominant position in the richly gold-copper endowed Mid-Cauca Gold Belt. The proposed Merger will bring together Metminco's advanced Quinchia Gold Project, with Andes' extensive tenement holding to create a company with multiple advance exploration assets in richly endowed gold camps. A total of up to $4 million will be raised as part of the proposed Merger.

In March 2019, the company completed a placement of convertible notes to raise up to $1 million (as part of the $4 million proposed Merger financing). The Convertible Notes are interest free and repayable in limited circumstances. The Convertible Notes will convert into fully paid ordinary shares in Metminco. Funds raised will primarily be applied to progress the proposed Merger, undertake geophysical and geochemical work to further refine drill targeting at the Chuscal Gold Prospect in Colombia, and provide working capital.

Also as part of the proposed merger, Metminco is in the process of negotiating a significant restructuring of the existing RMB deferred acquisition payments of $5 million through a payment of $500,000 on completion of the merger, a debt for equity swap for $2.5 million, and realigning future payments of $2 million to project milestones out to 2025.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 30. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Loss after income tax expense for the year	(7,833,968)	(35,227,373)
Adjustments for:		
Depreciation and amortisation	31,599	40,282
Impairment of property, plant and equipment	61,935	934,037
Net loss on disposal of non-current assets	-	27,228,512
Net gain on disposal of property, plant and equipment	-	(23,182)
Share-based payments	739,945	426,174
Foreign exchange differences	7,339	382,912
Impairment of non-current receivables	-	180,669
Non cash financing charges on deferred acquisition consideration	383,580	429,240
Realised loss on derivative asset	228,273	797,257
Unrealised loss on derivative asset	-	1,260,330
Interest paid on redemption of convertible note	22,915	-
Impairment of exploration assets	3,546,813	48,437
Change in operating assets and liabilities:		
Decrease in other receivables	94,059	63,094
Increase in prepayments	(12,816)	(27,550)
Decrease in trade and other payables	(653,882)	(771,721)
Increase/(decrease) in employee benefits	25,919	(129,464)
Net cash used in operating activities	(3,358,289)	(4,388,346)

Note 31. Loss per share

	Consolidated 31 Dec 2018 $	Consolidated 31 Dec 2017 $
Loss after income tax attributable to the owners of Metminco Limited	(7,833,968)	(35,227,373)
	Cents	**Cents**
Basic loss per share	(1.12)	(27.69)
Diluted loss per share	(1.12)	(27.69)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	699,682,616	127,200,299
Weighted average number of ordinary shares used in calculating diluted earnings per share	699,682,616	127,200,299

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2018 %	Ownership interest 31 Dec 2017 %
Controlled Entities consolidated			
Subsidiaries of Metminco Limited:			
Hampton Mining Limited	Australia	100%	100%
North Hill Holdings Group Inc.	British Virgin Islands	100%	100%
Wholly owned subsidiaries of North Hill Holdings Group Inc.:			
Cerro Norte Mining Inc.	British Virgin Islands	100%	100%
North Hill Ovalle Inc.	British Virgin Islands	100%	100%
North Hill Perú Inc.	British Virgin Islands	100%	100%
North Hill Colombia Inc.	British Virgin Islands	100%	100%
Minera Hampton Chile Limitada	Chile	100%	100%
Miraflores Hampton Colombia SAS	Colombia	100%	100%
Miraflores Compania Minera SAS	Colombia	100%	100%

Note 33. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 31 Dec 2018 %	Ownership interest 31 Dec 2017 %
Chuscal JV	Colombia	10%	-

Note 33. Interests in joint ventures (continued)

Key Terms of the JV

In December 2018 Metminco and Anglo Gold Ashanti (“AngloGold”) formed the Chuscal JV with ownership: MNC 10% and AGA 90%. Metminco have the right to earn a further 41% interest in the JV by spending US$2.5 million over 3 years, including at least 7,500m of drilling. AngloGold holds a free carried interest during this period.

