



Andean Mining

THIS IS AN **IMPORTANT DOCUMENT**

AND REQUIRES YOUR IMMEDIATE ATTENTION

IF YOU ARE IN ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT, YOU SHOULD
CONSULT YOUR LEGAL, FINANCIAL OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY

ANDEAN MINING LIMITED ACN 625 466 006

Target's Statement

in response to the off-market takeover offer

by

Agua Resources Limited

ACN 128 256 888

to acquire all of your ordinary shares in Andean

The Independent Directors unanimously recommend that,
in the absence of a Superior Proposal, you **ACCEPT** the
Bidder's Offer

The Independent Expert has concluded that the Offer is
fair and reasonable

Date of the Target's Statement: 15 March 2024

Legal Adviser

**ASH
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KEY DATES

Announcement of Offer	22 December 2023
Bidder's Statement lodged with ASIC and dated	20 February 2024
Date of Offer	21 February 2024
Offer Period opens	21 February 2024
Target's Statement lodged with ASIC, dated and dispatched to Andean Shareholders	15 March 2024
Offer Period closes ¹	8 April 2024

Further information – If you have any enquiries about this Target's Statement please contact Andean's Company Secretary, Graeme Hogan.

¹ This date is indicative only. The Offer may be extended, or withdrawn, as permitted by the Corporations Act.



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Important Information

THIS TARGET'S STATEMENT IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY BEFORE DECIDING WHETHER TO ACCEPT THE OFFER. YOU SHOULD ALSO READ THE BIDDER'S STATEMENT PROVIDED BY AGUIA

Nature of this document

This Target's Statement is made by Andean Mining Limited ACN 625 466 006 (**Andean**) under Part 6.5 Division 3 of the Corporations Act and sets out the Andean Board's formal response to the offer made by Aguiá Resources Limited ACN 128 256 888 in its Bidder's Statement.

This Target's Statement is dated 15 March 2024, and a copy of this Target's Statement was lodged with ASIC on 15 March 2024. ASIC takes no responsibility for the contents of this Target's Statement.

Investment decisions

The information provided in this Target's Statement is not financial or investment advice and has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. You should seek independent financial and taxation advice from your financial or other professional adviser before deciding whether to accept or reject the Aguiá Offer.

Disclaimer as to forward looking statements

This Target's Statement may contain forward-looking statements within the meaning of securities laws. These statements are based, among other things, on Andean's assumptions, expectations, estimates, objectives, plans and intentions as of the date of this document which Andean believes are reasonable as of the date of the Target's Statement, and, accordingly, are subject to changes after that date. You should not place undue importance on forward-looking statements and should not rely upon this information as of any other date. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Andean operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement.

Except as required under applicable securities legislation, Andean does not undertake to update or revise these forward-looking statements, whether written or verbal, that may be made from time to time by or on behalf of Andean, whether as a result of new information, future events or otherwise.

None of Andean or any of its officers or any other person named in the Target's Statement with their consent, or any person involved in the preparation of this Target's Statement, makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, except to the extent required by law.

Disclaimer as to Aguia information

The information on Aguia contained in this Target's Statement has been compiled from, or is otherwise based on, information obtained by Andean from Aguia or from publicly available information and has not been independently audited or verified by Andean or its advisers. Accordingly, Andean does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

If any information obtained from Aguia or the public sources is inaccurate or incomplete, this may affect the information included in this Target's Statement. In particular, if the information has been used as the basis for forward-looking statements in this Target's Statement, this may add to the risk that actual values, results, performance or achievements will differ materially from those expressed or implied by the forward-looking statements.

The Independent Expert's Report has been prepared by the Independent Expert for the purposes of this Target's Statement and the Independent Expert takes responsibility for that report. Neither Andean nor any of its officers, advisers or employees assumes any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of Andean, in relation to the information which it has provided to the Independent Expert.

Privacy

Andean has collected your information from the Andean register of shareholders for the purposes of providing you with this Target's Statement. The Corporations Act requires the names and addresses of shareholders to be held in a public register. Your information may be disclosed on a confidential basis to Andean's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC.

Internet

References to Andean's website (www.andeanmining.com.au) are for your reference only. References to Aguia's website (www.aguiaresources.com.au) are for your reference only. Information contained in or otherwise accessible from either website does not form a part of this Target's Statement.

Notice to Foreign Shareholders

The distribution of this Target's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Target's Statement should inform themselves of, and observe, those restrictions.

The Aguia Offer is not being made in any country outside Australia and New Zealand except to a limited extent. Aguia may extend the Aguia Offer to Andean Shareholders outside of Australia and New Zealand, subject to those Andean Shareholders satisfying Aguia that the Aguia Offer is able to be made to those Andean Shareholders without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based. Ineligible Andean Shareholders will not be able to participate in the Aguia Offer. The Aguia Shares that would otherwise be issued to Ineligible Andean Shareholders under the Aguia Offer if they had been eligible to participate are to be dealt with as noted below. Andean Shareholders who are not certain

whether they would be Ineligible Andean Shareholders should contact Aguia's Company Secretary on +61 2 8280 7355 during business hours on Business Days.

Aguia has indicated in the Bidder's Statement that it proposes appointing Kemosabe Capital Pty Ltd ABN 40 101 865 598 [AFSL 289009] as its nominee under Section 615 of the Corporations Act to seek to sell the Aguia Shares of the Ineligible Andean Shareholders and to distribute the proceeds of any sale to those holders in proportion to their shareholding in Aguia (following the issue of Aguia Shares under the Takeover Offer in respect of their Andean Shares) net of expenses.

Aguia has sought approval from ASIC for the appointment of Kemosabe Capital Pty Ltd as nominee of Ineligible Andean Shareholders in accordance with Section 619 of the Corporations Act. A response has not been received from ASIC at the date of this Target's Statement. Aguia will provide an update on the status of the application to ASIC as and when a response to the application is received from ASIC.

Defined terms

A number of defined terms are used in this Target's Statement. Unless expressly specified otherwise, capitalised terms have the meaning given in the Glossary.

All references to time in this Target's Statement are to the time in Sydney, Australia.

Further information

If you would like more information about Andean Shares which you hold, please contact Andean's Company Secretary, Graeme Hogan between 9.00 and 5.00pm (Sydney time) on Business Days.

Letter from the Independent Directors

15 March 2024

Dear Shareholders,

Background

On 22 December 2023, Agua Resources Limited (**Agua**) announced its intention to make a takeover offer for all of the Andean Shares (**Agua Offer**).

Under the terms of the Agua Offer, you are being offered three (3) Agua Shares for each one (1) Andean Share you hold. The Agua Offer is conditional (amongst other things) on Agua reaching a Relevant Interest in at least 90% (by number) of Andean shares during or by the end of the Offer Period (**Minimum Acceptance Condition**).

As Mr Warwick Grigor is a director of both Andean and Agua, Andean has established an Independent Board Committee (**IBC**) to consider the Agua Offer. The IBC comprises the three independent (of Agua) Directors of Andean, being Mr Paul Ingram, Mr Maxwell James Green and Mr William Howe. The Chairman of Andean, Mr Grigor is regarded as a representative of Agua and was therefore not appointed to the IBC. Mr Grigor is not making a recommendation to Andean Shareholders in relation to the Agua Offer.

The IBC appointed Ash Street Partners as legal adviser to assist the IBC to evaluate and respond to the approach by Agua. With the assistance of its advisers, the IBC constructively engaged with Agua regarding the terms of an offer which would be appropriate to put to shareholders. This process culminated in Agua committing to make the Agua Offer of three (3) Agua Shares for each (1) Andean Shares you hold and to acquire the shares in Andean on the terms set out in the Agua Offer, subject to the Independent Directors determining to unanimously recommend the Agua Offer on those terms subject to there being no Superior Proposal and subject to the Independent Expert not concluding that the Agua Offer is not fair and not reasonable.

The Independent Directors have carefully reviewed the Agua Offer against the prospects for Andean in the absence of the Agua Offer and note the Independent Expert has concluded that the Agua Offer is fair and reasonable for Andean Shareholders not a party or associated to a party to the Offer. The Independent Directors unanimously recommend that you ACCEPT the Agua Offer, in the absence of a Superior Proposal.

The IBC appointed RSM Corporate Australia Pty Ltd to prepare the Independent Expert's Report. The Independent Expert has concluded that the Agua Offer is fair and reasonable for Andean Shareholders not a party or associated to a party to the Offer. A copy of the Independent Expert's Report is included as Attachment 1 to this Target's Statement, and you are encouraged to read that report in full. The Independent Expert has valued an Andean Share prior to the Offer on a control basis at a price of between \$0.010 and \$0.036 per Andean Share with a preferred value of \$0.023 per Andean Share. The Independent Expert has valued an Agua Share post the Offer (on a combined group basis) on a non-controlling basis at a price of between \$0.007 and \$0.017 per Agua Share with a preferred value of \$0.012 per Agua Share. The Independent Expert has valued the Consideration Shares (being 3 Agua

Shares for every Andean Share) post the Offer on a non-controlling basis at a value of between \$0.021 and \$0.050, with a preferred value of \$0.036.

All Andean Shareholders should have already received a copy of the Bidder's Statement from Agua in the mail, which sets out the detailed terms of the Agua Offer, and includes an Acceptance Form. A copy of the Bidder's Statement is also available on the ASX website at www.asx.com.au. If you have not received a Bidder's Statement or Acceptance Form, please call Link Market Services Limited on +61 1300 554 474 between 8.30am and 7.30pm (AEST) on Business Days or contact Agua's Company Secretary on +61 2 8280 7355 during business hours on Business Days.

Reasons for the IBC's Recommendation

This Target's Statement sets out the formal response of the Independent Directors to the Agua Offer, including the reasons why the Independent Directors unanimously recommend that you accept the Agua Offer, in the absence of a Superior Proposal.

In summary, the Independent Directors unanimously recommend that you accept the Agua Offer, in the absence of a Superior Proposal, because:

the Independent Expert has concluded that the Agua Offer is fair and reasonable for Andean Shareholders not a party or associated to a party to the Offer. The Independent Expert has valued an Andean Share prior to the Offer on a control basis at a price of between \$0.01 and \$0.036 per Andean Share with a preferred value of \$0.023 per Andean Share. The Independent Expert has valued an Agua Share post the Offer (on a combined group basis) on a non-controlling basis at a price of between \$0.007 and \$0.017 per Agua Share with a preferred value of \$0.012 per Agua Share. The Independent Expert has valued the Consideration Shares (being 3 Agua Shares for every Andean Share) post the Offer on a non-controlling basis at a value of between \$0.021 and \$0.050, with a preferred value of \$0.036.

- 1) the Agua Offer is the best available offer for Andean Shares at this time, noting that:
 - no Superior Proposal has emerged as at the date of this Target's Statement. The Independent Directors consider that it is unlikely a Superior Proposal will emerge from another bidder;
 - there is no certainty that Agua will make another offer for Andean Shares in the future; and
 - in the absence of a Superior Proposal the Offer provides Andean Shareholders with an opportunity in future to convert their illiquid investment in Andean Shares into shares in Agua which is listed on ASX.
- 2) there are potentially adverse consequences if you do not accept the Agua Offer, including:
 - the price at which you are able to sell your Andean Shares after the Agua Offer may be below the Offer Consideration of 3 Agua Shares per Andean Share;
 - given the lack of liquidity in trading of Andean Shares, it may continue to be difficult to sell your Andean Shares after the Agua Offer; and
 - Andean is likely to need to raise capital to fund its ongoing operations including restarting operations at the Santa Barbara gold mine, which could dilute your investment in Andean Shares.

Each of these reasons is explained in greater detail in this Target's Statement.

Further Information

The Aguia Offer is scheduled to close at 5:00pm (AEST) on 8 April 2024. To accept the Aguia Offer, simply follow the instructions outlined in the Bidder's Statement, the Acceptance Form and section 8 of this Target's Statement. No action is required if you decide not to accept the Aguia Offer.

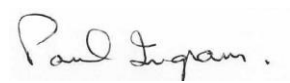
We encourage you to read this Target's Statement carefully, and to seek independent advice if you are in any doubt as to how to respond to the Aguia Offer.

If you need any more information about the Aguia Offer, we recommend that you seek professional advice, or call +61 2 8280 7355 (for calls made from within or from outside Australia), Monday to Friday between 9.00am and 5.00pm (AEST).

Independent Directors unanimously recommend you ACCEPT Aguia's Offer

The Independent Directors unanimously recommend that, in the absence of a Superior Proposal, Andean Shareholders accept the Aguia Offer.

Yours sincerely,



Mr Paul Ingram
Independent Director



Mr Maxwell James Green
Independent Director



Mr William Howe
Independent Director

SECTION 1

1. REASONS WHY YOU SHOULD ACCEPT AGUIA'S OFFER

1.1 Summary

This section summarises the key reasons why the Independent Directors unanimously recommend that Andean Shareholders accept the Offer, in the absence of a Superior Proposal. The Offer from Aguia is three (3) Aguia Shares for each one (1) Andean Shares you hold.

The Independent Expert has valued an Andean Share prior to the Offer on a control basis at a price of between \$0.01 and \$0.036 per Andean Share with a preferred value of \$0.023 per Andean Share. The Independent Expert has valued an Aguia Share post the Offer (on a combined group basis) on a non-controlling basis at a price of between \$0.007 and \$0.017 per Aguia Share with a preferred value of \$0.012 per Aguia Share. The Independent Expert has valued the Consideration Shares (being 3 Aguia Shares for every Andean Share) post the Offer on a non-controlling basis at a value of between \$0.021 and \$0.050, with a preferred value of \$0.036.

Accordingly, the Independent Expert has concluded that the Offer is fair and as it is fair it is therefore reasonable consistent with ASIC Regulatory Guide 111.

The Independent Expert has also separately considered the reasonableness of the Offer having considered:

- The future prospects of Andean if the Offer does not proceed;
- Other commercial advantages and disadvantages to Andean Shareholders as a consequence of the Offer proceeding;
- alternative proposals to the Offer; and
- other significant factors which Andean Shareholders might consider prior to accepting the Offer.

The Independent Expert:

- has concluded that as the Offer is fair it is also reasonable;
- considers that the position of Andean Shareholders not a party or associated to a party to the Offer if the Offer is accepted is more advantageous than if the Offer is not accepted; and
- has concluded that the Offer is reasonable for the Andean Shareholders not a party or associated to a party to the Offer..

The Independent Expert's Report is included as Attachment 1.

You should read the Independent Expert's Report in full.

1.2 There is virtually no market for trading Andean Shares

As Andean is not listed on any financial market, there is a very limited market for your Andean Shares.

1.3 **Agua's Offer is the only offer currently available for your Andean Shares**

- In the absence of the Offer, the opportunity to sell all of your Andean Shares is unlikely to be available due to the fact that there is a limited market for Andean Shares. Accordingly, Agua's Offer provides an exit from an illiquid stock.
- *Agua Shares are more liquid than Andean Shares:* Agua is an ASX listed company whose shares are quoted and traded on ASX. In the 30 trading days to close of trading on 19 February 2024, the average daily volume of Agua shares traded was 933,906 and the daily average turnover of Agua shares was approximately \$15,746. By contrast, Andean shares are not listed on any exchange and are therefore highly illiquid. Accordingly, accepting Agua's Offer will give Andean Shareholders a level of liquidity that is not currently available to Andean Shareholders. Andean Shareholders who accept the Offer will have the ability to sell some or all of their Agua shares in the future subject to the escrow constraints which may attach to the issue of Agua Shares to Andean Shareholders.
- *Exposure to a larger and more diversified portfolio of high-quality assets:* Andean Shareholders who accept the Takeover Offer and receive the Offer Consideration will have the benefit of being part of the Merged Group that includes the existing Agua projects. The projects of Andean and Agua are geographically proximate which will allow the Merged Group to leverage capabilities across each portfolio. The Merged Group will complete activities on the existing Agua projects and the existing Andean projects, diversifying the range of projects and potential opportunities to create value for the shareholders of the Merged Group.
- *Combination benefits:* The combination of Agua and Andean will increase the management capabilities of each of those entities and result in benefits to Agua Shareholders (access to the Andean projects) and the Andean Shareholders (access to the Agua projects and share liquidity as described above).
- *Decrease in funding risks for Andean shareholders:* Andean currently has a net debt position, and as an investor in greenfield exploration and brownfield investments, is not currently generating cashflow. Future funding would require raising equity, debt or selling existing assets. Agua is well capitalised with a strong net cash position providing capacity to fund operations.
- *Acceptance of the offer may not trigger a tax liability:* As this is a scrip offer, and the offer is also conditional upon the Minimum Acceptance Condition, then scrip for scrip roll-over relief may be available. Consequently, you may not trigger a capital gains tax liability on acceptance of Agua's offer. However, the Independent Directors encourage you to seek your own tax and other professional advice in respect of the offer made by Agua.
- *As at the date of this Target's Statement, no Superior Proposal has emerged:* Since announcement of the offer, no Superior Proposal has emerged that would cause the Independent Directors to reconsider their recommendation. The Agua Offer is currently the only corporate control proposal that is capable of being put to Andean shareholders.
- *The Andean Directors have committed to accept the offer:* Andean Directors have assessed the Offer and each have committed to accept the Agua Offer with respect to

their own Andean Shares and those they control, in the absence of a Superior Proposal. If all remaining Andean Shares which might be issued during the Offer Period and are the subject of the Aguia Offer, were issued before the end of the Offer Period, these Andean Shares would collectively represent 34.84% of Andean's issued shares.

SECTION 2

2. REASONS WHY YOU MAY DECIDE NOT TO ACCEPT AGUIA'S OFFER

2.1 Summary

This section 2 summarises the key reasons why you may decide not to accept the Aguia Offer.

As noted in section 9, if the Minimum Acceptance Condition is met, Aguia will be entitled to proceed to compulsorily acquire all of your Andean Shares under the Corporations Act. Aguia has stated that it intends to exercise this right if it becomes entitled to do so. As such, even if you do not accept the Aguia offer, you may not be able to continue as an Andean Shareholder, and you may be compelled by law to sell your Andean Shares.

2.2 You may wish to remain a shareholder in Andean

If you accept the Aguia Offer, you will no longer be entitled or exercise the rights of being an Andean Shareholder (although you will be entitled to exercise the rights of being an Aguia Shareholder and while you will continue to have exposure to Andean's assets, you will also gain exposure to Aguia's assets which you may not wish to do).

Section 1 of this Target's Statement contains information about Aguia which you should consider in making your decision. You should also carefully read sections 3 and 5 of the Bidder's Statement.

2.3 You may disagree with the Independent Directors' recommendation or the conclusions of the Independent Expert

You may believe that the Offer Consideration of three (3) Aguia Shares for each one (1) Andean Shares you hold is insufficient and you may hold a different view as to the value of Andean Shares to both the Independent Directors and the Independent Expert.

2.4 You will not be able to sell your Andean Shares other than under the Offer

If you accept the Aguia Offer, you will no longer be able to sell your Andean Shares unless the Aguia Offer is withdrawn. There is a possibility that the future Andean Share price may exceed the price under the Aguia Offer although no Superior Proposal has been received by Andean as at the date of the Target's Statement.

2.5 There may be tax consequences from accepting the Aguia Offer

If you accept the Aguia Offer, it may result in taxation consequences for you, including exposure to CGT. Please refer to section 10 of this Target's Statement and section 7 of the Bidder's Statement for further information.

2.6 You may consider that there is potential for a Superior Proposal to emerge

You may believe that a Superior Proposal for all Andean Shares could emerge in the future.

If a Superior Proposal is received by Andean, Andean Shareholders who have accepted the Aguia Offer will not be able to withdraw their acceptance in order to accept a Superior Proposal, unless the Aguia Offer is withdrawn. However, if Aguia varies the Aguia Offer to increase the consideration it is offering for your Andean Shares and the Aguia Offer becomes unconditional, you will be entitled to receive the increased consideration even if you have already accepted the Aguia Offer.

You should note that, as at the date of this Target's Statement, no Superior Proposal has been received and the Independent Directors consider it unlikely that a Superior Proposal will emerge.

2.7 Other matters

In considering whether to accept the Aguia Offer, the Independent Directors encourage you to:

- (a) read both this Target's Statement (including the Independent Expert's Report) and the Bidder's Statement in their entirety;
- (b) consider the future prospects of Andean;
- (c) have regard to your individual risk profile, portfolio strategy, tax considerations and financial circumstances;
- (d) obtain independent financial advice from your own broker or financial adviser regarding the Aguia Offer, and
- (e) obtain taxation advice on the consequences for you of accepting the Aguia Offer.

SECTION 3

3. FAQs

3.1 Summary of the Offer

This section provides an overview of the Offer to acquire all of your Andean Shares. This section provides an overview only of the information and risks that you should consider and should be read with all other of the Target's Statement (including the Independent Expert's Report) and the Bidder's Statement.

Question	Answer
Who is offering to purchase my Andean Shares?	Aguia Resources Limited ACN 128 256 888, a public company listed on ASX is offering to acquire all Andean Shares.
What is the Offer?	Aguia is offering to acquire all of your Andean Shares for an all-scrip Offer Consideration of three (3) Agua Shares for each one (1) Andean Share.
What is the value of the Offer?	The implied value of Andean Shares as at the date of the Bidder's Statement is \$0.045 (four and a half cents) per Andean Share (representing the Offer Consideration based on a market price of Agua Shares at close of trading on 19 February 2024 of \$0.015 (one and a half cents) multiplied by three). The value of the Offer may change as a consequence of changes in the market price of Agua Shares.
What is the Bidder's Statement?	The Bidder's Statement contains information about the Offer. The law requires Agua to send it to you. Agua lodged its Bidder's Statement with ASIC on 20 February 2024.
What is the Target's Statement?	This document is the Target's Statement. Andean is required by law to produce this Target's Statement in response to Agua's Offer. The Target's Statement contains information to help you to decide whether to accept the Offer for your Andean Shares.
What do the Independent Directors recommend?	The Offer has been unanimously recommended by the Independent Directors and all Independent Directors recommend that Andean Shareholders ACCEPT the Offer, in the absence of a Superior Proposal.
Why is there an Independent Expert report on the Offer?	Because Agua and Andean have a common director and Chairman, Mr Warwick Grigor, an Independent Expert's report must be prepared. The Independent Directors have appointed RSM Corporate Australia Pty Ltd as the Independent Expert (Independent Expert) to provide an opinion on whether the

Question	Answer
	Offer is “fair and reasonable”. The Independent Expert’s report is attached to the Target’s Statement. You should read the Independent Expert’s report carefully.
What is Andean's current interest in Andean Shares?	Agua’s Relevant Interest in Andean's issued share capital and Voting Power in Andean prior to the Offer is nil/0%.
Who may accept this Offer?	Any person who is capable of, during the Offer Period, giving good title to a parcel of Andean Shares that are on issue: (1) as at the Record Date; or (2) that are issued after the Record Date and before the end of the Offer Period, as a result of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date. The Record Date, was the date of determination of those Andean Shareholders to whom the Bidder’s Statement was sent, and is 5 pm (Sydney time) on 20 February 2024.
What are the tax consequences if I accept the Offer?	A general summary of the potential Australian tax consequences of accepting the Offer is set out in section 7 of the Bidder’s Statement and section 10 of this Target’s Statement. In addition, it is recommended that you seek independent professional advice in relation to your own particular circumstances.
What choices do I have in respect of the Offer?	As an Andean Shareholder, you have the following choices in respect of the Offer: • accept the Offer for all of your Andean Shares; • endeavour to sell some or all of your Andean Shares off-market unless you have previously accepted the Offer and have not validly withdrawn your acceptance (see below); or • reject the Offer by doing nothing. If you choose to do nothing and Agua at the end of the Offer Period becomes entitled to do so under the Corporations Act, Agua will exercise its rights to compulsorily acquire your Andean Shares, in which case the Offer Consideration will become available for you to claim at a later time than those who accept the Offer. For information on how the Offer Consideration is issued refer to the question "When will I receive the Offer Consideration?", the question "What will happen if I accept the Offer?" and the question “What will happen if I do not accept the Offer?” You should seek legal, financial and taxation advice from your

Question	Answer
	professional adviser regarding the action that you should take in relation to the Offer.
Can I accept the Offer for part of my holding in Andean?	No. You cannot accept the Offer for part of your holding. You may only accept the Offer for <u>ALL</u> of your Andean Shares.
Can I sell my Andean Shares?	You may try to sell some or all of your Andean Shares, however as Andean is not a listed company there is a very limited market for Andean Shares.
Can I withdraw my acceptance?	Under the terms and conditions of the Offer, you can <u>only</u> withdraw your acceptance if a withdrawal right arises under the Corporations Act. Such a withdrawal right will arise if, after you have accepted the Offer, the Offer remains conditional and Aguia varies the Offer in a way that postpones, for more than one month, the time when Aguia has to meet its obligations under the Offer.
What is the earliest date I can accept the Offer?	The earliest date on which you may accept the Offer is 21 February 2024. For information on the effect of accepting the Offer, refer to the question 'What will happen if I accept the Offer?' below.
When will I receive the Offer Consideration?	You will only be issued the Offer Consideration if you accept the Offer and the Offer becomes unconditional or the Offer is freed from the Conditions. If you accept the Offer, you will receive the Offer Consideration within the earlier of: • 5 Business Days after you have accepted the Offer or, if the Offer remains subject to a Condition, within 5 Business Days after the Offer becomes unconditional; and • 21 days after the end of the Offer Period.
Can I sell my Aguia Shares straight away?	No. Each Aguia Share issued as Offer Consideration under the Offer is to be voluntarily escrowed for six (6) months from issue. By signing the Acceptance Form, you will be deemed to have agreed to the voluntary escrow of the Offer Consideration issued to you under the Takeover Offer for six (6) months from issue. In addition, Aguia Shares issued as Offer Consideration may be subject to trading restrictions for a period of time in accordance with the ASX Listing Rules and the discretion of ASX, depending on: • whether or not you are a related party or promoter of Aguia; • the amount of cash that you paid for your Andean Shares;

Question	Answer
	and the date of issue of Your Andean Shares.
Do I have to pay stamp duty if I accept the Offer?	You will not pay stamp duty on the disposal of your Andean Shares if you accept the Offer.
When does the Offer commence?	The Offer commences (opens) on 21 February 2024.
When does the Offer close?	The Offer is currently scheduled to close at 5.00pm (Sydney time) on 8 April 2024, unless extended in accordance with the Corporations Act.
Can the Offer Period be extended?	Yes, the Offer Period can be extended by Agua in accordance with the Corporations Act. If you remain an Andean Shareholder, you will be sent written confirmation of any extension as required by the Corporations Act. Agua may extend the Offer Period at any time before giving notice of the status of the Conditions while the Agua Offer is subject to the Conditions. However, if the Agua Offer is unconditional, Agua may extend the Offer Period at any time before the end of the Offer Period. The maximum Offer Period is 12 months. There will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Agua increases the consideration offered. If that happens, the Agua Offer will be automatically extended so that it ends 14 days after that event.
Are there any conditions to the Offer?	The Offer is subject to the following Conditions during the Offer Period: - Minimum Acceptance Condition; - no Regulatory Action prior to the end of the Offer Period which would restrict or threaten to restrict the making or completion of the Offer or cause Agua to divest any Andean Shares or material assets; - no material adverse effect on the status of the Tenements; - no capital expenditure in excess of \$50,000 (other than day-to-day operating expenses); - no material acquisitions or disposals of assets or actions taken by Andean to materially change the nature or value of Andean's securities. The details of the Conditions are set out in full in section 1.8 of Annexure A of the Bidder's Statement and in section 9.2 of this Target's Statement. Takeover offers are often subject to conditions.

Question	Answer
	Aguia may choose to free the Offer from one or more of the Conditions, in accordance with the terms of the Offer set out in Annexure A of the Bidder's Statement. Details as to how the Offer can be freed from the Conditions are set out in section 1.9 of Annexure A of the Bidder's Statement.
What happens if the Conditions are not satisfied or waived?	If the Conditions are not satisfied or the Offer freed from the Condition by the end of the Offer Period, the Offer will lapse. In this case, if you have accepted the Offer, your Andean Shares will not be acquired by Aguia and you will not receive the Offer Consideration.
What will happen if I accept the Offer?	If you accept the Offer and the Offer becomes unconditional, you will receive the Offer Consideration for each of your Andean Shares at the specified time. Once you accept the Offer (even while it remains subject to the Condition), you will not be able to deal with your Andean Shares, subject to any statutory withdrawal rights that may arise. Your statutory withdrawal rights will arise if the Offer is varied in such a way as to postpone for more than one month the time by which Aguia has to meet its obligations under the Offer and the Offer is subject to a Condition. If this occurs, a notice will be sent to you at the relevant time that explains your rights to withdraw your acceptance of the Offer.
What will happen if I do not accept the Offer?	If, following the Offer Period, Aguia and its Associates: • have Relevant Interests in at least 90% (by number) of all Andean Shares; and • acquired at least 75% (by number) of the Andean Shares which Aguia Offered to acquire under the Offer in which Aguia and its Associates did not at the date of the Offer already have a Relevant Interest, Aguia will become entitled to compulsorily acquire Andean Shares under Part 6A.1 of the Corporations Act. Under the Offer, Aguia intends to exercise its compulsory acquisition rights to acquire your Andean Shares. If Aguia cannot proceed to compulsory acquisition or the Offer lapses, you will continue to hold your Andean Shares. For information on what happens if you continue to hold your Andean Shares once the Offer ends refer to the question "Could my Andean Shares be compulsorily acquired at a later time?".
Could my Andean Shares be compulsorily	If Aguia does not become entitled to compulsorily acquire Andean Shares under section 661A of the Corporations Act, it

Question	Answer
acquired at a later time?	may nevertheless become entitled to exercise the general compulsory acquisition power under Part 6A.2 of the Corporations Act if it subsequently becomes a 90% holder as defined in that part. Agua intends to exercise that power in respect of Andean Shares if it becomes entitled to do so.
Why was the IBC established?	The IBC is a committee of the Andean Board which was established pursuant to conflict management protocols which were put in place by Andean. In particular Mr Warwick Grigor, Chairman of Andean is also a director and Chairman of Agua. The purpose of the IBC is to evaluate and respond to, and do all other things necessary in connection with, the Agua Offer. The IBC comprises each of the Independent Directors.
What are the Independent Directors recommending?	The Independent Directors unanimously recommend that you accept the Agua Offer, in the absence of a Superior Proposal. The reasons for the Independent Directors' recommendation are set out in the Letter from the Independent Directors on page 5 of this Target's Statement.
What will happen if a competing or Superior Proposal emerges?	The Independent Directors will carefully consider any competing or Superior Proposal and will advise you whether the Competing Proposal affects their recommendation that you accept the Agua Offer. However, the Independent Directors consider it unlikely that a Superior Proposal will emerge. Importantly, if you accept the Agua Offer, you will be unable to withdraw your acceptance and accept a Superior Proposal if one emerges, except in limited circumstances (which are set out below and further in section 2).
If I accept the Agua Offer, can I withdraw my acceptance?	You will only be permitted to withdraw your acceptance if, after you have accepted the Agua Offer and while it is still subject to any Condition, Agua varies the Agua Offer in a way that postpones for more than 1 month the time Agua has to meet its obligations under the Agua Offer (i.e. pay you the Offer Consideration). For example, if Agua extends the Agua Offer and the time for payment of the Offer Consideration by more than 1 month while the Agua Offer remains conditional, you may withdraw your acceptance.
Can Agua withdraw the Agua Offer once I have accepted?	Agua may be able to withdraw the Agua Offer if it obtains the written consent of ASIC, subject to the conditions (if any) specified in such consent.
What will happen if	If you accept the Agua Offer and Agua subsequently increases

Question	Answer
Aguia increases its offer?	the Offer Consideration and the Aguia Offer becomes unconditional, you will receive the increased consideration for your Andean Shares.
Will Andean pay a dividend as part of the Aguia Offer?	No dividend is intended to be paid by Andean in connection with the Aguia Offer.
What is the Minimum Acceptance Condition of the Aguia Offer?	The Aguia Offer is subject to the Minimum Acceptance Condition. The Minimum Acceptance Condition is set out in full in section 1.8 of Annexure A of the Bidder's Statement, and is summarised in section 9.2 of this Target's Statement. In summary, the Minimum Acceptance Condition will be satisfied if Aguia acquires a Relevant Interest in at least 90% (by number) of Andean Shares during, or by the end of, the Offer Period and has acquired at least 75% (by number) of the Andean Shares which Aguia Offered to acquire under the Offer in which Aguia and its Associates did not at the date of the Offer already have a Relevant Interest. See the response to question "Are there any conditions to the Offer?" for details of each other Condition.
When will Aguia advise as to the status of the Conditions?	Section 9 of the Bidder's Statement states that unless the Offer Period is extended, Aguia will give the Condition Notice on 1 April 2024. The Condition Notice must set out: • whether the Aguia Offer is free of each Condition; • whether, so far as Aguia is aware, any Condition has been satisfied on the date the Condition Notice is given; and • Aguia's total Voting Power in Andean. If the Offer Period is extended before the date on which Aguia gives the Condition Notice, the date for giving the Condition Notice will be postponed for the same period, and Aguia is required to notify Andean Shareholders of the new date for Aguia to give the Condition Notice. If any Condition is satisfied or waived (so that the Aguia Offer becomes unconditional) before the date on which the Condition Notice is required to be given, Aguia must, as soon as practicable after it has been satisfied, give the ASX and Andean a notice that states that the relevant Condition has been satisfied, and similarly, give a notice to ASX and Andean.
What happens to	If the Aguia Offer does not proceed (because a Condition of the

Question	Answer
Andean if the Aguia Offer is not successful?	Aguia Offer is not satisfied or waived before the end of the Offer Period, or if ASIC consents to its withdrawal), Aguia will not acquire the Andean Shares which have been accepted under the Aguia Offer. The Independent Directors consider that the Andean Share price is likely to fall in the absence of the Aguia Offer or in the absence of another equivalent or Superior Proposal. This is because: • Andean will be required to raise significant capital to repay debt and to fund its ongoing activities in Colombia including capital to recommence mining operations at the Santa Barbrara mine and for corporate overheads; and • being an unlisted public company raising capital inherently requires the company to offer a substantial discount to the market due to the illiquid nature of Andean Shares. The Independent Directors cannot predict whether the Andean Share price would in fact decrease or increase in the absence of the Aguia Offer, as there may be other reasons for share price movements. Sections 1 and 8 of this Target's Statement set out more detail about Andean's future in the event that the Aguia Offer is not successful. You may also continue to be exposed to the risks of holding Andean Shares, which are described in more detail in Section 3.
What are the tax implications of accepting the Aguia Offer?	This depends on your personal tax position and the price and time at which you originally acquired your Andean Shares. A general outline of the tax implications of accepting the Aguia Offer is set out in section 7 of the Bidder's Statement and section 10 of this Target's Statement. You should consult with your taxation adviser for detailed advice before making a decision whether or not to accept the Aguia Offer.
What happens to my acceptance if the Aguia Offer lapses?	The Aguia Offer will lapse if, at the end of the Offer Period, a Condition has not been satisfied or waived. If the Aguia Offer lapses, acceptances given by Andean Shareholders will be void. Andean Shareholders will continue to own the Andean Shares which were the subject of any such acceptances, and will be free to deal with those Andean Shares.
What if I am a shareholder located outside of Australia and New Zealand?	Shareholders located outside of Australia and New Zealand are ineligible to participate in the Aguia Offer, although Aguia may extend the Aguia Offer to Andean Shareholders outside of Australia and New Zealand, subject to those Andean

Question	Answer
	Shareholders satisfying Aguia that the Aguia Offer is able to be made to those Andean Shareholders without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based. Andean Shareholders who are not certain whether they would be Ineligible Andean Shareholders should contact Aguia's Company Secretary on +61 2 8280 7355 during business hours on Business Days.
What if I have further enquiries in relation to the Offer?	If you have further enquiries in relation to the Offer, please contact your legal, financial or other professional adviser.

SECTION 4

4. Risk Factors

4.1 Overview

You should consider the risks identified in this section, and all other information in this Target's Statement, in deciding whether to accept Aguia's Offer for all of your Andean Shares.

Importantly, please note that the risks and other information set out in this Target's Statement is of a general nature and not intended to provide you with financial advice. The risks identified do not take account of your personal circumstances, or your financial position and objectives. There may be other risks of which Andean is not presently aware, or which may arise in the near future. Subject to any applicable rules, Andean does not make any representation or warranty (express or implied) as to the accuracy or completeness of the following information.

The Offer is subject to risks for Andean Shareholders, Merged Group specific risks, industry-specific risks and also general investment risks. Many of these risks are outside the control of Andean and Aguia, and their respective directors.

4.2 Risks for Andean Shareholders

(a) *There can be no certainty that the Offer will close successfully*

If the Conditions of the Offer are not satisfied or if the Offer is not freed from the Conditions by the end of the Offer Period, the Offer will lapse. In this case, if you have accepted the Offer, your Andean Shares will not be acquired by Aguia, you will not receive the Offer Consideration and you will remain an Andean Shareholder.

(b) *Minority shareholders*

If you do not accept the Offer and remain an Andean Shareholder (and assuming your Andean Shares are not compulsorily acquired), you may become a minority shareholder in a company controlled by Aguia. This will have a number of possible implications for you as an Andean Shareholder, including:

- Aguia will be in a position to cast the majority of votes at a general meeting of Andean. This enables Aguia to control the composition of the Andean Board and senior management, determine Andean's dividend policy and control the strategic direction of the business of Andean;
- Andean is a unlisted public company. As such there is not and there will not be any public market on which to sell Andean Shares;
- if Aguia acquires 75% or more of the Aguia Shares, Aguia will be able to pass a special resolution of Andean. This will enable Aguia to, among other things, change Andean's constitution; and
- subject to the Corporations Act and Andean's constitution, Aguia would be legally entitled at its discretion to seek to add to, or replace, members of the Andean Board

with nominees of Agua.

Andean Shareholders should take these possible implications into account in considering whether to accept the Offer.

You should also carefully consider Agua's current intentions depending on the extent to which Agua acquires Andean Shares as a result of its offer, which are set out in section 6 of the Bidder's Statement.

4.3 Merged Group specific risks

Specific risks Agua has identified as being applicable to becoming a shareholder in Agua are set out in section 8.2 of the Bidder's Statement and are set out below for ease of reference.

(a) *Access to Financing*

Each of Agua and Andean are, and accordingly the Merged Group will be, at the exploration stage in respect of the projects and no revenue is expected to be generated from the exploration activities conducted on the projects. It is expected that the Merged Group will be required to raise further capital in short term to fund exploration and development works described in Section 5.4 of the Bidder's Statement and to fund future exploration works including drilling programs at the projects. There can be no assurance that sufficient debt or equity financing will be available on commercially acceptable terms (or at all) to meet the capital requirements of the Merged Group. Any equity financing will be dilutive to the equity interests of the shareholders of the Merged Group. An inability to access sufficient capital for operations could have a material adverse effect on the Merged Group and its financial condition, operations and/or prospects. In particular, failure to obtain such financing on a timely basis could cause the Merged Group to forfeit its interest in its tenements, miss desirable business opportunities, or to reduce or terminate its operations in respect of one or more of the projects.

(b) *Tenement risks*

The mining and exploration activities of the Merged Group are dependent upon the maintenance (including renewal) of the tenements forming the projects of the Merged Group. Maintenance of these tenements is dependent on, amongst other matters, the ability of the Merged Group to meet conditions imposed by relevant authorities, including without limitation on a periodic basis. There is no guarantee that any renewal of one or more of the tenements will be given as a matter of course and there is no assurance that new conditions will not be imposed or that the Merged Group will be able to meet the conditions of maintenance and/or renewal of one or more of the tenements on commercially viable terms, or at all.

(c) *Access risks*

The Merged Group may be required to obtain access and other approval or authorisations from regulatory and/or other entities or other interested parties to access and complete activities on the projects as and when such activities are proposed to be carried out. Such approvals or authorisations may be complex and require the input of third parties. The Merged Group may be required to negotiate

access rights with, and/or pay compensation to landowners, local authorities, and others who may have an interest in the area covered by a mining tenement.

In addition, any future changes to legislation and regulation may impose obligations or restrictions on the Merged Group which cannot be predicted. The Merged Group cannot guarantee that any or all requisite access rights, approvals and authorisations will be obtained or, if obtained, will be able to be maintained on commercially acceptable terms (or at all). A failure to obtain a required regulatory approval or authorisation may mean that the Merged Group may be restricted from exploration, development and mining activities.

If the Merged Group is unable to resolve access issues on economic terms, its business, results or operations and financial condition of the Merged Group could be adversely impacted.

(d) *Results of studies*

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

(e) *Assignment risks*

One of the licences in respect of the Santa Barbara Project (mining concession IEV-16061) is still in the process of being assigned from the original owners to the Andean corporate group. An operation contract on the mining concession is held by Sociedad Minera Malabar S.A.S., a wholly owned subsidiary of Andean.

Currently, the assignment process is ongoing with correspondence having been received from the department requesting correction of filings from 2022. Andean understands that such corrections are in time and, based on information provided by Andean, understands there are no substantial impediments for the transfer to be completed. No guarantee can however be given that the transfer will be able to be made on commercially reasonable terms or at all.

Although the transfer of the licence has not been approved and completed as of the date of this Bidder's Statement, Andean has an irrevocable power of attorney that confers the right to act on behalf of the owners of the licence.

Accordingly, the Merged Group is effectively the beneficial owner of the licence and contractually empowered to complete exploration and development activities.

(f) Local community

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

(g) Risks associated with investing in emerging economies

The projects are located in Brazil and Colombia, each of which is considered to be an emerging economy. As the Merged Group operates in emerging economies these economies are vulnerable to market downturns and economic slowdowns elsewhere in the world and are subject to rapid change. Investing in an emerging market involves greater risk than investing in more developed markets.

Investing in an emerging economy has significant legal, regulatory, economic and political risks. Global financial or economic crises in any large emerging market have historically tended to adversely affect prices in equity markets of most or all emerging market countries.

Financial problems or an increase in perceived risks associated with investing in emerging economies could dampen foreign investment in Colombia and/or Brazil and adversely affect the Colombian and/or Brazilian economies, which in turn could adversely affect the Merged Group. During such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn.

(h) Expropriation and Nationalism risks

As the projects are located in emerging markets the projects are subject to political, economic and other uncertainties, including the risk of expropriation and nationalisation. Compensation may be payable in the event of an expropriation or nationalisation of assets, however, there is no assurance that such protections would be enforced and the amount of any such compensation may be lower than the price for which the expropriated asset could be sold in a free-market sale or the value of the asset as part of an ongoing business.

(i) Governmental and regulatory risk

Each of Brazil and Colombia recently elected new Presidents. As is common upon a change of leadership, there is potential that the policy priorities of the incoming administration will differ from that of the prior administration which may lead to variations to applicable laws and regulations across multiple industries, which may include mining exploration and development.

Agua has indicated in the Bidder's Statement that the Merged Group will continue to monitor the policy developments in both Brazil and Colombia to determine if the Merged Group will be required to amend its proposed plans. In the event that additional regulatory hurdles or requirements are imposed that impact upon the Merged Group and its planned activities for the projects (or any of them), the Merged

Group may need to amend its plans and identify if it is able to comply with such additional regulatory hurdles or requirements on commercially reasonable terms, or at all.

There can be no guarantee that political, regulatory and economic conditions will remain stable or that there will be no changes to those conditions that adversely affect the Merged Group and its operations and financial condition. The likelihood of such changes (if any) is not currently able to be determined by the Merged Group.

(j) Litigation

Agua has indicated in the Bidder's Statement certain litigation risks which are explained in section 9.3 of the Bidder's Statement.

(k) Legal regime

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

(l) Reliance on key personnel

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

4.4 Industry specific risks

The risks and uncertainties that apply to holding Andean Shares include risks that Andean has in common with others in the mining exploration sector and mining industry. These risks are set out in section 8.4 of the Bidder's Statement.

4.5 General investment risks

There are risks involved in holding any investment, many of which are common to both Andean and Agua. A number of these risks are identified in section 8.5 of the Bidder's Statement.

You should read the Bidder's Statement carefully before deciding whether to accept the Offer.

SECTION 5

5. INFORMATION ON ANDEAN

5.1 Background

Andean Mining Limited ACN 625 866 006 is an Australian unlisted public company.

Andean was incorporated as a proprietary company named Andean Mining Corporation Pty Ltd on 9 April 2018 in New South Wales and converted to a public company limited by shares (and changed its name) on 25 February 2021.

Andean's unaudited consolidated revenues for the financial year ended 31 December 2023 were \$7,000, with an unaudited comprehensive net loss of \$962,000.

Andean's consolidated revenues for the financial year, ended 31 December 2022 were \$14,000, with net comprehensive loss of \$828,000.

5.2 Major activities and locations

SANTA BARBARA PROJECT

The Santa Barbara Project is located in the Department of Bolivar, 450km south of Cartegena the Department capital. The project is located at an elevation of 500 metres above mean sea level.

The principal exploration target is mesothermal vein-type gold deposits similar to the Segovia and Buritica style mineralisation with high base metal contents related to porphyry intrusives. Segovia has produced over 5Moz Au to date and been in operation for more than 150 years. The mineralised veins at Santa Barbara follow parallel NE-SW trends typically, and they are localized along splays off the main fault zones, along Riedel shears and bends, tension gashes within the main fault zones, or at points where the main fault zone is intersected by oblique angled faults.

The Santa Barbara veins are comprised mainly of variable amounts of pyrite, sphalerite, galena, chalcopyrite and gold in a gangue of quartz and carbonate. Each of these veins has been traced for more than 400m at surface with consistently high gold grades recorded. For more detailed technical information Andean Shareholders are encouraged to review the Independent Technical Assessment and Valuation Report prepared by Valuation and Resource Management Pty Ltd for the Independent Expert, a copy of which is an appendix to the Independent Expert's Report – with particular reference to section 3.1 of that report.

Underground development of approximately 200m has been completed on the Santa Barbara veins and over 7km of mineralised veins identified at surface to date. With increased development and diamond drilling the Santa Barbara deposit could yield multi-million ounce resources.

In order to operate in Colombia the company must have an approved PTO (Technical Operating Contract), EIA and Social Licence. Concession contract 0439C1 now has an approved PTO and Social Licence issued by the relevant government authorities for the operation of a 50tpd mine and processing plant while the EIA has been submitted and is awaiting approval. No impediments to the approval of the EIA are anticipated.

Andean are awaiting the assignment of 126.4395 hectares of the larger Concession Contract IEV-16061 Minera La Fortuna S.A.S.. Application for the transfer of the 126.4395 hectares has been submitted to the relevant authorities, however, operations located on Concession Contract IEV-16061 that are located on the area to be assigned can continue under an existing PTO, EIA and Social Licence covering the entirety of the contact.

ATOCHA PROJECT

The Atocha project is located in the Municipality of Falan, in the Department of Tolima, Colombia, some 190 km west of the capital, Bogota. The property elevation ranges from 700 to 1,100 metres and is accessible by a paved road from Mariquita and by a network of rural unpaved roads.

The project area is located within the historic colonial Santa Ana-Frías-Mariquita Silver District, which is the highest-grade primary silver district in Colombia, and has seen no previous colonial or modern exploration on it.

There is an exceptional geologic setting which translates into very favourable regional structures throughout the property (the “Atocha Corridor”), resulting in clusters of very high vein densities with a vast number of high-grade, primarily silver (and gold) showings exposed at surface within the property area. There are +30 km cumulative strike length of silver-gold bearing veins identified from surface exposures.

The La Ye vein zone demonstrated the existence of a major structural deformation corridor with a wide associated multiple vein system. The primary vein system at La Ye is comprised of at least 6 major veins and several smaller associated parallel veins covering a strike length in excess of 500m, and is open in all directions.

Diamond drilling at La Ye consisted of 1,700m in 13 drillholes covering 300m of strike length, with the vein system open to the Southwest and at depth. For more detailed technical information Andean Shareholders are encouraged to review the Independent Technical Assessment and Valuation Report prepared by Valuation and Resource Management Pty Ltd for the Independent Expert, a copy of which is an appendix to the Independent Expert’s Report – with particular reference to section 3.2 of that report.