Once Metminco has earned its 51% interest, the parties may participate pro rata or dilute. On a party being diluted to a 9.9% interest, the participation of the diluting party reverts to a 2% Net Profit Royalty.

AngloGold has a one-off right to buy back a 21% interest from Metminco on the publication of a JORC resource of at least 3 million ounces of gold with the price of the 21% interest to be agreed between the parties or determined by an independent valuer at that time. On exercise of the buyback right ownership will be AngloGold 70% and Metminco 30%; AngloGold will be manager of the JV; and AngloGold will free carry Metminco through feasibility and until permits have been granted for a development proposal of an operation to produce over 250,000oz annual gold production.

As at 31 December 2018, the amount invested into the JV was NIL.

Note 34. General information

The financial statements cover Metminco Limited as a consolidated entity consisting of Metminco Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Metminco Limited's functional and presentation currency.

Metminco Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3, Level 2
470 Collins Street
Melbourne VIC 3000
Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 March 2019. The Directors have the power to amend and reissue the financial statements.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	31 Dec 2018 $	31 Dec 2017 $
Loss after income tax	(7,884,231)	(300,017,769)
Total comprehensive loss	(7,884,231)	(300,017,769)

Note 35. Parent entity information (continued)

Statement of financial position

	Parent	
	31 Dec 2018 $	**31 Dec 2017 $**
Total current assets	243,935	1,204,018
Total assets	13,862,211	16,114,271
Total current liabilities	4,275,312	3,199,615
Total liabilities	6,057,258	7,522,482
Equity		
Issued capital	339,411,378	332,987,792
Options reserve	1,166,117	480,860
Convertible note equity reserve	-	11,448
Accumulated losses	(332,772,542)	(324,888,311)
Total equity	7,804,953	8,591,789

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
North Hill Colombia Inc., a wholly owned subsidiary of Metminco, the parent entity, entered into a sale and purchase deed dated 30 May 2016 with RMB Australia Holdings Limited under which North Hill Colombia Inc. purchased the entire issued share capital of Miraflores Compania Minera SA. Metminco guaranteed the obligations of North Hill Colombia Inc. under the sale and purchase deed.

Miraflores Compania Minera SA, a wholly owned subsidiary of Metminco, the parent entity, entered into a joint venture agreement dated 8 November 2018 with AngloGold Ashanti Colombia S.A under which, amongst other rights and obligations, Miraflores Compania Minera SA can earn an interest in the Chuscal Project. Metminco guaranteed the obligations of Miraflores Compania Minera SA under the joint venture agreement.

The parent entity has no other guarantees in relation to its subsidiaries as at 31 December 2018 and 31 December 2017.

Contingent liabilities
Other than guarantees entered into by the parent entity in relation to the debts of its subsidiaries, the parent entity had no contingent liabilities as at 31 December 2018 and 31 December 2017.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Kevin Wilson
Executive Chairman

29 March 2019

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Independent Auditor's Report

To the Members of Metminco Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Metminco Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $7,833,968 during the year ended 31 December 2018, and as of that date, the Group's current liabilities exceeded its total assets by $1,462,642. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of Exploration and Evaluation Assets (Note 1 & Note 14)	
At 31 December 2018 the carrying value of Exploration and Evaluation Assets was $10,411,767. As the carrying value of these Exploration and Evaluation Assets represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount. This area is a key audit matter due to the inherent subjectivity that is involved in the Group making judgements in relation to the evaluation for any impairment indicators, in accordance with AASB 6: *Exploration for and Evaluation of Mineral Resources.*	Our procedures included, amongst others: • Evaluating management's assessment of each impairment trigger per AASB 6; • Assessing that the Group had the rights to explore in the relevant exploration area, which included obtaining external confirmation of continued rights to tenure; • Enquiring that management had the intention to carry out exploration and evaluation activity in the relevant exploration area. We also assessed management's cash-flow forecast models to assess the level of the budgeted expenditure on these areas; • Assessing whether any data exists to suggest that the carrying value of these exploration and evaluation assets is unlikely to be recovered through development or sale; • Assessing management's application of AASB 136: *Impairment of Assets* where impairment indicators were identified; and • Assessing the adequacy of the financial report disclosures.
Accounting for asset held for sale (Note 1 & Note 11)	
At 31 December 2018 the Group had classified the land held by Minera Hampton Chile Limitada as held for sale in accordance with AASB 5: *Non-current Assets Held for Sale and Discontinued Operations*. The Group believes that its carrying value will be recovered principally through a sale transactions, rather than continuing use. This area was a key audit matter due to the significance of the balance, and the nature of the judgements made by the Group in assessing whether the requirements of AASB 5 have been satisfied. The Group also engaged an expert to assist in determining the fair value of the land.	Our procedures included, amongst others: • Assessing whether the criteria outlined in the applicable accounting standards was met to classify the land as held for sale, including whether the sale is highly probable to complete within 12 months of the reporting date; • Evaluating the competence, capability and objectivity of the management's external expert and performing a review of their report to understand the scope of their engagement and any limitations in the report; and • Assessing the adequacy of the financial report disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 6 to 12 of the Directors' report for the year ended 31 December 2018.

In our opinion, the Remuneration Report of Metminco Limited, for the year ended 31 December 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B A Mackenzie
Partner – Audit & Assurance

Melbourne, 29 March 2018

The shareholder information set out below was applicable as at 28 February 2019

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	499	69
1,001 to 5,000	190	113
5,001 to 10,000	84	21
10,001 to 100,000	391	113
100,001 and over	623	243
	1,787	559
Holding less than a marketable parcel	1,346	331

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
TOPSERV CVBA	50,000,000	4.21
CITICORP NOMINEES PTY LIMITED	34,741,352	2.92
KEVIN WILSON	33,333,333	2.81
MR NEVRES CRLJENKOVIC	33,075,000	2.78
OSIRIS CAPITAL INVESTMENTS PTY LTD	30,000,000	2.53
ASHGROVE W PTY LTD	22,702,000	1.91
OCEAN VIEW WA PTY LTD	21,750,000	1.83
TROCA ENTERPRISES PTY LTD	20,000,000	1.68
ESM LIMITED	20,000,000	1.68
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,292,207	1.62
BNP PARIBAS NOMS PTY LTD	18,871,826	1.59
BONTOWN PTY LTD	18,000,000	1.52
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,180,268	1.45
KOBIA HOLDINGS PTY LTD	15,000,000	1.26
MR CHRISTIAN WILLIAM PATTERSON	14,087,689	1.19
DIXTRU PTY LIMITED	14,000,000	1.18
SANPEREZ PTY LTD	13,337,500	1.12
BNP PARIBAS NOMINEES PTY LTD	13,132,812	1.11
ORCA CAPITAL GMBH	12,882,353	1.08
BNP PARIBAS NOMINEES PTY LTD	12,501,340	1.05
	433,887,680	36.52

	Options over ordinary shares	
	Number held	% of total options issued
ALEXIOS ADAMIDES NEUROSURGERY PTY LTD	35,000,000	6.39
MR ALEXIS ADAMIDES	22,000,000	4.02
FORTUNE 20 PTY LTD	22,000,000	4.02
MR LUKE MILOJEVIC	21,925,000	4.01
MR CHARBEL BOUSTANI	21,600,000	3.95
ESM LIMITED	18,000,000	3.29
OLIVE CAPITAL PTY LTD	17,708,333	3.24
MICKWARNRICH PTY LTD	10,000,000	1.83
REDFIELD ASSET MANAGEMENT PTY LIMITED	9,876,512	1.80
FREEDOM TRADER PTY LTD	8,958,333	1.64
MR BENJAMIN SCOTT WALE	7,298,294	1.33
ST BARNABAS INVESTMENTS PTY LTD	7,159,847	1.31
GOFFACAN PTY LTD	7,000,000	1.28
TROCA ENTERPRISES PTY LTD	6,666,667	1.22
RED DOG FUND PTY LTD	6,250,000	1.14
MISS KAVEENAR N RAJENDRAN	6,000,000	1.10
MR MATTHEW DEAN QUINN	5,836,148	1.07
MR LUKE MILOJEVIC	5,575,000	1.02
NAUTICAL HOLDINGS WA PTY LTD	5,017,104	0.92
MR KEVIN WILSON & MRS JOLA WILSON	5,017,104	0.92
	248,888,342	45.50