EL DOVIO PROJECT

Andean acquired 100% ownership of the high-grade El Dovio VMS project in Colombia from Newrange Gold Corp of Canada. El Dovio hosts a high-grade copper, gold, silver and zinc Volcanogenic Massive Sulphide (VMS) system located in the Municipality of El Dovio, Department of Valle del Cauca, Colombia.

To date, four mineralised areas have been identified at El Dovio; Sabana Blanca, Contacto, Granizales and Brazo 1. The Sabana Blanca “stringer zone” has been the main focus of historical activity with underground development, surface trenching and sampling and diamond drilling

identifying a system that is up to 68m wide within which high grade copper/gold zones, averaging between 3m and 6m are developed. There is the possibility of developing either a high tonnage low to medium grade or a low to medium tonnage high grade mining operation.

A well mineralised massive sulphide stockwork zone is host to at least 7 identified high grade lenses at Sabana Blanca. 1. The stockwork zone has been identified by surface trenching, underground development.

High grade lenses have been modelled within the Sabana Blanca stockwork.

The Contacto zone is potentially the main feeder zone for local mineralisation. The Granizales zone, 400m south of Sabana Blanca, has identified VMS “stringer” zone mineralisation at surface.

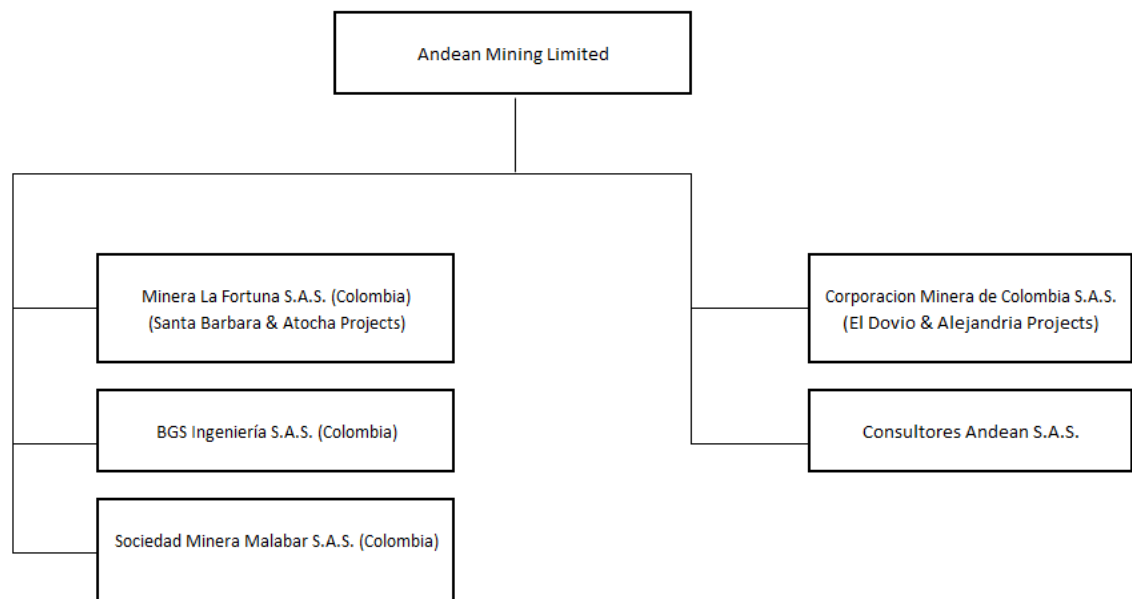
For more detailed technical information Andean Shareholders are encouraged to review the Independent Technical Assessment and Valuation Report prepared by Valuation and Resource Management Pty Ltd for the Independent Expert, a copy of which is an appendix to the Independent Expert’s Report – with particular reference to section 3.3 of that report.

5.3 Corporate Structure

The corporate structure of Andean comprises:

- Andean Mining Limited (Andean) as the ultimate holding company.
- Minera La Fortuna S.A.S. (holder of the Atocha and Santa Barbara concession), Corporacion Minera de Colombia S.A.S (holder of El Dovio and Alejandria mining applications), BGS Ingenieria S.A.S., Sociedad Minera Malabar S.A.S. (contract on mining concession IEV6061 covering Santa Barbara north while transfer is being completed) and Consultores Andean S.A.S. (consultant entity) as wholly owned subsidiaries of Andean. Each of these entities is incorporated in Colombia.

The following Structure Diagram sets out Andean's position in respect of its Subsidiaries and associated companies:



5.4 Ownership

As at the date of this Target's Statement, Andean has 140,246,792 ordinary shares on issue. All 140,246,792 shares on issue in Andean are ordinary shares.

Andean is required to issue 10,000,000 Andean Shares to Gregorarch Pty Ltd (or as it directs) as and when the Aguia Offer is free of all Conditions. Andean is also required to issue 1,000,000 shares to Malabar Gold Corp upon the transfer of mining concession IEV-16061 to to Minera La Fortuna S.A.S..

If all of these shares are issued during the Offer Period, Andean will have 151,246,792 fully paid ordinary shares on issue. There are no convertible securities on issue in Andean or any other rights granted for the acquisition of Andean shares.

As at the Record Date, there were 170 Andean Shareholders.

5.5 Shareholders and number of Andean Shares owned

The top twenty (20) shareholders of Andean, at the date of this Target's Statement, held a Relevant Interest in 64.8% of the Andean Shares.

If all remaining Andean Shares which might be issued during the Offer Period and are the subject of the Aguia Offer, were issued before the end of the Offer Period, the top twenty (20) shareholders of Andean, would at that time hold a Relevant Interest in 63.9% of the Andean Shares.

5.6 Management

The management team of Andean comprises:

Name	Position
Mr William James Howe	Managing Director/Chief Executive Officer
Mr Graeme Hogan	Chief Financial Officer/Company Secretary

5.7 Other Andean information

Andean tenements

Atocha Project: The Falan project is composed of a mining concession contract identified by the number HFL-151C1, currently in the exploration stage, signed on 17 December 2021, for the exploration and exploitation of gold and its concentrates. This concession covers an area of 2,586 hectares, located in the municipality of Guayabal, department of Tolima, and was registered in the RMN on 14 March 2022. Concession Contract HFL-151C1 has a duration of 30 years, until 19 April 2040.

Santa Barbara Project: The Santa Barbara project consists of two mining concession contracts identified by the numbers 0439C1 and IEV-16061, located in the municipalities of San Martín de Loba, Barranco de Loba, and Rioviejo, in the Bolivar department.

Concession contract 0439C1 covers an area of 214.335 hectares and was registered on 30 June 2023 and has a duration of 30 years until 29 October 2036. Concession contract IEV-16061 was registered on 24 February 2012 and has a duration of 30 years until 23 March 2041.

The sole titleholder of concession contract IEV-16061 is Luis Angel Consuegra Tavera. On 11 May 2023, a request for the assignment of areas of the IEV-16061 concession contract to Minera La Fortuna covering an area of 126.4395 hectares was submitted to the Mining Authority. Approval is pending.

El Dovio Project: The El Dovio project consists of two mining concession contracts identified by the numbers IEH-08441 and IEH-08401, located in the municipality of El Dovio, in the Department of Valle Del Cauca.

Concession contract IEH-08401 was registered on 23 February 23 2010 and has a duration of 30 years until 23 August 2041. Concession contract IEH-08441 was registered on 13 January 2012 and has a duration of 30 years until 18 September 2043.

Alejandria Project: The Alejandria project consists of a mining concession contract application number 507844, submitted on 26 May 2023 and covers an area of 2,046 hectares, located in the municipality of San Rafael, department of Antioquia, for the exploration and exploitation of gold and its concentrates. As of the date of this report, the concession contract application remains under evaluation by the Mining Authority. No concession contract fees are payable.

5.8 Andean Financial Information

The historical consolidated statements of financial position of Andean are set out below and have been extracted from the audited consolidated statement of financial position as at 31 December 2022, the audit reviewed as at 30 June 2023 and the unaudited consolidated statement of financial position as at 31 December 2023.

	Year ended 31 December 2023 Unaudited \$	Half-year ended 30 June 2023 Audit reviewed \$	Year ended 31 December 2022 Audited \$
Assets			
Current assets			
Cash and cash equivalents	171,208	711,535	9,791
Trade and other receivables	36,953	47,083	14,147
Total current assets	208,161	758,618	23,938

Non-current assets

Property, plant & equipment	292,946	73,834	62,534
Exploration & evaluation expenditure	3,783,003	2,075,493	1,974,690
Intangible assets	524	1,023	1,291
Total non-current assets	4,076,473	2,150,350	2,038,515

Total assets	4,284,634	2,908,968	2,062,453
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Current liabilities

Trade and other payables	1,139,209	989,034	530,027
Borrowings	616,700	781,775	2,797,500
Total current liabilities	1,755,909	1,770,809	3,327,527

Non-current liabilities

Deferred tax liabilities	8,462	18,608	15,676
Total non-current liabilities	8,462	18,608	15,676

Total liabilities	1,764,371	1,789,417	3,343,203
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Net assets	2,520,263	1,119,551	(1,280,750)
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Equity

Issued capital	7,547,170	5,315,829	2,784,629
Foreign currency translation reserve	(87,156)	(27,462)	(68,107)
Accumulated losses	(4,939,751)	(4,168,816)	(3,997,272)
Total equity	2,520,263	1,119,551	(1,280,750)

5.9 Further information on Andean

Andean maintains a website, www.andeanmining.com.au, which contains further information about Andean and its operations.

As an unlisted public company, Andean is subject to regular financial reporting obligations under the Corporations Act. Andean is required to lodge various documents with ASIC. Copies

of documents lodged with ASIC by Andean may be obtained from, or inspected at, an ASIC office.

5.10 Information on Aguia Resources and the merged group

Please refer to Section 3 and Section 5 of the Bidder's Statement for information on Aguia and on the merged group.

SECTION 6

6. INFORMATION RELATING TO ANDEAN DIRECTORS

6.1 Details of Directors

The Directors of Andean as at the date of this Target's Statement are:

Director	Position
Mr Warwick Grigor	Non-Executive Director and Chairman
Mr William James Howe	Managing Director/Chief Executive Office
Mr Paul Ingram	Non-Executive Director
Mr Maxwell James Green	Non-Executive Director

For the purpose of assessing the Agua Offer, Andean has adopted appropriate conflict management protocols and formed the IBC, which comprises the three Independent Directors. The IBC has full delegated authority to deal with all aspects of the Agua Offer.

6.2 Directors' Relevant Interests

At the date of this Target's Statement, except as set out below, no Director has a Relevant Interest in any of the securities of Andean, Agua or any other related body corporate of Agua.

Director	Number of Andean Shares	Number of Agua Shares
Mr Warwick Grigor	19,454,738*	58,364,214
Mr William James Howe	22,341,233	67,023,699
Mr Paul Ingram	2,750,000**	8,250,000
Mr Maxwell James Green	8,154,504	24,463,512

*The shares in which Mr Warwick Grigor is stated to have a Relevant Interest include 7,000,000 Andean Shares which will be issued to Gregorarch Pty Ltd only if the Agua Offer is freed of all Conditions.

**The shares in which Mr Paul Ingram is stated to have a Relevant Interest include 1,000,000 Andean Shares which will be issued to Zeeminor Super Pty Ltd at the direction of Gregorarch Pty Ltd, only if the Agua Offer is freed of all Conditions.

William Howe will become the Managing Director of the Merged Group on successful completion of the Offer.

6.3 Recommendation of the Independent Directors

The Independent Directors unanimously recommend that Andean Shareholders accept the Aguia Offer in respect of their Andean Shares, in the absence of a Superior Proposal, for the reasons set out in this Target's Statement (particularly the matters discussed in section 1).

Mr Warwick Grigor has not made a recommendation in relation to the Aguia Offer as he is a director officer of Aguia.

6.4 Recent dealings in Andean securities by Directors

On 29 February 2024, the Company issued the following shares to directors to settle amounts payable or loans and accrued interest:

- William Howe or related parties:
 - 10,524,730 shares issued to Finhill Capital to settle amounts lent with accrued interest to Andean since the IPO listing was withdrawn of \$526,236.50;
 - 3,000,000 shares issued to William Howe to settle fees payable of \$150,000 for period 1 July to 31 December 2023;
 - 496,082 shares issued to William Howe to reimburse his funding of the 2023 Directors & Officers insurance policy
- James Green or related parties:-
 - 642,636 shares issued to James Green to settle amounts lent with accrued interest to Andean since the IPO listing was withdrawn of \$32,131.80;
 - 2,500,000; shares issued to RL & MJ Green upon receipt of \$125,000;
- Paul Ingram or related parties:-
 - 1,000,000 shares issued to Paul Ingram Family Trust Pty Ltd to settle fees payable of \$50,000 for period 1 July to 31 December 2023;

Andean is required to issue 10,000,000 Andean Shares to Gregorarch Pty Ltd (or as it directs) as and when the Aguia Offer is freed of all Conditions. Of these shares:

- 7,000,000 share will be issued to Gregorarch Pty Ltd, a company related to Warwick Grigor;
- 1,000,000 shares will be issued to Zeeminor Super Pty Ltd, a company related to Paul Ingram.

6.5 Recent dealings in Aguia securities by Directors

None of the Directors have acquired or disposed of any securities of Aguia or any related body corporate of Aguia in the 4 months preceding the date of this Target's Statement.

6.6 No agreement with any Director in connection with the Aguia Offer

Except as described below and in sections 6.4 and 7.3 there is no agreement or arrangement made between any Director and any other person in connection with or conditional on the outcome of the Aguia Offer.

Under the Bid Implementation Agreement, Aguia and Andean agreed that Mr William Howe would be appointed as an Executive Director and Managing Director of Aguia upon successful completion of the Aguia Offer.

6.7 No interest in contracts

No Director has an interest in any contract entered into by them with Aguia.

6.8 Payments and benefits

Except as described in section 6.6, as a result of the Aguia Offer, no benefit (other than a benefit permitted by section 200F or 200G of the Corporations Act) will or may be given to an Independent Director in connection with their retirement from office in Andean or a related body corporate of Andean.

No Independent Director has agreed to receive, or is entitled to receive, any benefit from Aguia which is conditional on, or is related to, the Aguia Offer.

Andean does not propose and, except as otherwise disclosed in this Target's Statement, is not aware of any proposal in connection with the Aguia Offer that will confer a benefit:

- (a) on any person in connection with the retirement of that person from a board or managerial office of Andean or related body corporate of Andean; or
- (b) that will or may be given to any person in connection with disposal of any Andean Shares or the transfer of the whole or any part of Andean's undertaking or property.

SECTION 7

7. CURRENT RELATIONSHIP OF AGUIA AND ANDEAN

7.1 Background

As at the date of the Bidders Statement, Aguia did not have a Relevant Interest in any Andean Shares.

On 22 December 2023, Aguia gave notice of its intention to make an off-market takeover bid for all shares in Andean. At the date of this Target's Statement, Aguia has notified the Company that its Voting Power in the Company has risen to 58.07% from acceptances of the Offer.

As at the date of this Target's Statement, Andean did not have a Relevant Interest in any Aguia Shares

7.2 Common Directors

Mr Warwick Grigor joined the board of Andean and became Chairman on 28 July 2023. Mr Grigor is also a director and Chairman of Aguia and has been an Aguia director since 28 July 2023.

7.3 Aguia loan

On 29 February 2024, Aguia provided Andean with a short term loan of \$160,000 at an interest rate of 8% per annum and a maturity date of 27 May 2024, to assist Andean in meeting expenditures incurred in the context of the Aguia Offer.

7.4 Aguia Shares held by Andean Board

At the date of this Target's Statement, none of the members of the Andean Board or senior executive management of Andean hold shares in Aguia.

Upon successful completion of the Offer the following members of the Andean Board are expected to acquire the following Relevant Interests in Aguia shares:

Director	Number of Aguia Shares in which the director will hold a relevant Interest upon successful completion of the Offer
Mr Warwick Grigor	58,364,214*
Mr William James Howe	67,023,699
Mr Paul Ingram	8,250,000**
Mr Maxwell James Green	24,463,512

*The shares which Mr Warwick Grigor is stated to hold include 7,000,000 Andean Shares which will be issued to Gregorarch Pty Ltd only if the Aguia Offer becomes freed of all Conditions.

**The shares which Mr Paul Ingram is stated to hold include 1,000,000 Andean Shares which will be issued to Zeeminor Super Pty Ltd, only if the Aguia Offer becomes freed of all Conditions.

For the purposes of this Offer, Andean has formed the Independent Board Committee which comprises the Andean Directors who are not related to Aguia (the **Independent Directors**), with full power to deal with all aspects of Aguia's takeover bid.

SECTION 8

8. YOUR CHOICES AS AN ANDEAN SHAREHOLDER

8.1 Options available to you

If you are an Andean Shareholder, you have three choices available to you:

- (a) accept the Aguia Offer;
- (b) sell some or all of your Andean Shares off-market; or
- (c) reject the Offer and do nothing.

The Independent Directors encourage you to consider your personal risk profile, investment strategy, tax position and financial circumstances before making any decision in relation to your Andean Shares.

8.2 Accept the Aguia Offer

The Independent Directors unanimously recommend that you accept the Aguia Offer in the absence of a Superior Proposal.

How to accept the Aguia Offer

If you choose to accept the Aguia Offer, then your acceptance must be received by Aguia before the end of the Offer Period. Instructions on how to accept the Aguia Offer are set out in section 1.4 of Annexure A of the Bidder's Statement and on the Acceptance Form that accompanies the Bidder's Statement. If you want to accept the Aguia Offer, you should follow these instructions carefully to ensure that your acceptance is valid.

Effect of acceptance

If you accept the Aguia Offer and it becomes or is declared unconditional, you will be entitled to receive the Offer Consideration in accordance with the terms of the Aguia Offer (see section 1.7 of Annexure A of the Bidder's Statement for further information on timing of payment of the Offer Consideration).

The effect of acceptance of the Aguia Offer is explained in more detail in section 1.6 of Annexure A of the Bidder's Statement. You should read those provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Andean Shares and the representations and warranties that you are deemed by Aguia to give to it by accepting the Aguia Offer.

It is worth noting that accepting the Aguia Offer would (subject to the possible withdrawal rights set out in section 9.6 of this Target's Statement):

- prevent you from participating in any competing Superior Proposal that may emerge;

- commit you to selling all of your Andean Shares to Agua with no right to payment until the Agua Offer becomes, or is declared, unconditional; and
- prevent you from otherwise selling your Andean Shares.

The taxation implications of accepting the Agua Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the Australian tax consequences of accepting the Agua Offer is set out in section 7 of the Bidder's Statement and section 10 of this Target's Statement. You should seek your own specific professional advice regarding the taxation consequences for you in accepting the Agua Offer.

8.3 Sell your Andean Shares off-market

During a takeover, shareholders in a target company may still sell their shares provided that they have not accepted a takeover offer for those shares. Accordingly, Andean Shareholders remain free to sell their Andean Shares, provided they have not already accepted the Agua Offer.

Andean Shareholders who sell their Andean Shares:

- (a) will lose the ability to accept the Agua Offer, or to participate in any other Superior Proposal that may emerge;
- (b) may receive more or less for their Andean Shares than the Offer Consideration under the Agua Offer of 3 Agua Shares per Andean Share; and
- (c) will not have to wait for satisfaction or waiver of the Conditions and the end of the Offer Period, as would be the case if accepting into the Agua Offer.

The taxation implications of selling your Andean Shares off-market depend on a number of factors and will vary according to your particular circumstances, in the same way as if you accept the Agua Offer. You should seek your own specific professional advice regarding the taxation consequences for you of selling your Andean Shares off-market.

8.4 Reject the offer and do nothing

If you do not wish to accept the Agua Offer and wish to retain your Andean Shares, you do not need to take any action.

If you do not accept the Agua Offer and Agua becomes entitled to compulsorily acquire your Andean Shares under the Corporations Act (which entitlement it intends to exercise, as discussed in section 6 of the Bidder's Statement), you may receive your consideration later than Andean Shareholders who choose to accept the Agua Offer.

Please refer to section 9.10 for further details on compulsory acquisition.

Further, if the Agua Offer is successful (i.e. if the Conditions are satisfied or not triggered as appropriate, or are waived) but Agua does not become entitled to compulsorily acquire your Andean Shares, you will remain a minority shareholder in Andean, with potential adverse implications, including those described in section 4.

8.5 Ineligible Andean Shareholders

The Aguia Offer is not being made in any country outside Australia and New Zealand except as follows:

Aguia may extend the Takeover Offer to Andean Shareholders who are outside Australia and New Zealand, subject to those Andean Shareholders satisfying Aguia that the Takeover Offer is able to be made to those Andean Shareholders without the need for any formal registration of the Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based. Andean Shareholders who are not certain whether they would be Ineligible Andean Shareholders should contact Aguia's Company Secretary on +61 2 8280 7355 during business hours on Business Days.

Ineligible Andean Shareholders are not able to participate in the Takeover Offer. The Aguia Shares that would otherwise be issued to Ineligible Andean Shareholders under the Takeover Offer if they had been eligible to participate are to be dealt with as noted below.

Aguia proposes appointing Kemosabe Capital Pty Ltd ABN 40 101 865 598 [AFSL 289009] as is nominee under Section 615 of the Corporations Act to seek to sell the Aguia Shares of the Ineligible Andean Shareholders and to distribute the proceeds of any sale to those holders in proportion to their shareholding in Aguia (following the issue of Aguia Shares under the Takeover Offer in respect of their Andean Shares) net of expenses.

Aguia has sought approval from ASIC for the appointment of Kemosabe Capital Pty Ltd as nominee of Ineligible Andean Shareholders in accordance with Section 619 of the Corporations Act. A response has not been received from ASIC at the date of this Target's Statement. Aguia will provide an update on the status of the application to ASIC as and when a response to the application is received from ASIC.

SECTION 9

9. IMPORTANT INFORMATION ABOUT THE AGUIA OFFER

9.1 Aguia Offer Consideration

The Offer Consideration under the Aguia Offer is three (3) Aguia Shares per one (1) Andean Share.

9.2 Conditions of the Aguia Offer

The Conditions of the Aguia Offer are set out in section 1.8 of Annexure A of the Bidder's Statement and are replicated below.

Minimum Acceptance	At or before the end of the Offer Period, Aguia has a Relevant Interest in the number of Andean Shares that represents at least 90% of the aggregate of all the Andean Shares on issue.
No regulatory action	Between the Announcement Date and the end of the Offer Period (each inclusive): (a) there is not in effect any preliminary or final decision, order or ruling issued by any Regulatory Authority; (b) no application is made to any Regulatory Authority (other than by Aguia or any Associate of Aguia); and (c) no action or investigation is announced, commenced, or threatened by any Regulatory Authority, in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Offer and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Aguia's intentions expressed in the Bidder's Statement) or which requires the divestiture by Aguia of any Andean shares or any material assets of the Andean Group.
Tenements	During the Offer Period there not being any change which has or could reasonably be expected to have a material adverse effect on the status of any of the Tenements.
Capital Expenditure	Between the date of this agreement and the end of the Offer Period (each inclusive), Andean does not incur or commit to incur an amount of capital expenditure in excess of \$50,000

	in aggregate other than capital expenditure that is incurred in the day-to-day operating activities of the business of Andean conducted materially in the same manner before the date of this deed.
Acquisitions and Disposals	Between the date of this agreement and the end of the Offer Period (each inclusive), Andean does not acquire or dispose of, or enter into or announce any agreement for the acquisition or disposal of, any asset or business, or enter into any corporate transaction, which would or would be likely to involve a material change in: (a) the manner in which Andean conducts its business; (b) the nature (including balance sheet classification), extent or value of the assets of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000); or (c) the nature (including balance sheet classification), extent or value of the liabilities of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000), including, without limitation, any transaction which would or (subject to one or more conditions) may involve: (d) Andean acquiring or agreeing to acquire any interest in any tenements or disposing, or agreeing to dispose of any interest in any of its tenements (including, without limitation entering into a joint venture agreement with any third party in relation to the exploration or development of any tenements, but excluding any surrender or relinquishment of a tenement or part thereof in accordance with applicable law, provided it has first consulted with Aguia prior to the surrender or relinquishment); (e) Andean acquiring, or agreeing to acquire, or disposing, or agreeing to dispose, of one or more companies, businesses or assets for an amount in aggregate greater than \$50,000; or other than to the extent directly resulting from any actions taken (or omitted to be taken) following a written request from Aguia or with Aguia's prior written consent.

9.3 Likelihood of satisfaction of the Condition

Andean is not aware of whether or not the Conditions will be satisfied or waived by Aguia.

9.4 Implications of Conditions not being satisfied

If a Condition of the Aguia Offer is not satisfied, it may be waived by Aguia at any time, not less than 7 days before the end of the Offer Period.

If a Condition is unsatisfied and has not been waived, Aguia will have a choice either to:

- (a) waive the Condition (provided that it does this not less than 7 days before the end of the Offer Period) and proceed with the acquisition of Andean Shares in respect of which it has received acceptances under the Aguia Offer; or
- (b) allow the Aguia Offer to lapse with the unsatisfied Condition in which case it will not acquire any Andean Shares under the Aguia Offer.

9.5 Offer Period

The Aguia Offer will be open for acceptance from 21 February 2024 until 5:00pm (Sydney time) on 8 April 2024, unless extended or withdrawn (see section 9.6 below).

The circumstances in which Aguia may extend or withdraw the Aguia Offer are set out in section Annexure A of the Bidder's Statement.

9.6 Withdrawal of Aguia Offer

Aguia may not withdraw the Aguia Offer if you have already accepted it. However, if all of the Conditions have not been satisfied or waived at the end of the Offer Period, then all acceptances will be void.

Before you accept the Aguia Offer, Aguia may withdraw offers made in respect of the Aguia Offer only with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

9.7 Withdrawal of your acceptance

Once you accept the Aguia Offer (even if it remains subject to any Conditions) you will not be able to sell or otherwise deal with your Andean Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.

Andean Shareholders may only withdraw their acceptance of the Aguia Offer if:

- (a) a Condition is not satisfied or waived by the end of the Offer Period. In that situation, you will be free to deal with your Andean Shares; or
- (b) Aguia varies the Aguia Offer in a way that postpones the time when Aguia is required to satisfy its obligations (i.e. to pay the Offer Consideration) by more than 1 month; for example, if Aguia extends the Offer Period by more than 1 month, while the Aguia Offer is still conditional.

Andean Shareholders who accept the Aguia Offer (even while it is still subject to any Condition) will give up their rights to sell or otherwise deal with their Andean Shares, unless the above withdrawal rights are exercised.

9.8 When you will receive the Offer Consideration

If you accept the Aguia Offer and the Conditions are satisfied or waived before the end of the Offer Period, Aguia will pay you the Offer Consideration to which you are entitled on or before the earlier of:

- (a) 5 Business Days after the later of the Aguia Offer being validly accepted by you and the Aguia Offer becoming unconditional; and
- (b) 21 days after the end of the Offer Period for the Aguia Offer.

9.9 Notice of status of Condition

Section 1.2 of Annexure A of the Bidder's Statement indicates that, unless the Offer Period is extended, Aguia will give a notice of status of the Condition for the Aguia Offer (**Condition Notice**) to the ASX and Andean on 1 April 2024

Aguia is required to set out in its Condition Notice:

- (a) whether the Aguia Offer is free of each Condition;
- (b) whether, so far as Aguia knows, each Condition has been fulfilled on the date the Condition Notice is given; and
- (c) Aguia's Voting Power in Andean (including Voting Power acquired as a result of acceptances received under the Aguia Offer).

If the Offer Period is extended before the date on which Aguia gives the Condition Notice, the date for giving the Condition Notice will be postponed for the same period, and Aguia is required to notify Andean Shareholders of the new date for Aguia to give the Condition Notice.

If each Condition is satisfied or waived (so that the Aguia Offer becomes unconditional) before the date on which the Condition Notice is required to be given, Aguia must, as soon as practicable after it has been satisfied, give the ASX and Andean a notice that states that each Condition has been satisfied, and similarly, give a notice to ASX and Andean.

9.10 Compulsory acquisition

Aguia has stated in section 6 of the Bidder's Statement that it intends to compulsorily acquire all outstanding Andean Shares if it is entitled to do so.

The two types of compulsory acquisition under Chapter 6A of the Corporations Act are discussed below.

Follow on compulsory acquisition

Under Part 6A.1 of the Corporations Act, if, at the end of the Offer Period, Aguia has (together with its Associates):

- (a) a Relevant Interest in at least 90% (by number) of Andean Shares; and

- (b) acquired at least 75% (by number) of Andean Shares in which Aguia or its Associates did not have a Relevant Interest as at 6 February 2017,

then Aguia will be entitled to compulsorily acquire any outstanding Andean Shares for which it did not receive acceptances, on the same terms as the Aguia Offer.

If these thresholds are met, Aguia will have up to 1 month after the end of the Offer Period within which to give compulsory acquisition notices to Andean Shareholders who have not accepted the Aguia Offer. Andean Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Andean Shareholders to establish to the satisfaction of a Court that the terms of the Aguia Offer do not represent “fair value”.

Aguia must also offer to buy out remaining Andean Shares held by Andean Shareholders if Aguia (and its Associates) have a Relevant Interest in at least 90% of Andean Shares (by number) at the end of the Offer Period.

Andean Shareholders should be aware that if they do not accept the Aguia Offer and their Andean Shares are compulsorily acquired, those Andean Shareholders will face a delay in receiving the Offer Consideration compared with Andean Shareholders who have accepted the Aguia Offer. However, these Andean Shareholders will receive the Offer Consideration offered by Aguia for Andean Shares under the Aguia Offer.

General compulsory acquisition

Andean Shareholders should also be aware that if Aguia does not become entitled to compulsorily acquire Andean Shares in accordance with Part 6A.1 of the Corporations Act, Aguia may nevertheless become entitled to exercise general compulsory acquisition rights under Part 6A.2 of the Corporations Act, if Aguia (or together with its related bodies corporate) acquire full beneficial interests in at least 90% of Andean Shares.

SECTION 10

10. TAXATION INFORMATION

Below is a general description of the Australian income tax (including CGT), GST and stamp duty consequences provided for the benefit of Andean Shareholders who or which accept the Offer and dispose of their Andean Shares to Aguiá, or whose Andean Shares are compulsorily acquired under the Offer.

This section deals with Andean Shareholders who hold their shares beneficially as individuals, companies (other than life assurance companies), trusts and complying superannuation funds.

Unless specific reference is made below to shareholders who hold their shares on revenue account or as part of a profit-making undertaking or scheme or otherwise noted below, the following comments are relevant and directed at Andean shareholders who hold their shares on capital account as investments for Australian income tax purposes.

In particular no comments are made about any Andean Shares held by Andean Shareholders who or which in context:

- acquired their Andean shares pursuant to an Andean Mining Limited employee share, option or rights plan;
- are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Andean Shares;
- are non-residents of Australia who beneficially hold their Andean Shares in carrying on a business through a permanent establishment in Australia;
- are partnerships or are partners of such partnerships;
- under a legal disability;
- are exempt from Australian income tax;
- ceased to be, or became, Australian resident for income tax purposes while holding their Andean Shares;
- are subject to the Investment Manager Regime under Subdivision 842-1 of the ITAA 1997 in respect of their Andean Shares.

Andean Shareholders who are tax residents of a country other than Australia (whether or not they are also Australian tax residents or are temporary tax residents of Australia during or after the period the Offer remains in place) should take into account the tax consequences under the laws of their country of residence as well as those under Australian tax law, when considering acceptance of the Offer.

The following description is based upon Australian tax legislation and administrative practice of the Australian Taxation Office and the various State Revenue Offices (for stamp duty) in effect at the date of the Bidder's Statement. Due to the complexities of such legislation, descriptions are general in nature and are not intended to be authoritative or complete statements of the tax laws applicable to the Andean Shares and the particular circumstances of any Andean Shareholder. The comments do not constitute tax advice or any recommendations of advice. Andean Shareholders should seek independent professional tax advice in relation to their own particular circumstances.

Australian Resident Shareholders

The following comments apply to Andean Shareholders who or which are tax residents of Australia for Australian income tax purposes:

A/ Andean shareholders who accept the Offer

Once the Offer becomes unconditional (e.g. the 90% acceptance), then there is a disposal of the Andean Shares to Aguia. This disposal is deemed to take place at the date of acceptance by the Andean Shareholder. The consideration would equal the market value of the Aguia Shares.

In the event the Offer does not become unconditional and lapses/is dropped or ceases without completion, compulsory or otherwise, there is no disposal of the Andean Shares even if the Andean Shareholder originally chose to accept the Offer.

B/ Compulsory acquisition

In the event Aguia achieves all its conditions and applies for compulsory acquisition, there is a disposal of the Andean Shares not covered in A/ above to Aguia on the day of compulsory acquisition, which will also be the date to value the Aguia Shares receivable in exchange.

Non-marketable parcels will need to be dealt with outside of the Takeover and the Offer between Aguia and the new relevant Aguia shareholders.

C/ Capital Gains Tax (CGT) rules applicable to Shareholders in above A/ and B/ categories.

These rules apply where the Andean Shareholder does NOT hold their Andean Shares as trading stock or as part of some profit-making undertaking or scheme.

- (1) Disposal: the disposal event is the transfer of ownership of the Andean Shares with the date being the date of the contract, i.e. the date of acceptance or the date of compulsory acquisition, as the case may be.
- (2) Consideration: is the value of the three Aguia Shares received in exchange for the one Andean Share.
- (3) Gain or loss: this calculation is determined by deducting from the shareholders cost base of his/her/its shares at the time of acquisition, the value of the consideration received being the total value of the three Aguia Shares for each one Andean Share. Any gain is subject to discount (as below) and primary deduction of capital losses carried forward. Any loss is available to be carried forward to be deducted against current year or future years capital gains (subject to loss carry forward rules in the

case of shareholders being companies).

- (4) Aggregation: the capital gains and losses of shareholders for a given tax year (i.e. year ended 30 June 2024) are aggregated (totalled and netted) before losses of prior years are applied to reduce or eliminate net gains.
- (5) Capital losses carried forward: CGT losses carried forward from prior years or the current year, are available to be deducted against any gain determined in (3) above. There is no limit on the quantum of that deductibility, up to the maximum being the quantum of the gains involved. Companies can carry forward and deduct capital losses if they meet particular loss carry forward rules (only applicable to Andean shareholders that are companies). CGT losses can be carried forward or applied against current year capital gains but cannot be applied against income or revenue gains.
- (6) Discount: Gains on disposal of Andean Shares held for longer than twelve months are subject to discount to reduce the quantum of the gains otherwise assessable as income. Firstly capital losses are applied to reduce net capital gains of a particular tax year, with current year losses applied against current year gains and then prior year losses are applied against the balance of the net gains. The net gain over shares held for longer than twelve months are then subject to discount.
 - (a) Where the shareholder is an individual the discount would equal 50% of the net gain after applying capital losses.
 - (b) Where the shareholder is a superannuation fund, the discount applied to the net gains would equal 33 1/3rd %.
 - (c) Where the shareholder is a company there will be NO discount available.
 - (d) Where the shareholder is a Trust, the discount available will relate to the beneficiary classification of individual, company or superannuation fund as the facts establish.
 - (e) Shares held for less than twelve months will NOT be subject to any discount regardless of the type of taxpayer holding the Andean shares.
- (7) Superannuation Funds in Pension mode: any Andean Shares held by a superannuation fund where the fund is in pension mode and the shares are held in pension account, the gain on disposal will be exempt from CGT and income tax.
- (8) Income Losses carried forward: revenue losses carried forward from prior years or incurred in the current year by the Andean shareholder can be applied by the Andean Shareholder to reduce any net gains (after discount above) before the balance is included in the shareholders assessable income (see example calculations in 10 below).
- (9) Script for Script Rollover Relief: One alternative available to the Andean Shareholder if a capital gain is made on the share exchange (based on the above Gain or Loss comments above in 3/), is to defer the CGT implications from this share exchange until a subsequent disposal of the three for one Aguiá Shares received in substitution.

There are conditions to be satisfied, but the major are:

- (1) Agua through the Offer acquires not less than 80% of the Andean Shares on issue;
- (2) the Andean Shareholder must elect to adopt the rollover (meaning a choice is made that needs to be reasonably documented or detailed in the Andean shareholders tax records, but that document is not required to be forwarded to the ATO);
- (3) the former Andean Shareholder makes a capital gain on disposal of the Andean Shares under the Offer (determined on a parcel by parcel basis); and
- (4) Agua does not act to deny the Andean Shareholder the right to elect for the Rollover.

The consequences are:

- (a) the immediate capital gain on the disposal of the Andean Shares is ignored;
- (b) the new Agua (three for one) Shares acquired by the former Andean Shareholder adopt the exact same dollar value historical cost base the former Andean Shareholder had in the Andean Shares (agglomerated from parcels if need be); and
- (c) for the purposes of entitlement to the discounts available for shareholders beneficially owning their shares in Agua by longer than twelve months, the date of acquisition of the Agua Shares is deemed to be the particular date (or dates as the case may be) when the former Andean Shareholder actually acquired their shares in Andean.
- (d) the rollover relief is NOT available on any parcel of Andean Shares that is disposed of at a loss under the Offer, generating a capital loss to either be carried forward or applied against current year capital gains from other shares or parcels or assets.
- (e) if the former Andean Shareholder chooses not to elect for the Script for Script rollover relief, then the net assessable capital gain after application of any available tax losses (as above) is included in the shareholders assessable income for income tax purposes.

Non-resident Shareholders

Andean does not own any interests in or over Australian real property or indirect interests over real property in Australia. All of Andean's exploration and mining tenements are physically situate in South America. As a consequence, deeming provisions (I.e. the TARP test) which exist in the Australian Income Tax Assessment Act applicable to shares in Australian tax resident companies owning real estate or like assets in Australia, do NOT apply. The follow on is that non-residents of Australia can generally dispose of their shares in Andean under the Offer without exposure to Australian income tax/capital gains tax,

unless the shareholder owns their shares in Andean via permanent establishments of the shareholder in Australia.

CGT Rollover Relief is not available to that limited class of non-residents.

Where a non-resident shareholder in Andean owns shares in Andean via an Australian permanent establishment, generally exposure to Australian income tax and capital gains tax may be limited to shareholding blocks that do NOT satisfy the Non-Portfolio test, i.e. larger blocks of shares of which Andean is not presently aware exist. As this area has complexities any Andean Shareholder that is potentially exposed should seek independent tax advice before deciding how to react to the Offer.

As a further consequence, the Foreign Resident CGT withholding rules that otherwise may operate to require Andean Shareholders to withhold up to 12.5% of the value of the Andean Shares to which they would be entitled, also do NOT apply. Again, as Andean does not own any interest in or over Australian real property, the withholding requirements in the Taxation Administration Act do NOT apply.

Stamp Duty

Australian resident shareholders of Andean who accept the Offer will not be required to pay Stamp Duty in any State or territory of Australia.

Goods and Services Tax (GST)

Beneficial owners/holders of Andean Shares will not be required to pay GST over the disposal value of the Andean Shares. The disposal is an input taxed transaction and NIL GST rated.

SECTION 11

11. ADDITIONAL INFORMATION

11.1 Consents

Each Andean Director has given his consent to the lodgement and issue of this Target's Statement, and to this Target's Statement including statements made by, or based on statements made by, the Director in the form and context in which those statements appear.

Mr Graeme Hogan has also given his consent to be named in this Target's Statement as Andean's Company Secretary in the form and context in which he is named.

The Independent Expert has given, and has not withdrawn before lodgement of this Target's Statement with ASIC, its written consent to:

- be named in this Target's Statement as the Independent Expert engaged by Andean in the form and context in which it is named;
- the inclusion of the Independent Expert's Report and including each of the statements and representations in the Target's Statement relating to the Independent Expert's Report, in the form and context in which they are included in the Target's Statement; and
- the inclusion of other statements in this Target's Statement that are said to be based on statements and representations made in the Independent Expert's Report, in the form and context in which they are included in the Target's Statement.

Valuation and Resource Management Pty Ltd (**VRM**) prepared an Independent Technical Assessment and Valuation Report for the Independent Expert, a copy of which is an appendix to the Independent Expert's Report (**ITAR**). VRM has given, and has not withdrawn, its written consent to:

- be named in this Target's Statement as Independent Technical Specialist in the form and context in which it is named; and
- the inclusion of the ITAR as an appendix to the Independent Expert Report in the form and context in which they are included in the Target's Statement.

Paul Dunbar is named in the ITAR as the Principal Author and Competent Person. Paul Dunbar has given, and has not withdrawn, his consent to be named in the Target's Statement in the form and context in which he is named and to the inclusion of the ITAR as an appendix to the Independent Expert's Report in the form and context in which they are included in the Target's Statement.

Neal Leggo is named in the ITAR as a Contributing Author and Competent Person. Neal Leggo has given, and has not withdrawn, his consent to be named in the Target's Statement in the form and context in which he is named and to the inclusion of the ITAR as an appendix to the Independent Expert's Report in the form and context in which they are included in the Target's Statement.

Ash Street Partners has given its consent to be named in this Target's Statement as Andean's Australian legal adviser in the form and context in which it is named.

None of these consents have been withdrawn before the lodgement of this Target's Statement with ASIC.

11.2 Disclaimers

Each person named in section above as having given its or their consent to the inclusion of a Target's Statement or to being named in this Target's Statement:

- does not make, or purport to make, any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a Target's Statement, a statement included in this Target's Statement with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement, other than a reference to its name, and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Target's Statement with the consent of that party.

11.3 Copies of documents

As permitted by ASIC Corporations (Takeover Bids) Instrument 2023/683, this Target's Statement may include or be accompanied by statements which are made in documents lodged with ASIC or ASX. Pursuant to ASIC Corporations (Takeover Bids) Instrument 2023/683, provided this Target's Statement fairly represents such statements and identifies any documents (or the part of any documents) that contain the statements, the consent of persons to whom such statements are attributed, is not required for the inclusion of such statements in this Target's Statement.]

Andean Shareholders are entitled during the Offer Period to obtain a copy of any document lodged by Andean with ASIC or by Aguia with ASX containing such a statement, free of charge by contacting Andean. Documents lodged with ASX by Aguia in relation to the Offer are also available on the ASX website www.asx.com.au and documents lodged with ASIC in relation to the Offer may also be obtained from, or inspected at, an ASIC office.

As permitted by ASIC Corporations (Consent to Statements) Instrument 2016/72, this Target's Statement may include or be accompanied by statements fairly representing a statement by an official person, or statements from a public official document or a published book, journal or comparable publication.

11.4 Continuous disclosure

Because Andean is not listed on ASX, it is not subject to continuous disclosure obligations under the Listing Rules however Andean is subject to periodic reporting obligations as an unlisted public company pursuant to the requirements of the Corporations Act, including the requirement for annual reports and directors reports to be distributed to shareholders.

Copies of the documents filed with ASIC by Andean may be obtained from, or inspected at, an ASIC office or from the Andean website at www.andeanmining.com.au.

11.5 Financial Position of Andean

The most recent published financial information in relation to Andean is contained in the 31 December 2023 Andean unaudited financial report. The financial report is available to Andean Shareholders from the Company on request.

The financial position of Andean has not, so far as is known by the Independent Board Committee, materially changed since 31 December 2023, being the date to which the last unaudited financial report relates.

11.6 Taxation Considerations

You should refer to section 7 of the Bidder's Statement and section 10 of this Target's Statement for an overview of taxation considerations.

11.7 No other material information

This Target's Statement is required to include all the information that Andean Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director of Andean.

The Andean Directors are of the opinion that the information that Andean Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- the information contained in Andean's annual financial reports and half-year financial reports published on the Andean website at www.andeanmining.com.au before the date of this Target's Statement;
- the information contained in documents lodged by Andean with ASIC before the date of this Target's Statement and made available to Shareholders on the Andean website at www.andeanmining.com.au;

- the information contained in the Independent Expert's Report; and the information contained in this Target's Statement.

The Andean Directors have assumed, for the purposes of preparing this Target's Statement, that the information in Aguia's Bidder's Statement is complete and accurate (unless expressly indicated otherwise in this Target's Statement). However, the Andean Directors do not take any responsibility for the contents of Aguia's Bidder's Statement and are not to be taken as endorsing, in any way, any or all of the statements contained in it.

In deciding what information should be included in this Target's Statement, the Independent Directors have had regard to:

- the nature of the Andean Shares;
- the matters that Andean Shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to the professional advisers of Andean Shareholders; and
- the time available to Andean to prepare this Target's Statement.

11.8 Issued capital

As at the date of this Target's Statement, Andean's issued capital comprises 140,246,792 fully paid ordinary shares.

Andean is required to issue 10,000,000 Andean Shares to Gregorarch Pty Ltd (or as it directs) as and when the Aguia Offer is free of all Conditions. Andean is also required to issue 1,000,000 shares to Malabar Gold Corp upon the transfer of mining concession IEV-16061 to to Minera La Fortuna S.A.S..

If all of these shares are issued during the Offer Period, Andean will have 151,246,792 fully paid ordinary shares on issue.

11.9 Substantial holders

According to the Andean company register as at the date of this Target's Statement, the substantial shareholders of Andean are:

Name	Number of Andean Shares held	% of Andean Shares held
William Howe & related parties	22,341,233	15.93%
Warwick Grigor & related parties	12,454,738	8.88%
Merrill Lynch Australia	10,533,750	7.51%

James Green & related parties	8,154,504	5.81%
Tawmii Management Services	7,151,566	5.10%

If all remaining Andean Shares which might be issued during the Offer Period and are the subject of the Aguia Offer, were issued before the end of the Offer Period, the substantial shareholders of Andean would be:

Name	Number of Andean Shares held	% of Andean Shares held
William Howe & related parties	22,341,233	14.8%
Warwick Grigor & related parties	19,454,738	12.9%
Merrill Lynch Australia	10,533,750	7.0%
Maxwell James Green & related parties	8,154,504	5.4%
Malabar Gold Corp	8,000,000	5.3%

11.10 Notice of Aguia's Voting Power

As at the date of the Bidder's Statement, Aguia did not have a Relevant Interest in any Andean Shares and therefore had Voting Power in Andean of nil/0%.

Aguia is required to notify Andean during the Offer Period where its Voting Power in Andean rises from below a percentage in the following list to that percentage or higher:

- (a) 25%
- (b) 50%
- (c) 75%
- (d) 90%

That notice must be given to Andean as soon as practicable and in any event within 2 Business Days after the rise in Voting Power occurred. As at the date of this Target's Statement, Aguia has notified the Company that its Voting Power in the Company has risen to 58.07% from acceptances of the Offer.

11.11 Insurance and indemnities

Andean has entered into standard form of deeds of indemnity with its Directors against all liabilities which they may incur in the performance of their duties as Directors or officers of Andean, except liability to Andean or a related body corporate, liability for a pecuniary penalty or compensation order under the Corporations Act, and liabilities arising from conduct involving a lack of good faith. Subject to the Corporations Act, Andean is obliged to meet the full amount of all such liabilities in accordance with the terms of the deeds of indemnity.

In addition, each Director is indemnified, as authorised by Andean's constitution, against personal liability arising from their respective positions with Andean and its related bodies corporate.

Andean holds a directors' and officers' insurance policy on behalf of current Directors and officers of Andean and its controlled entities.

11.12 Litigation

Andean is not subject to any actual, pending or threatened litigation so far as the Independent Directors are aware.

11.13 Effect of the Aguia Offer on Andean's contracts

The success or otherwise of the Aguia Offer is not expected to affect any material rights or obligations under any of Andean's contracts.

SECTION 12

12. GLOSSARY

ABN means Australian Business Number.

Acceptance and Transfer Form means the form of acceptance accompanying this Target's Statement.

Accepting Shareholder means an Andean Shareholder who accepts the Offer in respect of an Andean Share.

ACN means Australian company number.

Agua means Agua Resources Limited ACN 128 256 888.

Agua Share means a fully paid ordinary share in the capital of Agua.