Substantial holders
There are no substantial holders in the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Shareholder information (continued)

TENEMENTS

Quinchia Gold Project, Colombia

TENEMENT ID (1)	HOLDER (2)	TYPE OF CONTRACT (3)	STAGE
010-87M (4)	MCM	Contribution	Exploitation
DLK-14544X	MCM	Concession	Exploration
DLK-142 (6)	AngloGold JV	Concession	Exploration
FCG-08353X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
TDR-11411 (5)	MCM	Application	Exploration
GC4-15004X (5)	AngloGold	Application	Exploration
GC4-15006X (5)	AngloGold	Application	Exploration
GC4-15007X (5)	AngloGold	Application	Exploration
GC4-15008X (5)	AngloGold	Application	Exploration
GC4-15009X (5)	AngloGold	Application	Exploration
GC4-150010X (5)	AngloGold	Application	Exploration
GC4-15002X (6)	AngloGold JV	Application	Exploration
GC4-15005X (6)	AngloGold JV	Application	Exploration
KHL-15421 (5)	AngloGold	Application	Exploration
OG2-08112 (5)	MCM	Application	Exploration
OG2-10591 (5)	MCM	Application	Exploration
OG2-8073 (5)	MCM	Application	Exploration

(1) All titles are part of the Quinchia Gold Portfolio, Quinchia, Department of Risaralda, Colombia.
(2) MCM (Miraflores Compañia Minera SAS) a 100%-owned subsidiary of North Hill Holdings Group Inc., owned as to 100% by Metminco.
(3) Concessions at exploration stage have 3 year life extendable for two years to a maximum 11 years.
(4) 15 year life extendable for 15 years.
(5) Applications have neither legal liabilities nor certainty that they will be granted in whole or in part. If there was open ground at the time of lodging, a contract for exploration and potential exploitation will be offered to the applicant. MCM has a beneficial interest of 100% of the tenement when the application is granted.
(6) Metminco has a 10% beneficial interest in these tenements, with the right to earn up to 51% interest through a JV with AngloGold.

Shareholder information (continued)

Mollacas Project, Chile

SERNAGEOMIN NATIONAL ROLL	Concession	COURT	CONCESSION NAME
04203-0694-6	Exploitation	1º Ovalle	CENTINELA 1/10 *
04203-0700-4	193-2002	1º Ovalle	MANTO PRIMERO 1/10
04203-0654-7	10,541	3º Ovalle	MANTO SIETE II 1/20
04203-0708-K	10-Mar	2º Ovalle	MANTO SIETE III 1/10
04203-0655-5	26,550	2º Ovalle	MANTO SIETE IV 1/40
04203-0656-3	10,663	3º Ovalle	MANTO SIETE V 1/10
04203-0657-1	26,556	2º Ovalle	MANTO SIETE VI 1/20
04203-0658-K	26,553	2º Ovalle	MANTO SIETE VII 1/20
04203-0811-6	63-07	3º Ovalle	VALDIVIA 8 1/40
04203-0812-4	62-07	3º Ovalle	VALDIVIA 9 1/40
04203-1017-K	269-09	3º Ovalle	VALDIVIA 10 B, 1/40
04203-1018-8	270-09	3º Ovalle	VALDIVIA 11 B, 1/60
04203-1019-6	271-09	3º Ovalle	VALDIVIA 12 B, 1/60
04203-0813-2	19-Jul	3º Ovalle	VALDIVIA 13 1/60
04203-0814-0	21-Jul	3º Ovalle	VALDIVIA 14 A 1/25
04203-0815-9	18-Jul	3º Ovalle	VALDIVIA 14 B 1/50
04203-0816-7	17-Jul	3º Ovalle	VALDIVIA 15 1/75
04203-0817-5	16-Jul	3º Ovalle	VALDIVIA 16 1/60 *
04203-0818-3	15-Jul	3º Ovalle	VALDIVIA 17 1/60
04203-1020-K	272-09	3º Ovalle	VALDIVIA 18 1/60
04203-1113-3	V-39-11	2º Ovalle	VALDIVIA 19 1/25