Andean means Andean Mining Limited ACN 625 466 006

Andean Board means the board of directors of Andean.

Andean Group means Andean and each of its Subsidiaries.

Andean Share means a fully paid ordinary share in the capital of Andean, and all Rights attaching to that share.

Andean Shareholder means a person registered in the register of members of Andean as a holder of an Andean Share.

Announcement Date the date the Offer was announced, being 22 December 2023.

ASIC means Australian Securities and Investments Commission.

Ash Street Partners means Ash Street Partners Pty Ltd ACN 165 119 657.

ASX means ASX Limited ABN 98 008 624 691 or, as the context requires, the financial market operated by it.

ASX Listing Rules means the listing rules published by ASX from time to time.

ASX Settlement Operating Rules means the operating rules of the settlement facility provided by ASX Settlement Pty Limited ACN 008 504 532.

Associate has the meaning given in section 12 the Corporations Act.

ATO means the Australian Taxation Office.

Bidder's Statement means the bidder statement in respect of the Offer given by Agua pursuant to Part 6.5 of the Corporations Act.

Business Day means a business day in New South Wales.

CGT means capital gains tax under the *Income Tax Assessment Act 1997* (Cth).

Closing Date means 5.00pm (Sydney time) on 8 April 2024, unless extended or withdrawn.

Competing Proposal means any expression of interest, proposal, offer or transaction notified to Adean which, if completed substantially in accordance with its terms, would mean a person (other than Agua or its Related Bodies Corporate) would:

- (a) directly or indirectly, acquire an interest or Relevant Interest in or become the holder of:
 - (i) 20% or more of all Andean Shares; or
 - (ii) all or a substantial part of the business conducted by the Andean Group;
- (b) acquire control of Andean, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise directly or indirectly acquire or merge with Andean or acquire an economic interest in the whole or a substantial part of Andean or its business (including by takeover offer, scheme of arrangement, capital reduction, sale of assets, strategic alliance, joint venture, partnership or reverse takeover bid).

Condition means each condition of the Offer as set out in section 1.8 of Annexure A of the Bidder's Statement and replicated in section 9.2 of this Target's Statement.

Corporations Act means the *Corporations Act 2001* (Cth).

GST means Goods and Services Tax under the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Independent Expert means RSM Corporate Australia Pty Ltd ACN 050 508 024.

Ineligible Andean Shareholder means an Andean Shareholder who has a registered address outside of Australia or New Zealand and does not satisfy Agua that the Takeover Offer is able to be made to them without the need for any formal registration of this Bidder's Statement and in accordance with the laws applicable in the jurisdiction where that Andean Shareholder is based, and is accordingly not eligible to participate in the Offer.

Link Market Services means Link Market Services Limited ABN 54 083 214 537.

Merged Group means Agua and its Subsidiaries (including, without limitation, Adean) after successful completion of the Offer.

Offer or **Agua Offer** means the offer by Agua to acquire Andean Shares made by way of an off market takeover bid under Chapter 6 of the Corporations Act, on the terms set out in section 1 of the Bidder's Statement (and for the avoidance of doubt includes each other offer

made by Aguia to Andean Shareholders in the form of that offer), including, in each case, as varied in accordance with the Corporations Act.

Offer Consideration means the aggregate consideration per Andean Share payable to each Accepting Shareholder, being three (3) Aguia Shares per one (1) Andean Share.

Offer Period means the period that the Offer is open for acceptance, commencing on 21 February 2024 and ending on the Closing Date.

PPS Security Interest means a security interest that is subject to the PPSA.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Record Date means the date set by Aguia under section 633(2) of the Corporations Act, being 5.00 pm (Sydney time) on 21 February 2024.

Regulatory Authority includes:

- (a) ASX and ASIC;
- (b) a government or governmental, semi-governmental or judicial entity or authority including the Takeovers Panel;
- (c) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (d) any regulatory organisation established under statute.

Related Body Corporate has the meaning given in the Corporations Act.

Relevant Interest has the meaning given in the Corporations Act.

Rights means all accretions and rights attaching to or arising from Andean Shares, directly or indirectly, at or after the Announcement Date (including dividends and all rights to receive them, bonuses or other shares of its profits or assets, as well as rights to receive or subscribe for shares, notes, bonds, options, or other securities and all other distributions or entitlements declared, paid, made or issued by Andean or any of its subsidiaries).

Subsidiary has the meaning given in section 9 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal received after the date of this agreement which is, in the determination of the Andean Board acting in good faith and in order to satisfy what the Andean Board consider to be their fiduciary and statutory duties:

- (a) reasonably capable of being valued and completed taking into account all aspects of the Competing Proposal; and
- (b) would if completed substantially on its terms, be more favourable to Andean Shareholders as a whole than the Takeover Bid, taking into account all terms and conditions of the Competing Proposal and of the Takeover Bid.

Takeover Bid means the off-market takeover bid by Aguia for all Andean Shares, to which this agreement relates, to be implemented in accordance with Chapter 6 of the Corporations Act.

Target's Statement means this target's statement to be provided by Andean in response to the Bidder's Statement.

Tenements means the tenements Andean interests in mining properties set out in section 5.

Voting Power has the meaning given to this term in section 610 of the Corporations Act.

your Andean Shares means the Andean Shares in respect of which you are able to give good title at 5.00pm (Sydney time) on 20 February 2024 and any other Andean Shares acquired by you after the Record Date and before the end of the Offer Period or issued to you after the Record Date and before the end of the Offer Period, as a result of conversion of, or the exercise of a right attaching to, any securities that existed as at the Record Date, where applicable, the number of such Andean Shares specified in the Acceptance and Transfer Form relating to the Offer.

13. Interpretation

Terms used in this Target's Statement have the meaning (if any) given to them in Chapter 6 of the Corporations Act, the ASX Listing Rules or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

In this Target's Statement (including the Offer) and the Acceptance and Transfer Form, the following principles of interpretation apply unless the context otherwise requires:

- 13.1.1 headings are for convenience only and do not affect the meaning of the paragraphs they introduce;
- 13.1.2 the singular includes the plural and vice versa;
- 13.1.3 words importing any gender include any other genders;
- 13.1.4 references to persons include corporations;
- 13.1.5 appendices and annexures to this Target's Statement form part of this Target's Statement;
- 13.1.6 references to **AUD** or **\$** are references to Australian currency; and
- 13.1.7 references to sections are to sections in the Target's Statement.

To the extent permissible under applicable law, this Target's Statement (including the Offer) and the Acceptance and Transfer Form are governed by the laws in force in Victoria and the Commonwealth of Australia.

14. Approval of Target's Statement

This Target's Statement has been approved by a resolution of the directors of Andean.

15 March 2024

Signed for and on behalf of
Andean Mining Limited ACN 625 466 006

A handwritten signature in dark ink, appearing to read 'William Howe', with a stylized, cursive script.

William Howe
Director

Andean Mining Limited
ACN 625 466 006

Corporate Directory

Registered office	Andean Mining Limited Level 5 285 George Street Sydney NSW 2000
Legal adviser	Ash Street Partners Level 5 285 George Street Sydney NSW 2000
Auditors	Hall Chadwick (NSW) Level 40 2 Park Street SYDNEY NSW 2000
Company website	andeanmining.com.au

Annexure 1 – Independent Expert’s Report

Andean Mining Limited

Financial Services Guide and Independent Expert's Report

15 March 2024



Financial Services Guide

15 March 2024

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 ("**RSM**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence ("**AFSL**"), Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we produce is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General financial product advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; Andean Mining Limited ("**Andean**") will pay our fees. These fees are disclosed in the report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees, or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisors. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or RSM Australia related entities may provide professional services, including audit, tax, and financial advisory services, to financial product issuers in the ordinary course of its business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA, 6844.

If we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination. If a complaint is received in advance of a shareholder meeting or other key date where shareholders or investors may be making decisions which are influenced by our report, we will make all reasonable efforts to respond to complaints prior to that date.

Referral to external dispute resolution scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (“**AFCA**”). AFCA is an independent dispute resolution scheme that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available at the AFCA website www.afca.org.au. You may contact AFCA directly by email, telephone or in writing at the address set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll Free: 1800 931 678
Email: info@afca.org.au

Time limits may apply to make a complaint to AFCA, so you should act promptly or consult the AFCA website to determine if or when the time limit relevant to your circumstances expires.

Contact details

You may contact us using the details set out at the top of our letterhead on page 4 of this report.

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street
Sydney, NSW 2000
GPO Box 5138
Sydney, NSW 2001T +61 (0) 2 8226 4500
F +61 (0) 2 8226 4501

www.rsm.com.au

15 March 2024

The Non-Associated Shareholders
Andean Mining Limited
Level 5, 285 George Street
Sydney NSW 2000*By email*

Dear Non-Associated Shareholders,

Independent Expert's Report

Introduction

On 22 December 2023, Agua Resources Limited ("**Agua**") announced to the Australian Securities Exchange ("**ASX**") that it had entered into a binding Bid Implementation Agreement ("**BIA**") with Andean Mining Limited ("**Andean**" or the "**Company**") pursuant to which Agua will make an off-market takeover offer to acquire all (and not less than 90%) of the shares in the Company from the Andean Shareholders ("**Shareholders**") in an equity transaction. Agua has offered three (3) shares in Agua ("**Consideration Shares**") for every one (1) Andean share in consideration ("**Offer Ratio**") for 100% of the issued shares in Andean (the "**Offer**").

The Consideration Shares will be subject to escrow for a period of six months following completion of the Offer. The Offer will be open for acceptance from 21 February 2024 until 8 April 2024, unless extended or withdrawn ("**Offer Period**"). The Offer is subject to several conditions including Agua reaching a relevant interest in at least 90% of Andean's shares by the end of the Offer Period ("**Minimum Acceptance Condition**").

Should the Shareholders accept the Offer, they will, collectively, obtain an approximate 43.91% interest in the merged group consisting of Agua and Andean as its subsidiary ("**Combined Group**").

On 20 February 2024, Agua lodged a copy of its bidder's statement and offer ("**Bidder's Statement**") in relation to the Offer with the Australian Securities and Investments Commission ("**ASIC**").

The Company will issue a Target's Statement, being a document prepared by the Independent Directors of Andean, to assist the Shareholders not associated with the Offer ("**Shareholders**" or "**Non-Associated Shareholders**") in making an informed assessment in relation to the Offer.

Purpose of the Report

As the Offer involves a common director from both the target and bidder, in accordance with section 640 of the Corporations Act (2001) (Cth) ("**Corporations Act**"), an independent expert's report is required to accompany the Target's Statement.

The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("**RSM**" or "**we**" or "**us**" or "**our**"), being independent and qualified for the purpose, express an opinion as to whether the Offer is fair and reasonable to the Non-Associated Shareholders.

Accordingly, we have prepared this Report for the purpose of stating, in our opinion, whether or not the Offer is fair and reasonable to the Non-Associated Shareholders.

Summary of opinion

In the absence of any other relevant information and/or a superior proposal, RSM considers the Offer to be **fair and reasonable** to the Non-Associated Shareholders.

We have formed this opinion for the reasons set out below.

Approach

In assessing whether the Offer is fair and reasonable to the Non-Associated Shareholders, we have considered Australian Securities and Investment Commission ("**ASIC**") Regulatory Guide 111 – Content of expert reports, which provides specific guidance as to how an expert is to appraise transactions.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not an offer is fair and reasonable.

While RG 111 does not define 'fair and reasonable' it does provide some guidance as to how the terms should be interpreted in a range of circumstances. With respect to a takeover bid, RG 111 applies the 'fair and reasonable' test as two distinct criteria, stating:

- A takeover offer is considered 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- A takeover offer is considered 'reasonable' if it is fair or, where the offer is 'not fair', it may still be 'reasonable' if the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Therefore, consistent with the guidance set out in RG 111, we have considered whether the Offer is "fair" to Shareholders by assessing and comparing:

- the Fair Value of a share in Andean on a control basis prior to the Offer; with
- the Fair Value of the Consideration Shares on a non-controlling basis.

Our assessment of the Fair Value of a Share in Andean and the Consideration Shares has been prepared on the following basis:

"the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length".

In accordance with RG 111, we have considered whether the Offer is "reasonable" to Andean Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Shareholders, in their decision as to whether or not to accept the Offer.

Further information on the approach we have employed in assessing whether the Offer is fair and reasonable to Shareholders is set out in Sections 9 and 10 of this Report.

Fairness opinion

In assessing the fairness of the Offer, we have valued a Share in Andean prior to the Offer on a control basis and compared it to the value of the Consideration Shares on a non-controlling basis, to determine whether a Shareholder would be better or worse off should the Offer be accepted.

Our assessment is set out in the table below.

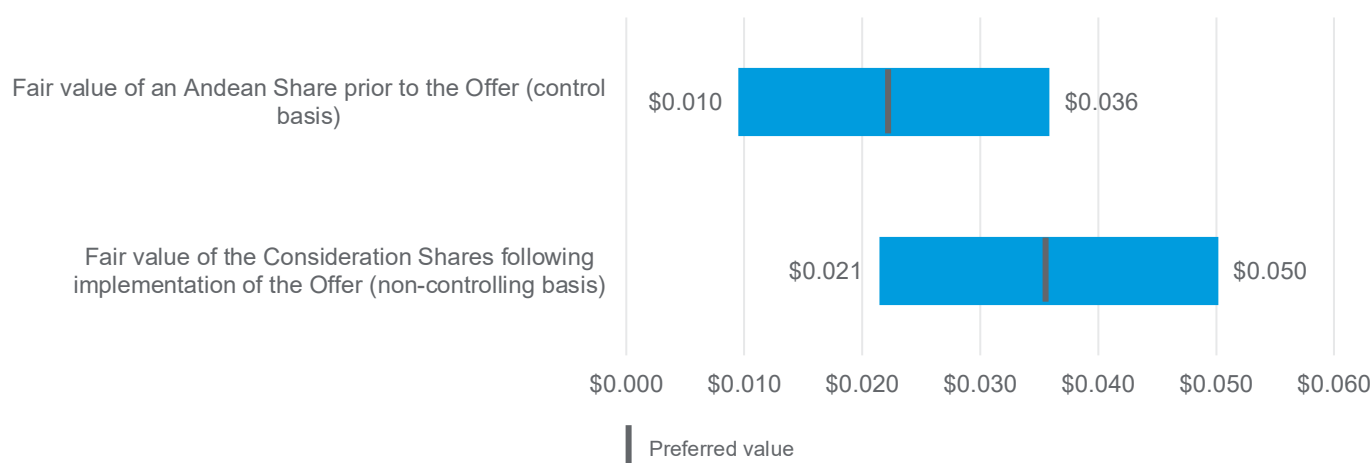
Table 1. Valuation summary of an Andean Share

	Low	High	Preferred
Fair Value of an Andean share prior to the Offer (control basis)	\$0.010	\$0.036	\$0.023
Fair Value of the Consideration Shares (non-controlling basis)	\$0.021	\$0.050	\$0.036

Source: RSM analysis

The comparison of the values set out in Table 1 is presented graphically below.

Figure 1. Assessed Fair Value of an Andean Share prior to and immediately after the Offer



The chart above indicates that the assessed Fair Value of the Consideration Shares (on a non-controlling basis) is greater than the assessed Fair Value of an Andean Share prior to the Offer (on a controlling basis) at each of the respective low, preferred, and high valuation points.

Accordingly, we consider the Offer to be **fair** to the Non-Associated Shareholders of Andean.

As set out in Section 7 of this Report, we have solely utilised the Net Assets on a Going Concern Basis methodology in our assessment of the Fair Value of an Andean Share, as we were unable to use other methods comprising an income-based method or a quoted market price of listed securities (due to Andean being a public unlisted company).

We note that the valuation range assessed using the Net Assets on a Going Concern Methodology (being \$0.010 to \$0.036 with a preferred valuation of \$0.023) is significantly lower than the recent share issuances which occurred at a share price of \$0.05 per Andean Share and represented issues of minority parcels of shares.

We consider the significantly lower values assessed under the Net Assets on a Going Concern Methodology to be primarily due to the inherent difficulty in the valuation of early-stage development mining tenements in prospective geographies, with the market price reflecting higher expectations of investors of the prospectivity of Andean's current portfolio of exploration assets than reflected in the technical valuations undertaken by VRM.

Having regard to the inherent difficulty in the valuation of early-stage development mining tenements, we consider that the valuation of Andean utilising the Net Assets on a Going Concern Methodology is a more reliable indicator of the Fair Value of an Andean Share on the basis that it is representative of the Fair Value of Andean's underlying mining tenements as assessed under the VALMIN code by a qualified technical specialist, VRM, who was provided with relevant current information in relation to mining tenements to reach a fully informed valuation assessment.

Non-Associated Shareholders should be aware that the use of a single valuation methodology increases the risk that our opinion is distorted based on our choice of methodology, and that using another data point, such as the share price of recent share issuance by Andean (Market Based methodology) may imply a higher value for an Andean Share.

As set out in Section 8, we have assessed the Fair Value of an Agua share (on a Combined Group basis) post the Offer to be in the range of \$0.007 to \$0.017. Non-Associated Shareholders should be aware that our assessment of the Fair Value per Agua share (on a Combined Group basis) post acceptance of the Offer does not necessarily reflect the price at which Agua shares will trade if the Offer is accepted. The price at which Agua shares will ultimately trade depends on a range of factors including the liquidity of Agua shares, macroeconomic conditions, the underlying performance of the Agua business and the supply and demand for Agua shares.

Our valuation approach and our assessment of the Fair Value of an Andean Share (on a control basis), and the Fair Value of the Consideration Shares are set out in Sections 6 to 8 of the Report, respectively.

Reasonableness opinion

RG 111 establishes that an offer is reasonable if it is fair. It might also be reasonable if, despite not being fair, there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the offer closes.

As such, we have also considered the following factors in relation to the reasonableness aspects of the Offer:

- the future prospects of Andean if the Offer does not proceed;
- other commercial advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Offer proceeding;
- alternative proposals to the Offer; and
- other significant factors which Shareholders might consider prior to accepting the Offer.

Future prospects of Andean if the Offer does not proceed

Should the Offer not proceed, Andean will continue to develop its operations, including the development of its flagship high-grade copper-gold El Dovio Project and Atocha Project, as well as recommencing mining operations at the Santa Barbara mine. This may require further fundraising activities which could include raising capital from Shareholders, which could be dilutive to Non-Associated Shareholders who choose not to participate in future fundraising rounds.

Advantages and disadvantages of approving the Offer

The key advantages of the Offer are outlined below.

Table 2. Advantages of the Offer

Advantage	Details
The Offer is fair	The Offer is fair to the Non-Associated Shareholders
Exit from an illiquid share	Agua is an ASX listed company whose shares are quoted and traded on the ASX. In the 30 trading days to close of trading on 8 March 2024, the average daily volume of Agua shares traded was 270,515 and the daily average turnover of Agua shares was approximately \$3,637. By contrast, Andean shares are not listed on any exchange and are therefore illiquid. In the absence of alternative offers, the Offer provides Non-Associated Shareholders with an opportunity to convert their investments in Andean into more liquid shares. Non-Associated Shareholders who accept the Offer will have the ability to convert some or all of their Consideration Shares into cash in the future, subject to the escrow constraints which will attach to the Consideration Shares issued to the Non-Associated Shareholders.
Exposure to a larger and more diversified portfolio of assets	If the Offer is accepted, Non-Associated Shareholders will hold a shareholding in the Combined Group which will provide them with exposure to: ▪ Diversified geographic exposure, as Andean's Colombian projects will be complimented with Agua's projects which are located in Brazil; ▪ Continued exposure to the performance and potential upside to the development of mining and exploration activities of Andean (albeit diluted); and ▪ Exposure to the projects of Agua.
Potential synergies	If the Offer is accepted and Agua acquires 100% of the equity capital of Andean, the likelihood of synergies being realised in the Combined Group increases. The projects of Andean and Agua are geographically proximate which will allow the Combined Group to leverage capabilities across each portfolio. Costs savings are also likely through the elimination of duplicate corporate costs, all of which are potentially value accretive to the Non-Associated Shareholders.
Decrease in funding risks	As an investor in greenfield exploration and brownfield investments, Andean is not currently generating any positive cashflows. Continued investment in Andean's projects will be required in the future to develop the El Dovio Project and Atocha Project, as well as recommencing mining operations at the Santa Barbara mine. Future funding would require raising equity, debt or selling existing assets, which may be dilutive to the Non-Associated Shareholders. Agua is well capitalised with a positive net cash position providing capacity to fund operations, reducing the likelihood of the Non-Associated Shareholder being diluted to fund the continued operations of Andean.

Source: RSM Analysis

The key disadvantages of the Offer are set below.

Table 3. Disadvantages of the Offer

Disadvantage	Details
Dilutionary impact	Andean Shareholders will, collectively, have a 43.91% interest in the Combined Group immediately after the Offer. Andean Shareholders will individually and collectively hold a minority interest in the Combined Group, limiting Non-Associated Shareholders' collective ability to influence decisions such as the composition of the Board and the acquisition or disposal of assets.
Escrow restrictions	The Consideration Shares are subject to voluntary escrow, for a period of six months following completion of the Offer. Accordingly, the Non-Associated Shareholders will be unable to convert their Consideration Shares into cash for a period of six months following completion of the Offer and will be exposed to fluctuations in the Aguia share price without recourse during this period.
Change in risk profile	Following completion of the Offer, there will be a change in the risk profile of the shares held by the Non-Associated Shareholders, with exposure to the assets of Aguia, exposure to a new jurisdiction and geographic locations, as well as share price fluctuations associated with owning a listed share. This change in risk profile may not meet some Non-Associated Shareholders' investment strategy which may result in the disposal of Aguia shares by Non-Associated Shareholders on the open market. An increased supply of Aguia shares for sale on the open market may place downward pressure on the Aguia share price in the event that there is not sufficient demand to meet supply.
Potential tax consequences	The disposal of Andean Shares under the Offer will trigger capital gains tax ("CGT") events. Non-Associated Shareholders may choose to apply for scrip for scrip rollover relief. It should be noted that the benefit of choosing scrip for scrip rollover relief, if available (or otherwise) will depend upon the individual circumstances of each Non-Associated Shareholder. Where scrip for scrip rollover relief is not available, a Non-Associated Shareholder may be subject to a taxable capital gain which the Non-Associated Shareholder may not be able to fund with proceeds from the sale of Consideration Shares due to the voluntary escrow of the Consideration Shares for a period of six months following completion of the Offer. Non-Associated Shareholders are advised to seek their own independent tax advice in relation to the implications for their shareholding.

Source: RSM Analysis

Alternative proposals to the Offer

We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of Andean a greater benefit than the Offer.

The Independent Directors have advised us that no formal alternative offers or approaches by potential acquirers have been received prior to the announcement of the Offer on 22 December 2023, or since that date until the issue of our Report.

Shareholders can vote against the Offer in the hope that they can realise greater value from their investment in Andean either through maintaining Andean as an independent company or through the emergence of a superior proposal to the Offer. Whilst there is currently no evidence of an alternative offer, it is possible that an alternative offer may emerge.

Conclusion on Reasonableness

As the Offer is fair, the Offer is also reasonable. However, ignoring our assessment of fairness, we consider that the position of the Non-Associated Shareholders of Andean if the Offer is accepted is more advantageous than if the Offer is not accepted.

Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Offer is reasonable for the Non-Associated Shareholders of Andean.

General

This Report represents general financial product advice only and has been prepared without taking into consideration the individual circumstances of the Non-Associated Shareholders.

The ultimate decision whether to accept the Offer should be based on the Non-Associated Shareholders' assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions.

Shareholders should read and have regard to the contents of the Target's Statement which has been prepared by the Directors and Management of Andean. Non-Associated Shareholders who are in doubt as to the action they should take with regard to the Offer and/or the matters dealt with in this Report, should seek independent professional advice.

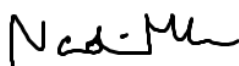
This summary should be considered in conjunction with the detail contained in the following sections of this Report.

Yours faithfully,

RSM CORPORATE AUSTRALIA PTY LTD



Andrew Clifford
Director – Corporate Finance



Nadine Marke
Director – Corporate Finance

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1. Summary of the Offer

1.1 Overview

On 22 December 2023, Aguia announced to the ASX that it had entered into a binding BIA with Andean pursuant to which Aguia will make an off-market takeover offer to acquire all (and not less than 90%) of the shares in the Company from Shareholders in an equity transaction.

As consideration for the acquisition, Aguia will issue three (3) Aguia shares for every one (1) Andean share as consideration for 100% of the issued shares of Andean, who will collectively own approximately 43.91% of the issued capital of Aguia following completion of the Offer.

The Consideration Shares will be subject to voluntary escrow for a period of six months following completion of the Offer. The Offer will be open for acceptance from 21 February 2024 until 8 April 2024 (“**Offer Period**”), unless extended or withdrawn.

Assuming completion of the Offer:

- Andean will become a wholly owned subsidiary of Aguia; and
- William Howe will become the Managing Director of the Combined Group.

Warwick Grigor, being a director of Andean and the Chairman of Aguia, has recused himself from being involved in the assessment of the Offer.

Aguia has stated they intend to compulsorily acquire all outstanding Andean Shares if entitled to do so. The two types of compulsory acquisitions under Chapter 6A of the Corporations Act are as follows:

- If Aguia has a relevant interest in at least 90% of Andean Shares by the end of the Offer Period; and
- If Aguia has acquired at least 75% of Andean Shares in which Aguia or its associates did not have a relevant interest as at 6 February 2024,

then Aguia will be entitled to compulsorily acquire any outstanding Andean Shares for which it did not receive acceptances, on the same terms as the Offer.

1.2 Key conditions of the Offer

The completion of the Offer is subject to and conditional upon a number of conditions, including:

- **Minimum acceptance:** At or before the end of the Offer Period, Aguia has a relevant interest in the number of Andean Shares that represents at least 90% of the aggregate of all the Andean Shares on issue¹
- **No regulatory action:** Between the Announcement Date and the end of the Offer Period (each inclusive):
 - there is not in effect any preliminary or final decision, order or ruling issued by any regulatory authority;
 - no application is made to any regulatory authority (other than by Aguia or any associate of Aguia); and
 - no action or investigation is announced, commenced, or threatened by any regulatory authority,

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibit or impedes, or threatens to restrain, prohibit or impede, or materially impact on, the making of the Offer and the completion of any transaction completed by the Bidder's Statement (including, without limitation, full, lawful, timely and effectual implementation of Aguia's intentions expressed in the Bidder's Statement) or which requires the divestiture by Aguia of any Andean shares or any material assets of the Andean Group.

¹ Aguia reserves the right to waive the conditions and such other requirements in connection with the Offer that are able to be waived by Aguia (including without limitation the imposition of voluntary escrow).

- **Tenements:** Tenement refers to any title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be contained. During the Offer Period there not being any change which has or could reasonably be expected to have a material adverse effect on the status of any of any form of Tenement.
- **Capital Expenditure:** During the Offer Period, Andean does not incur or commit to incur an amount of capital expenditure in excess of \$50,000 in aggregate other than capital expenditure that is incurred in the day-to-day operating activities of the business.
- **Acquisitions and Disposals:** During the Offer Period, Andean does not acquire or dispose of, or enter into or announce any agreement for the acquisition or disposal of, any asset or business, or enter into any corporate transaction, which would or would be likely to involve a material change in:
 - the manner in which Andean conducts its business;
 - the nature (including balance sheet classification), extent or value of the assets of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000); or
 - the nature (including balance sheet classification), extent or value of the liabilities of Andean (provided that such change shall be considered material if it is of a value of more than \$50,000), including, without limitation, any transaction which would or (subject to one or more conditions) may involve:
 - Andean acquiring or agreeing to acquire any interest in any tenements or disposing, or agreeing to dispose of any interest in any of its tenements (including, without limitation entering into a joint venture agreement with any third party in relation to the exploration or development of any tenements, but excluding any surrender or relinquishment of a tenement or part thereof in accordance with Applicable Law, provided it has first consulted with Aguia prior to the surrender or relinquishment);
 - Andean acquiring, or agreeing to acquire, or disposing, or agreeing to dispose, of one or more companies, businesses, or assets for an amount in aggregate greater than \$50,000; or
 - other than to the extent directly resulting from any actions taken (or omitted to be taken) following a written request from Aguia or with Aguia's prior written consent.

1.3 Impact of the Offer on the Combined Group's Capital Structure

At the date of this Report, Andean had 150,246,792 ordinary shares on issue and Aguia had 579,486,196 shares on issue. Completion of the Offer would result in the issue of 450,740,376 new Aguia shares to Shareholders, with Andean Shareholders holding a 43.91% interest in the Combined Group immediately after the completion of the Offer.

2. Scope of the Report

2.1 Purpose of this Report

The Directors of Andean have requested RSM, being independent and qualified for the purpose, to express an opinion as to whether the Offer is fair and/or reasonable to the Non-Associated Shareholders. Accordingly, this Report has been prepared to accompany the Target's Statement which will be provided to the Andean Shareholders in relation to the Offer.

2.2 Regulatory guidance

As the Offer involves a common director from both the target and bidder, in accordance with Section 640 of the Corporations Act, an independent expert's report is required to accompany the target's statement.

In assessing whether the Offer is "fair" and "reasonable", we have given regard to the views expressed by ASIC in RG 111.

RG 111 provides ASIC's views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether or not an offer is fair and reasonable.

RG 111 states that the expert's report should focus on:

- the issues facing the security holders for whom the report is being prepared; and
- the substance of the transaction rather than the legal mechanism used to achieve it.

RG 111 applied the "fair and reasonable" test as two distinct criteria in the circumstance of a takeover offer, stating:

- a takeover offer is considered "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer; and
- a takeover is considered "reasonable" if it is fair, or where the offer is "not fair" it may still be "reasonable" if the expert believes that there are sufficient reasons for security holders to accept the offer.

2.3 Adopted basis of evaluation

Consistent with the guidelines in RG 111 as summarised above, we have considered whether the Offer is “fair” to Shareholders by assessing and comparing:

- the Fair Value of a share in Andean on a controlling basis prior to the Offer; with
- the Fair Value of the Consideration Shares, also on a non-controlling basis.

Our assessment of the Fair Value of a Share in Andean has been prepared on the following basis:

“the value that should be agreed in a hypothetical transaction between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm’s length”.

In accordance with RG 111, we have considered whether the Offer is “reasonable” to Andean Shareholders by undertaking an analysis of the other factors relating to the Offer which are likely to be relevant to Shareholders, in their decision as to whether or not to accept the Offer.

We have also considered whether the Offer is “reasonable” by undertaking an analysis of the following factors:

- the future prospects of Andean if the Offer does not proceed;
- the potential advantages and disadvantages to the Non-Associated Shareholders, as a consequence of the Offer proceeding;
- the existence of alternative proposals; and
- other significant factors which Shareholders might consider prior to accepting the Offer.

Our assessment of the Offer is based on economic, market and other conditions prevailing at the date of this Report.

3. Profile of Andean

3.1 Background

Andean was incorporated as an Australian proprietary company named Andean Mining Corporation Pty Ltd on 9 April 2018 under the Corporations Act.

Andean is a public, unlisted Australian mining, and exploration company with a portfolio of 100%-owned, high-grade gold, silver and copper projects in the Republic of Colombia, South America including:

- the Santa Barbara Gold Project;
- the El Dovio Project; and
- the Atocha Project.

In May 2020, the Company signed an agreement with Newrange Gold Corp. (TSXV:NRG) ("**Newrange**") to acquire all of the issued share capital of Newrange's Colombian subsidiary, Corporacion Minera de Colombia SAS ("**CMC**"). This transaction delivered control of the El Dovio Project to the Company. The acquisition was settled by the issue of 13,256,222 Shares to Newrange, and payment of US\$1.0 million as reimbursement to Newrange for the expenses it incurred in developing the El Dovio Project.

On 25 February 2021, Andean converted to (and continues to be) a public company limited by shares and renamed Andean Mining Limited.

In July 2023, Andean acquired the Santa Barbara Gold Project and Atocha Project from Malabar Gold Corp. ("**Malabar**") for the following consideration:

- Santa Barbara Gold Project: C\$510k and 5,000,000 Andean Shares; and
- Atocha Project: C\$350k and 3,000,000 Andean Shares.

3.2 Directors and management

The directors and key management of Andean are summarised in the table below.

Table 4. Andean Directors and Key Management Personnel

Name	Title	Experience
Mr Maxwell James Green	Non-Executive Director	Mr Green has over 30 years of experience as a lawyer and corporate advisor. He was previously Head of M&A Advisory at Patersons Securities and Head of Corporate Finance at Austock (Phillip Capital). He has been involved in the mining sector as a lawyer, advisor, and founder for over two decades and has a deep understanding of and experience in listed company Board practice, process, and governance. He has occupied various director roles in both private enterprises and publicly listed companies on the ASX. Mr Green served as the former President of the NSW Division of the Australian Institute of Company Directors and held a previous position as a director.
Mr William James Howe	Managing Director & CEO	Mr. Howe has had more than four decades of experience in the mining industry. He was a founding director of Straits Resources Limited and has spent most of his career in mine development, operations management and corporate management in Africa, South East Asia, Australia, and South America. Serving as Managing Director of Hampton Mining Pty Ltd from 2003 to 2010 and Metminco Ltd from 2010 to 2018, Mr. Howe spearheaded the team that made significant discoveries, including the Los Calatos copper-molybdenum porphyry system in Peru and the Mollacas copper porphyry in Chile.

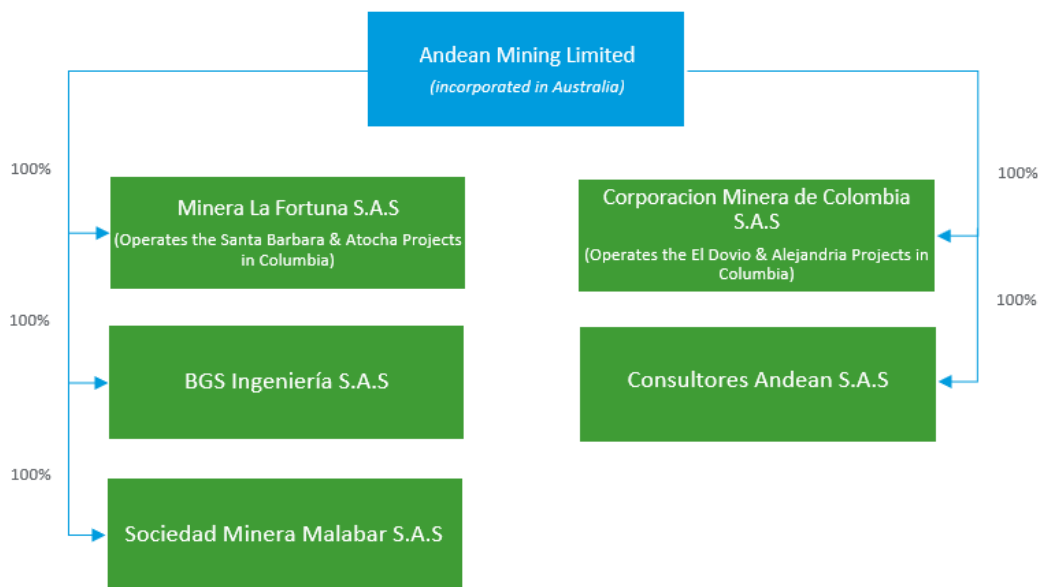
Name	Title	Experience
Mr Paul Anthony Ingram	Non-Executive Director	Mr Ingram is a geologist with extensive experience in managing major mineral exploration programmes throughout the world. He has designed and implemented innovative techniques for exploration in remote areas and has managed projects in countries such as Australia, US, and East Asia. His versatile skill set covers corporate management, technical expertise, and project evaluation, with a focus on achieving successful outcomes for challenging issues. With a career spanning over four decades in mineral exploration and development, Paul held the position of Managing Director in several publicly listed companies, including Menzies Gold Ltd, Caledon Resources PLC, and Polo Resources PLC. Presently, he serves on the Board of two ASX-listed companies, A-Cap Energy Limited (ASX: ACB) and Impact Minerals Limited (ASX: IPT).
Mr Warwick Grigor	Non-Executive Chairman	Mr Grigor brings more than 40 years of experience in Australian equity capital markets and the resources sector globally. In his early career, Mr Grigor was a mining analyst with stockbroking firms, most notably County NatWest Securities. More recently he has aligned himself with high net worth investors. A particular focus of recent years has been the interaction between technology, materials, and mining. At various times he has sat on mining company boards, the most notable ones being the uranium miner Peninsula Energy (ASX:PEN), the emerging gold producer West Wits Mining (ASX:WWI) and the graphene pioneer, First Graphene Resources (ASX:FGR). Mr Grigor is a graduate of the Australian National University, having completed degrees in law and economics.

Source: Andean website

3.3 Legal structure

The legal structure of Andean prior to the Offer is shown in the figure below.

Figure 2. Andean legal structure



Source: Management information

3.4 Projects overview

Santa Barbara Gold Project

The Santa Barbara Project is comprised of approximately 320ha strategically located in the core of a prolific gold camp on the northern tip of the Serranía de San Lucas, also known as the “richest gold belt” in Colombia.

Since 2015, more than US\$1.5m has been invested on the project by previous operators Malabar Gold Corp. (“**Malabar**”) and Baroyeca Gold & Silver Inc (“**Baroyeca**”), including acquisition costs, permitting, compliance, infrastructure, pilot plant construction and underground development.

Veins in the Santa Barbara area are characterised by quartz, minor carbonates, chlorite, and sericite. Sulphides range from 10% to almost 80%, with pyrite being the dominant sulphide (>50%).

In 2022, the previous operator, Baroyeca, completed engineering a pilot gold processing plant used for the treatment of the stockpiled bulk sample of gold from the Santa Barabara vein. The gold pilot processing plant is capable of processing the ore material from the veins, through two stages of crushing, two stages of milling, and cyanide leaching tanks. Pregnant leach solution is transferred to a precipitation tank and gold precipitate is obtained for on-site smelting.

The Santa Barbara Project aims to recommence production in late 2024. In order to operate in Colombia, Andean must obtain an approved Technical Operating Contract (“**PTO**”), Environmental Impact Assessment (“**EIA**”) and Social License. Andean has an approved PTO and Social License for the operation of a 50 tonnes per day mine and processing plant and is waiting for approval of the EIA. Andean are still able to perform exploratory mining while they await approval of the EIA.

El Dovio Project

The El Dovio Project is comprised of approximately 1,299ha located in El Dovio, central west Colombia. The project covers a gold rich polymetallic system that also contains significant copper, zinc, and silver mineralisation.

Andean has completed more than 3,000 meters of surface and underground diamond core drilling in the Sabana Blanca zone at El Dovio. Trenching and sampling has also identified mineralisation at the Granizales, Sopatrana, Silencio and Brazo 1 zones which require follow up surface exploration and diamond drilling.

The previous operator, Newrange, focused their work on the Sabana Blanca zone, drilling a total of 23 diamond holes between 2013 and 2014. Newrange conducted metallurgical test work on samples from Sabana Blanca, recording recoveries for gold, copper, silver, and zinc of 96.4%, 97.8%, 91.1% and 96.8%, respectively. Recent ore testing by Andean recorded recoveries for copper and zinc concentrates of approximately 95%, with 93.6% of gold and 86% of silver reporting into the copper concentrate.

Andean plan to undergo a diamond drilling program at Sabana Blanca, comprising of 42 drillholes for approximately 7,000m to test the extent of the mineralisation.

Atocha Project

The Atocha project covers a significant part of the colonial era Santa Ana-Frias-Mariquita primary silver district where mining records date to at least 1585. The Atocha project is approximately 2,585ha in northern Tolima. This area has had little to no previous exploration and lacks environmentally or culturally protected areas.

Veins in the district host silver (“**Ag**”) grades (<5 oz/t Ag) and small zones of high-grade ore (>15 oz/t Ag). Significant mineralisation (>50 oz/t Ag) has also been observed in some veins.

Previous work has been performed on the project by Baroyeca since 2021, with a focus on the La Ye vein zone. A total of 13 diamond holes have been drilled in the La Ye zone as part of an ongoing drill program.

According to Baroyeca, the identified Atocha structural corridor indicates the presence of at least 7 parallel vein systems/zones:

- NW Perrika-Cucharo;
- La Ye;
- Veta Grande-El Arroyo;
- El Erizo;
- Tavera-Las Guaduas;
- Veta Nueva-Jimenez North; and
- Jimenez Central.

Andean have planned a 5,000m diamond drilling program as part of the Atocha Project.

Andean tenure

Andean currently owns five mineral claims in Colombia, either directly or through their 100% owned subsidiaries, which permits Andean to explore or extract minerals from the land in specific areas specified under each tenement.

The table below summarises Andean's Tenements as at the date of this Report.

Table 5. Andean Tenements

Claim number	Project	Holder	Country	Expiry date
IEH-08441	El Dovio	Corporación Minera de Colombia S.A.S	Colombia	18/09/2043
IEH-08401	El Dovio	Corporación Minera de Colombia S.A.S	Colombia	23/08/2041
0-439C1	Santa Barabara	Minera La Fortuna S.A.S	Colombia	29/10/2036
IEV-16061	Santa Barabara	Luis Ángel Consuegra Tavera	Colombia	23/02/2041
HFL-151C1	Atocha	Minera La Fortuna S.A.S	Colombia	16/04/2040

Source: Management information

3.5 Financial performance

The table below sets out financial performance of Andean for the years ended 31 December 2021 ("CY21"), 31 December 2022 ("CY22"), and 31 December 2023 ("CY23").

Table 6. Andean historical financial performance

(\$'000)	CY21 <i>Audited</i>	CY22 <i>Audited</i>	CY23 <i>Management</i>
Total revenue	-	-	-
Operating expenses			
Administration expenses	(679)	(316)	(489)
Employee related expenses	(237)	(297)	(553)
Total operating expenses	(916)	(613)	(1,042)
EBITDA	(857)	(599)	(1,042)
Depreciation and amortisation	(3)	(4)	(46)
EBIT	(860)	(603)	(1,088)
Other income	59	14	7
Finance costs	(73)	(170)	(97)
Loss before income tax expense	(933)	(773)	(1,178)
Income tax expense	-	-	-
Loss after income tax for the year	(933)	(773)	(1,178)
Other comprehensive income			
Foreign currency gain/loss	(53)	(55)	216
Other comprehensive income for the year	(53)	(55)	216
Total comprehensive profit / (loss)	(986)	(828)	(962)

Source: Audited financial statements and Management accounts

We note the following in relation to Andean's historical financial performance:

- Andean's mining projects are currently in the early exploration stage and thus are not generating any revenue.
- Andean has generated a negative EBITDA over the historical period, in line with its pre-revenue stage development. In CY23, Andean had a negative EBITDA of \$1.2m.
- Other income relates to forex gains, interest revenue, and sundry income. Other income has decreased over the historical period, primarily due to reduced forex gains.

3.6 Financial position

The table below sets out the financial position of Andean as at 31 December 2021, 31 December 2022, and 31 December 2023.

Table 7. Andean historical financial position

(\$'000)	31-Dec-21 <i>Audited</i>	31-Dec-22 <i>Audited</i>	31-Dec-23 <i>Management</i>
Current assets			
Cash and cash equivalents	14	10	171
Trade and other receivables	75	14	37
Total current assets	89	24	208
Non-current assets			
Plant and equipment	71	63	293
Intangible assets	2	1	1
Exploration assets	1,991	1,975	3,783
Total non-current assets	2,064	2,039	4,076
Total assets	2,153	2,062	4,285
Current liabilities			
Trade and other payables	993	530	1,139
Borrowings	2,510	2,798	617
Total current liabilities	3,503	3,328	1,756
Non-current liabilities			
Deferred tax liabilities	16	16	8
Total non-current liabilities	16	16	8
Total liabilities	3,519	3,343	1,764
Net assets	(1,366)	(1,281)	2,520
Equity			
Contributed equity	1,872	2,785	7,547
Reserves	(62)	(68)	(87)
Accumulated losses	(3,175)	(3,997)	(4,940)
Total equity	(1,366)	(1,281)	2,520

Source: Audited financial statements and Management accounts

We note the following in relation to Andean's financial position:

Exploration assets of \$3.8m as at 31 December 2023 relates to the capitalised cost of Andean's exploration projects, inclusive of impairment.

The trade and other payables balance was \$1.1m as at 31 December 2023, primarily relating to related party payables and accrued expenses. Management noted that trade payables of \$624k were settled after 31 December 2023 by converting the balances to equity, which consisted of:

- \$99k of Director Loans and accrued interest;
- \$500k of Directors' Fees; and
- \$25k of other expenses.

Borrowings of \$617k as at 31 December 2023 predominately relates to director loans. Management noted borrowings of \$521k was settled after 31 December 2023 by converting these to equity, which related to a director's loan and accrued interest.

Contributed capital has increased between 31 December 2022 and 31 December 2023 through the following share issuances:

- Issue of 31,640,000 shares at a share price of \$0.08 per share on 16 January 2023 on the conversion of convertible notes;
- Issue of 22,170,000 shares at a share price of \$0.05 per share on 14 July 2023 to raise \$1.1m;
- Issue of 101,700 shares at a share price of \$0.08 per share on 21 July 2023 on conversion of convertible notes;
- Issue of 1,264,050 shares at a share price of \$0.02 per share on 31 July 2023 on conversion of convertible notes;
- Issue of 7,000,000 shares to Malabar Corp at a share price of \$0.05 per share on 7 September 2023 as consideration for the acquisition of the Santa Barabara and Atocha Projects;
- Issue of 10,000,000 shares at a share price of \$0.05 per share on 19 October 2023 to raise \$500k; and
- Issue of 2,000,000 shares at a share price of \$0.05 per share on 31 December 2023 to raise \$100k.

3.7 Capital structure

As at 31 December 2023 Andean had 117,356,123 ordinary shares on issue. Andean's total shares on issue will increase to 150,246,792 by the end of the Offer Period as set out in the table below.

Table 8. Andean share structure

	Shares	% Issued Share Capital
Andean shares on offer as at 31 December 2023	117,356,123	78.11%
Issue of shares to Directors on 29 February 2024	22,890,669	15.24%
Proposed issue of shares to Gregorarch Pty Ltd	10,000,000	6.66%
Total Andean Shares	150,246,792	100%

Source: Management accounts and Share Register

Andean issued 22,890,669 shares on 29 February 2024, in order to settle director related liabilities.

10,000,000 Andean shares are to be issued to Gregorarch Pty Ltd once the Offer becomes unconditional.

1,000,000 shares are to be issued to Malabar Gold Corp upon the transfer of mining concession IEFV-16061 to Minera La Fortuna S.A.S. Management does not expect the transfer of the mining concession and, therefore, does not expect the issue of 1,000,000 shares to Malabar to take place before the end of the Offer Period.

Andean does not have any outstanding convertible securities in issue or any other rights granted for the acquisition of Andean shares.

The Top 20 Shareholders in Andean as at the end of the Offer Period are set out in the table below.

Table 9. Andean top 20 shareholders

Rank	Name	Shares	% Issued Share Capital
1	GREGORACH PTY LTD ¹	17,441,738	11.61%
2	FINHILL CAPITAL PTY LTD	15,395,812	10.25%
3	MERRILL LYNCH (AUSTRALIA)	10,533,750	7.01%
4	TAWMII MANAGEMENT SERVICES	7,151,719	4.76%
5	MALABAR GOLD CORP	7,000,000	4.66%
6	WILLIAM J HOWE	5,288,903	3.52%
7	MJ & RL GREEN	4,517,480	3.01%
8	HAMMERFEST INVESTMENTS PTY LTD	3,683,007	2.45%
9	AYERS CAPITAL PTY LTD	3,220,869	2.14%
10	MINE PLANNING PTY LTD	3,000,000	2.00%
11	WILLIAM TAYLOR NOMINEES	3,000,000	2.00%
12	NEWRANGE GOLD CORP.	2,927,889	1.95%
13	KIRIN CORP PTY LTD	2,125,000	1.41%
14	RIMOYNE PTY LTD	2,123,600	1.41%
15	MAXWELL JAMES GREEN	2,012,024	1.34%
16	ANIKAVA PTY LTD	2,000,000	1.33%
17	FAR EAST CAPITAL LIMITED	2,000,000	1.33%
18	KITEBROOK PTY LTD	2,000,000	1.33%
19	PAUL INGRAM FAMILY TRUST	1,750,000	1.16%
20	TML ENTERPRISES PTY LTD	1,685,400	1.12%
Top 20 shareholders		98,857,191	65.80%
Other shareholders		51,389,601	34.20%
Total		150,246,792	100.00%

Note 1: Total shares are inclusive of the respective portion of the 10,000,000 shares to be issued once the Offer becomes unconditional.

4. Profile of Agua

4.1 Background

Overview

Agua is an ASX listed, multi-commodity resource company focused on the exploration and development of mineral resource projects in Brazil.

Agua was registered as a public company as Newport Mining Limited on 31 October 2007 under the Corporations Act. Agua was admitted to the official list of the ASX on 8 January 2008. Agua changed its name to Agua Resources Limited on 6 October 2010.

Agua has seven wholly owned subsidiaries, being Agua Mining Pty Ltd, Agua Phosphate Pty Ltd, Agua Potash Pty Ltd, Agua Copper Pty Ltd, Potassio do Atlantico Ltda, Agua Metals Ltda and Agua Rio Grance Mineracao Ltda.

Agua has two well advanced projects located in the State of Rio Grande do Sul, in southernmost Brazil, being:

- the Phosphate Project; and
- the Copper Project.

4.2 Directors and management

The directors and key management of Agua are summarised in the table below.

Table 10. Agua's Directors and Management

Name	Title	Experience
Ms Christina McGrath	Executive Director	Ms McGrath has over 30 years of experience in business in the corporate sector. She has had extensive experience as both a commercial lawyer and as an executive manager. Her senior executive management positions were in the retail and energy resources sectors and include a 10 year period at Coles Myer in both the corporate and supermarket divisions. Over a period of 10 years, Ms McGrath worked at KPMG Australia as a senior corporate advisor to a wide range of entities, including listed companies. Ms McGrath was instrumental in developing KPMG's approach to Corporate Governance globally and held a senior advisory position at KPMG's global headquarters in New York for several years.
Mr Benjamin Jarvis	Non-Executive Director	Mr Jarvis is an experienced company director in the small resources sector, predominately with companies that have operations in South America. He has been a non-executive director of Austral Gold Limited (ASX:AGD), a precious metals mining and exploration company focused in South America. He is also the non-executive chairman of Freehill Mining Limited (ASX:FHS), focused in Chile and non-executive director of QX Resources Limited (ASX:QXR), which has a portfolio of exploration assets in Australia.
Mr Martin McConnell	Non-Executive Director	Mr McConnell has over 40 years of experience in banking, insurance and advisory, having held management positions with several domestic and international banks. Mr McConnell was previously a Director with Grant Samuel, advising in the real estate and finance sectors. He is currently the Chief Executive Officer of the APRA licenced insurance company, Assetinsure Pty Ltd. Mr McConnell was instrumental in establishing the credit risk insurance business at Assetinsure which supports banks on a global basis through participation in project finance and other institutional loans, in sectors such as mining, oil and gas, real estate, healthcare, renewables, shipping and aviation.

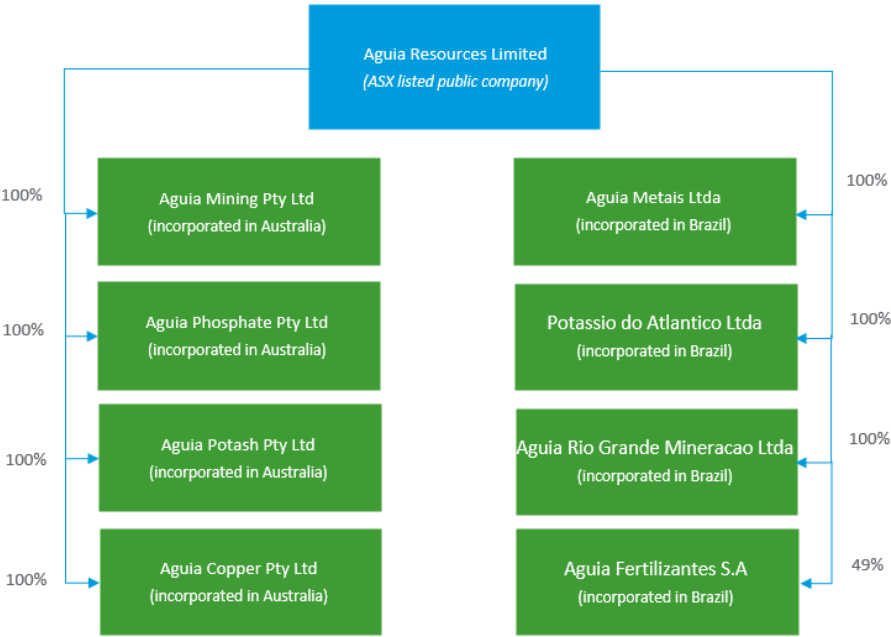
Mr Warwick Grigor	Non-Executive Chairman	Mr Grigor brings more than 40 years of experience in Australian equity capital markets and the resources sector globally. In his early career, Mr Grigor was a mining analyst with stockbroking firms, most notably County NatWest Securities. More recently he has aligned himself with high net worth investors. A particular focus of recent years has been the interaction between technology, materials, and mining. At various times he has sat on mining company boards, the most notable ones being the uranium miner Peninsula Energy (ASX:PEN), the emerging gold producer West Wits Mining (ASX:WWI) and the graphene pioneer, First Graphene Resources (ASX:FGR). Mr Grigor is a graduate of the Australian National University, having completed degrees in law and economics.
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Source: Agüia FY23 Financial Report and Agüia website

4.3 Legal structure

The current legal structure of Agüia is shown in the figure below.

Figure 2. Agüia legal structure



Source: Management information

4.4 Project Overview

Phosphate Project

Agua's Tres Estradas phosphate project ("**TEPP**"), located in Rio Grande do Sul Brazil, has not yet commenced. The project has received a construction permit, however Agua is unable to commence construction due to a Public Civil Action ("**PCA**") ruling against Agua by the Federal Public Prosecutor's Office ("**FPPO**") in 2021. We understand that settlement negotiations are still ongoing. The PCA is based on the following grounds:

- A traditional community of family ranchers present on the land affected by the TEPP was not consulted and did not provide prior, free, and informed consent;
- A second public hearing should have been held to address people in the Municipality of Dom Pedrito and in the Torquato Servero district, as these locations will be affected by the TEPP; and
- Technical discrepancies in the EIA presented to the Rio Grande do Sul State Environmental Agency ("**FEPAM**").

Agua has developed an organic phosphate product, Pampafos, as an alternative to chemical phosphate. The Company is currently entering into purchase orders with farmers. Agua is planning to produce 306k tonnes of Pampafos per annum from the site.

All listed companies under the Australian Securities Exchange must adhere to the Joint Ore Reserve Committee Code ("**JORC Code**"), a professional code of practice that sets minimum standards for Public Reporting of minerals exploration results, mineral resources, and ore reserves. The project has a JORC-compliant Measured and Indicated Resource of 83Mt grading at 4.11% P2O5 and another 21.8Mt grading at 3.6% P2O5 of Inferred Resource.

Additionally, Agua also has a phosphate resource known as the Joca Tavares Project located 41km to the south east from the current Phosphate project. The Joca Tavares Project has a JORC-compliant Measured and Indicated Resource of 2.75Mt grading at 4.37% P2O5.

Copper Project

Agua's copper project is located in Rio Grande do Sul in Brazil. The key characteristic of Agua's Copper Project is that it contains chalcocite as the dominant copper species, which is relatively uncommon. Chalcocite Ore allows the copper to be separated from the ore by heap leaching, which is a relatively cheap form of copper extraction.

The project has a JORC-compliant Measured and Indicated Resource of 22.6Mt grading at 0.43% Copper ("**Cu**") and 2.11 g/t Ag and another 3.0Mt grading at 0.43% Cu and 1.85 g/t Ag of Inferred Resource.

The project is currently in the environmental planning stage as Agua evaluate alternative and environmentally sustainable methods of heap leaching.

Agua currently holds significant copper assets, including 1,550 square kilometres of copper tenements and 11 satellite copper targets. Agua plans to drill 11 target areas in the area of Rio Grand do Sul as part of the Copper Project.

In 2019, Agua purchased the copper claims from Referencial Geologica, a private Brazilian company, who had previously drilled 38 diamond holes in the area of Rio Grande do Sul between 2009 and 2010. Between 2020 and 2023, Agua drilled an additional 27 holes. No further drilling is necessary for the project.

Other Projects

Agua holds 4 tenements over its Lucena project, however Agua has fully impaired the project in its financial statements.

Agua have also made application for two exploration tenements in Brazil, which are yet to be granted.

4.5 Financial performance

The table below sets out the financial performance of Aguaia for the years ended 30 June 2021 ("FY21"), 30 June 2022 ("FY22"), 30 June 2023 ("FY23"), and the 6 months ended 31 December 2023 ("YTD-Dec24").

Table 11. Aguaia's Historical Financial Performance

(\$'000)	FY21 <i>Audited</i>	FY22 <i>Audited</i>	FY23 <i>Audited</i>	YTD-Dec24 <i>Management</i>
Total revenue	-	-	-	-
Operating expenses				
Employee related expense	(48)	(62)	(73)	(32)
Share based payments	(325)	(546)	(518)	(71)
Impairment expense	(9,096)	-	-	-
Corporate expenses	(670)	(750)	(780)	(257)
Business development costs	(253)	(248)	(440)	(206)
Professional fees	(198)	(137)	(141)	(141)
Administration expenses	(296)	(260)	(337)	(116)
Total operating expenses	(10,887)	(2,003)	(2,288)	(824)
Other income	43	-	-	-
EBITDA	(10,845)	(2,003)	(2,288)	(824)
Depreciation and amortisation	(4)	(8)	(9)	(5)
EBIT	(10,842)	(1,856)	(2,237)	(829)
Interest revenue	7	155	60	4
Loss before income tax for the year	(10,842)	(1,856)	(2,237)	(826)
Income tax expense	-	-	-	-
Loss after income tax for the year	(10,842)	(1,856)	(2,237)	(826)
Other comprehensive income				
Foreign currency gain / loss	216	1,345	2,854	(719)
Other comprehensive income for the year	216	1,345	2,854	(719)
Total comprehensive profit / (loss)	(10,626)	(511)	617	(1,545)

Source: Audited financial statements and Management accounts

We note the following in relation to Aguaia's financial performance:

- Share based payments relate to the issue of share options.
- Impairment expenses in FY21 relates to the Lucena Project, which has been fully impaired as at 31 December 2021.
- Other income in FY21 relates to the Australian Government's COVID-19 Cash Flow Boost Incentive.
- Aguaia has historically had a negative EBITDA, as its projects are still in the exploration phase. For the 6 months ended 31 December 2023, Aguaia recorded a negative EBITDA of \$824k.

4.6 Financial position

The table below sets out the financial position of Agüa as at 30 June 2021, 30 June 2022, 30 June 2023, and 31 December 2023 ("YTD-Dec24").

Table 12. Agüa historical financial position

(\$'000)	30-Jun-21 <i>Audited</i>	30-Jun-22 <i>Audited</i>	30-Jun-23 <i>Reviewed</i>	31-Dec-23 <i>Management</i>
Current assets				
Cash and cash equivalents	4,298	3,726	438	625
Trade and other receivables	53	41	82	85
Prepayments	34	47	86	127
Total current assets	4,385	3,814	605	837
Non-current assets				
Property, plant & equipment	1,682	1,846	2,157	2,100
Exploration assets	24,137	26,723	31,572	31,265
Total non-current assets	25,820	28,569	33,729	33,365
Total assets	30,205	32,383	34,334	34,203
Current liabilities				
Trade and other payables	1,485	731	257	628
Advances of future capital increases	591	-	-	-
Total current liabilities	2,076	731	257	628
Total liabilities	2,076	731	257	628
Net assets	28,129	31,652	34,077	33,574
Equity				
Issued capital	118,101	121,859	123,308	124,278
Reserves	(10,189)	(8,568)	(5,354)	(6,001)
Retained earnings	(79,783)	(81,639)	(83,876)	(84,702)
Total equity	28,129	31,652	34,077	33,574

Source: Audited financial statements and Management accounts

We note the following in respect to Agüa's financial position:

- Property, plant, and equipment relates to freehold land and other equipment, with a total book value of \$2.1m as at 31 December 2023.
- The exploration assets balance of \$31.3m relates to the capitalised cost of the Copper and Phosphate Projects in Brazil, after impairment.
- The trade and other payables balance of \$628k as at 31 December 2023 includes trade payables, accrued expenses and other payables.
- Agüa had a net asset value of \$28.1m, \$31.7m, \$34.1m and \$33.6m as at 30 June 2021, 30 June 2022, 30 June 2023, and 31 December 2023, respectively.

4.7 Capital Structure

Aguia (ASX:AGR) had a market capitalisation of \$9.3m, with 579,486,196 shares on issue trading at \$0.016 as at 8 March 2024, as set out in the table below:

Table 13. Aguia share structure

	Shares	% Issued Share Capital
Aguia Shares as at 31 December 2023	505,480,888	87.23%
Issue of shortfall shares	73,200,951	12.63%
Issue of ordinary shares	804,357	0.14%
Total Aguia shares Prior to the Offer	579,486,196	100%

Source: Aguia FY23 Annual Report and Aguia ASX Announcements

Aguia completed a placement with the issue of 73,200,951 Aguia shortfall shares on 25 January 2024.

Aguia issued a total of 804,357 shares on 5 February 2024 as compensation for consulting services.

The Top 20 Shareholders in Aguia as at 29 February 2024 are set out in the table below.

Table 14. Aguia top 20 shareholders

Rank	Name	Total Units	% Issued Share Capital
1	RMH FAMILY NOMINEE PTY LTD	16,347,879	2.82%
2	SILVERBACK TRAILERS PTY LTD	15,222,222	2.63%
3	AYERS CAPITAL PTY LTD	13,527,248	2.33%
4	TDD GROUP PTY LTD	13,191,504	2.28%
5	ST EVAL PTY LTD	13,000,000	2.24%
6	COOPSTER PTY LIMITED	12,595,625	2.17%
7	CITICORP NOMINEES PTY LIMITED	11,129,317	1.92%
8	TEMPEST DAWN PTY LIMITED	8,544,779	1.47%
9	CLUTTERBUCK SF PTY LTD	7,641,993	1.32%
10	FOWLMERE PTY LTD	7,500,000	1.29%
11	MR GEOFFREY KEITH ROBINSON & MRS BRONWEN ROBINSON	7,453,902	1.29%
12	WJF SUPER PTY LTD	7,308,480	1.26%
13	MR DAVID SHEARWOOD & MR HARRY SHEARWOOD	6,932,219	1.20%
14	DIAMED SUPER PTY LTD	6,918,925	1.19%
15	SERLETT PTY LTD	6,389,162	1.10%
16	ATATURK INVESTMENTS PTY LTD	6,238,073	1.08%
17	JANNAH ENTERPRISES PTY LTD	6,234,000	1.08%
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,160,828	1.06%
19	BNP PARIBAS NOMINEES PTY LTD ACE CLEARSTREAM	5,630,536	0.97%
20	CHILLI SF PTY LTD	5,195,000	0.90%
Top 20 shareholders		183,161,692	31.61%
Other shareholders		396,324,504	68.39%
Total		579,486,196	100.00%

Source: Aguia FY23 Annual Report and Aguia ASX Announcements

Aguia also has an aggregate of 34,500,000 unlisted share options on issue, as summarised in the table below:

Table 15. Summary of options on issue

Option holders	Issue date	Expiration date	Strike price	Number of options
Fernando Tallarico, Christina McGrath, and Martin McConnel	20-Nov-20	20-Nov-25	\$0.10	7,000,000
David Carland	2-Jul-21	20-Nov-25	\$0.10	1,500,000
Fernando Tallarico, Christina McGrath, and Martin McConnel	30-Nov-21	30-Nov-26	\$0.10	9,500,000
Management team	24-Apr-22	30-Nov-26	\$0.10	9,000,000
Lynx Advisors Pty Ltd	9-Feb-24	29-Jul-25	\$0.02	2,500,000
Lynx Advisors Pty Ltd	9-Feb-24	29-Jan-27	\$0.05	5,000,000
Total				34,500,000

Source: Management information, ASX announcements

Aguia issued 27,000,000 options to its directors and management team over the period 20 November 2020 to 24 April 2024, each with an exercise price of \$0.10. These options have expiration dates of 20 November 2025 and 20 November 2026. The vesting for these options is subject to the successful completion and subsequent opening of the TEPP mine, which is currently subject to a Public Civil Action (as discussed above).

Aguia issued a total of 7,500,000 options to Lynx Advisors (Pty) Ltd, following the successful completion of the placement on 25 January 2024. Of the 7,500,000 options issued to Lynx Advisors (Pty) Ltd, 2,500,000 options have a strike price of \$0.02 with an expiration date of 29 July 2025 and 5,000,000 options have a strike price of \$0.05 with an expiration date of 29 July 2027.

The table below sets out a summary of the capital structure of Agua prior to and post the Offer on a fully diluted basis:

Table 16. Diluted Share Structure of Agua following the Offer

	Prior to Offer		Post Offer	
Shares on issue				
Shareholders	579,486,196	100.0%	1,030,226,572	99.7%
Malabar Gold Corp	-	0.0%	3,000,000	0.3%
Total Shares	579,486,196	100%	1,033,226,572	100%
Options				
Shareholder options	27,000,000	78.3%	27,000,000	78.3%
Lynx Advisors options	7,500,000	21.7%	7,500,000	21.7%
Total Options	34,500,000	100%	34,500,000	100%
Fully Diluted Position:				
Shareholders	606,486,196	98.8%	1,057,226,572	99.0%
Malabar Gold Corp	-	0.0%	3,000,000	0.3%
Lynx Advisors shareholder options	7,500,000	1.2%	7,500,000	0.7%
Total Diluted shares	613,986,196	100%	1,067,726,572	100%

Source: Management information and RSM analysis

As consideration for the Offer, Agua will issue approximately 450,740,376 new Agua shares (three (3) Agua shares for each one (1) Andean share on issue).

Andean has agreed to issue 1,000,000 shares to Malabar upon the transfer of mining concession IEFV-16061 to Minera La Fortuna S.A.S. Management does not expect this to be completed before completion of the Offer. Therefore, Agua has agreed to issue 3,000,000 Agua shares to Malabar, based on the Offer consideration of three (3) Agua shares for each (1) Andean share.

4.8 Share Price Performance

A summary of Agua's recent share price movement is set out in the figure below.

Figure 4. Historical share price performance of Agua



Source: S&P Capital IQ

Over the period from 8 January 2023 to 8 March 2024, Agua shares traded at a high of \$0.065 and a low of \$0.012.

The table below sets out a summary of the recent announcements made by Agua.

Table 17. Agua selected announcements

Ref	Date	Commentary
1	27/01/2023	Agua announced that a non-refundable government grant of approximately \$570k was received to help fund their work on green copper processing technologies. The grant was rewarded by FINEP (Study and Project Funding Agency), part of the Brazilian Ministry of Science and Technology's Research.
2	03/02/2023	Agua provided further details on the PCA regarding the environmental licensing for the Phosphate project. Agua is negotiating a settlement with the parties involved in order to close the lawsuit in a timely matter.
3	20/02/2023	On 20 February 2023, Agua announced a trading halt at their own request. Agua resumed trading on 22 February 2023 following the completion of a private placement, raising approximately \$1.4m at \$0.045 per share.
4	06/09/2023	Agua announced another trading halt at their request. The Company also announced the resignation of Managing Director, Dr Fernando Tallarico, and the appointment of Mr Benjamin Jarvis as Non-Executive Director. Ms Christina McGrath was appointed to act as interim Managing Director until a new Managing Director is appointed.
5	19/09/2023	Agua announced the appointment of Mr Warwick Grigor as Non-Executive Chairman.
6	27/09/2023	Agua announced the completion of a private placement which raised approximately \$500k at \$0.0145 per share. The Company also proposed a Non-Renounceable Entitlement Offer to existing shareholders for 1 share for every 4 shares held, at \$0.0145 per share, to raise up to an additional \$1.6m.
7	22/12/2023	Agua announced the proposed takeover offer for gold focused mining and exploration company, Andean Mining Limited.
8	31/01/2024	As of 31 January 2024, the share price of Agua traded at \$0.015 per share.
9	21/02/2024	Agua released their Bidder's Statement in relation to the Takeover Offer for Andean Limited.

Source: Agua ASX Announcements

5. Valuation Approach

5.1 Valuation methodologies

RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:

- the discounted cash flow (“**DCF**”) method and the estimated realisable value of any surplus assets;
- the application of earnings multiples to the estimated future maintainable earnings added to the estimated realisable value of any surplus assets;
- the amount which would be available for distribution on an orderly realisation of assets;
- the quoted price for listed securities; and
- any recent genuine offers received.

We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

Market based methods

Market based methods estimate the fair value by considering the market value of a company’s securities or the market value of comparable companies. Market based methods include;

- the quoted price for listed securities; and
- industry specific methods.

The recent quoted price for listed securities method provides evidence of the fair value of a company’s securities where they are publicly traded in an informed and liquid market.

Industry specific methods usually involve the use of industry rules of thumb to estimate the fair value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair value of a company than other market-based valuation methods because they may not account for company specific risks and factors.

Income based methods

Income based methods estimate value by calculating the present value of a company’s estimated future stream of earnings or cash flows. Income based methods include:

- discounted cash flow; and
- capitalisation of future maintainable earnings.

The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company’s cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

The capitalisation of future maintainable earnings is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings (“**FME**”) of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable listed companies.

Asset based methods

Asset based methodologies estimate the fair value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- orderly realisation of assets method;
- liquidation of assets method; and
- net assets on a going concern basis.

The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.

The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method will result in a value that is lower than the orderly realisation of assets method and is appropriate for companies in financial distress or where a company is not valued on a going concern basis.

The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs. Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

5.2 Valuation of interests in mining assets

Valuation and Resource Management Pty Ltd ("**VRM**") has prepared an independent specialist report ("**ISR**") comprising an independent technical assessment and valuation of the Andean and Agüa's exploration assets.

For the purpose of this Report, we have relied upon the valuation of Andean's and Agüa's exploration assets provided by VRM in our assessment of the valuation of Andean and Agüa. A copy of the ISR is set out in Appendix F.

5.3 Selection of valuation methodologies

Valuation of an Andean share prior to the Offer

In valuing a Share in Andean prior to the Offer we have utilised the net assets on a going concern methodology and relied upon the net book value of assets and liabilities as set out in Andean's unaudited statement of financial position as at 31 December 2023, together with the Fair Value of Andean's exploration assets as assessed by VRM in the Independent Technical Assessment and Valuation Report ("**VRM Report**") (refer Appendix F) and adjustments for material transactions impacting the net asset position of Andean between 31 December 2023 and the date of this Report.

We have assessed the Fair Value of an Andean Share prior to the Offer on a controlling basis. The net assets on a going concern methodology applied presents the value of a controlling shareholding. Accordingly, we consider no further premium is considered necessary to assess the value of an Andean Share prior to the Offer on a control basis.

As a secondary methodology, we have considered the market-based methodology, utilising pre-announcement issuances of ordinary shares by Andean.

We have not applied any other secondary valuation methodologies on the following basis:

- VRM has applied appropriate market, income, and cost approaches in valuing the projects of Andean and Aguia in accordance with the VALMIN Code. Hence these methodologies have already been considered in our primary valuation approach; and
- Andean's Shares are not listed or traded on the ASX or any other exchange, hence the quoted market price approach is not suitable for the valuation of Andean.

As mentioned in Section 6 of this Report, we have not relied on the selected secondary valuation methodology (market based approach) in assessing the Fair Value of a Share in Andean prior to the Offer, for the reasons detailed in that section. Accordingly our opinion has been based exclusively on a single valuation methodology, being the net assets on a going concern methodology. Non-Associated Shareholders should be aware that the use of a single valuation methodology increases the risk that our opinion is distorted based on our choice of methodology.

Valuation of Aguia Resources Limited

In order to assess the Fair Value of the Combined Group immediately following the Offer, it is necessary to assess the Fair Value of a 100% equity interest in Aguia.

We have adopted the net assets on a going concern basis as our primary methodology in our valuation of an Aguia share. We have relied upon the net book value of assets and liabilities as set out in Aguia's unaudited statement of financial position as at 31 December 2023, together with the Fair Value of Aguia's exploration assets as assessed by VRM in the VRM Report (refer Appendix F) and adjustments for material transactions impacting the net asset position of Aguia between 31 December 2023 and the date of this Report.

As a secondary methodology, we have adopted the quoted market share price methodology, utilising the pre-announcement pricing of Aguia to remove any impact caused by the announcement of the Offer.

Valuation of the Combined Group

In assessing the Fair Value of the Combined Group, we have assessed the value of Aguia immediately following the Offer utilising a sum-of-the-parts approach, based on the Fair Value of Andean and Aguia assessed on a net assets on a going concern basis (as discussed above).

As a secondary methodology, we have chosen the quoted market share price methodology, utilising post-announcement pricing of Aguia.

In accordance with RG 111, we have assessed the value of the Combined Group on a minority interest basis as Andean Shareholders accepting the Offer will become minority holders (on an individual shareholder basis) of shares in Aguia.

6. Valuation of Andean Mining Limited prior to the Offer

As stated in Section 5 of this Report, we have assessed the value of Andean prior to the Offer using the net assets on a going concern and a market based methodology, but have relied on the net assets approach as our primary and only methodology.

6.1 Net assets on a Going Concern Basis methodology

Our assessment of the Fair Value of Andean's net assets is shown in the table below, based on the unaudited financial position of the Company as at 31 December 2023, adjusted for material transactions (largely relating to trade and other payables, borrowings and equity) that occurred after 31 December 2023 and to reflect the Fair Value of the exploration assets, as valued by VRM.

Table 18. Assessed Fair Value per share of Andean on a Net Assets Basis prior to the Offer (controlling basis)

(\$'000)	31-Dec-23	Adjustments			Assessed value		
	Mgmt	Low	High	Preferred	Low	High	Preferred
Current assets							
Cash and cash equivalents	171	160	160	160	171	171	171
Trade and other receivables	37	-	-	-	37	37	37
Total current assets	208	160	160	160	208	208	208
Non-current assets							
Plant and equipment	293	-	-	-	293	293	293
Intangible assets	1	-	-	-	1	1	1
Exploration assets	3,783	(2,135)	1,825	(155)	1,550	5,510	3,530
Total non-current assets	4,076	(2,135)	1,825	(155)	1,843	5,803	3,823
Total assets	4,285	(1,975)	1,985	5	2,212	6,172	4,192
Current liabilities							
Trade and other payables	1,139	(624)	(624)	(624)	515	515	515
Borrowings	617	(361)	(361)	(361)	256	256	256
Total current liabilities	1,756	(985)	(985)	(985)	771	771	771
Non-current liabilities							
Deferred tax liabilities	8	-	-	-	8	8	8
Total non-current liabilities	8	-	-	-	8	8	8
Total liabilities	1,764	(985)	(985)	(985)	780	780	780
Net assets	2,520	(991)	2,969	989	1,432	5,392	3,412
Number of Shares on issue ('000)	117,356	32,891	32,891	32,891	150,247	150,247	150,247
Assessed Fair Value per Share (controlling basis)	\$0.021				\$0.010	\$0.036	\$0.023

Source: Management information and RSM analysis

VRM has assessed the Market Value of the exploration assets of Andean to be in the range of \$1.6m to \$5.5m, with a preferred value of \$3.5m. We set out in the table below a summary of the assessed Market Value of Andean's exploration potential as extracted from the VRM Report (refer Appendix F).

Table 19. Assessed value of Andean's exploration assets

\$'000	Low	High	Preferred
Santa Barbara	930	3,730	2,330
Atocha	230	700	470
El Dovio	390	1,080	730
Total	1,550	5,510	3,530

Source: VRM Report titled "Independent Technical Assessment and Valuation Report on the Mineral Assets of Andean Mining Limited and Agua Resources Limited", dated 12 March 2024

In assessing the Market Value of the exploration assets, VRM has utilised the following methodologies to value the Santa Barbata, Atocha, and El Dovio projects:

- Geoscientific methodology (primary method); and
- Comparable transactions methodology (supporting method).

The trade and other payables balance has been adjusted by \$624k in relation to the following material transactions completed post 31 December 2023:

- Debt to equity conversion of Director loans of \$99k;
- Settlement of Director fees of \$500k; and
- Settlement of expenses of \$25k.

The \$361k adjustment to borrowings relates to the settlement of \$521k of Director loans and the receipt of a \$160k loan from Aguaia (with a corresponding increase in cash).

6.2 Market based methodology

In order to provide a comparison and cross check to our net assets on a going concern valuation of Andean, we have considered the recent issue of shares in Andean prior to the Offer. In assessing the reasonability of the Fair Value of an Andean Share prior to the Offer based on recent share issuances, we have had regard to factors we consider relevant in the circumstances (as set out below).

Contributed capital has increased between 31 December 2022 and 31 December 2023 through the following share issuances:

- Issue of 31,640,000 shares at a share price of \$0.08 per share on 16 January 2023 on the conversion of convertible notes;
- Issue of 22,170,000 shares at a share price of \$0.05 per share on 14 July 2023 to raise \$1.1m;
- Issue of 101,700 shares at a share price of \$0.08 per share on 21 July 2023 on conversion of convertible notes;
- Issue of 1,264,050 shares at a share price of \$0.02 per share on 31 July 2023 on conversion of convertible notes;
- Issue of 7,000,000 shares to Malabar Corp at a share price of \$0.05 per share on 7 September 2023, as consideration for the acquisition of the Santa Barabara and Atocha Projects;
- Issue of 10,000,000 shares at a share price of \$0.05 per share on 19 October 2023 to raise \$500k; and
- Issue of 2,000,000 shares at a share price of \$0.05 per share on 31 December 2023 to raise \$100k.

Since 31 December 2023, Andean has issued the following additional share capital in order to settle outstanding debt and liabilities payable to directors or related parties, all at an implied share price of \$0.05 per Andean Share:

- 10,524,730 shares issued to Finhill Capital Pty Ltd which was used to settle its outstanding liabilities (including accrued interest) of \$526,236 since the IPO listing was withdrawn;
- 3,000,000 shares issued to William Howe to settle fees payable of \$150k for the period 1 July to 31 December 2023;
- 496,082 shares issued to William Howe to reimburse his funding of the 2023 Directors & Officers insurance policy;
- 642,636 shares issued to James Green which was used to settle its outstanding liabilities (including accrued interest) of \$32k since the IPO listing was withdrawn;
- 2,500,000 shares issued to RL & MJ Green upon receipt of \$125k; and
- 1,000,000 shares issued to Paul Ingram Family Trust Pty Ltd to settle fees payable of \$50k for period 1 July to 31 December 2023.

We note that the valuation range assessed using the Net Assets on a Going Concern Methodology (being \$0.010 to \$0.036 with a preferred valuation of \$0.023) is significantly lower than the recent share issuances which occurred at a share price of \$0.05 per Andean Share and represented issues of minority parcels of shares.

We consider the significantly lower values assessed under the Net Assets on a Going Concern Methodology to be primarily due to the inherent difficulty in the valuation of early-stage development mining tenements in prospective geographies, with the market price reflecting higher expectations of investors of the prospectivity of Andean's current portfolio of exploration assets than reflected in the technical valuations undertaken by VRM.

Having regard to the inherent difficulty in the valuation of early-stage development mining tenements, we consider that the valuation of Andean utilising the Net Assets on a Going Concern Methodology is a more reliable indicator of the Fair Value of an Andean share since it is based on a technical review and valuation of Andean's exploration assets conducted by a specialist.

Therefore, we have assessed the Fair Value of an Andean share on a controlling basis exclusively using the Net Assets on a Going Concern Methodology.

6.3 Valuation summary and conclusion

Premium for control

Obtaining control of an entity usually provides the acquirer with a number of advantages including the following:

- access to potential synergies;
- control over decision making and strategic direction;
- access to underlying cash flows; and
- control over dividend policies.

In the case of publicly traded securities, given the advantages control of an entity provides an acquirer, they are usually expected to pay a premium to the quoted market price to achieve control, which is often referred to as a control premium. Consequently, earnings multiples for listed companies do not reflect the market value of a controlling interest in the company as they are derived from market prices which usually represent the buying and selling of non-controlling portfolio holdings (small parcels of shares).

The net assets on a going concern methodology applied represents the value of a controlling shareholding. As the Offer represents a control transaction, no further premium is considered necessary to assess the value of Andean prior to the Offer.

A summary of our assessed value of an Andean share on a controlling basis prior to the implementation of the Offer, is set out below.

Table 20. Assessed Value of Andean Share on a Net Assets on a Going Concern Basis prior to the Offer (controlling basis)

	Low	High	Preferred
Net assets on a going concern method (controlling basis)	1,432	5,392	3,412
Shares outstanding ('000)	150,247	150,247	150,247
Assessed Fair Value of an Andean Share prior to the Offer (controlling interest)	\$0.010	\$0.036	\$0.023

Source: RSM analysis

We have relied upon the net assets on a going concern basis as our primary methodology.

We have assessed the value of 100% of the ordinary shares in Andean on a controlling basis to be in the range of \$1.4m to \$5.4m with a preferred mid-point value of \$3.4m.

We have assessed the value of an Andean share on a controlling basis to be in the range of \$0.010 to \$0.036 with a preferred mid-point value of \$0.023.

7. Valuation of Aguia Resources Limited

7.1 Net assets on a Going Concern Basis methodology

Aguia is offering Andean Shareholders three (3) Aguia shares for every one (1) Andean share in consideration for 100% of the issued shares in Andean. In order to assess the fairness of the Offer, we need to assess the Fair Value of the Combined Group, which requires the assessment of the Fair Value of a 100% equity interest in Aguia.

As stated in Section 5, we have utilised the net assets on a going concern methodology as our primary methodology in assessing the value of Aguia.

As a secondary method, we have also considered the quoted price of listed securities methodology.

Our assessment of the Fair Value of Aguia's net assets is shown in the table below, based on the unaudited financial position of Aguia as of 31 December 2023, adjusted for material transactions (largely relating to cash, trade and other payables and equity) that occurred after 31 December 2023, and to reflect the Fair Value of the exploration assets as valued by VRM.

Table 21. Summary of the value of Aguia's net assets

(\$'000)	31-Dec-23	Adjustments			Assessed Value		
	Mgmt	Low	High	Preferred	Low	High	Preferred
Current assets							
Cash and cash equivalents	625	876	876	876	1,502	1,502	1,502
Trade and other receivables	85	-	-	-	85	85	85
Loan receivable (Andean)	-	160	160	160	160	160	160
Prepayments	127	-	-	-	127	127	127
Total current assets	837	1,036	1,036	1,036	1,874	1,874	1,874
Non-current assets							
Property, plant & equipment	2,100	-	-	-	2,100	2,100	2,100
Exploration assets	31,265	(25,815)	(17,285)	(21,555)	5,450	13,980	9,710
Total non-current assets	33,365	(25,815)	(17,285)	(21,555)	7,550	16,080	11,810
Total assets	34,203	(24,778)	(16,248)	(20,518)	9,424	17,954	13,684
Current liabilities							
Trade and other payables	628	-	-	-	628	628	628
Dilutionary impact of options on issue	-	46	46	46	46	46	46
Borrowings	-	-	-	-	-	-	-
Total current liabilities	628	-	46	46	674	674	674
Total liabilities	628	-	46	46	674	674	674
Net assets	33,574	(24,778)	(16,295)	(20,565)	8,750	17,280	13,010
Number of Shares on issue ('000)	505,481	74,005	74,005	74,005	579,486	579,486	579,486
Assessed Fair Value per Share (controlling basis)	\$0.066				\$0.015	\$0.030	0.022
Discount for lack of control					\$(0.004)	\$(0.007)	\$(0.006)
Assessed Fair Value per Share (minority basis)					\$0.011	\$0.023	\$0.017

Source: Management information and RSM analysis

Aguia has completed the following issue of shares since 31 December 2023:

- 73,200,951 ordinary Aguia shares on 29 January 2024, at a share price of \$0.014; and
- 804,357 ordinary Aguia shares on 6 February 2024, at a share price of \$0.014,

for a total cash consideration of \$1.0m. The cash balance has been reduced by the \$160k loan extended to Andean, as discussed below.

VRM has assessed the Market Value of the exploration assets of Andean to be in the range of \$5.4m to \$14.0m, with a preferred value of \$9.7m. We set out in the table below a summary of the assessed Market Value of Aguiá's exploration assets as extracted from the VRM Report (refer Appendix F).

Table 22. Assessed Value of Aguiá's exploration assets

\$'000	Low	High	Preferred
Rio Grande Phosphate	4,610	10,450	7,530
Rio Grande Copper	820	3,450	2,130
Other projects	20	80	50
Total	5,450	13,980	9,710

Source: VRM Report titled "Independent Technical Assessment and Valuation Report on the Mineral Assets of Andean Mining Limited and Aguiá Resources Limited", dated 12 March 2024

In assessing the Market Value of the exploration assets, VRM has utilised the following methodologies to value the Rio Grande Phosphate Project and the Rio Grande Copper Project:

- Comparable transactions methodology; and
- Geoscientific methodology.

Aguiá extended a loan of \$160k to Andean after 31 December 2023. We have adjusted Aguiá's financial position to reflect the loan receivable.

Options on issue

At the date of this Report, Aguiá had 34,500,000 options on issue, of which 27,000,000 are subject to hurdle vesting conditions, specifically the successful completion and subsequent opening of the TEPP mine, which is currently subject to Public Civil Action. Accordingly, the dilutionary impact of the options subject to vesting hurdle conditions are considered immaterial. We have included the dilutionary impact of the remaining 7,500,000 options which are not subject a hurdle vesting condition, being the options issued to Lynx Advisors, in our assessment of the Fair Value of a Aguiá share prior to the Offer. Details of the assumptions and inputs we have used to value the potential dilutionary impact of the options is set out in Appendix E.

Minority interest discount

The net assets on a going concern methodology applied represents the value of a controlling shareholding. Accordingly, we have applied a discount for minority interest in our assessment of the value of an Aguiá Share prior to the Offer.

RSM has conducted a study on 605 takeovers and schemes of arrangements involving companies listed on ASX over the 15.5 years ended 31 December 2020 ("**RSM Control Premium Study 2021**"). In determining the control premium, RSM compared the Offer price to the closing trading price of the target company 20, 5 and 2 trading days pre the date of the announcement of the Offer. Where the consideration included shares in the acquiring company, RSM used the closing share price of the acquiring company on the day prior to the date of the Offer.

The table below sets out a summary of average control premiums of the RSM Control Premium Study.

Table 236. RSM Control Premiums

	Number of transactions	20 days pre	5 days pre	2 days pre
Average control premium – all industries	605	34.7%	29.2%	27.1%
Average – Metals & Mining	161	36.6%	32.5%	29.8%

Source: RSM Control Premium Study 2021

In valuing an Aguiá share prior to the Offer, and having regard to Aguiá's gearing structure, we consider that a premium for control of between 30% to 35% would be reflective of the Aguiá's operations.

A discount to reflect a minority interest in an entity is the inverse of a control premium. Accordingly, we have applied a discount for minority interest of between 23% to 26%, being the inverse of our assessed control premium of between 30% to 35%.

7.2 Quoted Price of Listed Securities Methodology

In order to provide a comparison and cross check to our net assets on a going concern valuation of Aguia, we have considered the recent quoted market price for Aguia shares on the ASX prior to the announcement of the Offer.

The assessment only reflects trading prior to the announcement of the Offer in order to avoid the influence of any movement in price that occurred as a result of the announcement.

RG 111.62 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

To provide further analysis of the quoted market prices for Aguia's shares, we have considered the Volume Weighted Average Price ("VWAP") for the 5, 10, 30, 60, 90, 120, and 180 calendar days prior to the announcement of the Offer on 22 December 2023, as summarised in the following table below.

Table 24. VWAP of Aguia's shares

Calendar days	Share price Low	Share price High	No of days traded	Volume traded	Value traded	VWAP	Percentage of issued capital, %
5 days	\$0.0080	\$0.0100	3	3,433,620	28,194	\$0.0082	0.68%
10 days	\$0.0080	\$0.0100	4	3,484,750	28,705	\$0.0082	0.72%
30 days	\$0.0080	\$0.0120	14	13,740,360	145,781	\$0.0106	2.90%
60 days	\$0.0080	\$0.0160	28	18,861,430	210,378	\$0.0112	4.00%
90 days	\$0.0080	\$0.0190	42	30,302,680	401,076	\$0.0132	6.49%
120 days	\$0.0080	\$0.0200	54	35,367,810	492,897	\$0.0139	7.72%
180 days	\$0.0080	\$0.0330	90	57,400,790	959,020	\$0.0167	12.75%

Source: Capital IQ

We note the following:

- the VWAP has ranged from a low of \$0.0082 to a high of \$0.0112 in the 60 trading days prior to the announcement date and between \$0.0082 and \$0.0167 in the 180 days prior;
- during the 60 days leading up to the 22 December 2023, 4.00% of the shares outstanding were traded and in the 180 days leading up to 22 December 2023, 12.75% of the shares were traded;
- notwithstanding the level of liquidity, Aguia complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Aguia;
- the bid/ask spread is often used to measure efficiency. For the 180-day period, the closing bid/ask spread of Aguia averaged 14.1% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.1789%², we consider the bid/ask spread of Aguia to be comparatively large; and
- in the absence of other share offers, the trading share price represents the value at which minority Shareholders could realise if they wanted to exit their investment.

² Equity market data for the quarter ended 31 December 2023 - ASIC

Based on the analysis of the recent trading in Agüia's shares, we have assessed the value of an Agüia Share on a minority interest basis to be in the range of \$0.010 (based on the 30 day VWAP) to \$0.017 (based on the 180 day VWAP).

7.3 Valuation Summary and Conclusion

A summary of our assessed values of an Agüia Share on a minority basis pre the Offer, derived under the two methodologies discussed above, is set out in the table below.

Table 25. Agüia Valuation Summary

	Low	High	Preferred
Net asset value – primary methodology	\$0.011	\$0.023	\$0.017
Quoted price of listed securities – secondary method	\$0.010	\$0.017	\$0.014
Preferred valuation (prior to the Offer, non-controlling basis)	\$0.011	\$0.023	\$0.017

Source: RSM analysis

We note that the high end of the assessed value using the quoted market price methodology approximates the preferred value of the assessed range using the net assets on a going concern methodology.

We consider that the net assets on a going concern methodology provides more appropriate representation of the value of Agüia as it is based on an independent technical assessment of Agüia's mineral assets. We also note that the liquidity of Agüia Shares is relatively low which limits the appropriateness of the quoted market price approach.

Therefore, in our opinion, the Fair Value of an Agüia Share prior to the Offer is between \$0.011 and \$0.023, on a minority basis.

8. Valuation of the Consideration Shares immediately after the Offer

As required by RG 111, in order to provide an indication of the value to Andean Shareholders immediately after the Offer, we have calculated the theoretical value of Aguia, including Andean as a wholly owned subsidiary, immediately after the implementation of the Offer (the Combined Group).

Valuation of an Aguia share following the completion of the Offer

Aguia is offering Andean Shareholders three (3) Aguia shares for every one (1) Andean share in consideration for 100% of the issued shares in Andean. In order to assess the fairness of the Offer, we need to assess the Fair Value of the Combined Group immediately following the Offer.

As stated in section 5.3, we have utilised the sum-of-the-parts approach, based on the Fair Value of Andean and Aguia assessed using the net assets on a going concern methodology, as our primary methodology in assessing the value of the Combined Group.

As a secondary methodology, we have considered the quoted price of listed securities methodology utilising the post-announcement pricing of Aguia.

Sum-of-the-parts

The table below sets out our assessment of the Fair Value per share of the Combined Group (on a non-controlling basis) using the sum-of-the-parts approach, based on the Fair Value of Andean and Aguia assessed on the net assets on a going concern approach, as set out in Sections 6 and 7 of this Report.

Table 26. Fair Value of the Combined group – sum-of-the-parts approach on a net asset basis (minority basis)

Combined Group \$'000	Low	High	Preferred
Fair Value of 100% of the ordinary equity shares in Andean	1,432	5,392	3,412
Fair Value of 100% of the ordinary equity shares in Aguia	8,750	17,280	13,010
Fair Value of 100% of the ordinary equity shares in the Combined Group	10,182	22,672	16,422
Discount for lack of control	(2,640)	(5,232)	(4,028)
Fair Value of 100% of the ordinary equity shares in the Combined Group (minority basis)	7,542	17,440	12,394
Less: Estimated costs of the Offer	(160)	(160)	(160)
Equity value of the Combined Group (non-controlling basis)	7,382	17,280	12,234
Shares outstanding ('000) – Pre Offer	579,486	579,486	579,486
Shares issued ('000) – Offer	450,740	450,740	450,740
Shares issued to Malabar ('000)	3,000	3,000	3,000
Total shares of the Combined Group	1,033,227	1,033,227	1,033,227
Fair Value per share of the Combined Group (non-controlling basis)	\$0.007	\$0.017	\$0.012

Source: RSM analysis

We consider the minority value of an Aguia share following the Offer is between \$0.007 and \$0.017, with a preferred mid-point of \$0.012.

Minority interest discount

We have estimated the appropriate discount for lack of control for Aguia consistent with the approach outlined in section 7.1.

Transaction costs

Management has estimated that, if the Offer completes, total one-off transaction costs in relation to the Offer are expected to be circa \$160k, with the estimated costs primarily relating to financial advisers, legal, accounting, and expert fees, and other costs associated with the Offer. The proceeds of the loan extended by Agua to Andean (\$160k) is to be used to cover Andean's transaction costs.

Quoted Price of Listed Securities

In order to provide a comparison and cross check to our net assets on a going concern valuation of the Combined Group, we have considered the recent quoted market price for Agua shares on the ASX following the announcement of the Offer.

Under RG 111.34, if the target in a scrip bid is likely to become a controlled entity of the acquiror, the acquiror's securities can be valued using a notionally combined entity.

The post-announcement pricing of Agua's shares reflects the market's view of the value of a share in the Combined Group as market participants are aware of the terms of the Offer. Therefore, we have assessed the market price of Agua shares post-announcement as an indicator of the value of the Combined Group.