Mollacas Project, Chile (Exploration Concession Applications)

SERNAGEOMIN NATIONAL ROLL	COURT NUMBER	COURT	CONCESSION NAME
Claim Registered	V-316-12	3º Ovalle	BONDI 1
Claim Registered	V-317-12	3º Ovalle	BONDI 2
Claim Registered	V-318-12	3º Ovalle	BONDI 3
Claim Registered	V-319-12	3º Ovalle	BONDI 4
Claim Registered	V-320-12	3º Ovalle	BONDI 5
Claim Registered	V-321-12	3º Ovalle	BONDI 6
Claim Registered	V-322-12	3º Ovalle	BONDI 7
Claim Registered	V-323-12	3º Ovalle	BONDI 8
Claim Registered	V-324-12	3º Ovalle	BONDI 9
Claim Registered	V-325-12	3º Ovalle	BONDI 10
Claim Registered	V-326-12	3º Ovalle	BONDI 11

Shareholder information (continued)

Vallecillo Project, Chile (Mining Exploitation Concessions)

SERNAGEOMIN NATIONAL ROLL	COURT NUMBER	COURT	CONCESSION NAME
04203-0717-9	360-04	3º Ovalle	ANDREA UNO 1/200
04203-0718-7	361-04	3º Ovalle	ANDREA DOS 1/300
04203-0719-5	362-04	3º Ovalle	ANDREA TRES 1/300
04206-0542-0	522-04	1º Ovalle	ANDREA CUATRO 1/300
04203-0720-9	364-04	3º Ovalle	ANDREA CINCO 1/300
04203-0721-7	365-04	3º Ovalle	ANDREA SEIS 1/300
04203-0722-5	366-04	3º Ovalle	ANDREA SIETE 1/300
04203-0723-3	367-04	3º Ovalle	ANDREA OCHO 1/200
04203-0724-1	368-04	3º Ovalle	ANDREA NUEVE 1/200
04203-0725-K	369-04	3º Ovalle	ANDREA DIEZ 1/300
04203-0726-8	370-04	3º Ovalle	ANDREA ONCE 1/300
04203-0727-6	371-04	3º Ovalle	ANDREA DOCE 1/300
04203-0728-4	372-04	3º Ovalle	ANDREA TRECE 1/300
04203-0747-0	137-2005	1º Ovalle	ANDREA CATORCE 1/300
04203-0748-9	138-2005	1º Ovalle	ANDREA QUINCE 1/300
04203-0749-7	139-2005	1º Ovalle	ANDREA DIECISEIS 1/300
04203-0750-0	140-2005	1º Ovalle	ANDREA DIECISIETE 1/300
04203-0751-9	141-2005	1º Ovalle	ANDREA DIECIOCHO 1/300
04203-0752-7	142-2005	1º Ovalle	ANDREA DIECINUEVE 1/300
04203-0267-3	26,947	1º Ovalle	CHIFLON 1/40 *
04203-0256-8	26,925	1º Ovalle	COLORADO 1/150 *
04203-0287-8	26,925	1º Ovalle	COLORADO 1/150 (28/30-47) *
Claim Registered	V-676-2012	3° Ovalle	EL VALLECITO 6, 1/300

Shareholder information (continued)

Vallecillo Project (Mining Exploration Concessions and Exploration Concession Applications)

SERNAGEOMIN NATIONAL ROLL	COURT NUMBER	COURT	CONCESSION NAME
04206-1175-7	V-25-11	2ºOvalle	ANDREA 26
04203-2363-8	V-26-11	2ºOvalle	ANDREA 27
04206-1167-6	V-27-11	2ºOvalle	EL VALLECITO 29
04206-1168-4	V-28-11	2ºOvalle	EL VALLECITO 30
04206-1169-2	V-29-11	2ºOvalle	EL VALLECITO 31
04206-1170-6	V-30-11	2ºOvalle	EL VALLECITO 32
04206-1171-4	V-31-11	2ºOvalle	EL VALLECITO 33
04206-1172-2	V-32-11	2ºOvalle	EL VALLECITO 34
04206-1173-0	V-33-11	2ºOvalle	EL VALLECITO 35
04206-1174-9	V34-11	2ºOvalle	EL VALLECITO 36
04203-2357-3	V-35-11	2ºOvalle	EL VALLECITO 37
04203-2358-1	V-36-11	2ºOvalle	EL VALLECITO 38
04203-2359-K	V-37-11	2ºOvalle	EL VALLECITO 39
04203-2360-3	V-38-11	2ºOvalle	EL VALLECITO 40
04206-1184-6	V-458-11	3º Ovalle	EL VALLECITO 41
04206-1185-4	V-459-11	3º Ovalle	EL VALLECITO 42
04206-1186-2	V-460-11	3º Ovalle	EL VALLECITO 43
Renewal in Process	V-677-2012	3° Ovalle	VALLECILLO 1
Renewal in Process	V-678-2012	3° Ovalle	VALLECILLO 2
Renewal in Process	V-679-2012	3° Ovalle	VALLECILLO 3
Renewal in Process	V-680-2012	3° Ovalle	VALLECILLO 4
Renewal in Process	V-681-2012	3° Ovalle	VALLECILLO 5
Renewal in Process	V-682-2012	3° Ovalle	VALLECILLO 7
Renewal in Process	V-683-2012	3° Ovalle	VALLECILLO 8
Renewal in Process	V-684-2012	3° Ovalle	VALLECILLO 9
Renewal in Process	V-490-2012	3º Ovalle	VALLECILLO 11
Renewal in Process	V-491-2012	3º Ovalle	VALLECILLO 12
Renewal in Process	V-547-2012	3º Ovalle	VALLECILLO 13
Renewal in Process	V-548-2012	3º Ovalle	VALLECILLO 14
Renewal in Process	V-550-2012	3º Ovalle	VALLECILLO 15
Renewal in Process	V-551-2012	3º Ovalle	VALLECILLO 16
Renewal in Process	V-552-2012	3º Ovalle	VALLECILLO 17
Renewal in Process	V-553-2012	3º Ovalle	VALLECILLO 18
Renewal in Process	V-554-2012	3º Ovalle	VALLECILLO 19
Renewal in Process	V-555-2012	3º Ovalle	VALLECILLO 20
Renewal in Process	V-556-2012	3º Ovalle	VALLECILLO 21
Renewal in Process	V-557-2012	3º Ovalle	VALLECILLO 22
Renewal in Process	V-558-2012	3º Ovalle	VALLECILLO 23
Renewal in Process	V-559-2012	3º Ovalle	VALLECILLO 24
Renewal in Process	V-560-2012	3º Ovalle	VALLECILLO 25
Renewal in Process	V-561-2012	3º Ovalle	VALLECILLO 26
Renewal in Process	V-562-2012	3º Ovalle	VALLECILLO 27
Renewal in Process	V-563-2012	3º Ovalle	VALLECILLO 28
Renewal in Process	V-492-2012	3º Ovalle	VALLECILLO 44
Renewal in Process	V-493-2012	3º Ovalle	VALLECILLO 45
Renewal in Process	V-494-2012	3º Ovalle	VALLECILLO 46
Renewal in Process	V-694-2012	3° Ovalle	VALLECILLO 47
Renewal in Process	V-695-2012	3° Ovalle	VALLECILLO 48
Renewal in Process	V-701-2012	3° Ovalle	VALLECILLO 49