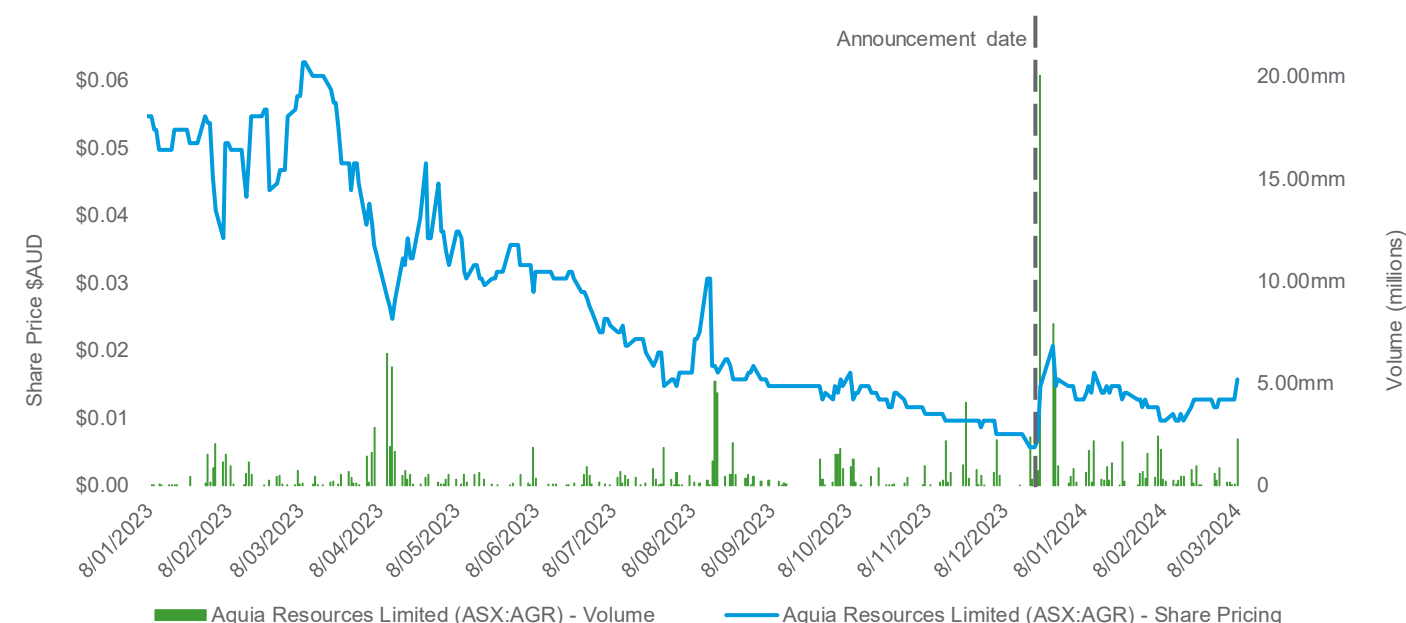
Analysis of recent trading in Agua shares

RG 111.62 indicates that in order for the quoted market share price methodology to represent a reliable indicator of Fair Value, there needs to be an active and liquid market for the securities. The following characteristics may be considered to be representative of a liquid and active market:

- regular trading in the company's securities;
- approximately 1% of a company's securities are traded on a weekly basis;
- the bid/ask spread of a company's shares must not be so great that a single majority trade can significantly affect the market capitalisation of the company; and
- there are no significant but unexplained movements in share price.

We have analysed the movements in Agua's share price since the Offer was announced on 22 December 2023, as set out in Figure 4. To provide further analysis of the quoted market prices for Agua's Shares, we have considered the Volume Weighted Average Price ("VWAP") for the 1, 5, and 10, 30, 60 and 77 calendar days following the announcement date up to 8 March 2024, as summarised in the table below.

Figure 5. Agua historical traded share price and volume



Source: S&P Capital IQ

In accordance with RG 111, it is also appropriate to assess the liquidity of Aguia's shares. The table below sets out the VWAP prior to and following the announcement, in order to determine whether there is sufficient trading in Aguia's shares historically in order to rely on the quoted market price of securities methodology.

Table 27. VWAP of Aguia Shares following the announcement of the Offer

Calendar days	Share price			Volume traded	Value traded	VWAP	Percentage of issued capital
	Low	High	No. of days traded				
	\$	\$			\$	\$	%
<i>Calendar days post 22 December 2023</i>							
1 days	\$0.0170	\$0.0170	-	-	-	-	0.00%
5 days	\$0.0170	\$0.0230	1	7,907,960	181,883	\$0.0230	1.56%
10 days	\$0.0170	\$0.0230	3	13,708,450	281,488	\$0.0205	2.71%
30 days	\$0.0150	\$0.0230	16	22,951,990	441,037	\$0.0192	4.54%
60 days	\$0.0120	\$0.0230	36	36,350,710	625,497	\$0.0172	6.81%
77 days	\$0.0120	\$0.0230	47	41,974,490	715,911	\$0.0171	7.72%

Source: S&P CapitalIQ, RSM analysis

We note the following as set out in the table above:

- On the announcement date the share price closed at \$0.017, up from \$0.009 the previous trading day. The quantity of shares traded on the day of the announcement was 20,535,890, representing approximately 4.06% of Aguia's issued capital (not presented in the table above);
- The VWAP of Aguia's shares for the period after the announcement was \$0.017, 107% higher than the 10-day VWAP prior to the announcement of the Offer of \$0.0082, and 61% higher than the 60 day VWAP prior to the announcement of the Offer of \$0.011, and 29% higher than to 90 day VWAP prior to the announcement of \$0.013;
- during this period, 7.72% of the shares outstanding were traded;
- notwithstanding the level of liquidity, Aguia complies with full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of Aguia;
- the bid/ask spread is often used to measure efficiency. For the period since the announcement, the closing bid/ask spread of Aguia averaged 8.2% of the midpoint price. On the basis that, over a comparable period, all stocks trading on the ASX had an effective average bid-ask spread of 0.1789%³, we consider the bid/ask spread of Aguia to be comparatively large; and
- in the absence of other share offers, the trading share price represents the value at which minority Shareholders could realise if they wanted to exit their investment.

Based on the above, we consider that the market has reacted favourably to the announcement of the Offer.

Valuation of an Aguia Share (Quoted price of listed securities methodology)

Our assessment of the value of an Aguia share based on the quoted market price on the basis of a minority interest, is between \$0.017 (based on the 60 day VWAP) and \$0.020 (based on the 10 day VWAP), with a preferred value of \$0.019 as summarised in the table below.

Table 28. Assessed value of a share of Aguia on a Quoted Market Price basis

\$ per Share	Low	High	Midpoint
Quoted market price of Aguia	\$0.017	\$0.020	\$0.019
Assessed value per share of the Aguia (non-controlling basis)	\$0.017	\$0.020	\$0.019

Source: S&P Capital IQ and RSM analysis

The quoted market price of listed securities methodology applied represents the value of a portfolio (non-controlling shareholding). Accordingly, we consider the value assessed under this method to already incorporate a discount for minority interest and no further discount is necessary.

³ Equity market data for the quarter ended 31 December 2023 - ASIC

Valuation of the Combined Group and Offer Consideration

A summary of our assessed value of the Combined Group on a non-controlling basis, delivered under the two methodologies, is set out in the table below.

Table 29. Assessed Fair Value of the Combined Group Summary

\$ per Share	Low	High	Preferred
Net asset value (non-controlling basis)	\$0.007	\$0.017	\$0.012
Quoted market price (non-controlling basis)	\$0.017	\$0.020	\$0.019
Assessed value per share of the Combined Group	\$0.007	\$0.017	\$0.012

Source: RSM analysis

We note that the assessed value using the quoted market price methodology falls outside of the assessed range using the net assets on a going concern methodology, with the preferred mid-point value of net assets being \$0.012, which is lower than the preferred mid-point value of the quoted market price of \$0.019.

We consider that the net assets on a going concern methodology provides a more appropriate representation of the value of the Combined Group as it is based on an independent technical assessment of the Combined Group's mineral assets.

We have therefore assessed the value of a share in the Combined Group on a non-controlling basis to be in the range of \$0.007 to \$0.017, with a preferred value of \$0.012.

The table below sets out our assessment of the Fair Value of the Combined Group on a non-controlling basis immediately following the Offer, and the Fair Value of the Consideration Shares.

Table 30. Fair Value per share of the Combined Group Summary

	Low	High	Preferred
Fair value per share of the Combined Group (non-controlling basis)	\$0.007	\$0.017	\$0.012
Multiplied by the Offer Ratio	3	3	3
Fair value of the Consideration Shares (non-controlling basis)	\$0.021	\$0.050	\$0.036

Source: RSM Analysis

9. Is the Offer Fair to the Non-Associated Shareholders

RG 111 defines a takeover offer as being fair if the value of the consideration offered under the takeover offer is equal to or greater than the value of the securities being the subject of the offer.

In assessing whether we consider the Offer is Fair to the Non-Associated Shareholders we have assessed the Fair Value of an Andean Share prior to the Offer (on a control basis) and compared it to the assessed Fair Value of the Offer Consideration (being three Aguia Shares for each Andean Share) immediately post completion of the Offer (on a non-controlling basis) to determine if a Non-Associated Shareholder would be better or worse off should the Offer be accepted.

Our assessed values are summarised in the table below.

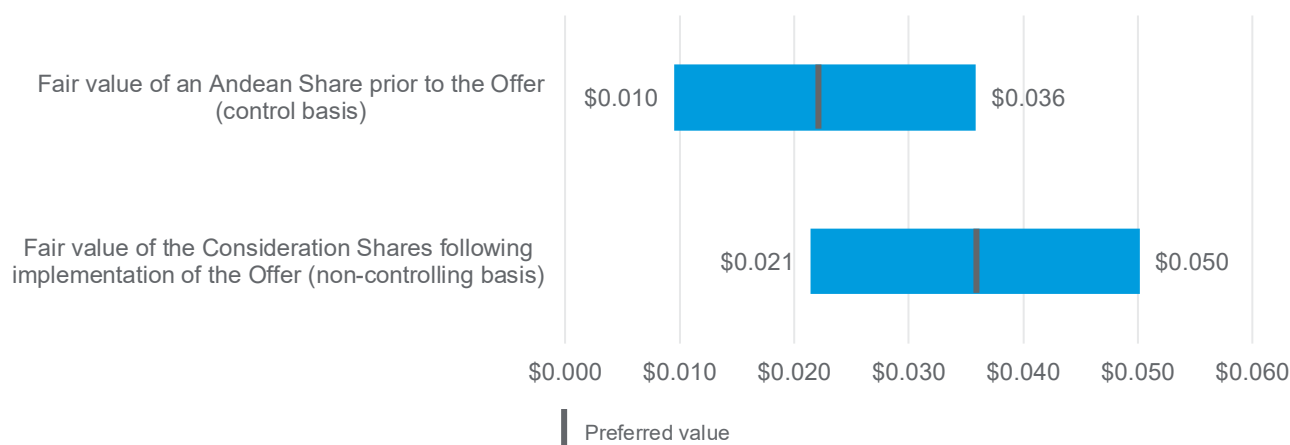
Table 31. Assessed Fair Value of a Andean Share prior to the Offer and the Offer Consideration

	Low	High	Preferred
Fair Value of Andean share prior to the Offer (control basis)	\$0.010	\$0.036	\$0.023
Fair Value of the Consideration Shares (non-controlling basis)	\$0.021	\$0.050	\$0.036

Source: RSM analysis

The above comparison is depicted on the chart below.

Figure 6. Valuation Summary



The figure above indicates that the assessed Fair Value of the Consideration Shares (on a non-controlling basis) is greater than the assessed Fair Value of an Andean Share prior to the Offer (on a controlling basis) at each of the respective low, preferred, and high valuation points.

Shareholders should be aware that our assessment of the value of an Aguia share post approval of the Offer does not necessarily reflect the price at which Aguia Shares will trade if the Offer is accepted. The price at which Aguia Shares will ultimately trade depends on a range of factors including the liquidity of the Company's shares, macroeconomic conditions, the underlying performance of the Aguia business and the supply and demand for Aguia shares.

As set out in Section 7 of this Report, we have solely utilised the Net Assets on a Going Concern Basis methodology in our assessment of the Fair Value of an Andean Share, as we were unable to use other methods comprising an income based method or a quoted market price of listed securities (due to Andean being a public unlisted company).

We note that the valuation range assessed using the Net Assets on a Going Concern Methodology (being \$0.010 to \$0.036 with a preferred valuation of \$0.023) is significantly lower than the recent share issuances which occurred at a share price of \$0.05 per Andean Share and represented issues of minority parcels of shares.

We consider the significantly lower values assessed under the Net Assets on a Going Concern Methodology to be primarily due to the inherent difficulty in the valuation of early-stage development mining tenements in prospective geographies, with the market price reflecting higher expectations of investors of the prospectivity of Andean's current portfolio of exploration assets than reflected in the technical valuations undertaken by VRM.

Having regard to the inherent difficulty in the valuation of early-stage development mining tenements, we consider that the valuation of Andean utilising the Net Assets on a Going Concern Methodology is a more reliable indicator of the Fair Value of an Andean Share on the basis that it is representative of the Fair Value of Andean's underlying mining tenements as assessed under the VALMIN code by a qualified technical specialist, VRM, who was provided with relevant current information in relation to mining tenements to reach a fully informed valuation assessment.

Non-Associated Shareholders should be aware that the use of a single valuation methodology increases the risk that our opinion is distorted based on our choice of methodology, and that using another data point, such as the share price of recent share issuance by Andean (Market Based methodology) may imply a higher value for an Andean Share.

10. Is the Offer Reasonable to the Non-Associated Shareholders

RG111 establishes that an offer is reasonable if it is fair. If an offer is not fair it may still be reasonable after considering the specific circumstances applicable to the offer. In our assessment of the reasonableness of the Offer, we have considered:

- the future prospects of Andean if the Offer does not proceed;
- the potential advantages and disadvantages to the Non-Associated Shareholders as a consequence of the Offer proceeding;
- the existence of alternative proposals; and
- other significant factors which Andean shareholders might consider prior to accepting the Offer.

10.1 Future prospects of Andean if the Offer does not proceed

Should the Offer not proceed, Andean will continue to develop its operations, including the development of its flagship high-grade copper-gold El Dovio Project and Atocha Project, as well as recommencing mining operations at the Santa Barbara mine. This may require further fundraising activities which could include raising capital from Shareholders, which could be dilutive to the Non-Associated Shareholders who choose not to participate in future fundraising rounds.

10.2 Advantages of approving the Offer

The advantages of approving the Offer are:

Table 32. Advantages of the Offer

Advantage	Details
The Offer is fair	The Offer is fair to the Non-Associated Shareholders
Exit from an illiquid share	Agua is an ASX listed company whose shares are quoted and traded on the ASX. In the 30 trading days to close of trading on 8 March 2024, the average daily volume of Agua shares traded was 270,515 and the daily average turnover of Agua shares was approximately \$3,637. By contrast, Andean shares are not listed on any exchange and are therefore illiquid. In the absence of alternative offers, the Offer provides Non-Associated Shareholders with an opportunity to convert their investments in Andean into more liquid shares. Non-Associated Shareholders who accept the Offer will have the ability to convert some or all of their Consideration Shares into cash in the future, subject to the escrow constraints which will attach to the Consideration Shares issued to the Non-Associated Shareholders.
Exposure to larger and more diversified portfolio of assets	If the Offer is accepted, Non-Associated Shareholders will hold a shareholding in the Combined Group which will provide them with exposure to: ▪ Diversified geographic exposure, as Andean’s Colombian projects will be complimented with Agua’s projects which are located in Brazil; ▪ Continued exposure to the performance and potential upside to the development of mining and exploration activities of Andean (albeit diluted); and ▪ Exposure to the projects of Agua.
Potential synergies	If the Offer is accepted and Agua acquires 100% of the equity capital of Andean, the likelihood of synergies being realised in the Combined Group increases. The projects of Andean and Agua are geographically proximate which will allow the Combined Group to leverage capabilities across each portfolio. Costs savings are also likely through the elimination of duplicate corporate costs, all of which are potentially value accretive to the Non-Associated Shareholders.

Advantage	Details
Decrease in funding risks	As an investor in greenfield exploration and brownfield investments, Andean is not currently generating any positive cashflows. Continued investment in Andean's projects will be required in future to develop the El Dövio Project and Atocha Project, as well as recommencing mining operations at the Santa Barbara mine. Future funding would require raising equity, debt or selling existing assets, which may be dilutive to the Non-Associated Shareholders. Agua is well capitalised with a positive net cash position providing capacity to fund operations, reducing the likelihood of the Non-Associated Shareholders being diluted to fund the continued operations of Andean.

Source: RSM Analysis

10.3 Disadvantages of approving the Offer

The disadvantages of approving the Offer are:

Table 33. Disadvantages of the Offer

Disadvantage	Details
Dilutionary impact	The Andean Shareholders will, collectively, have a 43.91% interest in the Combined Group immediately after the Offer. Andean Shareholders will individually and collectively hold a minority interest in the Combined Group, limiting Non-Associated Shareholders' collective ability to influence decisions such as the composition of the Board and the acquisition or disposal of assets.
Escrow restrictions	The Consideration Shares are subject to voluntary escrow, for a period of six months following completion of the Offer. Accordingly, Non-Associated Shareholders will be unable to convert their Consideration Shares into cash for a period of six months following completion of the Offer and will be exposed to fluctuations in the Agua share price without recourse during this period.
Change in risk profile	Following completion of the Offer, there will be a change in the risk profile of the shares held by Non-Associated Shareholders, with exposure to the assets of Agua, exposure to a new jurisdiction and geographic locations, as well as share price fluctuations associated with owning a listed share. This change in risk profile may not meet some Non-Associated Shareholders' investment strategy which may result in the disposal of Agua shares by Non-Associated Shareholders on the open market. An increased supply of Agua shares for sale on the open market may place downward pressure on the Agua share price in the event that there is not sufficient demand to meet supply.
Potential tax consequences	The disposal of Andean Shares under the Offer will trigger capital gains tax ("CGT") events. Non-Associated Shareholders may choose to apply for scrip for scrip rollover relief. It should be noted that the benefit of choosing scrip for scrip rollover relief, if available (or otherwise) will depend upon the individual circumstances of each Non-Associated Shareholder. Where scrip for scrip rollover relief is not available, a Non-Associated Shareholder may be subject to a taxable capital gain which the Non-Associated Shareholder may not be able to fund with proceeds from the sale of Consideration Shares due to the voluntary escrow of the Consideration Shares for a period of six months following completion of the Offer. Non-Associated Shareholders are advised to seek their own independent tax advice in relation to the implications for their shareholding.

Source: RSM Analysis

10.4 Alternative proposals

We are not aware of any alternative proposal at the current time which might offer the Non-Associated Shareholders of Andean a greater benefit than the Offer.

The Independent Directors have advised us that no formal alternative offers or approaches by potential acquirers have been received prior to the announcement of the Offer on 22 December 2023, or since that date until issue of our Report.

Shareholders can vote against the Offer in the hope that they can realise greater value from their investment in Andean either through maintaining Andean as an independent company or through the emergence of a superior proposal to the Offer. Whilst there is currently no evidence of an alternative offer, it is possible that an alternative offer may emerge.

10.5 Conclusion on Reasonableness

In our opinion, the position of the Non-Associated Shareholders if the Offer is approved is more advantageous than the position if it is not approved. Therefore, in the absence of any other relevant information and/or a superior offer, we consider that the Offer is **reasonable** for the Non-Associated Shareholders of Andean.

APPENDICES

A. Declarations and Disclaimers

Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

Qualifications

Our Report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Andrew Clifford and Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Andrew Clifford and Nadine Marke have extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

Reliance on this Report

This Report has been prepared solely for the purpose of assisting Shareholders of Andean in considering the Offer. We do not assume any responsibility or liability to any party as a result of reliance on this Report for any other purpose.

Reliance on Information

Statements and opinions contained in this Report are given in good faith. In the preparation of this Report, we have relied upon information provided by the Directors and management of Andean and Aguia and we have no reason to believe that this information was inaccurate, misleading, or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this Report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

Disclosure of Interest

At the date of this Report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Clifford, Nadine Marke, nor any other member, director, partner, or employee of RSM Corporate Australia Pty Ltd and RSM Australia has any interest in the outcome of the Offer, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of \$40,000 plus GST based on time occupied at normal professional rates for the preparation of this Report. The fees are payable regardless of whether Andean Mining Limited receives Shareholder approval for the Offer, or otherwise.

Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this Report in the form and context in which it is included with the Target Statement to be issued to Shareholders. Other than this Report, none of RSM Corporate Australia Pty Ltd, RSM Australia and RSM Australia Partners has been involved in the preparation of the Target Statement. Accordingly, we take no responsibility for the content of the Target Statement.

B. Sources of Information

In preparing this Report we have relied upon the following principal sources of information:

- Andean audited financial statements for the years ended 31 December 2021 and 31 December 2022, and reviewed financial statements for the half-year ended 30 June 2023;
- Andean unaudited financial statements for the year ended 31 December 2023;
- Aguia audited financial statements for the years ended 30 June 2021, 30 June 2022, and 30 June 2023;
- Aguia unaudited financial statements for the 6 months ended 31 December 2023;
- Bidder's Statement issued by Aguia;
- Draft and final copies of the Target's Statement issued by Andean;
- Andean Share Register;
- Aguia Share and Options Register;
- Publicly available information including ASX announcements and financial information from subscription services including IBISWorld;
- Independent Technical Assessment and Valuation Report prepared by Valuation and Resource Management Pty Ltd;
- Andean and Aguia websites;
- S&P Capital IQ database; and
- Information provided to us during meetings and correspondence with management and directors of Andean.

C. Glossary of Terms and Abbreviations

Term or Abbreviation	Definition
\$	Australian dollar
AFCA	Australian Financial Complaints Authority
Ag	Silver
Agua	Agua Resources Limited
APES	Accounting Professional & Ethical Standards Board
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
Baroyeca	Baroyeca Gold & Silver Inc
BIA	Bid Implementation Agreement
Bidder's Statement	Agua's Bidder Statement lodged with ASIC on 20 February 2024 in relation to the Offer
CAGR	Compound Annual Growth Rate
CGT	Capital Gains Tax
CMC	Corporacion Minera de Colombia SAS
Combined Group	The corporate group comprising Agua and its subsidiaries, as well as Andean and its subsidiaries following the Offer
Company, Andean	Andean Mining Limited
Consideration Shares	Three shares in Agua for every one share in Andean
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
Control premium	An amount or a percentage by which the pro rata value of a controlling interest exceeds the pro rata
the Copper Ore Industry	Copper Ore Mining in Australia
Corporations Act	Corporations Act 2001 (Cth)
COVID-19	COVID-19 is the disease caused by the SARS-CoV-2 coronavirus
Cu	Copper
CY21	Calendar year ended 31 December 2021
CY22	Calendar year ended 31 December 2022
CY23	Calendar year ended 31 December 2023
DCF	Discounted Cash Flow
Directors	Directors of the Company
EBITDA	Earnings, Before, Interest, Tax, Depreciation and Amortisation
EIA	Environmental Impact Assessment
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FEPAM	Rio Grande do Sol State Environmental Agency
FME	Future Maintainable Earnings
FPPO	Federal Public Prosecutor's Office
FSG	Financial Services Guide
FY21	Financial year ended 30 June 2021
FY22	Financial year ended 30 June 2022
FY23	Financial year ended 30 June 2023
GDP	Gross Domestic Product
g/t	Grams per tonne
IER	This Independent Expert Report
ISR	Independent Specialist Report
JORC Code	Joint Ore Reserve Committee Code
Malabar	Malabar Gold Corp
Mgmt	Management
Minimum Acceptance Condition	At or before the end of the Offer Period, Agua has a Relevant Interest in the number of Andean Shares that represent at least 90% of the aggregate of all the Andean Shares on issue.
Newrange	Newrange Gold Corp.
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Offer
Non-controlling basis	An assessment of the Fair Value on an equity interest, which assumes the holder or holders do not have control of the entity in which the equity is held
Offer	The proposed acquisition of all of the shares of Andean Mining Limited by Agua Resources Limited by the way of a takeover
Offer Period	From 21 February 2024 to 8 April 2024
Offer Ratio	The Consideration Shares consisting of three (3) Agua shares for everyone (1) Andean share as per the terms of the Offer
Option or Options	Unlisted options to acquire Shares with varying vesting conditions

PCA	Public Civil Action
PTO	Technical Operating Contract
Report	This Independent Expert's Report prepared by RSM dated 15 March 2024
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RSM	RSM Corporate Australia Pty Ltd
RSM Control Premium Study	RSM Control Premium Study 2021
S&P Capital IQ	An entity of Standard and Poors which is a third party provider of company and other financial information
Share or Andean Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
the Silver, Lead and Zinc Industry	Silver, Lead and Zinc Ore Mining in Australia
TEPP	Tres Estradas Phosphate Project
VRM	Valuation and Resource Management Pty Ltd
VRM Report	The independent technical assessment and valuation report prepared by VRM dated 6 March 2024 and included in Appendix F of this Report
VWAP	Volume weighted average share price
YTD-Dec24	Six months ended 31 December 2023

D. Industry Overview

In evaluating the industries in which Andean operates, we have had regard to the following industries:

- Copper Ore Mining in Australia; and
- Silver, Lead and Zinc Ore Mining in Australia.

Copper Ore Mining in Australia

The following industry information has been extracted from IBISWorld report B0803 “Copper Ore Mining in Australia” (“**the Copper Ore industry**”). Industry firms mine copper ore and carry out beneficiation processes. These basic processes convert the copper ore into copper concentrate, which downstream processors then smelt and refine into copper products and copper cathodes.

Copper mining revenue is expected to increase at an annualised 3.8% over the five years through 2023-24, to an estimated \$9.8 billion. This strong growth is due to higher copper prices, and stronger demand growth from China for copper used in construction, communications, and manufacturing. Copper prices have risen as global copper demand has increased, and production has weakened. Highly advanced economies, such as Japan, have also supported demand growth through higher domestic production volumes. Australia is one of the world’s major copper mining countries, behind Chile, Peru, China, Democratic Republic of Congo, and the United States.

Australia’s copper ore production is expected to rise in 2023-24, as the industry’s major players increase their output in response to greater demand growth from China and South Korea, particularly for use in electric vehicles. However, a decline in the world price of copper during the current year is projected to hinder the industry. Overall, industry revenue is estimated to decrease by 5.1% in the current year, on the back of lower prices and a stronger Australian dollar. Exports account for around 90% of industry revenue in a typical year, with China, Japan and South Korea representing the largest export markets.

The key external drivers which can influence the Copper Ore Mining Industry include:

- world price of copper;
- demand from building construction;
- demand from copper tubes and wire manufacturing; and
- demand from copper, silver, lead and zinc smelting and refining.

According to IBISWorld, the Copper Ore Mining Industry has:

- high and increasing levels of globalisation;
- high and steady levels of regulation;
- low and steady levels of competition; and
- high and steady barriers to entry.

The key success factors which can influence the Copper Ore Mining Industry are:

- ensure resource availability;
- leverage downstream ownership links;
- accommodate environmental requirements;
- alter goods and services produced in favour of market conditions; and
- secure economies of scale.

Outlook

Industry revenue is forecast to grow at an annualised 0.8% over the five years through 2028-29, to total \$10.2 billion. This sluggish revenue growth reflects modest growth in global copper prices and growth in production volumes. However, a projected appreciation in the value of the Australia dollar against the US dollar is expected to limit pricing growth for domestic operations. The importance of copper ore exports to the industry’s performance is forecast to continue over the next five years, as foreign demand and copper prices remain relatively high.

Silver, Lead and Zinc Ore Mining in Australia

The following industry information has been extracted from IBISWorld report B0807 “Silver, Lead and Zinc Ore Mining in Australia” (“**the Silver, Lead and Zinc Industry**”). Industry firms mainly mine silver, lead, or zinc ores. Firms also carry out beneficiation, which involves processing ores into ore concentrate.

Revenue for the Silver, Lead and Zinc Ore Mining industry has been highly volatile over the past five years, with a general upward trend. This result has been due to greater export demand, moderate growth in domestic demand, and fluctuations in pricing for lead, silver, and zinc. Industry revenue is projected to increase at an annualised 2.8% over the five years through 2023-24, to total \$6.0 billion, with the COVID-19 pandemic minimally affecting the industry. This trend includes an expected decrease of 6.8% in the current year, reflecting the normalisation of zinc, silver, and lead prices. Much of the industry's zinc output is exported as a concentrate, while a substantial proportion of lead output is refined locally.

Over the past five years, the industry's largest product segment, zinc ore and concentrate, has declined as a share of industry revenue, due to weather-related disruptions and operational issues that triggered the temporary suspension of several mines. Demand for silver has increased as the manufacturing of solar panels increase, but the growing use of copper in solar panels have limited growth. Furthermore, increases in lead prices combined with robust manufacturing activities have boosted lead's share of industry revenue.

Over the last five years, there has been a decline in industry exports, primarily influenced by the strengthening of the Australian dollar. The reduced import penetration can be attributed to domestic refineries and smelters fortifying and optimizing their supply chain in the aftermath of the COVID-19 pandemic. As a result, downstream markets have become more dependent on domestic inputs, leading to a decrease in import reliance.

The key external drivers which can influence the Silver, Lead and Zinc Industry are:

- world prices of silver, lead, and zinc, respectively;
- emergence of substitute metals such as lithium and aluminium; and
- weather disruptions and mine closures and volatile trade conditions.

According to IBISWorld, the Silver, Lead and Zinc Industry has:

- high and increasing levels of globalisation;
- heavy and steady levels of regulation;
- low and steady levels of competition; and
- high and steady barriers to entry.

The key success factors which can influence the Silver, Lead and Zinc Industry are:

- availability of resources;
- having contacts within key markets;
- output is sold under contract – incorporate long-term sales contracts;
- downstream ownership links; and
- economies of scale.

Outlook

Industry revenue is projected to increase over the next five years, due to moderate increases in domestic output volumes, and the expansion of the Century mine. Environmental policies, including the EU Green Deal and net-zero commitments will drive demand for transition metals, including zinc and silver. Overall, industry revenue is forecast to increase at an annualised 1.1% over the five years through 2028-2029, to \$6.3 billion.

Copper Ore Mining in Brazil

The copper mining industry is a growing market with a global CAGR of 3.3% (2023-2030) driven by its necessity in renewable energy technologies, construction, transportation, and manufacturing⁴. The continual focus on decarbonisation and adoption of clean energy strategies will increase the demand for renewables and drive the growth of copper. In particular, Latin America accounts for the highest copper mining market share, largely contributed by its presence of copper mines⁴.

Brazil is an important supplier of copper, being the 14th largest copper producer which accounts for 1% of global production⁵. Despite declining exports by 10.7% from 2021 to 2022, its copper export is forecast to grow at a CAGR of 5% from 2022 to 2026.

The environmental and social impacts of the copper mining process are potential industry constraints which may hinder its growth. The extraction and processing of copper ores increases the likelihood of soil erosion, deforestation, and pollution, whilst mines expose workers to greater occupational risks⁴. Together, these issues give rise to compliance obligations for mining companies. These regulatory requirements may constrain certain mining practices, potentially slowing down supply and thus, market growth⁶.

Outlook

In all, there is an optimistic outlook for the copper mining industry with market size forecasted to grow from \$8.9bn in 2023 to \$11.2bn by 2030⁴. The predicted growth is underpinned largely by the advancement in technologies for renewable energy and manufacturing in sectors including electric vehicles.

Phosphate Mining in Brazil

Largely utilised in the pharmaceutical, agricultural and construction sectors, the phosphate market is a growing industry. The demand of phosphate is closely linked to the rising population where there is pressure on agricultural sectors to increase food production. Thus, the use of fertilisers to increase crop yield will add to the consumption of phosphate, as it is a key ingredient of fertilisers. This application of phosphate is a key driver to its growth in the Brazilian market. As a major agricultural economy where 49% of its produce is exported, the use of fertilisers will drive its phosphate mining industry⁹.

The mining process of phosphates gives rise to potential environmental concerns that may impede on the growth of the industry. High phosphorous concentrations in water caused by fertilisers or pollution during the mining process has significant repercussions on aquatic ecosystems⁷. Therefore, following regulatory standards to prevent environmental harm may hinder supply and growth.

Outlook

Overall, there is a positive outlook on the global phosphate market with size growth of CAGR of 3.02% from US\$15.7bn in 2023 to US\$20.5bn in 2032, a trend of which the Brazilian market is likely to reflect⁴.

⁴ Fortune Business Insights – Copper mining market report 2023-2030

⁵ Mining Technology – Copper production in Brazil and major projects 2023

⁶ ReportLinker – Copper in Latin American market overview 2023-2027

⁷ Technavio – Phosphate rock market research 2023-2027

⁹ IMARC Phosphate Market Report 2024-2032

Colombian mining industry

The Colombian mineral industry remained a significant contributor to the country's economy and continued to be a leading producer of minerals in Latin America. Mining GDP decreased marginally from 10.2 trillion Colombian Pesos (US\$2.26 billion¹⁵) in 2021 to 9.65 trillion Colombian Pesos (US\$2.23 billion¹⁵) in 2022⁸ and remained flat at 9.66 trillion Colombian Pesos in 2023. Over the last ten years to 2023, the country's mineral sector (not including hydrocarbons) had averaged 1.5% of the annual GDP and accounted for an average of 20% of total exports in terms of value⁹.

Coal, the country's leading mineral export product, accounted for 74% of total mineral exports, in terms of value followed by gold - 18%, nickel - 5.5%, emerald - 0.6% and other minerals - 1.9% noting the following in relation to the 2 top minerals.

- **Coal:** Coal production in Colombia is forecast to increase by 18% to 64 Mt in 2023 from approx. 54Mt in 2022 primarily due to favourable weather conditions in mining regions and increased output in the El Cerrejón and other major coal mines¹⁰. Colombian coal production is expected to increase at a CAGR of 1% from 2022 to 2026¹¹.
- **Gold:** The country's gold production in 2023 is forecast at 1.71 million troy ounces which is 26.2% higher than the 1.4 million troy ounces achieved in 2022. The production of gold in Colombia is expected to increase as the Government approved three large-scale gold projects would add an estimated 700,000 troy ounces of gold to the country's total annual production once operations began. Forecast CAGR for gold production in Colombia is 6% from 2022 to 2026¹².

Colombia's mining sector has been undergoing significant changes following updates to regulatory frameworks meant to attract new investors. The sector continues to face underlying challenges, including tax reforms, political changes, and environmental concerns. With the implementation of the sound regulatory framework and mining reforms pledged by the government, Colombia's mining sector will develop further and continue on its energy transition path.

Stall Projects in 2023

In 2023, two important projects, the US\$700mn San Matías (made up of 417,300 tonnes of copper, 724,500 ounces of gold and 5.9m ounces of silver) project owned by Cordoba Minerals, and the US\$1.4bn Quebradona which is largely copper project (4.9 million tons of copper), owned by South African miner AngloGold Ashanti, did not achieve any significant progress.

- **San Matías**, which contains the Alacrán deposit and other satellite deposits, completed a feasibility study for the open pit mine in 2022. As of February 2024, it is currently in design and engineering stages, as it continues to progress towards construction, which is expected to be held-off until the second half of this year¹⁴; and
- **Quebradona**, located in Antioquia had its environmental permit delayed since October 2021 after a decision by environmental review agency. The company is now conducting an optimized feasibility study to implement improvements in its planned water management to enable it to move forward.

Outlook

The forecast contribution to Colombia's total GDP from mining in 2024 is expected to be 0.7% - 9.77 trillion Colombian Pesos (USD\$2.26 billion¹⁵), an increase of approximately over 2023⁸. Colombia's mining sector growth is expected to benefit from improved production efficiencies along with the development of projects in pipeline noting the gold, copper, and nickel sub-sectors to be more promising due to high international prices and strong demand prospects.

E. Assessment of the potential dilutive impact of the Aguia options on the fair value of Aguia

Unlisted Options – Prior to the Offer

At the date of this Report, Aguia had 34,500,000 options on issue, of which 27,000,000 are subject to hurdle vesting conditions, specifically the successful completion and subsequent opening of the TEPP mine, which is currently subject to Public Civil Action. Accordingly, the dilutionary impact of the options subject to vesting hurdle conditions are considered immaterial. We have included the dilutionary impact of the remaining 7,500,000 options which are not subject to hurdle vesting condition, being the options issued to Lynx Advisors, in our assessment of the Fair Value of a Aguia share prior to the Offer.

As the options are American Options (may be exercised at any time before the expiration date), we have utilised the binomial options valuation model to enable expected early exercise of the unlisted Options to be factored into the valuation.

The binomial model uses either a binomial or a trinomial distribution process to derive value by separating the total maturity period of the option into discrete periods. When progressing from one time period, or node, to another, the underlying common stock price is assumed to have an equal probability of increasing and/or decreasing by upward and downward price movements.

The key inputs and assumptions we have used in the binomial model to value the potential dilutionary impact of the unlisted options are set out in the table below.

Table 34. Key inputs to the valuation of the Aguia options

Aguia Options	Lynx Advisors	Lynx Advisors
Number of options issued	2,500,000	5,000,000
Valuation Date	12/03/2024	12/03/2024
Expiry Date	29/07/2025	29/01/2027
Exercise price:	\$0.020	\$0.050
Initial share price:	\$0.017	\$0.017
Maximum option life in years:	1.5	3.0
Assessed volatility:	100.0%	90.0%
Risk free rate:	3.90%	3.63%
Dividend yield:	0.0%	0.0%
Early Exercise Factor	2.50	2.50
Vesting Period (Yrs)	-	-

Source: Aguia ASX announcements, RSM analysis

Valuation date and option life – we have valued the options as at the date of this Report (or as close as practically possible) and accordingly, have calculated remaining option life in years based on the date of this IER to the expiry date under the terms of each of the options on issue.

Exercise price – the Options have an exercise price of \$0.020 and \$0.050 per share, respectively.

Initial share price – we have adopted a share price of \$0.017, being the high point (most conservative) of our assessment of the Fair Value of a Aguia Share prior to the Offer on a non-controlling basis (applying a similar discount for minority interest as that applied in our assessment of the value of a share in the Combined Group on a non-controlling basis).

Volatility – the volatility of the share price is a measure of the uncertainty about the returns provided by Aguia shares. Generally, it is possible to predict future volatility of a stock by reference to its historical volatility. A share with a greater volatility has a greater time component of the total value.

Our assumption is predicated on the fact that historical volatility is representative of expected future volatility.

Based on the above, and, having regard to the liquidity and historical volatility of Agua's shares, we have included a volatility of 100% and 90% for the Lynx options, respectively in our assessment, based on the average daily and weekly share price volatility of Agua for the preceding 1.5 years and 2 years, respectively.

Risk free rate – we have determined the risk-free rate based on the yield of a 1.5 year and 2 year Commonwealth bond rates as at 29 February 2024 that cover the period that best match the life of the options as at the respective valuation date as set out above.

Dividend yield – we have utilised a dividend yield of 0% based on current market assessed yields.

Early exercise factor – Expected early exercise is factored into the valuation by our application of the binomial model. The model incorporates an exercise factor, which determines the conditions under which an option holder is expected to exercise their options. It is defined as a multiple of the exercise price (e.g., 2.5 would mean that on average option holders tend to exercise their options when the stock price reaches 2.5 times the exercise price).

This is considered more reliable than trying to guess the average time to exercise. For example, trying to estimate an average time after which option holders exercise is likely to be inaccurate as during periods when the market is high option holders are more likely to exercise early as opposed to times when the market is low. Using an exercise multiple, which is based on a robust theory of stock price behaviour/distribution overcomes these problems.

We have assumed that the exercise factor for these options is 2.5. There have been a number of historical studies that indicate that option holders early exercise options generally at between 2 to 3 times the exercise price, with the higher multiples generally attributable to more senior employees within the company.

Based on the inputs and assumptions above, our assessed value of the potential dilutionary impact of the Agua options prior to the Offer based on our valuation of Agua is set out in the table below.

Table 35. Dilutionary impact of the Agua options

Agua Options	Number	Vesting Date	Exercise Price	Value of one instrument	Total dilutionary impact
Lynx Advisors Options	2,500,000	29/07/2025	\$0.020	\$0.007	\$17,553
Lynx Advisors Options	5,000,000	29/01/2027	\$0.050	\$0.006	\$28,667
Total	7,500,000				\$46,220

F. Independent technical assessment and valuation of Andean's and Aguia's exploration assets



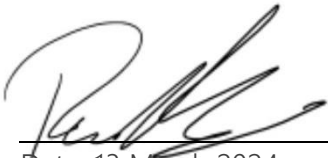
INDEPENDENT TECHNICAL ASSESSMENT AND VALUATION REPORT ON THE MINERAL ASSETS OF ANDEAN MINING LIMITED AND AGUIA RESOURCES LIMITED

Presented To:
Andean Mining Limited

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Contributing Author	Neal Leggo BSc Hons (Geology) FAusIMM MAIG	
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Report Prepared by	Valuation and Resource Management Pty Ltd P O Box 1506 WEST PERTH WA 6872 ABN: 12 632 859 780 Tel: +61 (0) 433 761 500 www.varm.com.au	

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Executive Summary

Valuation and Resource Management Pty Ltd (VRM) was engaged by Andean Mining Limited (**Andean** or the **Company**) but instructed by RSM Corporate Finance Pty Ltd (**RSM**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of Andean and Aguia Resources Limited (Aguia). The ITAR is prepared to assist RSM in completing their Independent Expert Report (**IER**) in relation to the off-market takeover by Aguia to acquire all (but a minimum of 90%) of the issued shares in Andean, as announced in Aguia ASX release 22 December 2023 (**Transaction**).

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**).

VRM understands that RSM will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the mineral assets of Andean and Aguia. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of Andean or Aguia but rather an asset valuation of the mineral properties owned by Andean and Aguia.

The Valuation Date is 15 February 2024 and remains current as at 26 February 2024. VRM provided a redacted draft report on 26 February 2024 to RSM for factual accuracy checking by the Andean. This report includes updated technical information associated with the factual accuracy checking conducted by Andean.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by Andean and Aguia along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Andean Mineral Assets

The Mineral Assets of Andean consists of the Santa Barbara Gold Project, the Atocha Silver Gold Project, and the El Dovio Gold Copper Project, all located in Colombia, and all are considered Early-stage Exploration Projects as defined in the VALMIN Code. The Santa Barbara Project consists of 2 granted tenements, the Atocha project consists of one granted tenement, and the El Dovio Project consists of 2

granted tenements, and are located 430 km north, 190 km west, and 250 km west of Bogota, respectively.

Santa Barbara Project

The Santa Barbara Project lies within the San Lucas gold district which is one of the most prolific in Colombia with 14 historical/artisanal gold mines and two operating small mines within 10 km of the project. Gold mineralisation occurs in quartz veining as a series of parallel, generally northeast trending, steeply dipping vein sets. Small shafts and adits on these veins provide evidence that significant artisanal mining has occurred across the Project area. Recent exploration has consisted of surface sampling, small scale underground mining, underground channel sampling and bulk sampling, construction of a pilot processing plant and gold processing. The Santa Barbara exploratory tunnel was driven for 150m following a continuous shoot in a gold bearing vein set. In the southwestern most section of the tunnel recent channel sampling of 2 parallel veins yielded a combined weighed average of 21.42 g/t Au in the entire interval with a combined width of 0.4 m over a sampled length of 19m. Over 500 t of bulk sample has been collected from the auriferous veins and stockpiled. A 30tonne per day (tpd) pilot gold processing plant was used for the treatment of the stockpile. One batch processed recorded a head grade of 18.20 g/t Au with 130.4 grams of gold recovered from 10,304 kg processed indicating recoveries of 69.53%.

Atocha Project

At the Atocha Project a high-grade silver-gold vein field with 7 parallel vein systems was recently discovered to the south of the historic Santa Ana and El Cristo colonial silver mining district. The host rock is a variably graphitic-chlorite-carbonaceous siliceous schist of the Palaeozoic age Cajamarca formation. The geological setting is orogenic, with extensive fold and thrust related tectonic activity, and considerable modification by Cretaceous-Jurassic and Miocene tectonism. Recent core drilling at the La Ye vein system intersected high grade silver and gold mineralisation intersecting multiple sets of stacked veins. The La Ye vein system comprises a northeasterly trending corridor of mineralised quartz veins with a strike of around 2 km and widths to 50m.

El Dovia Project

At the El Dovia Project historical exploration has delineated significant intercepts of high-grade gold-copper massive sulphide mineralisation within a sequence of volcanic and sedimentary rocks. The majority of previous exploration has been focused the Sabana Blanca zone, where outcropping mineralisation was discovered in 1974. Exploration includes a short exploration adit following high grade mineralisation, 691m of small diameter diamond core in 15 shallow drillholes, costeaning, channel sampling, 2,592.5m of NQ diameter core in 23 drillholes, resulting in numerous intersections of high-grade gold and copper mineralisation in trench channel, underground channel, and diamond drillhole samples. Metallurgical recoveries from a bulk sample were 96.4% of the contained gold, 97.8% of copper, 91.1% of silver and 96.8% of the zinc, produced using a froth floatation circuit.

Agua's Mineral Assets

The material mineral assets of Agua consists of the Rio Grande Phosphate Project, and the Rio Grande Copper Project, both located in Brazil, and considered Advanced Exploration Projects under the definitions of the VALMIN Code. They consist of 11 and 105 granted tenements, respectively. Both Projects are situated in Rio Grande do Sul State in southern Brazil.

Rio Grande Phosphate Project

The Rio Grande Phosphate Project covers six elongated meta-carbonatite intrusions which are prospective for phosphate mineralisation. Significant work has been concentrated on the Tres Estradas carbonatite. The early exploration work resulted in the reporting of a maiden Inferred Mineral Resource Estimate (MRE) for the Tres Estrade deposit in 2012. Further drilling and associated exploration and engineering work followed, with several MRE updates and culminating in the reporting of a Measured and Indicated MRE in 2017. In addition, an MRE has been defined at the Joca Tavares deposit which is located 41 km to the southeast of Tres Estrade. In 2016 Agüia reported a Measured and Indicated MRE for the Joca Tavares deposit. Ore Reserves have been reported for the Tres Estradas deposit, supported by metallurgical testing and engineering study work. A series of feasibility studies were undertaken as understandings of the optimal way to advance the project into production evolved. Engineering Consultancy Groups were commissioned to undertake each study including SRK, Millcreek and GE21. Agüia have started moving the project towards phosphate production obtaining the required licences to begin construction. However, Agüia is unable to start construction due to a Public Civil Action (PCA) in progress, ruled against Agüia by the Federal Public Prosecutor's Office (FPPO). Possible settlement negotiations are ongoing. The proceedings were brought against Agüia in 2021, with the State Government Agency (FEPAM) alleging flaws in the Environmental Impact Assessment.

Rio Grande Copper Project

The Rio Grande Copper Project consists of 105 tenements which cover a broad variety of geological units across the Rio Grande Copper Belt of southern Brazil. The main Project areas of interest are located within the São Gabriel Domain, composed of Pre-Cambrian metamorphic rocks of the Cambaí Complex, Vacacaí Metamorphic Complex, Brazilian Granitoids, and volcanic and sedimentary rocks of the Neoproterozoic-Ordovician. The Andrade copper deposit has received by far the most exploration by Agüia with no drilling recorded other than at Andrade. In 2023, Agüia released an updated MRE for Andrade based on the results of drilling campaigns that occurred from 2019 to 2023. Following a metallurgical program including flotation and acid-leaching test work, a scoping study was undertaken. Based on the results of the feasibility study work, VRM is not convinced of the economics of the project due to a number of flaws apparent in the assumptions underlying the study work and thus impacting the prospects for eventual economic extraction.

Valuation Opinion

VRM has estimated the value of the projects owned by Andean and Agüia considering the technical information available as at the valuation date as described further in the body of this Report.

There are Mineral Resource estimates reported within the Rio Grande Phosphate and Rio Grande copper Projects owned by Agüia, which have been prepared applying the guidelines of the JORC Code.

It is uncertain whether future exploration will result in the definition of any further Mineral Resource estimates on any of the Andean or Agüia projects.

The Mineral Resources were primarily valued using a comparable transaction method based on resource multiples with the Yardstick method used as a supporting method.

The Exploration Projects were valued using the Geoscientific or Kilburn method as the primary valuation technique with an area based comparable transaction valuation used as a supporting method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

Conclusions

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates is most appropriately valued considering a comparable transaction approach, while the exploration potential is most appropriately valued applying a Geoscientific or Kilburn valuation method.

The exploration potential within the Andean Projects has at the valuation date, a market value, based on the geoscientific approach, of between **\$1.55 million** and **\$5.51 million** with a preferred value of **\$3.53 million**.

VRM's considers the Aguia projects have a market value of between **\$5.45 million** and **\$13.98 million** with a preferred valuation of **\$9.71 million**.

Considering the technical aspects of the Projects the Andean and Aguia Projects, in VRM's opinion, the mineral assets have a combined market value of between **\$7.00 million** and **\$19.49 million** with a preferred valuation of **\$13.24 million**.

1. Introduction

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Andean Mining Limited (**Andean** or the **Company**) (ABN 98 625 466 006) and instructed by RSM Corporate Finance Pty Ltd (RSM) to prepare an Independent Technical Assessment Report (**ITAR** or **Report**), including valuation for the Mineral Assets owned by Andean Mining (ABN 98 625 466 006) (Andean) and Aguia Resources Limited (ASX: AGR) (ABN 94 128 256 888) (Aguia) for inclusion in an Independent Expert's Report (**IER**) to be prepared by RSM. The IER is required in relation to the announced off-market takeover to acquire all (and not less than 90%) of the shares in Andean by Aguia as announced on 22 December 2023 and will be included in a Target Statement expected to be lodged with the Australian Securities and Investments Commission (ASIC) in March 2024.