Shareholder information (continued)

Loica Project (Mining Exploitation Concessions and Exploitation Concession Application)

04203-0995-3	221-09	2º Ovalle	CANGURO 2, 1
04203-0731-4	508	1ª Ovalle	TORCA 25 1/85
04203-0732-2	509	1ª Ovalle	TORCA 26 1/260
04203-0733-0	510	1ª Ovalle	TORCA 27 1/265
04203-0734-9	511	1ª Ovalle	TORCA 28 1/300
04203-0735-7	512	1ª Ovalle	TORCA 31 1/200
04203-0736-5	513	1ª Ovalle	TORCA 32 1/300
04203-0737-3	514	1ª Ovalle	TORCA 33 1/261
04203-0738-1	515	1ª Ovalle	TORCA 35 1/78
04203-0739-K	516	1ª Ovalle	TORCA 36 1/300
04203-0740-3	517	1ª Ovalle	TORCA 37 1/300
04203-0741-1	518	1ª Ovalle	TORCA 38 1/292
04203-0742-K	519	1ª Ovalle	TORCA 39 1/300
04203-0743-8	520	1ª Ovalle	TORCA 40 1/200
04203-0744-6	521	1ª Ovalle	TORCA 41 1/300

(i) All tenements in Chile are held by Minera Hampton Chile Limitada, a wholly owned subsidiary of North Hill Ovalle Inc, itself wholly owned by North Hill Holdings Group Inc which is a 100% subsidiary of Metminco Limited.
(ii) All tenements are of type Propiedad.

Shareholder information (continued)

ANNUAL MINERAL RESOURCES AND RESERVES STATEMENT - 31 DECEMBER 2018

APPENDIX 1

Summarised below are the Mineral Resources that have been estimated by Metal Mining Consultants, and the Ore Reserves estimated by Ausenco for the Company's Miraflores Gold Project located in Colombia; and the Mineral Resources that have been estimated by SRK Consulting (Chile) S.A, for the Company's Mollacas and Vallecillo projects located in Chile.

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 27 October 2017. The Mollacas and Vallecillo projects resource estimates were completed by SRK Consulting (Chile) S.A., in accordance with the JORC Code (2004 Edition) and first publicly reported on the 23 July 2012 and 31 October 2012 respectively. No material changes have occurred after the reporting of these resource estimates since their first reporting.

MIRAFLORES PROJECT - COLOMBIA

Table 1: Mineral Resource Statement, 14 March 2017.

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

Note:
(i) Reported at a 1.2g/t gold % Cu cut-off.
(ii) Mineral Resource estimated by Metal Mining Consultants Inc.
(iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
(iv) These Mineral Resources are inclusive of the Ore Reserves listed in Table 2 below.
(v) Rounding may result in minor discrepancies.

Table 2: Miraflores Mineral Reserve Estimate as at 27 November 2017 (100% basis)

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

Note:
(vi) Rounding-off of numbers may result in minor computational errors, which are not deemed to be significant.
(vii) These Ore Reserves are included in the Mineral Resources listed in Table 1 above.
(viii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.
(ix) Source: Ausenco, 2017

Shareholder information (continued)

MOLLACAS PROJECT - CHILE

Table 3: Mineral Resource Statement, 23 July 2012 (Copper Leach Project – Oxides & Secondary Sulphides).

Category	Tonnes ('000)	Cu T (%)	Cu Sol (%)	Au (g/t)
Measured	11,168	0.55	0.44	0.12
Indicated	4,314	0.41	0.29	0.14
Measured & Indicated	15,482	0.51	0.40	0.13

Note:
(i) Reported at a cut-off of 0.20% Cu.
(ii) Mineral Resource estimated by SRK Consulting (Chile) S.A.
(iii) First publicly released on 23 July 2012. No material change has occurred after that date that may affect the JORC Code (2004 Edition) Mineral Resource estimation.
(iv) Rounding may result in minor discrepancies.
(v) Cu Sol is copper metal that is heap leach soluble; Cu T is total copper including soluble copper.

VALLECILLO PROJECT (LA COLORADA DEPOSIT) - CHILE

Table 4: Mineral Resource Statement, 31 October 2012.

Category	Tonnes ('000)	Au (g/t)	Ag (g/t)	Zn (%)	Cu (%)	Pb (%)
Measured	5,516	0.84	9.99	1.12	0.06	0.32
Indicated	2,570	0.80	10.23	0.94	0.07	0.35
Measured & Indicated	8,086	0.82	10.06	1.06	0.06	0.33
Inferred	773	0.50	8.62	0.48	0.12	0.17

Notes:
(i) Reported at a cut-off of 0.20g/t Au.
(ii) Mineral Resource estimated by SRK Consulting (Chile) S.A.
(iii) First publicly released on 31 October 2012. No material change has occurred after that date that may affect the JORC Code (2004 Edition) Mineral Resource estimation.
(iv) Rounding may result in minor discrepancies.

COMPETENT PERSON'S STATEMENT

Metminco

The information in this report that relates to Exploration Results is based on information compiled by Gavin Daneel, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged as a Consultant in Australia. The annual mineral resources and ore reserves statement as a whole in the form and context in which it appears in this report is also approved by Mr. Daneel.

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

Shareholder information (continued)

Ausenco

The Company's Ore Reserve estimates for the Miraflores Gold Project have been independently reviewed and signed off by Mr. Boris Caro who is a Member of the Australasian Institute of Mining and Metallurgy and a Registered Member of the Chilean Mining Commission. Mr. Caro is an independent consultant contracted by Ausenco to review and sign off the Ore Reserve estimate. Mr. Caro has a broad international experience leading mining projects in several countries and he was a Qualified Person of Fortuna Silver Mines in 2014 and 2015. Mr. Caro has over five years' experience relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear. Mr. Caro visited the site in August 2017 for 3 days as part of the study team to review all aspects of the study including an investigation of the mine, plant and site layouts. Mr. Caro consented to be named in the first publicly released announcement and inclusion of information attributed to him in the form and context in which it appears therein.

Metal Mining Consultants Inc.

The information provided as it relates to Exploration Results and Mineral Resources of the Miraflores Gold Project is based on information compiled by Scott Wilson, President of Metal Mining Consultants Inc. in Colorado, USA. Mr. Wilson, a Qualified Person for JORC (2012 Edition) compliant statements, reviewed the technical information presented in this document.

Mr. Wilson has sufficient experience that is relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear. Mr. Wilson consented to be named in the first publicly reported announcement and inclusion of information attributed to him in the form and context in which it appears therein.

SRK Consulting (Chile) S.A.

Metminco supplied SRK with geological models and supporting drill hole data. Copper and gold grades for Mollacas and gold, silver, zinc, copper and lead grades for Vallecillo were estimated into block models using ordinary kriging with GEMCOM software.

The information provided in this Annual Report as it relates to Exploration Results and Mineral Resources of the Mollacas and Vallecillo projects is based on information compiled by George G. Even, Principal Geologist and Mr. Ernesto Jaramillo, Principal Resource Geologist of SRK Consulting in Santiago, Chile. Mr. Ernesto Jaramillo performed the resource estimation. Mr. Even has sufficient experience that is relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear. Mr. Even and Mr. Jaramillo consented to be named in the first publicly reported announcement and inclusion of information attributed to them in the form and context in which it appeared therein.