The Andean Mineral Assets, described and valued in this ITAR, comprise of the Santa Barbara Project, the Atocha Project and the El Dovio Project (the Project or collectively the Projects) located in Colombia, South America (Figure 1). Additionally, this Report details and proves a likely market value of the mineral assets owned by Aguia, being Rio Grande Phosphate Project and the Rio Grande Copper Project along with the Lucena Project (four granted mineral claims and 12 mineral claim applications) and two other Projects which consist of single mineral claim applications (Figure 2). All the Aguia Projects are located in Brazil, South America.

1.1 Compliance with JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (**VALMIN**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC**). Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Andean and Aguia and previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

1.2 Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of Andean and Aguia applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating the documentation of Andean, Aguia, their consultants, and other previous exploration within the areas. This Report is a summary of the work conducted, completed, and reported by Andean and Aguia, from acquisition of the Projects to 15 February 2024, based on information supplied to VRM by Andean and Aguia, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and Report will accompany the Target Statement expected to be lodged with ASIC in March 2024 and as such, it is understood that VRM's review will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.



Figure 1 Andean Projects, Colombia

Source: supplied by Andean Mining Limited, 2024



Figure 2 Agua Projects, Brazil

(Source: Updated BFS of Phosphate Project Confirms Robust Economics. Agua ASX Release 21 March 2023.)

1.3 Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of Andean and Agua. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mr Paul Dunbar of VRM, the authors contributing to this report and VRM have not, within the past two years, had any association with Agua, Andean, its individual employees, or any interest in the securities of Andean or Agua or potential interest, nor are they expected to be employed by either company after the Proposed Transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$43,000 (ex GST).

1.4 Practitioner and Competent Persons Declaration and Qualifications

This Report was prepared by Mr Paul Dunbar as the primary author with Mr Neal Leggo contributing to sections of the Report.

The Report and information that relates to Mineral Asset valuations, Mineral Resources and exploration potential was completed by Mr Paul Dunbar, BSc (Hons) (Geol), MSc (MINEX), a Competent Person who is a member of the AusIMM and of the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience relevant to Technical Assessment and Valuation of Mineral Assets under consideration and to

the activity being undertaking to qualify as a practitioner as defined in the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the Report of the matters based on his information in the form and context in which it appears.

The Report and information that relates to geology, Mineral Resources and exploration potential is based on information compiled by Mr Neal Leggo, BSc (Hons), a Competent Person who is a Member of the AIG. Mr Leggo is an associate of VRM and has sufficient experience relevant to the geology, styles of mineralisation and deposit types under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Mr Leggo consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The final version of this Report was peer reviewed by Dr Louis Bucci.

Since the Proposed Transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the Report is 15 February 2024.

1.5 Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Colombia or Brazil. In relation to the tenement standing, VRM has relied on the information publicly available to 15 February 2024. On this basis VRM has confirmed the tenements which constitute the Projects held by Andean and Aguia are in good standing. Andean has confirmed the status of its tenements.

The information within this Report is extracted from various reports and ASX releases as referenced below. The reports and ASX releases were created on various dates and are available to view on the Aguia website (<https://aguiaresources.com.au/>). Andean confirm that they are not aware of any new information or data that materially affects the information included in the original Aguia market announcements and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. Andean confirms that to be best of their knowledge the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

In respect of the information contained in this Report, VRM has relied on Information and Reports obtained from Andean and Aguia or the public domain including, but not limited to:

Aguia ASX releases for Rio Grande Phosphate Project and Rio Grande Copper Projects:

- Quarterly Activities Report for the period ended 31 December 2023, 30 January 2024
- Mineral Resource ASX Releases for the Rio Grande Phosphate Project
- BFS ASX release – Rio Grande Phosphate Project 2023
- Mineral Resource ASX Releases for the Rio Grande Copper Project
- Annual and Quarterly Reports
- ASX releases detailing initial and updated Mineral Resource estimates (MRE)
- ASX releases detailing exploration activities.

- Various ASX releases from previous owners and neighbouring companies
- Publicly available information and publications by relevant Geological Surveys, and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from Andean and Aguia to assist with this Report and other relevant publicly available data to 15 February 2024. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has relied on the information contained within the reports, articles and databases provided by Andean and Aguia as detailed in the reference list. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Andean and Aguia as detailed in the reference list.

A draft of this Report was provided to RSM for the purpose of distribution to Andean for the identification of and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to Andean or Aguia until the technical aspects were validated, and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this Report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

1.6 Site Visit

A site visit to the Projects was not undertaken for this ITAR. VRM has considered the activities and current project status of the Mineral Assets and considers that due to the stage of exploration and development within the tenements that no material information would be obtained from undertaking a site visit that would modify the opinions contained within this Report and valuation.

2. Mineral Tenure

The Mineral Assets owned by Andean consist of three Projects with five granted mineral claims within Colombia. The Project locations are shown Figure 1. The Projects are the Santa Barbara Project (two mineral claims), the El Dovio Project (two mineral claims) and the Atocha Project (one mineral claim), while VRM has identified other mineral claim applications within Colombia, in VRM's opinion, there is no certainty that they will be granted or the area of the claims may change. As such, these have not been valued or included in the Report due to that uncertainty.

Agua's Mineral Assets, all within Brazil, consist of Rio Grande Phosphate Project (11 mineral claims), the Rio Grande Copper Project (105 mineral claims), the Lucena Projects (four mineral claims and 12 mineral claim applications), one application at Corda & Langamar and one application at Santa Catarina (Figure 2).

For the mineral claim applications, it is uncertain whether Agua will be granted the mineral claims as per their mineral claim applications, therefore VRM has not included these applications in this Report nor undertaken a valuation. The applications are however detailed in the tenement schedule contained in Appendix A. Agua holds several of the mineral claims under option agreements with no certainty as to if Agua will elect to exercise the option therefore VRM has assumed that Agua will exercise the option and ultimately hold the mineral rights associated with the various mineral claims. VRM understands that the election to exercise the options on the various mineral claims is exclusively at the election of Agua and therefore considers it reasonable to consider these tenements as owned by Agua at the valuation date.

Specifics of the various mineral claims owned by Andean or Agua are summarised below. Full tenure details of the mineral claims are included in Appendix A.

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this Report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

2.1 Andean Tenure

The three Projects that are owned by Andean consist of.

- Santa Barbara Gold Project
- Atocha Silver Gold Project
- El Dovio Gold Copper Project

Below is a summary of the mineral claims that constitute the Andean Projects.

2.1.1 Santa Barbara Project

The Santa Barbara Project consists of 2 granted tenements, Concession Contracts IEV-16061C2 and 0-439C1. Surface tax payments and environmental bond payments are up to date.

Concession 0-439 was granted on to Minera La Fortuna S.A.S., which is now a wholly owned subsidiary of Andean Mining. The National Mining Agency (Agencia Nacional de la Minería, ANM) by means of Resolution #465 dated September 2, 2022, approved the transfer of 214.3345 hectares to Minera La

Fortuna SAS, then a Colombian subsidiary of Baroyeca Gold & Silver Inc. (Baroyeca) which was registered with the plate number 0439C1 (Santa Barbara South).

IEV-16061C2 has an area of 1.1086 km² (110.86 ha) and gives rights for the exploration and mining of gold, silver, and their concentrates. Concession Contract IEV-16061C2 was registered on 30 January 2023 and its term ends on 29 October 2036. The term can be extended for up to 30 years. It is currently in the initial 2-year exploration phase of tenure which can be extended for up to 11 years in 2-year terms after which the construction phase is entered, with the mining phase following after a maximum of 4 years. An application to extend the exploration phase has been submitted to government authority on 17 October 2023 and is awaiting approval.

Concession Contract IEV-16061, a precursor to the current concession (IEV-16061C2), was initially registered in the National Mining Registry on 31 August 2010 to San Martín de Loba and Rio Viejo. In 2014 an exclusive operation contract was initiated between Sociedad Minera Malabar SAS('SMM'), an arm's length company held by Malabar Gold Corp. Under this contract SMM was required to initiate mining activities and investments in the partial area purchased during the term of the contract. This partial area would then be segregated and duly registered in the name of Minera La Fortuna SAS. Purchase and sale agreement were duly executed and fully paid on April 27th, 2017 between vendor Luis Angel Consuegra Tavera and Minera La Fortuna SAS (funds 100% provided by Malabar Gold Corp).

In April 2020 Baroyeca entered an option agreement over the Santa Barbara property with Malabar which closed in Feb 2021. Baroyeca explored the property under the option agreement from 2021 to early 2023. This option expired when payment conditions were not met by Baroyeca, upon which the property reverted to back to Malabar. Later in 2023 Andean Mining purchased the property from Malabar.

2.1.2 Atocha Project

The Atocha project consists of one granted tenement, Concession Contract HFL-151C1, which was granted on 20 February 2021 to Minera La Fortuna S.A.S., which is now a wholly owned subsidiary of Andean Mining. HFL-151C1 has an area of 2,585.8 hectares and gives rights for the exploration and mining of gold and concentrates. Silver recovered in concentrate is therefore included in the granted commodities (Andean, 2024c).

HFL-151C1 was excised out of precursor tenement HFL-151 pursuant to an agreement with various parties where it was agreed to transfer that portion to Minera La Fortuna SAS (Baroyeca, 2022g).

Concession Contract HFL-151, a precursor to the current concession (HFL-151C1), was initially registered in the National Mining Registry on April 20th, 2010 to Condor Precious Metals Inc. In 2015 Malabar, acquired HFL-151 from Condor Precious Metals Inc., subject to a 3.5% NSR. Malabar held the property in the name of Minera La Fortuna SAS, a 100% subsidiary. In 2018 a deal involving the Orford Mining Corp. saw the 3.5% NSR revert to Orford (Hughes & Sanabria, 2021).

Concession Contract HFL-151C1 was registered on 14 March 2022 and its term ends on 19 April 2040. The term can be extended for up to 30 years. It is currently in the initial 2-year exploration phase of tenure which can be extended for up to 11 years in 2-year terms after which the construction phase is entered, with the mining phase following after a maximum of 4 years. An application to extend the exploration phase has been submitted to government authority on 17 October 2023 and is awaiting approval. Surface tax payments, FBM and environmental bond payments are up to date (Andean, 2024c).

In April 2020 Baroyeca entered an option agreement over the property with Malabar which closed in February 2021. Baroyeca explored the property under the option agreement from 2021 to early 2023. This option expired when payment conditions were not met by Baroyeca, upon which the property reverted to back to Malabar. Later in 2023 Andean Mining purchased the property from Malabar.

2.1.3 El Dovio Project

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

2.2 Aguia Tenure

The Mineral Assets of Aguia Resources Limited comprise 2 main Projects both in Brazil:

- Rio Grande Phosphate Project including the Tres Estradas deposit - comprising 11 tenements and considered an advanced Project under the definitions of the VALMIN Code.
- Rio Grande Copper Project including the Andrade Copper Mineral Resource - comprising 105 tenements and considered an Advanced Exploration Project under the definitions of the VALMIN Code.

Both Projects are 100% owned. Summary descriptions of these Mineral Assets are described in the following sections for each Project. The Project locations are shown in Figure 2. A summary table of the tenements is provided in Appendix A of this Report.

Aguia also holds 4 tenements over its Lucena Project; however, this Project is considered by VRM to be immaterial to this valuation Report. Aguia have fully impaired the Lucena Project in their financial records. Additionally, Aguia have made application for two exploration tenements in Brazil, which are yet to be granted (831798/2013 and 815625/2008). These applications not considered by VRM to be material to this Report and valuation.

2.2.1 Rio Grande Phosphate Project

The Rio Grande Phosphate Project consists of 11 Mineral claims with three of the claims covering the Tres Estradas phosphate deposit. The mineral claims that constitute the Rio Grande Phosphate Project cover a total of 141.12km². National Mining Agency (ANM), previously Departamento Nacional de Produção Mineral (DNPM) issued the three claims that cover the Tres Estradas deposit, being 810.090/1991 (1000ha), 810.325/2012 (990.95ha) and 810.988/2011 (84.39ha). The three mineral claims combined cover a total area of 2,075.34ha (20.75km²) and are surrounded by four separate mineral claims. There are two other separate groups of mineral claims in the region, one consisting of three mineral claims and a second being a single mineral claim. The location of the Project is shown in Figure 2 and the individual mineral claims are shown in Figure 3. Details of all the mineral claims are presented in Appendix A. The eight mineral claims adjacent to the phosphate deposit are all considered to have exploration potential for the discovery/delineation of mineral deposits.

2.2.2 Rio Grande Copper Project

According to the December 2023 quarterly report of Aguia there are a total of 106 tenements that constitute the Rio Grande Copper Project, with one of those tenements reported to be cancelled. As such, VRM has limited the valuation and details of this Report to the currently active 105 mineral claims.

The Mineral claims are shown in Figure 4. Eight of these claims are subject to an option agreement where Aguia has the exclusive right to acquire 100% of the rights to the mineral claims. Two of the mineral claims have had an extension application denied and are therefore at risk of being cancelled. An appeal has been lodged against the decision to reject the extension with the outcome of that appeal not available as at the date of this Report. Due to the uncertainty associated with the application these claims have had a 75% discount applied to the valuation associated with these two claims.

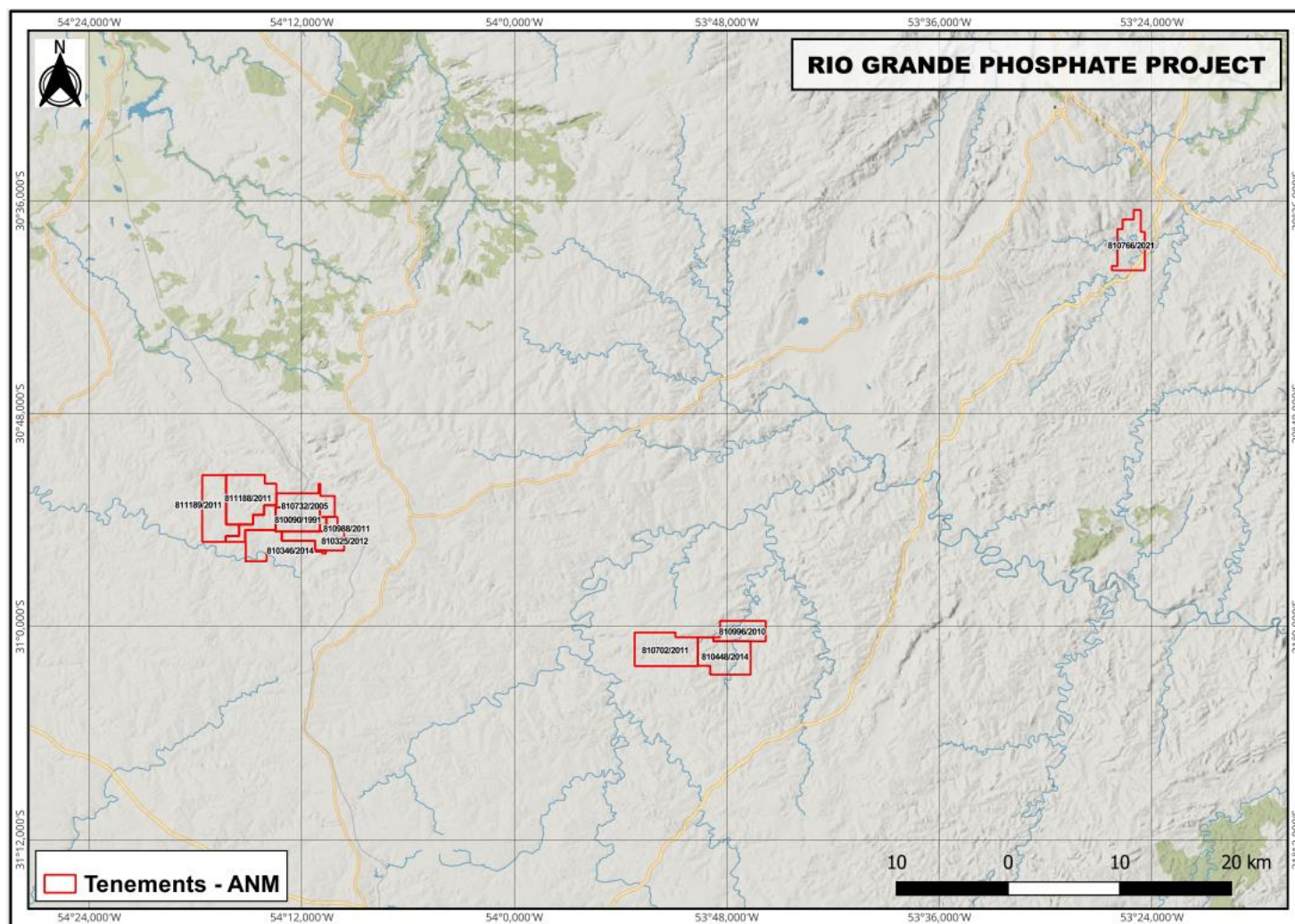


Figure 3: Map of the Rio Grande region showing phosphate tenements

Source: provided by Aguiá in February 2024.

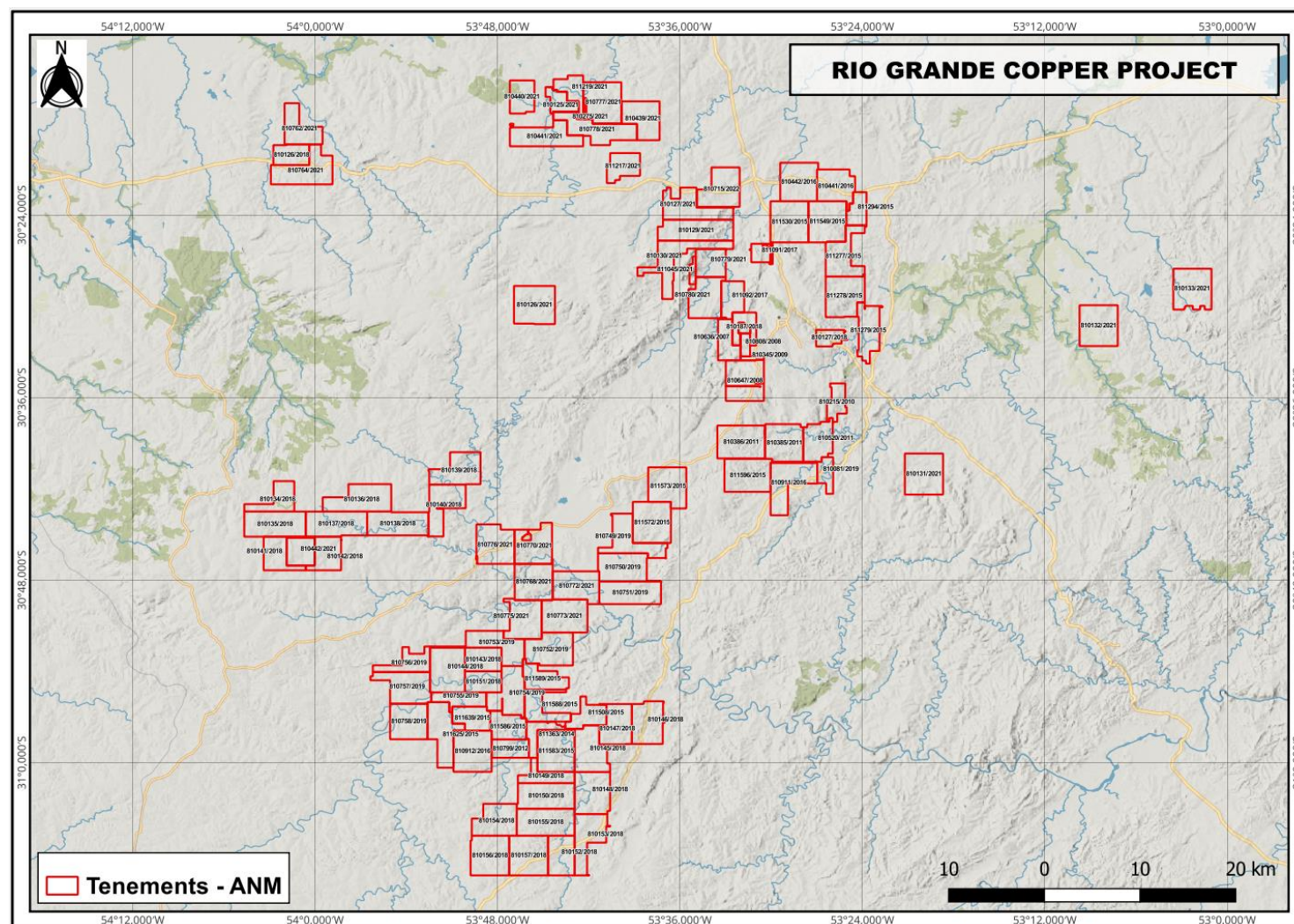


Figure 4: Andrade Copper Project map showing prospects and tenements over regional geology

Source: provided by Agua in 2024

3. Andean Mining Limited

Andean's Mineral Assets consist of the Santa Barbara Gold Project, the Atocha Silver Gold Project and the El Dovio Gold Copper Project. These 3 Projects are considered Early-stage Exploration Projects under the definitions of the VALMIN Code.

are detailed below.

3.1 Santa Barbara Gold Project - Columbia

3.1.1 Location and Tenement

The Santa Barbara Project is located in the Municipality of San Martin de Loba in the Bolivar Department, of Colombia, near Pueblito Mejía, 35 km northwest of Rio Viejo, and approximately 430 km north of the capital, Bogota. The Project area lies within the northernmost Cordillera Central and is characterised by moderately to incised relief with elevation ranging from 200 to 300 m above sea level. The area has a sub-tropical rainforest climate. Over 80% of the original rainforest has been replaced by cattle farming, palm oil plantations or local farming typically growing fruit, yucca, and plantain. Access involves a ferry across the Magdalena River then a series of rural unpaved roads.

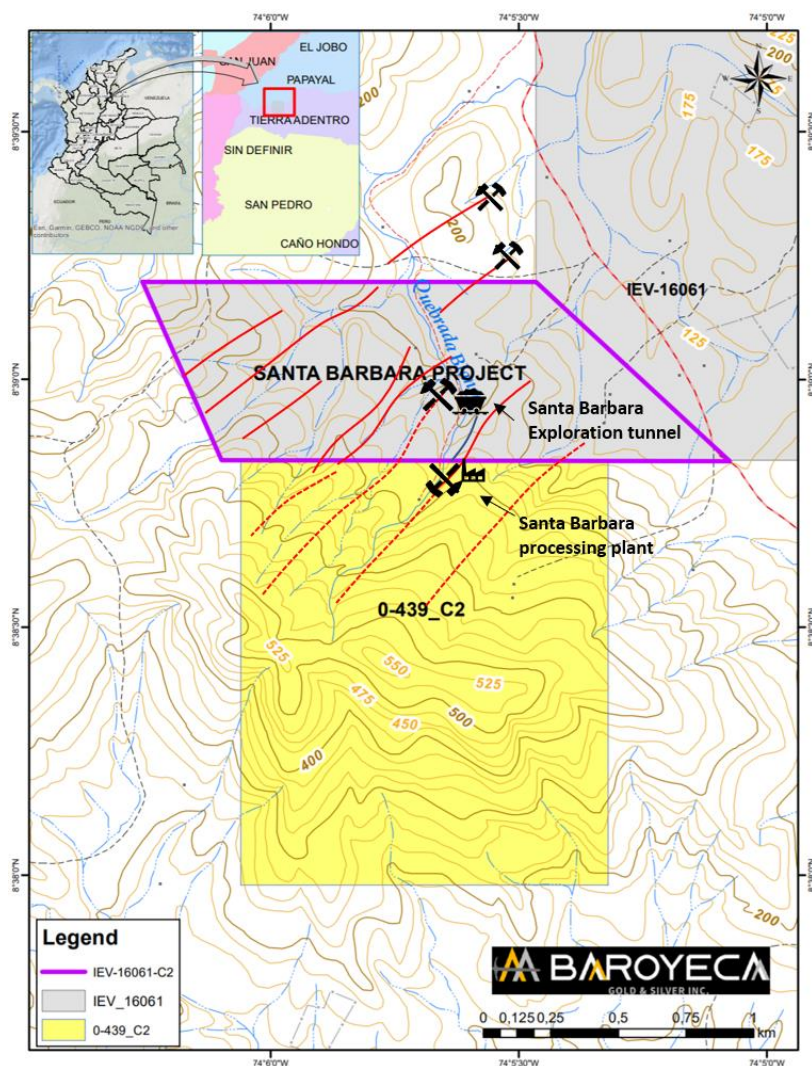
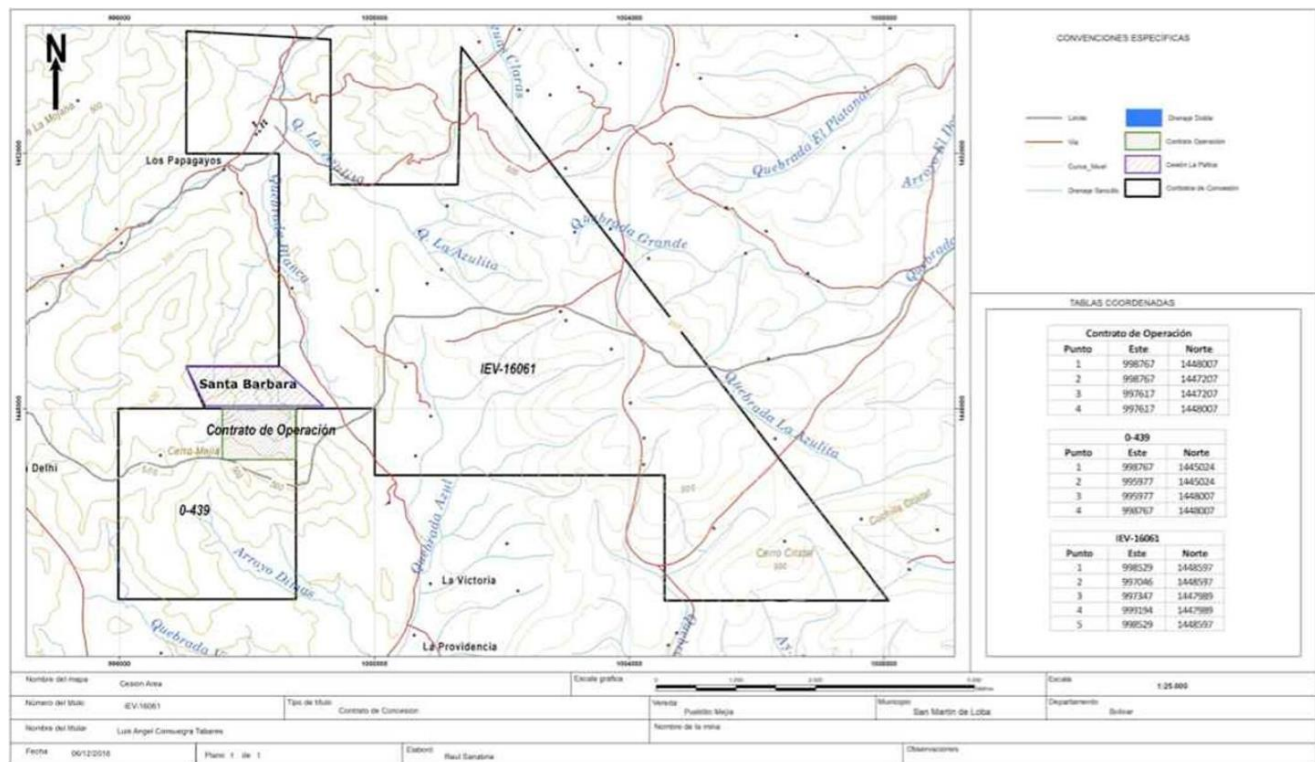


Figure 5: Santa Barbara Project Location Map showing property situation in 2021



Source: Hughes, 2019. "NI 43-101 Technical Report on the Santa Barbara Property"

3.1.2 Regional Geology – Santa Barbara

Paleogene times. Northwest-trending faults are considered to be reactivated pre-Cretaceous extensional structures. Dextral shear on east-northeast-trending faults has resulted from oblique convergence between the Nazca Plate and the Northern Andes. Major changes in the geometry of the oblique-plate convergence between the Nazca and South American plates have generated the northward 'escape' of the Northern Andes and stress-strain partitioning within the mountain belt. These strike-slip structures have exerted important controls on sedimentation, source-rock distribution, fluid flow and ore mineralisation during Cenozoic times. (Hughes, 2019).

The Santa Barbara Project is located in the Cajamarca-Valdivia Terrane, or Chibcha Terrane, which consists of highly deformed gneisses and schists of Proterozoic age. It is overlain by Jurassic age Noréan Formation, which is comprised of volcanic derived sediments, dacitic to andesitic pyroclastic rocks, breccias, agglomerates and ignimbrites. These are intruded by penecontemporaneous to more recent plutons (Clavijo, 1996).

The Santa Barbara Project lies within the San Lucas Block, a tectonic unit of the Central Cordillera, an arc-related phenomenon accreted during the Jurassic onto the Proterozoic basement. The geology of the San Lucas Block comprises Mesozoic batholiths which are metaluminous to peraluminous, calcalkaline, dioritic to granodioritic. The batholiths are partly covered by Jurassic to Recent age dacitic to andesitic volcanic-derived rocks, these generated within and on Proterozoic basement. The intrusions are spatially if not genetically related to larger regional plutonism, extending north and south, including the Norosi Batholith and into the major gold mining district of Segovia-Remedios which is underlain by the chemically similar and possibly age-related Segovia Batholith. (Hughes, 2019).

The Project lies within the San Lucas gold district of Bolívar province covering an area from San Martín de Loba, Barranco de Loba and Río Viejo to Santa Rosa del Sur and Montecristo in the Southern Bolívar. The San Lucas gold district is one of the most prolific in Colombia and has seen artisanal mining for over 200 years. Significant artisanal mining areas within 10 km of the property include the La Gloria mine, El Fogaje mine, Guacharaco mine, Cielo mine, Romanes mine, la Azul mine, Culoalzo mine, la Nubia mine, Ancha mine, San Carlos mine, Arrete Templado mine, El Turco mine and Buena Señá mine. The Mina La Cabaña North gold mine lies adjacent to the property and has seen recent production. (Hughes, 2019).

3.1.3 Property Geology – Santa Barbara

No systematic mapping was conducted on the Santa Barbara property, rather prospecting and inspection of exposures in drainage, road cuts or ridge tops. Government maps indicate the property to be almost solely underlain by Proterozoic gneisses, though explorers have noted gneiss to be the dominant rock type but with some intrusions and Jurassic age volcanic rocks cropping out on the property. The distinction between gneissic and truly intrusive lithologies is often blurred due to partial to complete assimilation by the Phanerozoic intrusions. A penetrative fabric maybe preserved or overprinted on both major lithotypes. Mineralogically, the gneisses and intrusions are similar, characterised by varying assemblages of quartz, plagioclase, potassic feldspar, amphibole, biotite, and rarely, orthopyroxene and magnetite (Hughes, 2019).

Mineralisation is confined to quartz veining exposed in large part as a series of parallel, generally northeast trending, steeply to vertically dipping sets. Dips are usually steep, to the east, though over short distances, minor west dips are noted. Southernmost veins trend more northerly and turn north-east relatively sharply. The main vein just south of Santa Barbara, at the Esperanza Mine, reaches 0.65 m wide, with an average width of 0.35 m, and trends 010° to 030°. Gold-bearing veins are comprised mainly of variable amounts of pyrite, sphalerite, galena, chalcopyrite, and gold in a gangue of quartz

and carbonate. These are hosted within gneisses and intrusions and based on preliminary evidence, may continue vertically into Phanerozoic volcanoclastic sediments.

The Mariana mine lies in the southern part of the Project area on 0-439C1 (Santa Barbara south). It is close to Andean's pilot processing plant and camp. The Marianna mine historically produced gold from one single high-grade vein.

3.1.4 Exploration – Santa Barbara

The presence of small shafts and adits provide evidence that significant artisanal mining has occurred sporadically across the Project area; however, there is no formal record of historical gold production from the property and no mineral resources have been reported. Hughes (2019) provided a summary of historical exploration to 2019. He wrote that "records of any recent systematic mining on the project area could not be sourced, though some artisanal work is operating on and adjacent to the Santa Barbara Property. LACC Minerals and Rover Metals conducted informal prospecting and sampling on southern portions of the property between 2010 and 2014".

The wider area comprising the San Lucas range has an extensive history of vein type and alluvial gold mining dating back to colonial times. In the early 20th century, several European mining companies were active in the district, exploiting mainly vein-type and to a lesser extent placer gold deposits. Since the 1990's, the Southern Bolivar region of Colombia has become the largest gold producing region in the country with significant production from simple artisanal underground mines, from several larger areas of mechanised alluvial mining, and also larger mechanised mines such as El Avión and El Fuego (Hughes, 2019).

Malabar explored the Santa Barbara property from 2014 to 2021. Between 2014 and 2017, Malabar excavated a number of exploratory pits and tunnels, tracing the northeast extension of the Esperanza vein, immediately to the south for some 42 m. There was no systematic sampling (Hughes, 2019).

In 2018, Malabar undertook exploration which was reported in a NI 43-101 report including a site visit conducted in 2018 by independent consultant T.N.J. Hughes (Hughes, 2019). Field investigations and results from sampling of several mineralised veins on the property indicated to Hughes that a broad structurally defined corridor hosting significant gold mineralisation existed. Malabar undertook sampling of artisanal mining and minor development work on the main mineralised northeast trending, steeply dipping gold bearing vein, 'Esperanza-Santa Barbara' which returned grades of 17.88, 14.35 and 27.81 g/t Au. Preliminary mapping by Malabar, suggested a strike extension of the Santa Barbara vein of at least 500 m. Vein width is variable, ranging from 10 cm up to 1 m (true widths). The vertical extent of the vein had yet to be defined, but was postulated to be significant based on comparison to gold bearing veins to the northeast in the La Gloria mine area which had been mined up to depths greater than 350 m. Other gold occurrences on the property were identified. These auriferous veins form a parallel striking series with poorly defined strike length and vertical extent, with all having been mined for oxide ore by artisanal mining but primary ore was not mined (Hughes, 2019).

In April 2020 Baroyeca entered an option agreement over the property with Malabar which closed in Feb 2021. Travel restrictions caused by the COVID pandemic hindered exploration in until mid-2021.

From 2021 to 2023 Baroyeca undertook surface sampling, small scale underground mining, underground channel sampling and bulk sampling, construction of a pilot processing plant and gold processing. This work was publicly reported by Baroyeca in a series of news releases to the TSX-V but has not been compiled into a coherent technical report. Andean has commenced this compilation. The

relevant news releases are listed in Section 9.21. The author of this Report has reviewed the news releases and viewed the raw exploration data files which support the results reported in the news releases. The following description is a summary compiled from these sources.

In 2020 an exploration due diligence field program expanded a cluster of high-grade silver-gold veins previously identified. The program involved the collection of ten samples with all samples reporting gold grades greater than 7.0 g/t Au. The seven highest grade samples were obtained from a series of rock chip samples taken in three exposures of the veins right at surface, and returned gold values of 13.20 g/t, 13.18 g/t, 11.73g/t, 11.49 g/t, 11.13 g/t, 11.11 g/t and 10.01 g/t Au (Baroyeca, 2021a).

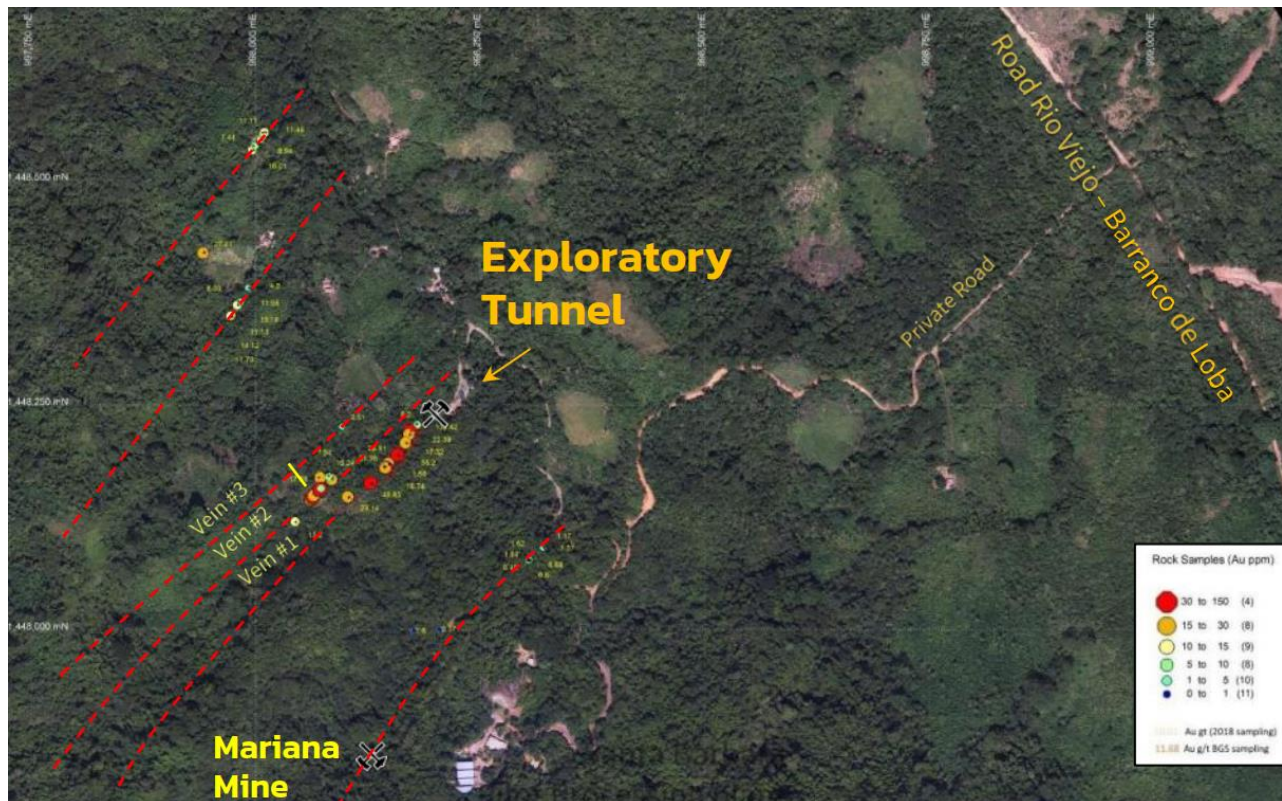


Figure 7: Air photo of the Santa Barbara Project showing vein traces and sampling

Source: Baroyeca, 2022d. TSX-V Corporate Presentation by Baroyeca dated November 2022 "Advancing Highest-Grade Silver and Gold Projects in Colombia"

In February 2021 Baroyeca became operator of the Project. In 2021 they undertook exploratory drift mining, underground mapping, sampling, and bulk sampling to evaluate the Santa Barbara vein zone at depth. The exploratory mining had been commenced by Malabar in 2019 and continued through 2020 under supervision by Baroyeca's Qualified Person (R. Sanabria) ensuring compliance with TSX and CIM reporting standards. This supervision continued throughout exploration and pilot scale mining by Baroyeca. The Santa Barbara exploratory tunnel was driven for 150m following a continuous shoot in a gold bearing vein (Vein 1). The vein had been mapped at surface for continuation, dip measurements and strike direction so it can be followed by the tunnel and continued along strike beyond the current tunnel length in the near future. Channel and bulk sampling started at meter 25 from the tunnel portal where a crosscut intersected the gold vein under existing artisanal mining works on surface. The gold mineralised vein averages 0.30m in width (in some areas up to 0.5m thick) and locally splits into two veins which later rejoin. The vein follows a right lateral fault striking 050° dipping steeply to the

northwest and turning into 030° dipping steeply to the southeast towards the tunnel portal. The vein shows between 10% and 60% sulphide content (pyrite, sphalerite, galena, and minor chalcopyrite) in a gangue of quartz, manganese-bearing carbonates and calcite with chlorite and sericite as alteration minerals. Breccias and multi-episode banded textures are commonly present. Channel sample collection was designed at 1m intervals and where possible samples are collected in the upper and lower parts of the tunnel. Channel samples collected by Baroyeca from Vein 1 averaged 35.18 g/t Au; supporting tables, maps and QAQC details were published in Baroyeca (2021b). Bulk sample collection was undertaken in 10-to-15-ton batch samples as mining progressed. Baroyeca collected the last 72.5 tons of vein material to complete the total milestone of 500 tons of bulk sample of Vein 1 (Baroyeca, 2021b).

Later in 2021 Baroyeca mined a 40m crosscut perpendicular to the main exploratory drift (along Santa Barbara Vein 1) and reached the second parallel vein identified at surface that returned 16.24 g/t Au in a rock chip sample from artisanal workings. Channel sampling started at metre 40 from where the exploratory crosscut tunnel intersected Vein #2. The exploratory tunnel was driven for 9m to the southwest and 8.5m to the southeast following Vein 2. Channel samples collected by Baroyeca average 30.99 g/t Au and 67.51 g/t Ag; supporting tables, maps and QAQC details were published in a news release on October 18 (Baroyeca, 2021c).

Exploratory drifting continued following Vein 1 from the crosscut towards the southwest for another 25 m. Channel sampling results are shown in Figure 8 below. The first samples were collected starting at 3m from the crosscut for safety purposes, and then at approximately 1.5m intervals when possible. The vein in this interval splits into two parallel veins (vein width was 20cm for each). The southernmost branch (Vein A) averaged 17.08 g/t Au for a sampled length of 18.8m; while and northernmost (Vein B) averaged 25.85 g/t Au over a sampled length of 19m; for a combined weighed average of 21.42 g/t Au in the entire interval with a combined width of 0.4 m. (Baroyeca, 2022b).

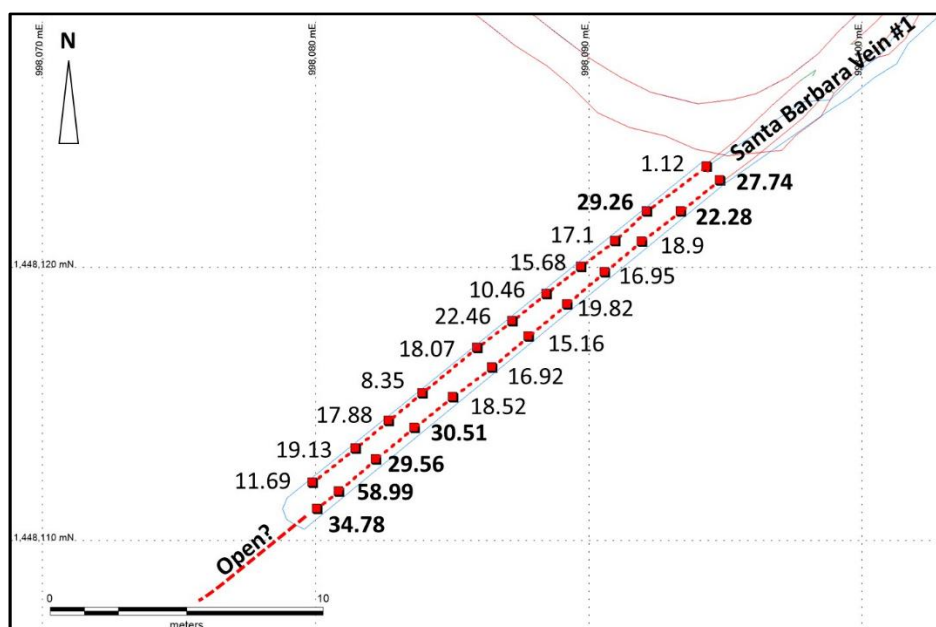


Figure 8: Plan view of the Santa Barbara Vein #1 channel samples – southern extension

Channel sample location shown in red with gold grades annotated (in g/t Au)

Source: Baroyeca, 2022b. TSX-V News Release by Baroyeca dated September 12 2021 "Baroyeca Continues Industrial-Size Bulk Sampling at Santa Barbara Project and Assays 21.42 g/t Au Average over 19m from Channel Samples".

Toward the end of 2022 Baroyeca was focused on the Mariana mine, improving access infrastructure to the historical mine by providing road access directly into the mine portal, and construction of ancillary service infrastructure and buildings. The adit was secured and reinforced with timber beams and a collapsed zone under an artisanal shaft was sealed and secured (Baroyeca, 2022c).

3.1.5 Pilot Processing Plant – Santa Barbara

In 2022 Baroyeca completed engineering works on the pilot processing plant located on the Santa Barbara property. The fully operational custom-built 30tpd pilot gold processing plant was used for the treatment of the stockpiled bulk sample of gold bearing mineralisation from the Santa Barbara vein.



Figure 9: Photograph of the Pilot Processing Plant at Santa Barbara

Source: Baroyeca, 2022d. TSX-V Corporate Presentation by Baroyeca dated November 2022 “Advancing Highest-Grade Silver and Gold Projects in Colombia”

In July 2022 Baroyeca reported the processing of a first batch of 10,304 kg of mineralised material through the pilot plant, with a gold dore bar poured on-site as part of preliminary metallurgical and plant efficiency tests. Assay results from the head-grade samples returned 18.20 g/t Au, with 130.4 grams of gold at 99.8% purity recovered on-site from the process indicating recoveries of 69.53% (Baroyeca, 2022a). In September 2022 Baroyeca reported a second batch of 15,000 kg of mineralised vein material was processed through the pilot processing plant. Assay results from the head-grade samples collected at regular intervals at the discharge point of the second ball mill and later homogenised returned 18.91 g/t Au (Baroyeca, 2022b). In November 2022 Baroyeca reported that the 500-ton bulk sample on the Santa Barbara vein (Vein 1), which was completed in September 2021, “returned head gold grades averaging >24 g/t” (Baroyeca, 2022d.) but no further details were provided.

The sample processing method employed at the Pilot Processing Plant was described by Baroyeca as follows: “At the plant site, sample bags were dumped in random order after passing through a first stage of crushing to 2-inch and a second stage of crushing to 0.5-inch size. Crushed material was then stored in a bin with a vibrating door that self-feeds the primary ball mill. Crushed material was then sent to the primary ball mill (>40% passing 150 mesh) and secondary ball mill (>60% passing 200 mesh) connecting with the three 15m³ cyanide leaching tanks where the pulp was agitated before adding reagents for homogenisation purposes. The head sampling consists of taking a sample of approximately 500 gr at the drain of the second ball mill point every 40 min for 8 hours. Then the complete sample is

homogenised and dried. Lastly the sample is split into a 1kg sample that is bagged and sealed to be sent to SGS labs in Medellin for Au and Ag fire assay. The pilot plant does not have a gravity separation stage or flotation system therefore there was no loss of material in the process and the sample pulp reaching the cyanide leaching tanks was considered the entire sample, with the sample being homogenised. "(Baroyeca, 2022a).

3.2 Atocha Silver Gold Project - Colombia

3.2.1 Location and Tenement

The Atocha Project is located in the Tolima Department of Colombia, 15 km south of the town of Mariquita, and 190 km from Bogota, Colombia's capital city. The Project area lies within the Municipalities of Falan and Armero Guayabal. The Project area is characterised by moderately to steeply incised relief, cut by numerous creeks, with elevation ranges from 700 to 1,100 m above sea level. Access to the Project area is via paved road from Mariquita to Falan and then by a network of unpaved roads south to the property. The area has a sub-tropical rainforest climate allowing surface exploration to be conducted year-round except for brief periods of heavy precipitation during the rainy seasons, April-May, and October-November. The original rainforest vegetation has long ago been destroyed by slash and burn, replaced by dairy and cattle farmland in the lowlands and mixed crop agriculture at higher elevations (Hughes & Sanabria, 2021).

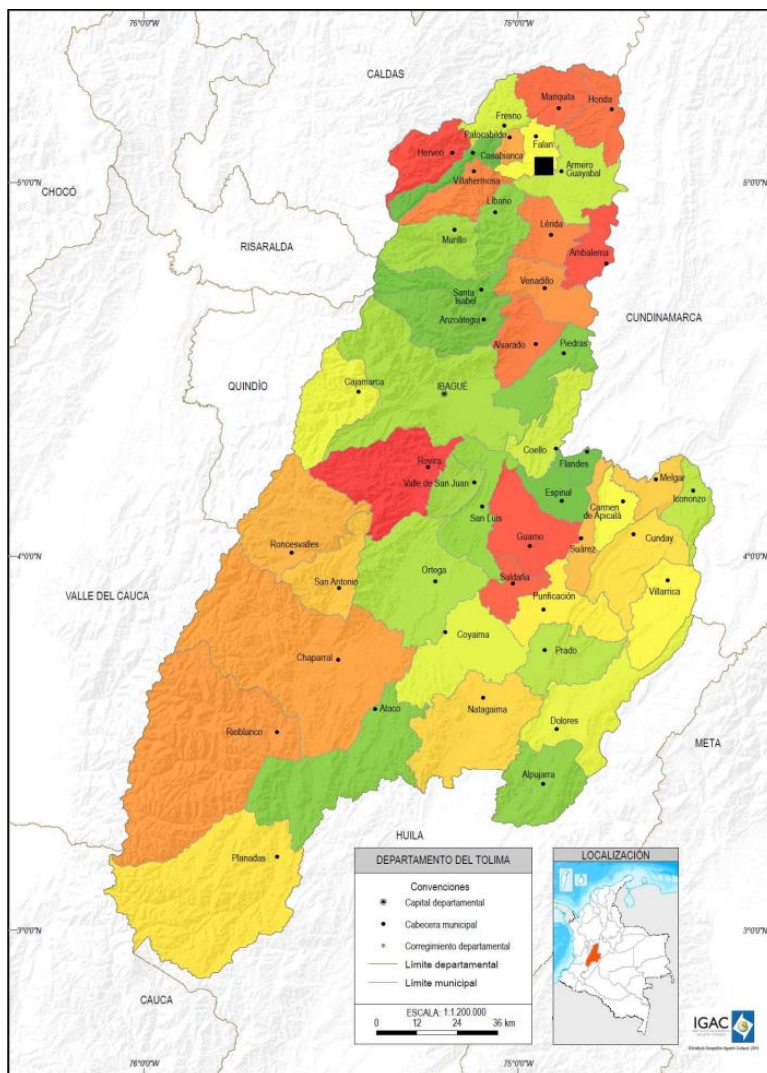


Figure 10: Atocha Project Location Map

Source: Hughes & Sanabria, 2021. "NI 43-101 Technical Report on the Falan Property"

3.2.2 Regional Geology - Atocha

Regionally, the Project lies within the Cordillera Central of Colombia hosted in Cajamarca-Valdivia Terrane which consists of highly deformed gneisses and schists that have been overlain by more recent supracrustal rocks and later intruded by plutons of various ages. In the Project area, the Cajamarca-Valdivia terrane is bounded on the northwest by the Palestina fault and on the east by the Mulatos fault, part of the Magdalena Rift (Cediel et al, 2000).

Andean Mining's Atocha property lies within the core of the Santa Ana Frías silver mining district which is the richest silver district in Colombia where mining dates back over 500 years. This region is famous for precious metals mining by the early Indigenous people, who extracted native gold from unconsolidated sediments. Following the Spanish Conquest, more formal mining commenced, with extraction of silver and gold around the town of Falan to the north from 1585. During Spanish mining silver grades were reported to be some of the highest in Latin America. The British superseded Spanish mining in the 1800s, commonly employing the underground mining skills of Cornish migrants. The last

gold-silver rush started in the area in the 1930's, with focus on historic mining districts: Ibagué, Anzoategui, Santa Isabel and Líbano (Hughes & Sanabria, 2021).

A paragenetic sequence has been identified from field observation of samples within a major mining corridor that comprises (from north to south) the Santa Ana, El Cristo, Jimenez, El Socorro, Tavera, Patiburri, Lagunilla, El Gran Porvenir, Oasis, Santa Isabel, and Las Animas deposits/mines (Hughes & Sanabria, 2021).

The veins in the Santa Ana district are hosted in sub-parallel oblique-slip normal faults and extension fractures. The sense of movement along the faults was determined by the geometry of the spaces and the orientation of slip lines. Most mineral-bearing faults are inclined between 20° and 40°, dipping 45° to 70° to the west in the northern part of the mining district, and between 30° and 60°, dipping 45° to 80° to the northwest in the Project area of mining title HFL-151C1. These faults host some of the richest veins in the district, including Mina Vieja, Pollera-Alcantarilla-El Dorado-La Platilla, La Porfia, La Manta, La Ye, Veta Grande E and W, NW, and Tavera (Sanabria, 2023).

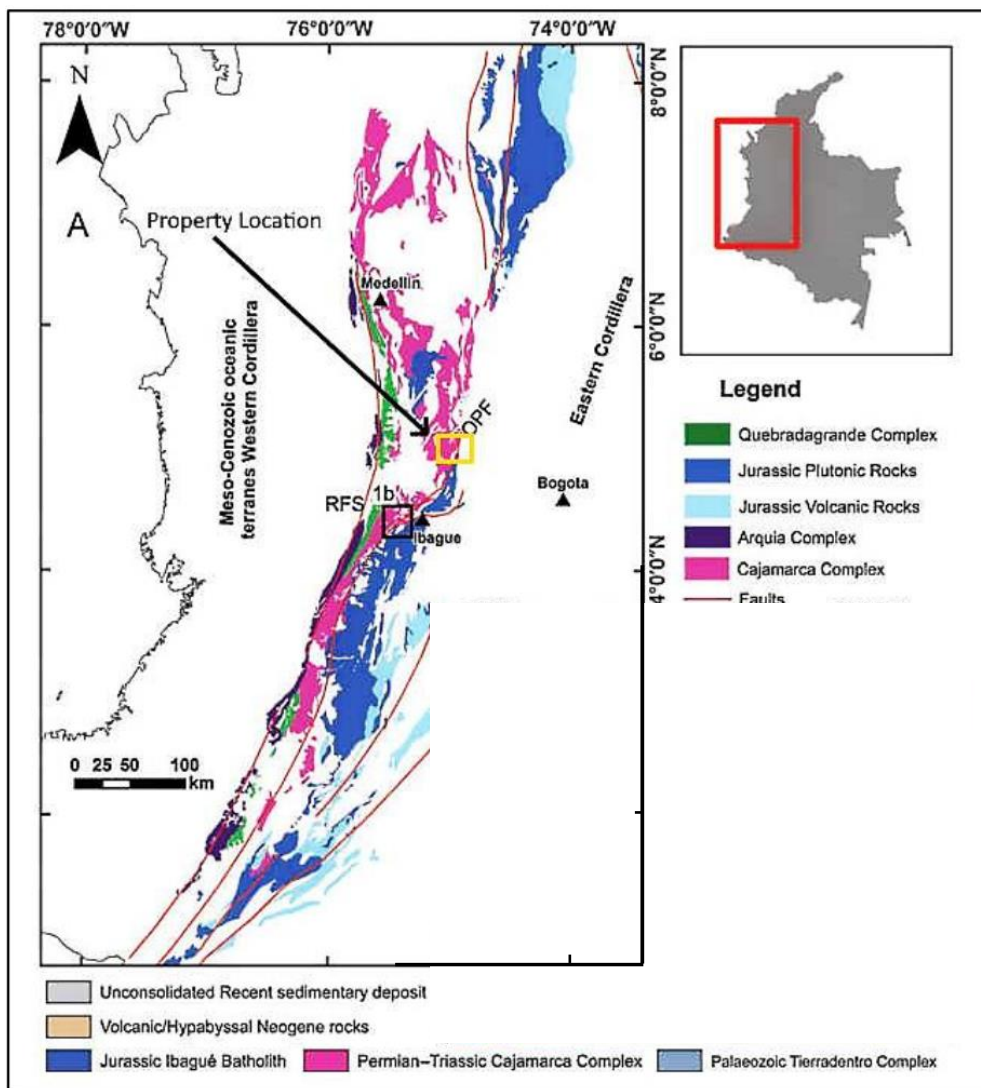


Figure 11: Geology of the Central Cordillera showing location of the Atocha Project

Source: Hughes & Sanabria, 2021. NI 43-101 Technical Report on the Falan Property

A Mineral Resource has recently been announced for the Santa Ana deposit of 1,226 kt grading 446 g/t silver and 2.3 g/t gold Indicated; and 966 kt grading 312 g/t silver and 1.6 g/t gold Inferred, using a 158 g/t AgEq cut-off (Webster, 2023). (The Santa Ana Mineral Resources were estimated following the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves and the 2019 CIM Estimation of Mineral Resources and Mineral Reserves Best Practices Guidelines.) The reported geology of the Santa Ana deposit is similar to the geology observed for silver-gold mineralisation on the Atocha property which is located approximately 5 km to the south-south west of Santa Ana along the regional mineralisation trend.

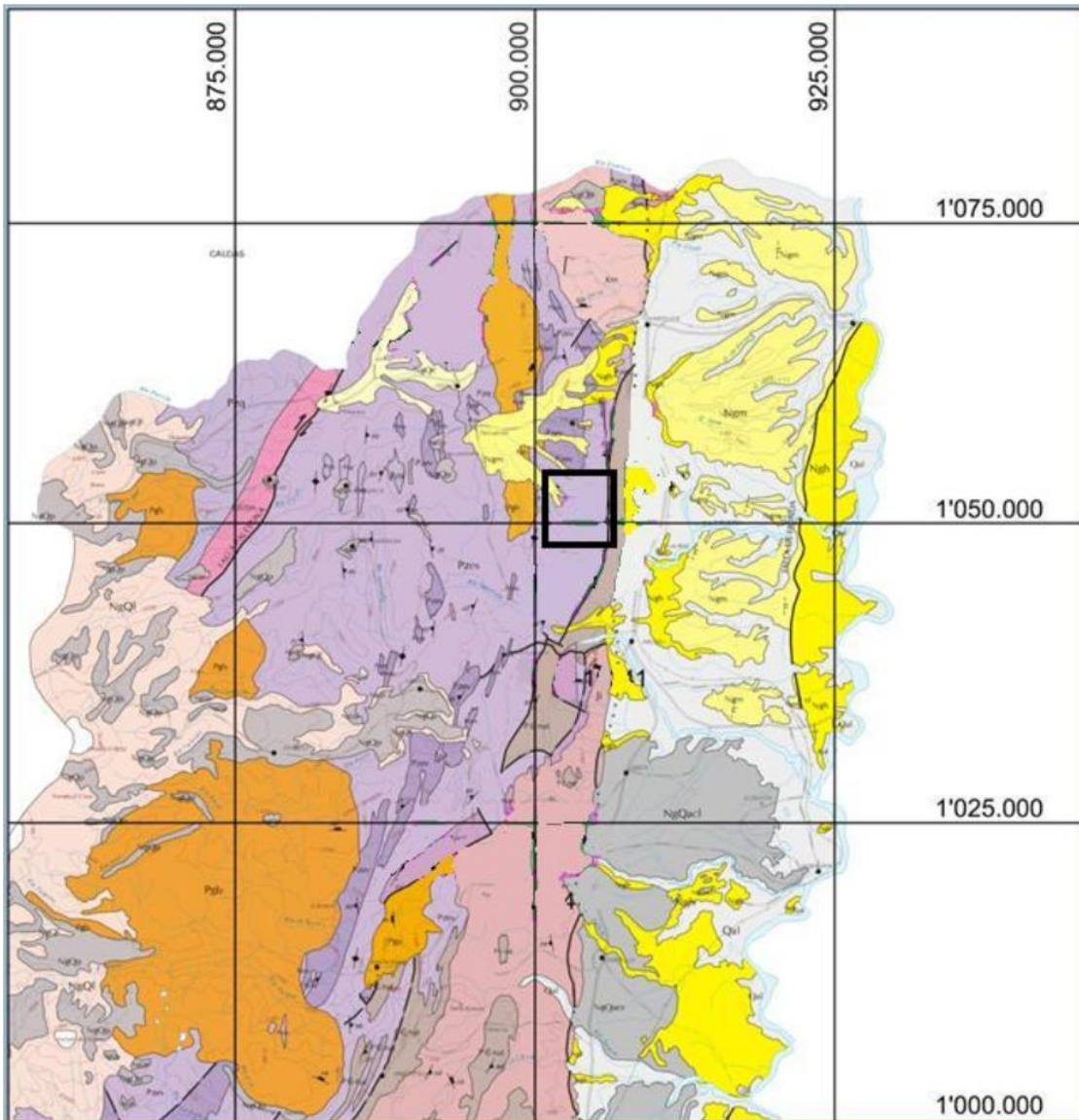


Figure 12: Geology of the of the Atocha Project

Legend: purple – Proterozoic Cajamarca Formation schist, brown - Chicamocha gneiss, orange - Paleocene El Hatillo diorite, pale yellow – Neocene sediments. Source: Hughes & Sanabria, 2021. NI 43-101 Technical Report on the Falan Property (adapted from Barrero and Vesga 2010)

3.2.3 Property Geology - Atocha

This high-grade silver-gold vein field was discovered through rock sampling over a 20km² area, located on trend and south of the historic Santa Ana and El Cristo colonial silver mining district, and immediately east of the Frias colonial silver mine.

Recorded mineralisation in the Project area is early auriferous pyritic quartz veining overprinted and upgraded by quartz-adularia-sericite veining with silver-gold mineralisation (including sulphosalts). Associated metals include elevated levels of lead (as galena) and zinc (as sphalerite). Veins display complex textures characteristic of episodic precipitations in open spaces, such as banded crustiform, symmetrical bands, geodes, breccias, spherulitic textures, and comb textures. The mineralisation can be classified as vein-type orogenic, epizonal, reduced intrusion-related gold system, modified by a low-sulphidation epithermal system (Hughes & Sanabria, 2021).

The host rock is a variably graphitic-chlorite-carbonaceous siliceous schist of the Palaeozoic age Cajamarca formation. The geological setting is orogenic, with extensive fold and thrust related tectonic activity, and considerable modification by Cretaceous-Jurassic and Miocene tectonism characterised by several episodes of strike-slip compressional and extensional deformation, extensional, in part rotational normal and reverse faulting and associated graben development. The gold-silver bearing quartz-sulphide veins of the Property are interpreted to be associated with the development of regional and lower order shears and brittle fault systems produced by these regional events. The development and modification of the regional Romeral and Otú-Pericos fault systems (Hughes & Sanabria, 2021).

Similar orogenic-style mineralisation remains relatively poorly documented in Colombia, with better analogies to the south, in Peru. Haeberlin et al. (2002), describes Palaeozoic age brittle-ductile precious metal mineralisation within the Patate province, Central Peruvian Andes, with considerable mining of gold-bearing quartz veins within granites and sedimentary gneisses.

Core drilling at the La Ye vein system in the Atocha property intersected high grade silver and gold mineralisation intersecting multiple sets of stacked veins, with up to four of them in the northernmost drillholes. The La Ye vein system comprises a northeasterly trending corridor of mineralised quartz veins with a strike of around 2 km and widths to 50m. The San Antonio Vein, which was mapped at surface dipping 60° northwest, was the target of initial drilling. The veins are hosted in amphibolitic to graphitic schist and a precursor high grade silver-gold zone is markedly delineated by an outer zone comprised of swarms of late white quartz epithermal veins. Graphitic schist is the preferred host rock, showing pyritic alteration haloes around the veined zones. Drilling defined a strongly mineralised shoot extending for approximately 200m along strike with a 30° rake to the north, remaining open at depth. The shoot is offset to the south by an east trending late fault. (Baroyeca, 2022h)

3.2.4 Exploration - Atocha

There are no known records of any recent systematic mining in the Project area. Reports by recent exploration companies note that there are few signs of artisanal mining observed along creeks (Hughes & Sanabria, 2021).

In 2013 Condor Precious Metals Inc., completed an NI 43-101 technical report (Sarjeant & Hughes 2013) on its Santa Ana Project comprising 2 tenements: JGF-08181 (which covered the historic Santa Ana silver mine) and HLF-151 (which included the Atocha Project area). The exploration reported was mostly undertaken on the northern tenement JGF-08181 targeting the Santa Ana deposit, with only

reconnaissance and grab sampling over HLF-151. All but 6 of the 34 samples returned significant silver and gold grades.

From 2013 to 2014, Condor conducted further exploration over HLF-151 including grass roots prospecting, geological investigation, and collection of a total of 190 chip and channel samples from outcrops. Exploration concentrated on sampling Ag-(Au) veins discovered in the northwest of the property between the Socorro creek in the east side and the Tavera ridge in the west. These veins are predominantly northeast oriented and hosted in black graphitic schist. Best results were obtained in Veta Grande East, on the eastern side of Santa Agueda creek. A series of 33 rock chip samples were taken in three exposures of the vein and individual samples returned gold values as high as 14.65 and 14.20 g/t Au and silver values of 3480, 2300, 1955 and 1570 g/t Ag. A series of 19 channel samples were taken from the 'La Ye' vein and individual samples returned values as high as 2.09 g/t Au and 412 g/t Ag and 3.96 g/t Au and 141 g/t Ag. Channel 2 was the best of the three performed, returning 0.75 g/t Au and 129 g/t Ag over a 1.60m interval. The Santa Agueda mineralised vein was discovered and sampled. It is 30-40cm wide, dipping 010/70 near the contact of the El Hatillo quartz-diorite stock and the Cajamarca Schists. Five chip samples returned anomalous grades to 0.15 g/t Au and 40.5 g/t Ag with elevated As, Sb and W (Sanabria, 2014; Hughes and Sanabria, 2021).

Little exploration took place on HFL-151 from 2015 to 2020. During a site visit conducted in 2018 by independent consultant T.N.J. Hughes for Malabar, several quartz vein occurrences were inspected and sampled including the Le Ye, Veta Grande and Santa Agueda veins. The results, indicate anomalous gold and encouraging silver values which were considered by Hughes be representative of the results from 2014-2014 sampling (Hughes and Sanabria, 2021).

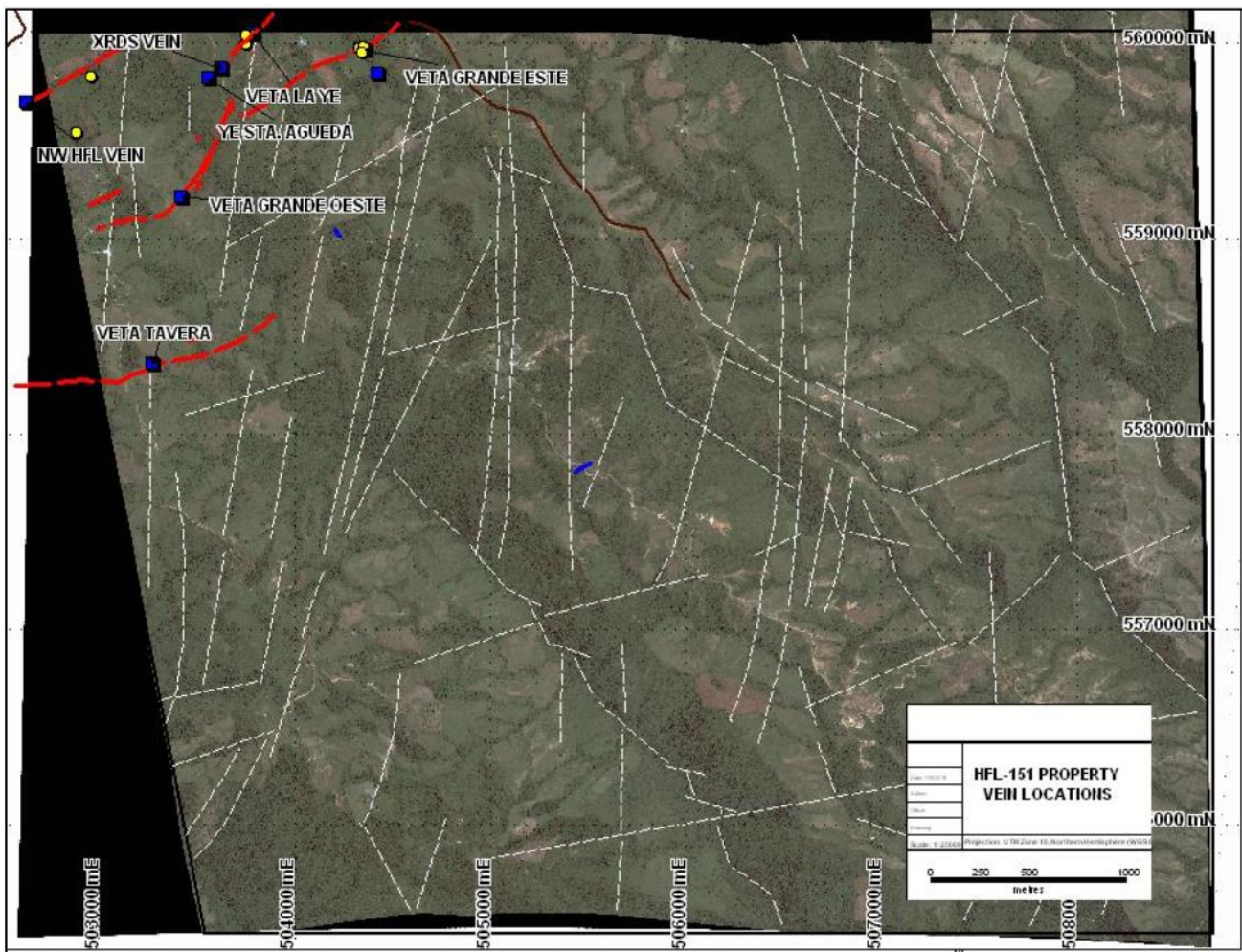


Figure 13: Satellite Image of northwest of Atocha property showing mapped vein systems (red) and interpreted structures (white)

Source: Hughes and Sanabria, 2021. "NI 43-101 Technical Report on the Falan Property"

In April 2020 Baroyeca entered an option agreement over the property with Malabar which closed in February 2021. Travel restrictions caused by the COVID pandemic hindered exploration in until mid-2021. Baroyeca commissioned an NI 43-101 report on HFL-151 which they originally called the Falan Property in 2021 (Hughes and Sanabria, 2021). From 2021 to 2023 Baroyeca undertook surface sampling and 2 phases of diamond drilling. This work was publicly reported by Baroyeca in a series of news releases to the TSX but has not been compiled into a coherent technical report. Andean has commenced this compilation. The relevant news releases are listed in Section 9.2. The author of this report has reviewed the news releases and viewed the raw exploration data files which support the results reported in the news releases. The following description is a summary compiled from these sources.

Baroyeca's 2020 exploration field program concentrated on the cluster of high-grade silver-gold veins identified by previous exploration, resampling two of the zones previously sampled. They also identified two new vein zones from which they collected 15 samples, which returned highly anomalous gold and silver assays (Baroyeca, 2021e).

In 2021 Baroyeca continued prospecting work stepping out from the known historical vein showings towards the central part of the property. A series of major vein exposures forming clusters of closely

spaced parallel veins following a northeast trend were. The identified Atocha structural corridor passing through the property indicates the presence of at least 7 parallel vein systems/zones. Starting on the northwestern corner of the property: 1) NW Perrika-Cucharo, 2) La Ye, 3) Veta Grande-El Arroyo, 4) El Erizo, 5) Tavera-Las Guaduas, 6) Veta Nueva-Jimenez North, 7) Jimenez Central. The width of the corridor to date, from NW-Perrika vein system in the northwesternmost corner of the property to Veta Nueva exceeds 2.5km (Baroyeca, 2021f).

La Ye vein system drilling

In late 2021 Baroyeca implemented an initial phase 1 core drilling program at the La Ye vein system. The first drillhole (AT-21-01) intersected two mineralised zones as initially targeted - below veins well exposed in the San Antonio creek (Baroyeca, 2021g). A total of 13 core drillholes were completed for some 1800m of diamond core.

Drillholes AT-21-01 and 02 were drilled northwards dipping 45 and 40 degrees to a depth of 125m targeting the northeastern end of the most prominent San Antonio central vein zone of La Ye vein system. The purpose of the drillholes included testing for associated parallel veins. The silver-gold bearing veins are hosted mainly in amphibolitic schists with variable amounts of chlorite. Felsic dykes intrude the schist. In the first hole, the main target vein was intersected for 1.1m averaging 890 g/t AgEq¹, including a 0.50m interval of 1,137.05 g/t AgEq. Immediately below the main vein, were a series of thinner veins and spurs as part of the main vein zone, that included 1.05m averaging 159 g/t AgEq. Drillhole AT-21-02 intersected the same main San Antonio vein at 85.70m and assays returned 2,233.5 g/t AgEq for an interval of 0.80m, and a second zone immediately below that returned 373 g/t AgEq over 0.90m and correlates with that other from the previous hole (Baroyeca, 2021h).

Drillholes AT-21-03 and AT-21-04 were drilled along strike toward the southwest targeting the same San Antonio vein and another parallel vein set to the north that came in the upper part of both holes. This parallel vein returned 316.03 g/t AgEq over 0.50m in hole AT-21-03 and 236.32 g/t AgEq over 0.25m in hole AT-21-04. The equivalent to the San Antonio vein in hole AT-21-03 returned 551.30 g/t AgEq over 0.50m and split in two narrow segments in hole AT-21-04 of 158.89 g/t AgEq over 0.20m and 101.81 g/t AgEq over 0.30m. Drillholes AT-21-05 and 06 were directed eastwards to reach the lower downdip projection of the San Antonio Vein next to hole AT-21-01 and between AT-21-01 and 03 to fill the gap, and to see the effect of a northwest fault. Drillhole AT-21-05 intersected the shallow parallel vein returning 190.6 g/t AgEq over 0.40m and followed intersecting the richer San Antonio vein below that returned 561.08 g/t AgEq over 0.55m in the upper part of the vein and two contiguous intervals of 772.45 AgEq over 0.40m following 345.93 g/t AgEq over the next 0.40m in line with the intersects of holes AT-21-01 and 02. Drillhole AT-21-06 successfully intersected the shallow northern vein returning 404.23 g/t AgEq over 0.50m and the two veins part of the San Antonio vein returning 221.20 AgEq over 0.060m following 240.08 g/t AgEq over the next 0.30m. Drillhole AT-20-07 intersected the same sequence of veins with 384.40 g/t AgEq followed by 400.30 g/t AgEq over 0.50m (Baroyeca, 2022e).

¹ AgEq = silver equivalent. Calculated from laboratory silver and gold assays using a silver to gold ratio of 75:1 at recoveries of 100%

Drillholes AT-21-05 and 06 were directed eastwards to reach the lower downdip projection of the San Antonio Vein next to hole AT-21-01 and between AT-21-01 and 03. Drillhole AT-21-05 intersected the shallow parallel vein returning 190.6 g/t AgEq over 0.40m and followed intersecting the richer San Antonio vein below that returned 561.08 g/t AgEq over 0.55m in the upper part of the vein and two contiguous intervals of 772.45 AgEq over 0.40m following 345.93 g/t AgEq over the next 0.40m in line with the intersects of holes AT-21-01 and 02. Drillhole AT-21-06 successfully intersected the shallow northern vein returning 404.23 g/t AgEq over 0.50m and the two veins part of the San Antonio vein (See photo 1) returning 221.20 AgEq over 0.0.60m following 240.08 g/t AgEq over the next 0.30m. Drillhole AT-20-07 intersected the same sequence of veins with 384.40 g/t AgEq followed by 400.30 g/t AgEq over 0.50m.

Drillhole AT-21-08 intersected the shallow north parallel vein returning 361.5 g/t Ag over 0.50m after an interval of 0.50m grading 114.33 g/t AgEq and 0.30m of 150.05 g/t AgEq. The hole then intersected the richer San Antonio vein below that returned 244.7 g/t AgEq over 0.50m followed by 0.40m of 981.45g/t AgEq. Drillhole AT-21-09 missed the target San Antonio vein as it was intruded by a late crosscutting granitic dike at the projected target depth (Baroyeca, 2022f).

Drillholes AT-22-10, 11 and 12 were collared at a 50m step out spacing from previous drill platform to avoid the granitic plug and successfully intersected veining with more than 5m of true thickness. Assay results from hole At-22-10 are affected by its proximity to the surface and the depth of the saprock, producing deep weathering of the sulphide content of the vein, but still returning 0.50m of 502.95 g/t AgEq followed by 0.35m of 187.55 g/t AgEq in the only area where sulphides were present and not weathered out. Drillholes AT-22-11 and AT-22-12 were an undercut of the previous hole and encountered the same intensely weathered vein, with most of the sulphides oxidised and weathered out of the quartz matrix. Despite the deep weathering of the vein, anomalous gold, and silver values up to 120.6g/t AgEq over 0.90m are still present throughout the entirety of the vein. Drillhole AT-22-13 was drilled from the south in a north westerly direction targeting a set of shallow angle veins exposed immediately south of the San Antonio master vein of La Ye vein system. These veins returned highly anomalous silver and gold grades at surface. The hole was successful, intersecting a first vein returning 170 g/t AgEq over 0.60m, followed by 0.20m of 367.88 g/t AgEq. Then the hole intersected the main vein of this set returning 1.3m of 331.1 AgEq (0.50m of 338.83 g/t AgEq and 0.20m of 669.23 g/t AgEq and 0.60m of 211.95 g/t AgEq), then another vein returning 429.18 g/t AgEq over 0.20m and a last one of 167.45 g/t AgEq over 0.50m for a total of 5 parallel veins in less than 30m (Baroyeca, 2022f).

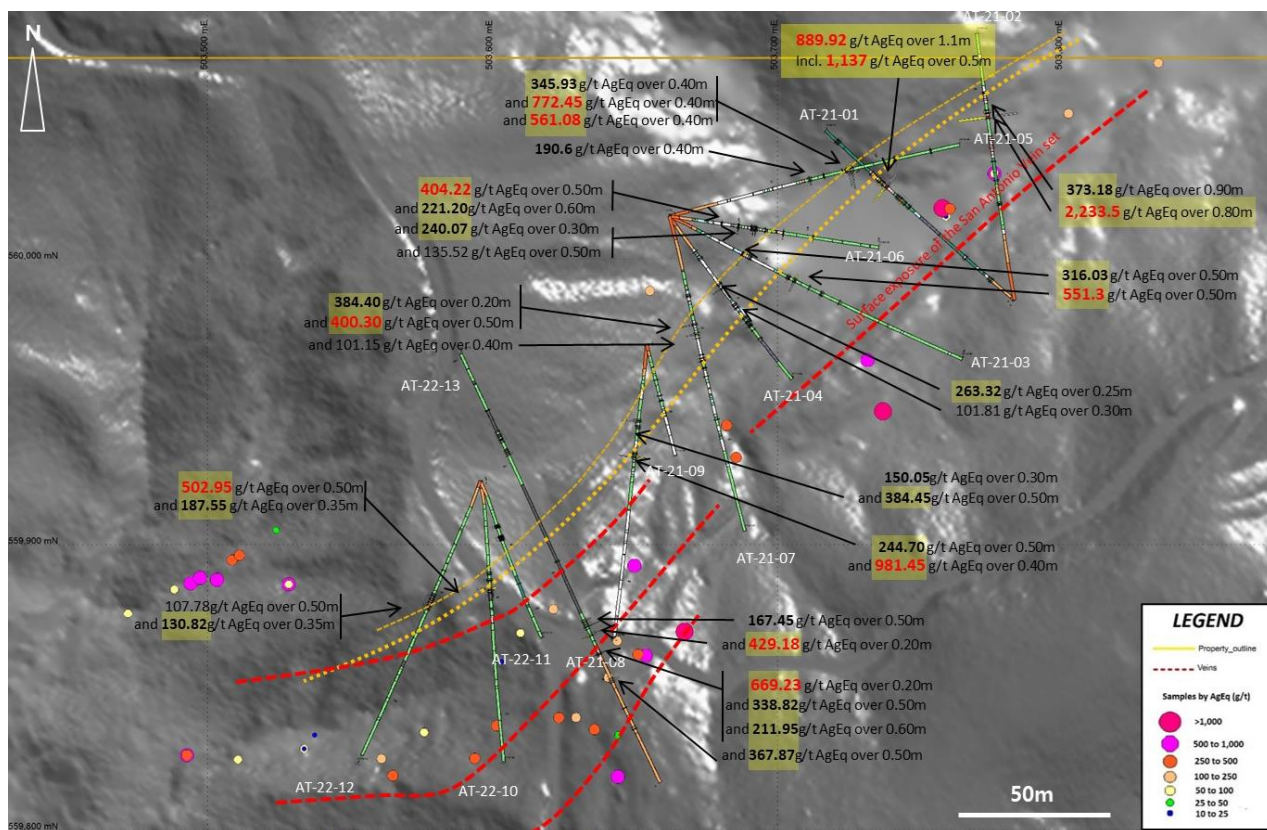


Figure 14: Map of the La Ye vein system Atocha Project showing Phase 1 drillholes and surface sampling results.

Source: Baroyeca, 2022f. TSX-V News Release by Baroyeca dated January 5 2022 "Baroyeca Receives Assays up to 981.45, 669.23 and 502.95 g/t AgEq from Additional Drill Holes at the Atocha Project in Tolima, Colombia" AgEq = silver equivalent. Calculated from laboratory silver and gold assays using a silver to gold ratio of 75:1 at recoveries of 100%

Table 1: Significant drillhole intercepts – La Ye vein system Atocha Project – Phase 1

Hole #	From (m)	To (m)	Interval (*)	Au ppm	Ag ppm	AgEq ppm
AT-21-01	84.00	84.50	0.50	13.11	153.8	1,137.05
	84.50	85.10	0.60	4.519	364	702.93
	87.35	87.90	0.55	1.163	24.1	111.33
	87.90	88.40	0.50	2.605	17.4	212.78
AT-21-02	85.70	86.50	0.80	20.14	723	2,233.50
	88.10	89.00	0.90	1.289	276.5	373.18
AT-21-03	38.50	39.00	0.50	0.127	306.5	316.03
	62.50	63.00	0.50	1.305	11.8	109.68
	65.80	66.30	0.50	3.736	271.1	551.30
AT-21-04	41.30	41.55	0.25	0.176	251	263.32
	52.80	53.10	0.30	0.379	42.2	68.73
	59.20	59.40	0.20	2.047	15.6	158.89
	63.32	63.62	0.30	0.373	75.7	101.81
AT-21-05	67.10	67.50	0.40	1.112	107.2	190.60
	85.40	85.95	0.55	2.529	371.4	561.08
	85.95	86.30	0.35	0.183	53.8	67.53
	86.30	86.70	0.40	0.273	56.8	77.28
	86.70	87.10	0.40	4.146	461.5	772.45
	87.10	87.50	0.40	1.411	240.1	345.93
AT-21-06	49.50	50.00	0.50	0.908	6.4	74.50
	50.00	50.50	0.50	3.011	178.4	404.23
	60.80	61.40	0.60	0.884	154.9	221.20
	62.75	63.05	0.30	1.173	152.1	240.08
	82.70	83.20	0.50	1.807	127.5	135.53
AT-21-07	47.50	47.70	0.20	0.984	310.6	384.40
	51.70	52.20	0.50	2.084	244	400.30
	64.10	64.50	0.40	0.63	53.9	101.15

Source: Baroyeca, 2022e. TSX-V News Release by Baroyeca dated January 5 2022 “Baroyeca Receives Assays up to 772.45 and 561 g/t AgEq from Five Additional Drill Holes at the Atocha Project in Tolima, Colombia”

Hole #	From (m)	To (m)	Interval (*)	Au ppm	Ag ppm	AgEq ppm
AT-21-08	31.50	32.00	0.50	0.271	94	114.33
	32.00	32.30	0.30	0.786	91.1	150.05
	32.30	32.80	0.50	0.306	361.5	384.45
	32.80	34.20	1.40	0.089	42.4	49.08
	34.20	34.40	0.20	0.298	56.7	79.05
	46.80	47.30	0.50	1.544	128.9	244.70
	47.30	47.70	0.40	8.238	363.6	981.45
AT-21-09	25.48	25.68	0.20	0.117	18.1	26.29
	36.70	36.90	0.20	0.053	2.6	6.31
	40.80	41.00	0.20	0.102	4.9	12.04
AT-22-10	45.60	46.10	0.50	2.978	279.6	502.95
	46.10	46.45	0.35	1.694	60.5	187.55
	46.45	46.80	0.35	0.245	7.4	25.78

	46.80	47.30	0.50	0.051	53.2	57.03
	47.30	47.70	0.40	0.228	13	30.10
	48.05	48.45	0.40	0.007	30.4	30.93
	48.45	48.60	0.15	0.175	26.8	39.93
	48.60	49.00	0.40	0.061	43.2	47.78
	49.00	49.45	0.45	0.805	37.8	98.18
AT-22-11	33.50	34.00	0.50	0.049	14.3	17.98
	34.00	34.60	0.60	0.074	36.5	42.05
	35.10	35.60	0.50	0.028	14.7	16.80
	41.10	41.60	0.50	0.164	32.1	44.40
	41.60	42.10	0.50	0.328	44.8	69.40
	42.60	43.10	0.50	0.275	15.1	35.73
AT-22-12	55.75	56.30	0.55	0.427	35.2	67.23
	56.30	56.90	0.60	0.03	46.1	48.35
	56.90	57.30	0.40	0.034	21.9	24.45
	57.30	57.70	0.40	0.741	52.2	107.78
	57.70	58.20	0.50	0.979	57.4	130.83
AT-22-13	47.60	48.20	0.60	0.072	164.6	170.00
	60.30	60.50	0.20	3.021	141.3	367.88
	68.50	69.00	0.50	1.643	215.6	338.83
	69.00	69.20	0.20	5.695	242.1	669.23
	69.20	69.80	0.60	1.602	91.8	211.95
	71.80	72.80	1.00	0.22	8.2	24.70
	72.80	73.00	0.20	1.409	323.5	429.18
	73.00	73.50	0.50	0.373	26	53.98
	75.40	75.90	0.50	0.31	144.2	167.45

Source: Baroyeca, 2022f. TSX-V News Release by Baroyeca dated March 3 2022 "Baroyeca Receives Assays up to 981.45, 669.23 and 502.95 g/t AgEq from Additional Drill Holes at the Atocha Project in Tolima, Colombia"

In 2022 Baroyeca implemented a second phase of core drilling following the high-grade silver and gold intercepts produced by the phase 1 drilling program at the La Ye vein system. The Phase 2 drilling program assessed the western extension of La Ye mineralised corridor with some 1,400m in 12 drillholes. continued delineating the boundaries of the mineralised shoot intersecting multiple sets of stacked veins, with up to four of them in the northernmost holes. The veins are hosted in amphibolitic to graphitic schist and a precursor high grade silver-gold zone is markedly delineated by an outer zone comprised of swarms of late white quartz epithermal veins. Graphitic schist is the preferred host rock, showing pyritic alteration haloes around the veined zones. Drillhole AT-22-22 intersected 0.50m of 210.33 g/t AgEq followed by 0.40m of 986.58 g/t AgEq. An undercut hole to this one, AT-22-23, intersected the same vein zones, including an upper zone of one meter of 316.70 g/t AgEq (including 0.25m of 648.88 g/t AgEq). Follow up drillholes towards the north included drillhole AT-22-27 that intersected 138.83 g/t AgEq over 0.70m and 447.38 g/t AgEq over 0.65m. Drillhole At-22-28 to the north of the previous drillhole continued intersecting the vein system returning 247.03 g/t AgEq over 0.50m and 130.65 g/t AgEq over 0.35m. The following drillhole in the structure, AT-22-29, returned 304.68 g/t AgEq over 0.35m for another 25m step out in drillhole AT-22-30 returning 261.33 g/t AgEq over 0.55m. Drillhole AT-22-31 intersected the widest vein zone interval in the prospect, over 7 m, but lacking any

sulphide content and it only returned trace gold and silver values. An undercut drillhole AT-22-32 between drillholes 29 and 30 returned 135.30 g/t AgEq over 0.36m. Drilling defined a strongly mineralised shoot extending for approximately 200m along strike with a 30° rake to the north, remaining open at depth. The shoot is offset to the south by an east trending late fault. (Baroyeca, 2022h)

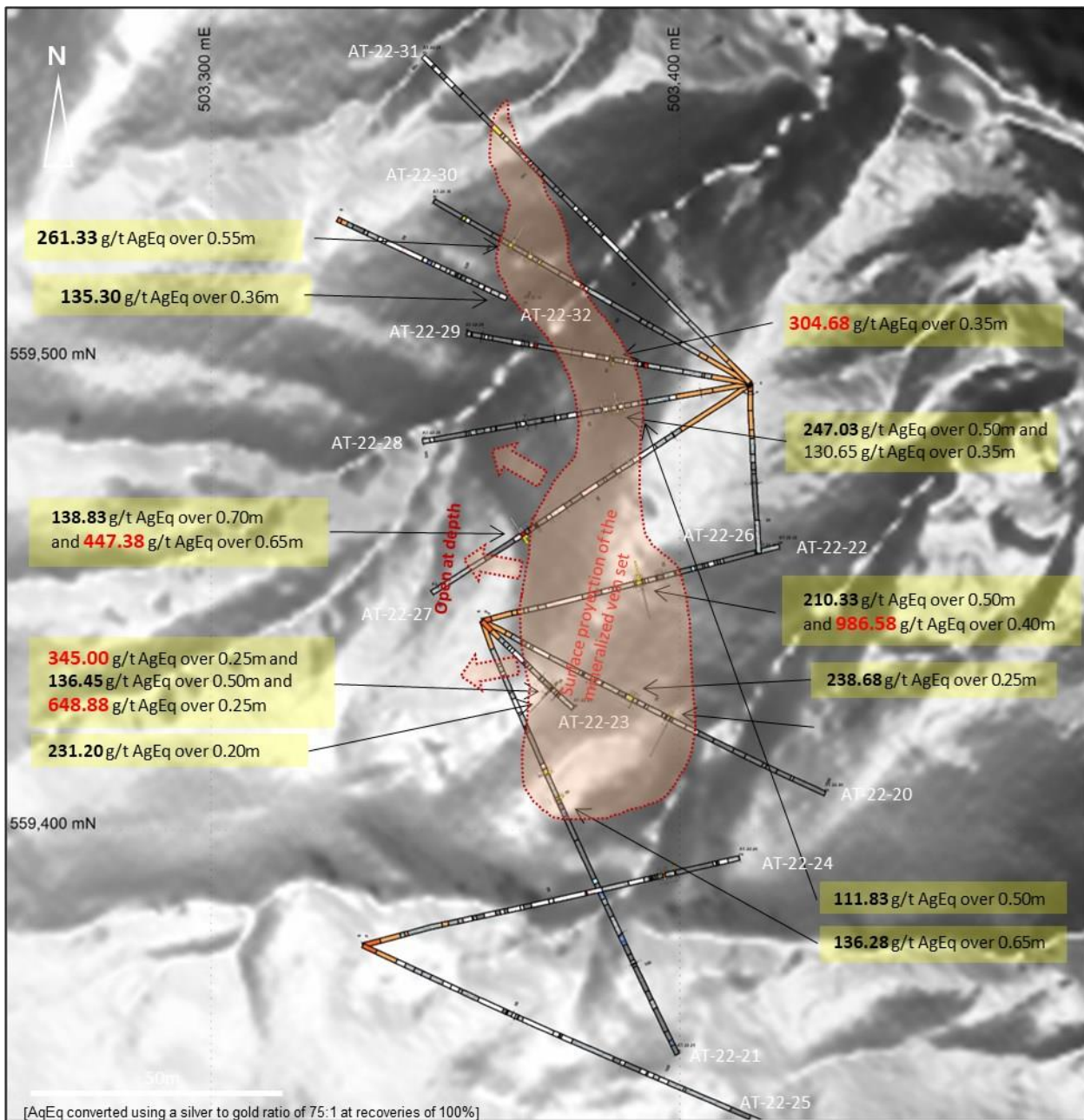


Figure 15: Map of the Western Extension of the La Ye vein system showing Phase 2 drillholes

Source: Baroyeca, 2022h. TSX-V News Release by Baroyeca dated October 13 2022 "Baroyeca Receives Assay Results from Remaining Drill Holes at the Western Extension of La Ye Prospect in the Atocha Project in Tolima, Colombia" AgEq = silver equivalent. Calculated from laboratory silver and gold assays using a silver to gold ratio of 75:1 at recoveries of 100%

Table 2: Significant drillhole intercepts – La Ye vein system Atocha Project – Phase 2

DDH_ID	From	To	Interval	Au g/t	Ag g/t	AgEq g/t
AT-22-24	82.60	82.85	0.25	2.76	24.90	231.83
AT-22-27	42.15	42.35	0.20	1.38	40.60	144.18
AT-22-27	67.00	67.20	0.20	0.30	31.70	53.90
AT-22-27	70.90	71.60	0.70	1.06	59.70	138.83
AT-22-27	71.60	72.24	0.64	3.36	195.60	447.38
AT-22-28	38.60	39.10	0.50	0.84	35.60	98.60
AT-22-28	39.10	39.30	0.20	0.43	32.00	64.25
AT-22-28	40.25	40.60	0.35	0.03	64.20	66.60
AT-22-28	40.60	41.10	0.50	1.34	146.90	247.03
AT-22-28	45.10	45.60	0.50	0.59	94.90	139.45
AT-22-28	68.55	68.90	0.35	0.88	64.80	130.65
AT-22-29	48.00	48.40	0.40	1.56	187.60	304.68
AT-22-30	92.90	93.40	0.50	0.47	226.30	261.33
AT-22-30	93.40	93.90	0.50	0.40	50.40	80.55
AT-22-32	90.30	90.50	0.20	0.36	108.00	135.30

Source: Baroyeca, 2022h. TSX-V News Release by Baroyeca dated October 13 2022 "Baroyeca Receives Assay Results from Remaining Drill Holes at the Western Extension of La Ye Prospect in the Atocha Project in Tolima, Colombia" AgEq = silver equivalent. Calculated from laboratory silver and gold assays using a silver to gold ratio of 75:1 at recoveries of 100%

3.3 El Dovia Gold Copper Project - Colombia

3.3.1 Location and Tenement

The El Dovia Project is located in Colombia, South America, 120km north of the city of Cali and 250km west of Bogota the capital. Figure 1 shows the location of the El Dovia Project with a project specific location plan shown as Figure 16, and the tenements which comprise the project are detailed in Appendix A of this Report.

An Independent Technical Assessment Report (ITAR) covering the El Dovia property was undertaken in 2021 by Neal Leggo, a co-author of this Report, which included JORC Table 1 commentary, detailed tabulation of drilling and sampling results and accompanying documentation of exploration methods and results (Leggo, 2021). The ITAR relied primarily on digital data recorded by previous explorers of the project which was supplied to the author by Andean Mining, and public news releases of significant exploration results to the TSX-V. The following sections represent a summary of that ITAR.

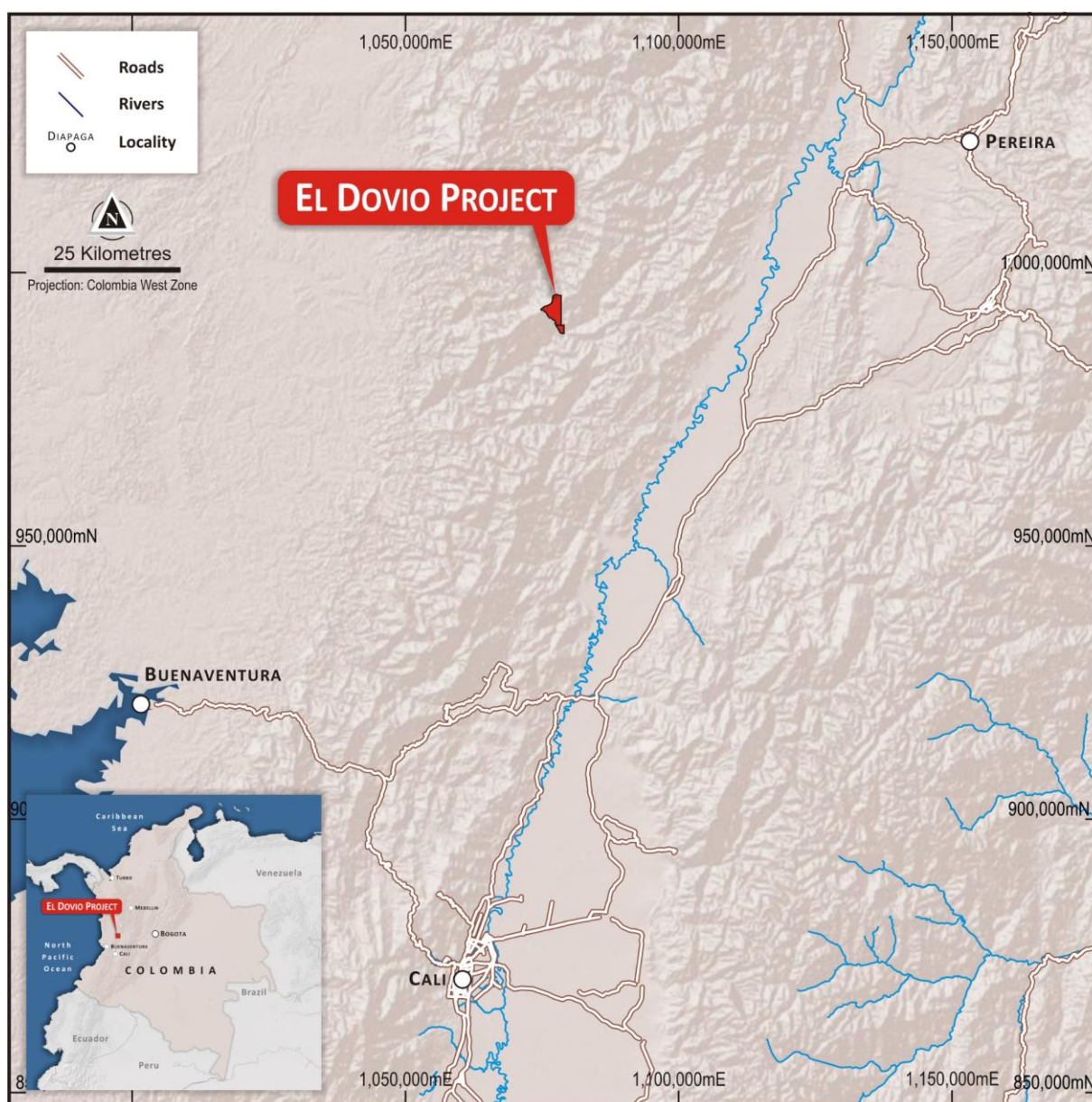


Figure 16: El Dovo Project Location Map

Source: Andean, 2021. Prospectus – Andean Mining Limited. Lodged with the ASX on 1 November 2021.

3.3.2 Geology – El Dovo

Previous exploration on the El Dovo property has delineated significant intercepts of high-grade gold-copper mineralisation within a sequence of volcanic and sedimentary rocks.

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

The El Dovio property contains gold-copper-zinc-silver (Au-Cu-Zn-Ag) massive sulphide mineralisation hosted within a sequence of volcanic and sedimentary rocks of Cretaceous age. The mineralisation at El Dovio occurs as structurally controlled veins within broad zones of weakly anomalous stockwork mineralisation. Sparsely outcropping mineralisation has been traced along strike for approximately one kilometre. A geological map of the main Project area is provided in Figure 17. The observed mineralisation style is characteristic of the stringer zones that are known to occur beneath VMS systems but could also be related to orogenic systems which are associated with many of the gold deposits of Colombia.

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

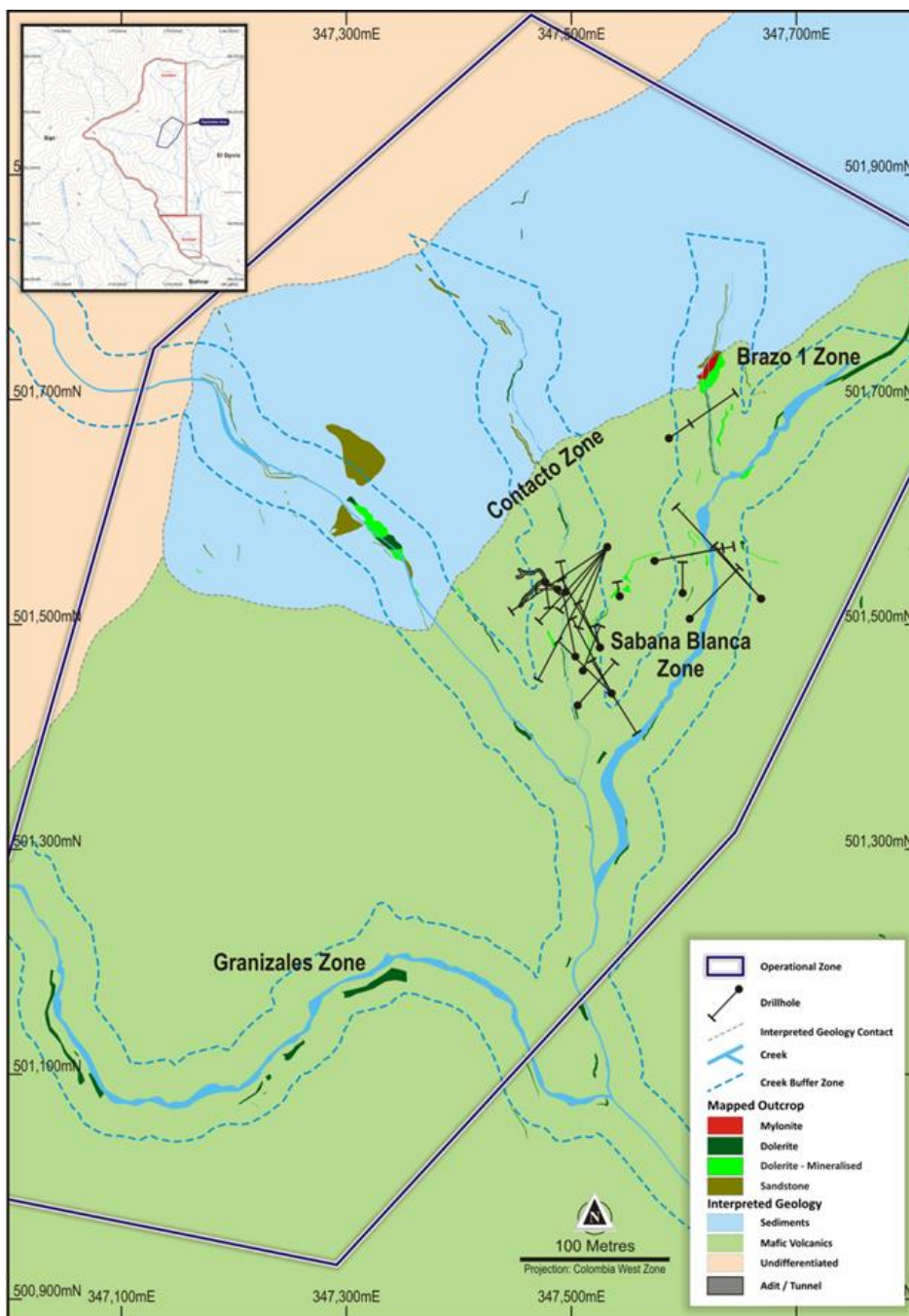


Figure 17: Geology Map of the El Dovia Project

Source: Andean, 2021. Prospectus – Andean Mining Limited. Lodged with the ASX on 1 November 2021.

3.3.3 Exploration – El Dovia

Outcropping Au-Cu-Zn-Ag mineralisation in the Sabana Blanca zone was discovered initially in 1974, and the majority of previous exploration has been focused there. There is no record or evidence of any artisanal mining on the property or the surrounding district. In 1988, Nittetsu Mining Company developed a short exploration adit on high grade mineralisation in the Sabana Blanca zone. From 1991-1993 Mineros S.A. explored the El Dovia Project drilling 691m of small diameter diamond core in 15 shallow drillholes. Subsequently, Newrange Gold Corp explored the El Dovia property with most activity

during the 2011-2014 period, drilling 23 drillholes for 2,592.5m, resulting in numerous intersections of high-grade gold and copper mineralisation in trench channel, underground channel, and diamond drillhole samples.

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

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

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

The twenty best drillhole intersections are:

- 15.4m @ 3.43g/t Au, 3.59% Cu, 0.4% Zn, & 17.9g/t Ag, from 77.5m in drillhole D13_02
- 6.9m @ 5.86g/t Au, 5.89% Cu, 1.28% Zn, & 34.3g/t Ag, from 86.5m in drillhole D13_05
- 27.5m @ 2.3g/t Au, 0.2% Cu, 0.9% Zn, & 6.2g/t Ag, from 0m in drillhole 1360_02
- 16.7m @ 2.39g/t Au, 1.11% Cu, 0.49% Zn, & 6.2g/t Ag, from 0m in drillhole 1360_01
- 18.6m @ 1.58g/t Au, 1.32% Cu, 0.65% Zn, & 6.7g/t Ag, from 37.7m in drillhole D13_07
- 4.1m @ 9.27g/t Au, 1.33% Cu, 4.51% Zn, & 25.8g/t Ag, from 38.8m in drillhole P4
- 9.7m @ 3.86g/t Au, 0.62% Cu, 1.07% Zn, & 6.3g/t Ag, from 75.6m in drillhole D13_01A
- 7.6m @ 1.09g/t Au, 4.39% Cu, 0.29% Zn, & 16.2g/t Ag, from 93m in drillhole D13_04
- 4.4m @ 9.56g/t Au, 0.01% Cu, 0.85% Zn, & 6.8g/t Ag, from 114.8m in drillhole D13_01A
- 11m @ 2.62g/t Au, 0.75% Cu, 0.22% Zn, & 6.4g/t Ag, from 71m in drillhole D13_04
- 20.5m @ 1.5g/t Au, 0.1% Cu, 0.6% Zn, & 12.6g/t Ag, from 0m in drillhole 1360_03
- 7.3m @ 2.39g/t Au, 1.37% Cu, 1.02% Zn, & 6.4g/t Ag, from 49.6m in drillhole D13_06
- 6.8m @ 1.1g/t Au, 2.73% Cu, 0.12% Zn, & 10.8g/t Ag, from 34m in drillhole SBC14_02
- 3m @ 8.02g/t Au, 0.82% Cu, 0.47% Zn, & 4.9g/t Ag, from 61m in drillhole SBC14_01
- 9m @ 1.43g/t Au, 0.81% Cu, 0.41% Zn, & 4.7g/t Ag, from 55.5m in drillhole D13_08
- 2.6m @ 2.59g/t Au, 4.17% Cu, 1.36% Zn, & 15.4g/t Ag, from 88m in drillhole P7
- 4.8m @ 2.14g/t Au, 1.05% Cu, 1.48% Zn, & 7.5g/t Ag, from 56.9m in drillhole SBC14_02
- 3.4m @ 3.26g/t Au, 0.94% Cu, 0.61% Zn, & 14.1g/t Ag, from 31.2m in drillhole P2
- 3m @ 3.88g/t Au, 0.63% Cu, 1.15% Zn, & 5.5g/t Ag, from 69.5m in drillhole D13_08
- 5m @ 0.52g/t Au, 0.22% Cu, 4.04% Zn, & 5g/t Ag, from 17m in drillhole SB14_02

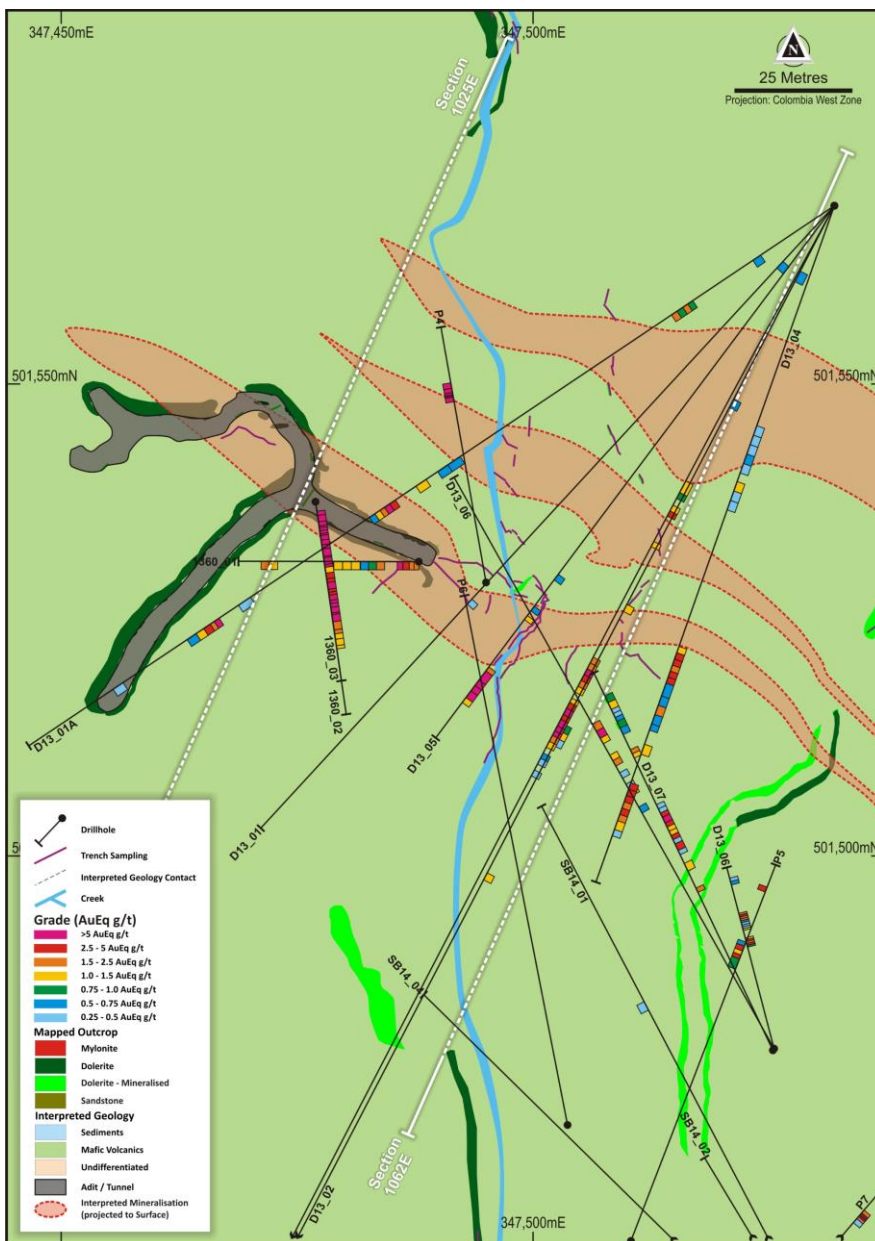


Figure 18: Sabana Blanca Zone map showing mineralisation in drillholes and the adit

Source: Leggo, 2021. "Independent Technical Assessment Report on the El Dovio Project for Andean Mining Limited."

In the Sabana Blanca zone mineralisation consists of pyrite, pyrrhotite, chalcopyrite, sphalerite, and minor other sulphides in a silica matrix. Mineralisation occurs as both massive tabular bodies and filling fractures in the host rock. Intercepts of mineralisation have been linked in plan and cross section to form massive sulphide lodes within broad zones of stockwork mineralisation weakly anomalous in Au-Cu-Zn-Ag. This broad zone is orientated east to east-northeast, is up to 60m wide in outcrop and approximately 300m long that has locally been traced down dip up to 200m below outcrop in drillholes, with sparsely outcropping mineralisation traced along strike for approximately one kilometre. Andean have designed a diamond drilling program comprising 42 drillholes for approximately 7,000 m from 13 drill pads, to test the continuity and extent of the Sabana Blanca zone mineralisation. The cross section shown in Figure 19 is on a local grid oriented to be approximately perpendicular to the trend of the Sabana Blanca mineralisation. Section line is shown on Figure 18. Section window is +/- 10m. An

arrowhead is used where drillholes go off section. Mineralised zones represent a low confidence interpretation which requires significant confirmation drilling. Intercepts shown are downhole lengths, true width are not known.

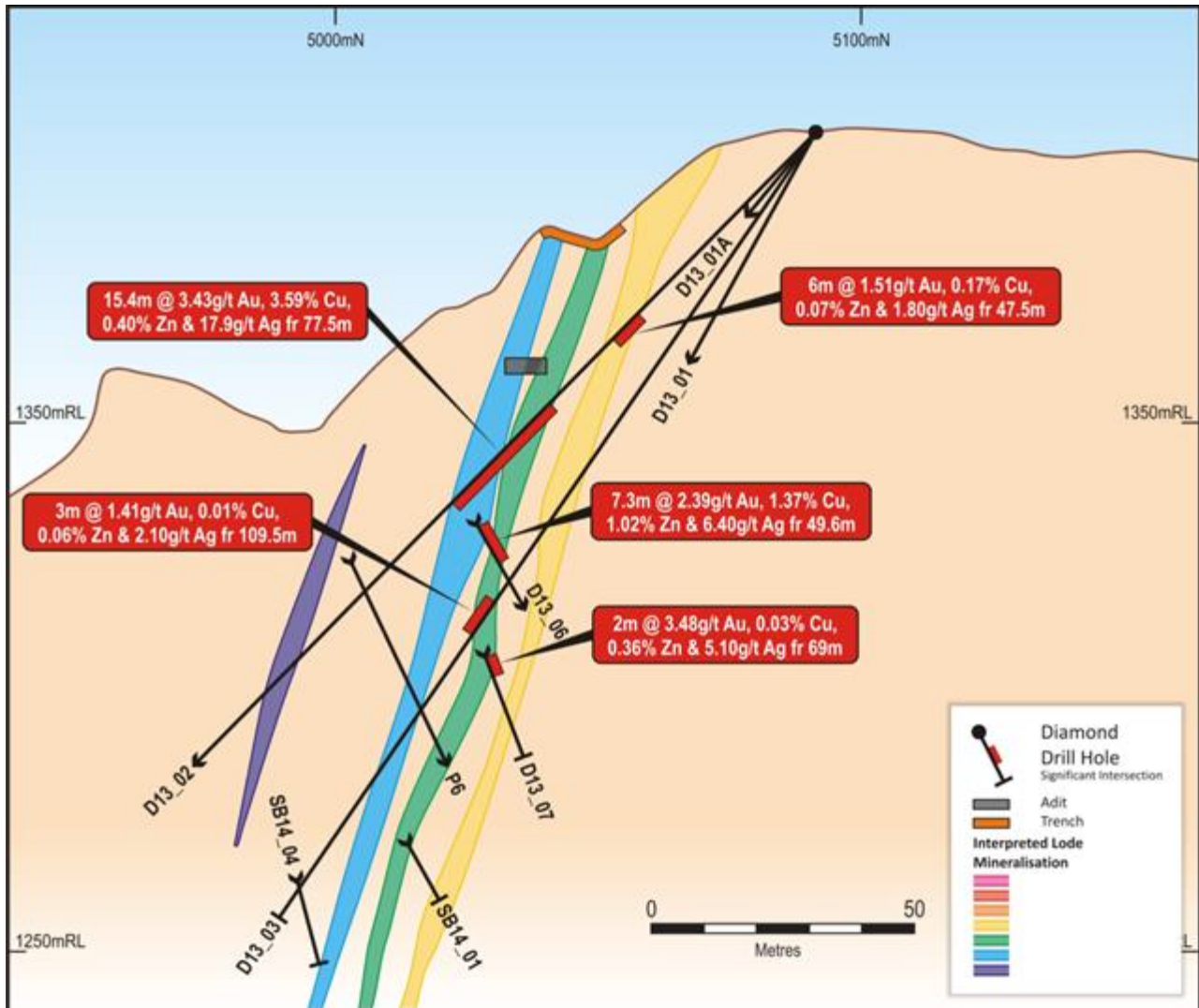


Figure 19: Sabana Blanca Zone cross section showing mineralisation in drillholes

Source: Leggo, 2021. "Independent Technical Assessment Report on the El Dovia Project for Andean Mining Limited."

A composite bulk sample from unoxidised mineralisation from the Sabana Blanca adit was submitted for metallurgical test work to McClelland Laboratories of Reno, Nevada in 2012. Metallurgical recoveries of 96.4% of the contained gold, 97.8% of copper, 91.1% of silver and 96.8% of the zinc were produced using a froth floatation circuit. VRM considers these recoveries to be high and while preliminary in nature, indicates that the Sabana Blanca mineralisation could be effectively recovered by conventional flotation processes.

VRM considers the El Dovia Project offers strong potential for the discovery of further gold-copper-zinc-silver mineralisation based on the analysis of the data obtained by previous exploration. VRM stress that there can be no certainty that such continuity of mineralisation will exist.

VRM notes that obtaining the permits to undertake further exploration activities, including the proposed drilling campaign, will not be possible until resolution of legal proceedings currently underway to remove environmental restrictions on land use (including exploration and mining) in the district in which El Dovio is situated. There can be no certainty that the lifting of the recently imposed environmental restrictions on exploration and mining activities will occur.

4. Aguia Resources Limited

4.1 Introduction

The Mineral Assets of Aguia Resources Limited (Aguia) comprise 2 main Projects both in Brazil:

- Rio Grande Phosphate Project including the Tres Estradas Phosphate deposit - comprising 11 tenements and considered an Advanced Exploration Project under the definitions of the VALMIN Code.
- Rio Grande Copper Project including the Andrade Copper Mineral Resource - comprising 105 tenements and considered an Advanced Exploration Project under the definitions of the VALMIN Code.

Both Projects are 100% owned. Summary descriptions of these Mineral Assets are described in the following sections for each Project. The Project locations are shown in Figure 20. A summary table of the tenements is provided in Appendix A of this Report.



Figure 20: Location Map of Aguia Resources Limited's Projects

Source: Aguia, 2023b. Updated BFS of Phosphate Project Confirms Robust Economics. ASX Announcement, 21 March 2023.

Aguia also holds 3 tenements and 13 applications over its Lucena Project; however, this Project is considered by VRM to be immaterial to this valuation Report, as Aguia have written this Project down to zero value in their accounts. Aguia additionally have made application for two exploration tenements in Brazil, which are yet to be granted (831798/2013 and 815625/2008). As they are only applications, they are not considered by VRM to be material to this Report and valuation.

4.2 Rio Grande Phosphate Project – Brazil

4.2.1 Location and Tenement

Tres Estradas Phosphate Project (TEPP) is located 320 km southwest of Porto Alegre, the capital city of Rio Grande do Sul State in southern Brazil. Lavras do Sul is the nearest town 30km to the northeast.

The region has a humid subtropical climate. Annual precipitation ranges from 1,300 to 1,800 mm and is relatively uniform throughout the year. The landscape surrounding the Três Estradas deposit is low, gently sloping hills with a mix of Pampas grass lands, shrubs and small to medium height trees. It is located between two hydrographic basins: the Santa Maria River Basin and the Camaquã River Basin. Elevations ranges from 249m to 367m meters above sea level. Good road access is in place. A railroad crosses through the Tres Estradas property. Electrical power and water utilities provide services across the region.

4.2.2 Regional Geology - Tres Estradas

The TEPP is situated in the Santa Maria Chico Granulitic Complex which exposes the deepest structural levels within Brazil and may represent the western edge of the Precambrian Rio de la Plata Craton. This granulite complex is bounded to the northeast by the Ibaré Lineament, to the west by Phanerozoic cover, and to the south by Neoproterozoic Brazilian granites. The age of the granulite is late Archean to early Paleoproterozoic and can therefore be interpreted as the basement to the Taquarém domain and as an extension of the Valentines-Rivera Granulitic Complex within bordering Uruguay (Viana, et.al., 2023).

4.2.3 Property Geology - Tres Estradas

The Três Estradas deposit consists of an elongated meta-carbonatite intrusion with a strike of 50° to 60°. The surface expression of the intrusion is about 2.5km along the strike and 300m wide. The linear-type carbonatite plunges steeply from 70° - 90° towards the northwest. The host carbonatite fold complex strikes northeast and dips steeply to sub-vertical to the southwest. The carbonatite intrusion is Late Archean to Early Proterozoic in age. The dominant rock types found within the local confines of the Três Estradas property include biotite gneiss, amphibolite, schist, and meta-tonalite. The sequence has been affected by ductile deformation, shearing and metamorphism during the Neo-Proterozoic. The meta-carbonatite and amphibolite units appear to be part of a tightly folded sequence of rocks and several fold limbs have been interpreted from the drillhole intersections. The carbonatite is strongly foliated, resulting in a well-developed gneissic texture. Locally, abundant subparallel quartz veins are present resulting in elevated topographic ridges as the quartz is more resistant to weathering than the surrounding country rock. These veins range from a few centimetres to a couple of metres in width and can be up to 300m long. Phosphate mineralization occurs as small, sub-millimetre apatite crystals, disseminated throughout the meta-carbonatite and much of the amphibolite (Kerr, 2017).

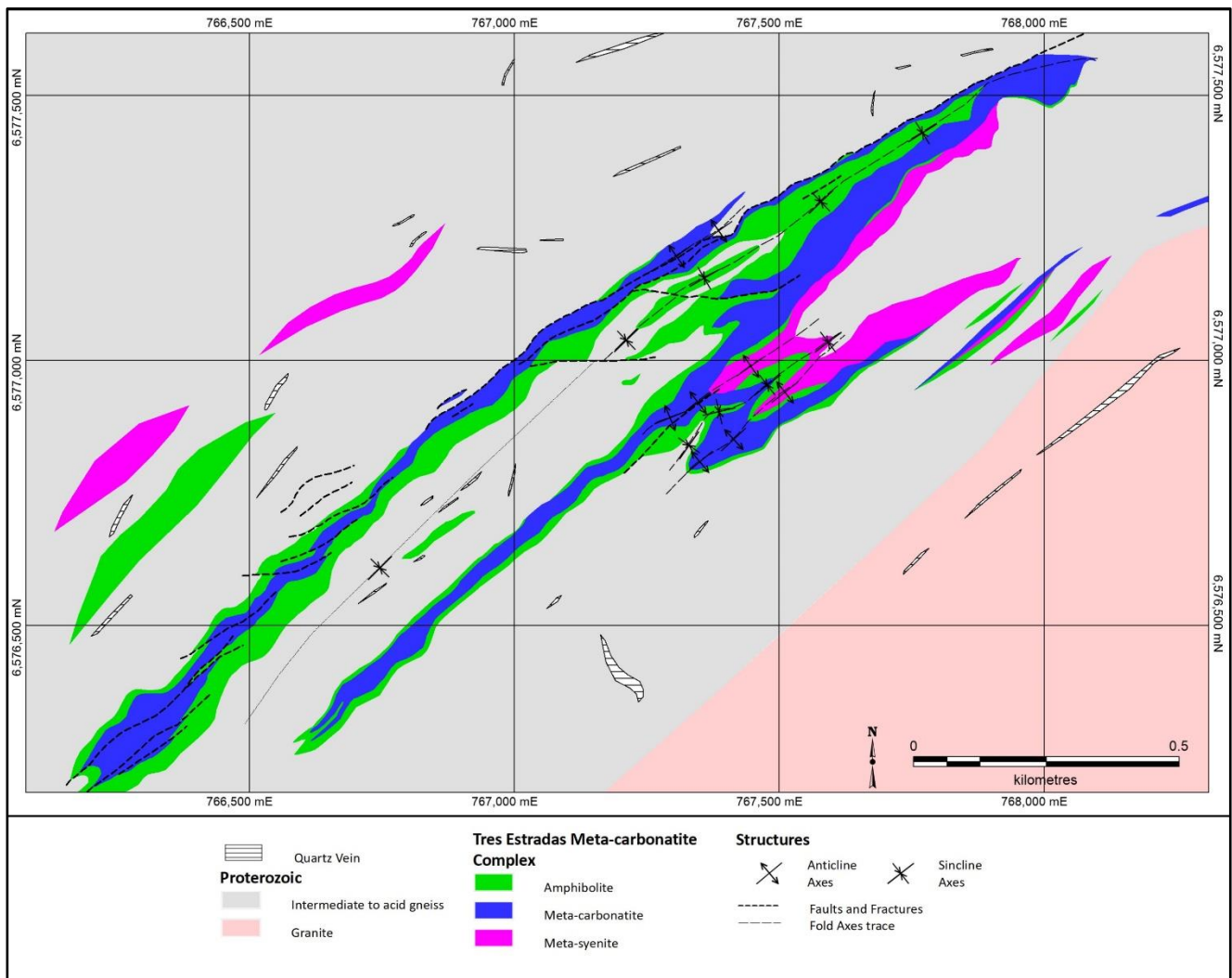


Figure 21: Geology Map of the Tres Estradas Phosphate Deposit

Source: Kerr et. al., 2017. "NI 43-101 Technical Report - Três Estradas Phosphate Project, Updated Resource Report"

4.2.4 Exploration

Lavras do Sul was originally developed in the 1880's as a gold mining camp on the Camaquã of Lavras River. In 1959, more detailed studies were organized by the government and in the 1970s major survey and sampling programs were undertaken. Recent years has seen renewed exploration activities for gold and base metals in the region. Phosphate mineralization was first observed at Três Estradas in a gold exploration program being conducted jointly by Santa Elina and Companhia Brasileira do Cobre (CBC). Santa Elina was prospecting for gold.

In July 2011, CBC entered into a partnership with Aguiá Metais Ltd, a subsidiary of Aguiá, to explore and develop phosphate deposits in Rio Grande do Sul State. The two companies entered into an option agreement providing Aguiá the irrevocable purchase option for phosphate mineral rights. The discovery of the Tres Estradas deposit was announced on the ASX in November 2011 (Aguiá, 2011). Aguiá exercised the purchase option the following year, granting them 100% interest in the Tres Estradas property. From 2011 to 2017, Aguiá conducted a systematic and detailed exploration program to delineate phosphate mineralization at the deposits.

Aguia has undertaken a comprehensive exploration program over the Project with results reported in a regular series of ASX Announcements in accordance with the JORC and VALMIN Codes. The early exploration work resulted in the reporting of a maiden Inferred MRE for the Tres Estrade deposit in 2012 (Aguia, 2012). Further drilling and associated exploration and engineering work followed, with several MRE updates and culminating in the reporting of a Measured and Indicated MRE in 2017 (REF), which is described in the MRE Section below. In addition, an MRE has been defined at the Joca Tavares deposit which is located 41 km to the southeast of Tres Estrade. In 2016 Aguia reported a Measured and Indicated MRE for the Joca Tavares deposit (Aguia, 2016).

Exploration Potential - Phosphate

Brazil hosts some of the best-known mineralized carbonatites in the world. Well known examples include Araxá - Minas Gerais, Catalão - Goiás, Cajati - São Paulo, and Tapira - Minas Gerais. All of these have an early Cretaceous to Eocene age range and are developed along the margins of the Parana Basin and can be classified as central-type carbonatites. Três Estradas is a linear-type carbonatite and is one of only two known linear-type carbonatite complexes known in Brazil.

Because Aguia was the first company to recognise the mineral potential of the region, the Company was able to secure various prospective targets that subsequently resulted in the greenfield discoveries of another five carbonatites: Santa Clara, Joca Tavares, Porteira, Mato Grande and Passo Feio, totalling 6 carbonatites over which Aguia holds mineral rights. Aguia has 141 km² of phosphate tenements with similar geology and geophysical characteristics to the Três Estradas deposit.

These are all prospective for phosphate mineralisation. The Aguia website provides an overview of their exploration targets, however supporting JORC commentary was provided in substantiation of these exploration results is confined to historical announcements before 2016. The information available for prospects is summarised below (Aguia, 2024):

Porteira Exploration Prospect

Porteira is an exploration prospect located 36km Southeast from TEPP. In 2015 the Company conducted a shallow auger drilling program at the Porteira Carbonatite and confirmed the presence of high-grade oxidised mineralisation near surface, including very promising results as 4.0m @ 16.34% P₂O₅, from surface and ending in mineralisation (Aguia, 2015a). The phosphate mineralization is hosted by a carbonatite rock with similarities to the Três Estradas and Joca Tavares deposits. The prospect outcrops with a strike-length of about 1 km and average width of about 30 m.

Santa Clara Exploration Prospect

Santa Clara is an exploration prospect adjacent to TEPP, located 4km to the northwest. The prospect area covers a 2km long airborne geophysical anomaly, that has the same signature of TEPP. Initial exploration work identified a northeast-trending, 2.2 km long and 900 m wide outcropping carbonatite coincident with the geophysical anomaly. First grab samples returned up to 6.38% P₂O₅ (Aguia, 2016).

Mato Grande Exploration Prospect

Mato Grande is a 1,000 m long by 300 m wide carbonatite prospect located 88km northeast of Três Estradas and close to the city of Caçapava do Sul. Historical data indicated results up to 8.38% P₂O₅ in fresh carbonatite samples and previous auger drilling indicated grades of up to 11.71% P₂O₅ in weathered carbonatite (Aguia, 2018a).

Passo Feio Exploration Prospect

The Passo Feio Prospect is located about 12 km south of Mato Grande, close to the city of Caçapava do Sul. The prospect is related to a phosphate occurrence hosted by carbonatite and alkaline rocks. The prospect includes juxtaposed airborne radiometric and magnetometric anomalies covering an area of 1.8 km long by 0.8 km wide. The prospect has the potential to be fast developed and add phosphate resources to the Agua portfolio.

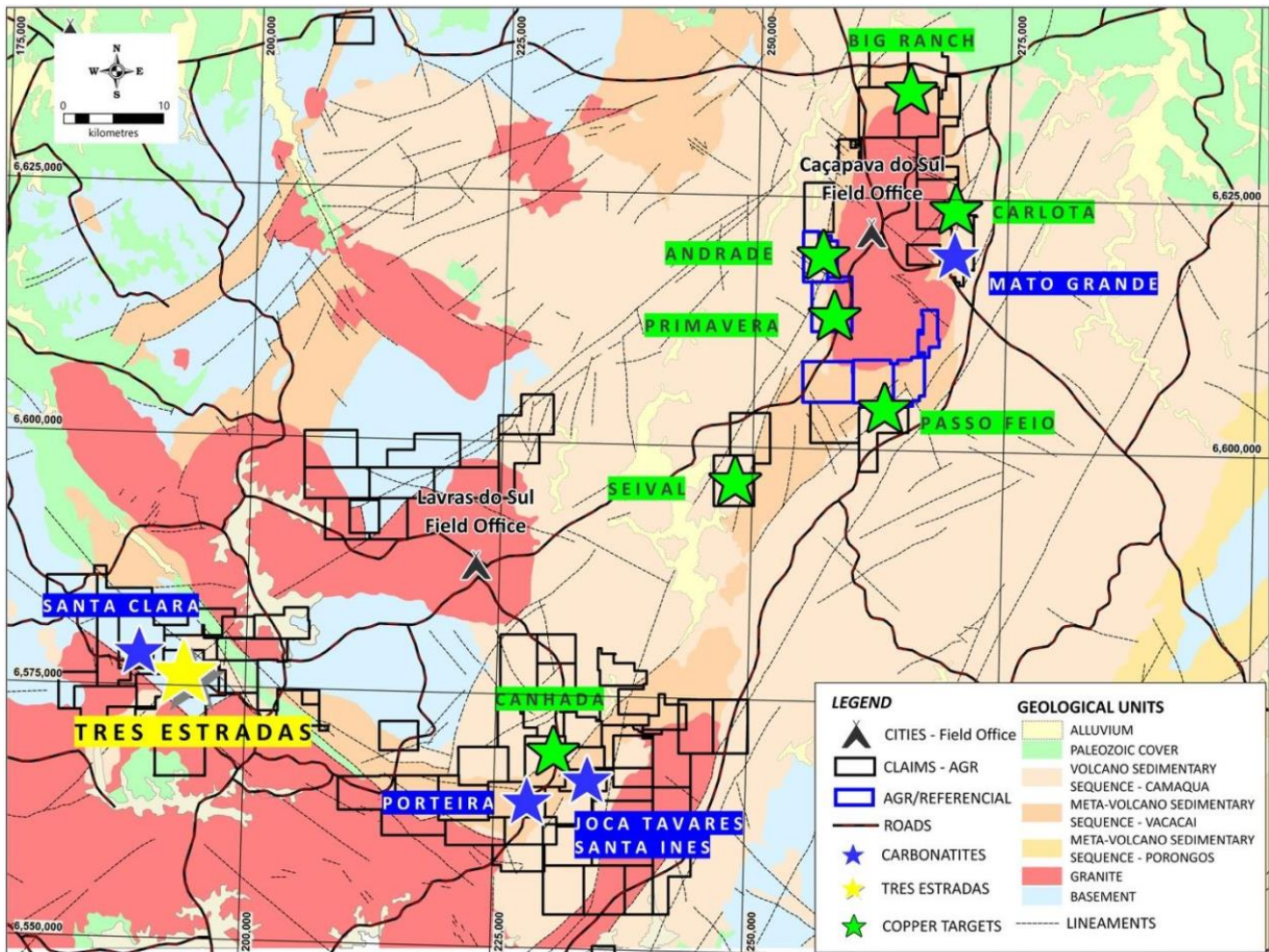


Figure 22: Map of Rio Grande phosphate exploration prospects (blue stars)

Source: Agua, 2019a. "Mineral Resource Exploration and Development Southern Brazil - Agua Resources Limited" Corporate Presentation; ASX release dated April 2019.

Since 2017 Agua have focused their expenditures on mine development studies and activities on the TEPP Project, with little exploration for additional phosphate. Once the Tres Estradas deposit is in production, there will be more encouragement to pursue further phosphate exploration.

Exploration Potential – Rare Earth Elements

Carbonatites are the host to many of the large high-grade rare earth element (REE) deposits of the world. Recent re-appraisal of drill core analyses of REE in the Project database has revealed intersections of REE mineralisation of in the Tres Estradas Carbonatite. Significant intercepts are listed in Table 3 and include TED-11-008, which returned 24.7 m grading 1.27% total rare earth oxides (TREO) from 10 m and TED-11-005, which returned 18.6m grading 0.75% TREO from 6 m. The most abundant REE are cerium (Ce), lanthanum (La) and neodymium (Nd), representing about 45%, 30% and 15% of the

TREO basket, respectively. Niobium was also detected with an average of 1,000 to 1,400 ppm Nb₂O₅ in the fresh and oxidised carbonatite, respectively. Occasionally values of up to 4.09% Nb₂O₅ occur. (Agua, 2023d).

The original exploration programs had focused on the phosphate contained within the carbonatites and REE was not regarded as a priority. Given the growing demand for REE, underpinned by the world transitioning to clean energy, means Agua's Rio Grande tenements hold significant value for their REE prospectivity in addition to phosphate. Tres Estradas Carbonatite has now been demonstrated to contain highly encouraging REE mineralisation, with another five carbonatites delineated within Agua's tenements yet to be tested for REE content: Santa Clara, Joca Tavares, Porteira, Mato Grande and Passo Feio. (Agua, 2023d)

VRM consider that Agua's tenements hold significant exploration potential for carbonatite hosted REE, with the sampling and drilling already undertaken for phosphate providing samples ready for REE analysis, and thus fast-tracking exploration.

Table 3: Rare Earth Intercepts in the Tres Estradas Deposit

Hole #	Mineralised intervals (TREO)	Mineralised intervals (TREO)
	Cut off 0.2%	Cut off 0.5%
TED-11-001	38.50m @ 0.26% TREO (from surface)	2.0m @ 0.67% TREO (from 14.0m)
TED-11-002	29.27m @ 0.51% TREO (from surface)	19.50m @ 0.61% TREO (from 2.60m), Incl. 2.53m @ 0.87% TREO (from 11.70m), Incl. 2.50m @ 1.45% TREO (from 19.60m)
TED-11-003	21.63m @ 0.43% TREO (from surface)	13.05m @ 0.57% TREO (from 1.50m)
TED-11-004	46m @ 0.32% TREO (from surface)	8.60m @ 0.56% TREO (from 0.60m), and 1.30m @ 0.58% TREO (from 37.05m)
TED-11-005	30m @ 0.57% TREO (from surface)	18.65m @ 0.75% TREO E ₂ O ₃ (from 1.30m), Incl. 8.80m @ 0.92% TREO (from 6.20m), Incl. 1.20m @ 2.17% TREO (from 6.20m)
TED-11-006	97.60m @ 0.24% TREO (from surface)	4.0m @ 0.46% TREO (from 83.0m)
TED-11-007	13.60m @ 0.25% TREO (from surface) and 41.25 @ 0.21% TREO (from 29.80m)	Assays below 0.5% TREO
TED-11-008	27m @ 0.97% TREO (from surface)	24.70m @ 1.27% TREO (from 0.0m), Incl. 4.0m @ 1.45% TREO (from 10.30m)
TED-11-009	7.40m @ 0.23% TREO (from 3.0m)	Assays below 0.5% TREO
TED-11-010	48.30m @ 0.25% TREO (from surface)	1.10m @ 0.62% TREO (from 5.50m), And 0.77m @ 0.65% TREO (from 46.75m)
TED-11-011	23m @ 0.24% TREO (from 11.0m)	Assays below 0.5% TREO
TED-11-013	1.13m @ 0.81% TREO (from 10.72m)	1.13m @ 0.81% TREO (from 10.72m)
TED-11-016	3.80m @ 0.40% TREO (from 14.0m)	Assays below 0.5% TREO
TED-11-018	5.50m @ 0.32% TREO (from 3.55m)	Assays below 0.5% TREO

Source: Agua, 2023d. Review Of Rare Earth Elements in Rio Grande Carbonatites Confirms Strong Grades. ASX Announcement, 9 October 2023 (Exploration Results were reported in accordance with the JORC Code) Refer announcement for equivalence formula applied to calculate TREO.

4.2.5 Mineral Resource Estimate - Tres Estradas

In September 2017, The Company released an updated Mineral Resource Estimate (MRE) for Três Estradas which was reported in accordance with the JORC Code (Agua, 2017 and Kerr, 2017) and subsequently reported to NI 43-101 standards (Kerr, et. al., 2018). The updated MRE was based on the results of an infill drilling campaign that occurred in 2016 and 2017 and is the current MRE, with no resource drilling undertaken on the deposit since 2017. The Mineral Resource includes total Measured

and Indicated resources of 83 million tonnes grading 4.1% P₂O₅ of which 43% is Measured and 57% is Indicated, using a cut-off grade of 3% P₂O₅ and an additional 21.8 million tonnes grading 3.7% in the Inferred category. It was classified into Oxidised and Fresh Rock domains (Table 5).

Table 4: Mineral Resource Estimate for Tres Estradas Deposit (2017)

		Tonnage (Tx1,000)	P₂O₅%	CaO%	MgO%	Fe₂O₃%	SiO₂%	Al₂O₃%
Oxidized	Measured	851	9.95	17.72	5.69	18.53	29.19	4.84
	Indicated	4,487	8.60	15.55	5.01	18.01	32.84	6.22
	Total Measured & Indicated	5,338	8.81	15.90	5.12	18.09	32.26	6.00
	Inferred	45	5.41	20.17	5.61	12.17	29.81	6.80
Fresh Rock	Measured	35,345	3.87	33.97	8.06	8.16	11.68	1.98
	Indicated	42,527	3.72	33.43	7.66	8.19	13.60	2.60
	Total Measured & Indicated	77,872	3.78	33.67	7.84	8.18	12.73	2.31
	Inferred	21,800	3.66	33.65	8.06	7.94	12.94	2.36
Grand Total Measured & Indicated		83,210	4.11	32.53	7.67	8.81	13.98	2.55
Grand Total Inferred		21,845	3.67	33.62	8.06	7.95	12.98	2.36
* Mineral Resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect relative accuracy of the estimates. The mineral resources are reported within a conceptual pit shell using a cut-off grade of 3.0% for all mineralized domains. Optimization parameters include a mining recovery of 100%, 0% dilution, process recovery of 87% P₂O₅ for saprolites and 80% P₂O₅ recovery for fresh rock, concentrate grade of 35.0% for saprolite and 32.0% for fresh rock, pit slopes of 34° for saprolite/51° & 55° for fresh rock, selling price of US\$215 for P₂O₅ concentrate and exchange rate of 3.2 R\$ to US\$.								

Source: Kerr, 2017. "Três Estradas Phosphate Project's 2017 Mineral Resource Statement"

It is noteworthy that all exploration drilling was undertaken by the one company and that exploration was conducted under the continuous supervision of Dr Fernando Tallarico from 2011 to 2017 who was Competent Person for all Aguiá's ASX Announcements involving exploration results and Mineral Resources.

VRM considers that this consistency of supervision and methods employed increases confidence in the geological data quality and interpretations which underpin the estimations of Resources. This confidence is bolstered by the geology being audited by independent consultants and that Resource modelling was undertaken by independent consultants including SRK, Millcreek Ming Group (Millcreek) and GE21 Consultoria Mineral Ltda (GE21).

The current Mineral Resource model of the Tres Estradas deposit was prepared by Aguiá geologists and audited by the Millcreek. The model considered the 139 core drillholes and 244 RC drillholes drilled during the period from October 2011 to June 2017, the data for which were compiled into a comprehensive drill database. Sampling information from auger holes were not considered in the model (Kerr, 2017).

Table 5: Drillhole Database Summary for Tres Estradas Deposit

Drilling	Count	Cumulative Meters	Assay Intervals
Core Holes	139	20,509.5	16,046
RC Holes	244	7,800.0	7,800
Total	383	28,309.5	23,846

Source: Kerr, 2017. "Três Estradas Phosphate Project's 2017 Mineral Resource Statement"

HQ size core tools were used for drilling through weathered and saprolitic material. NQ size tools were used for drilling through fresh rock. Core recovery exceeded 90% in 97% of all core holes. Core drill holes were angled to intersect the steeply plunging rocks at appropriate an angle. RC holes were vertical holes focused on delineating the saprolite mineralization and weathered horizons overlying the fresh meta-carbonatite and amphibolite. A total of 4,216 specific gravity measurements have been completed on core samples for Três Estradas. Specific gravity measurements have been determined from whole core segments using a weight in air/weight in water method. Specific gravity measurements have been incorporated into the geologic block model. SGS Geosol and ALS Laboratories (in Vespasiano, Minas Gerais and Lima, Peru) were the primary facilities used for the analysis of drilling samples. X-Ray Fluorescence (XRF) analysis has been used to determine major oxide amounts on all core and RC samples. Sample pulps are fused with lithium metaborate and analysed by XRF for Al₂O₃, CaO, Fe₂O₃, K₂O, MgO, MnO₂, Na₂O, P₂O₅, SiO₂, and TiO₂. All oxides are reported in weight percent. In addition, samples from the first drilling campaign were also subjected to the 31 element ICP analysis. In the last campaign of drilling, Nb₂O₅ was also determined by XRF. Millcreek's audit concluded that the results from QA/QC of the analyses program were inside acceptance limits for the purpose of Mineral Resource classification. Subsequently GE21 audited the procedures and results related to QA/QC during a site visit. GE21 did not detect flaws or inconsistencies in the QA/QC procedures and found the results inside acceptance limits for the minerals industry (Viana et. al., 2023).

Aguia has developed a geologic block model using GEMSTM software. Modelling was constructed by developing a series of vertical sections spaced at 50m intervals linked together with tie lines. Mineralization has an approximate strike length of 2,400m and extends to a depth of 370m below surface. Mineralized zones range in thickness from 5m to 100m. The model recognizes five mineralized, lithologic domains and three non-mineralized domains. Meta-carbonatite is differentiated by weathering into three domains: saprolite, weathered carbonatite, and fresh meta-carbonatite. Amphibolite is separated into two domains: saprolite and fresh amphibolite. All estimations are based on a homogeneous block model with block size of 12x6x10 m and rotated 35° to parallel strike.

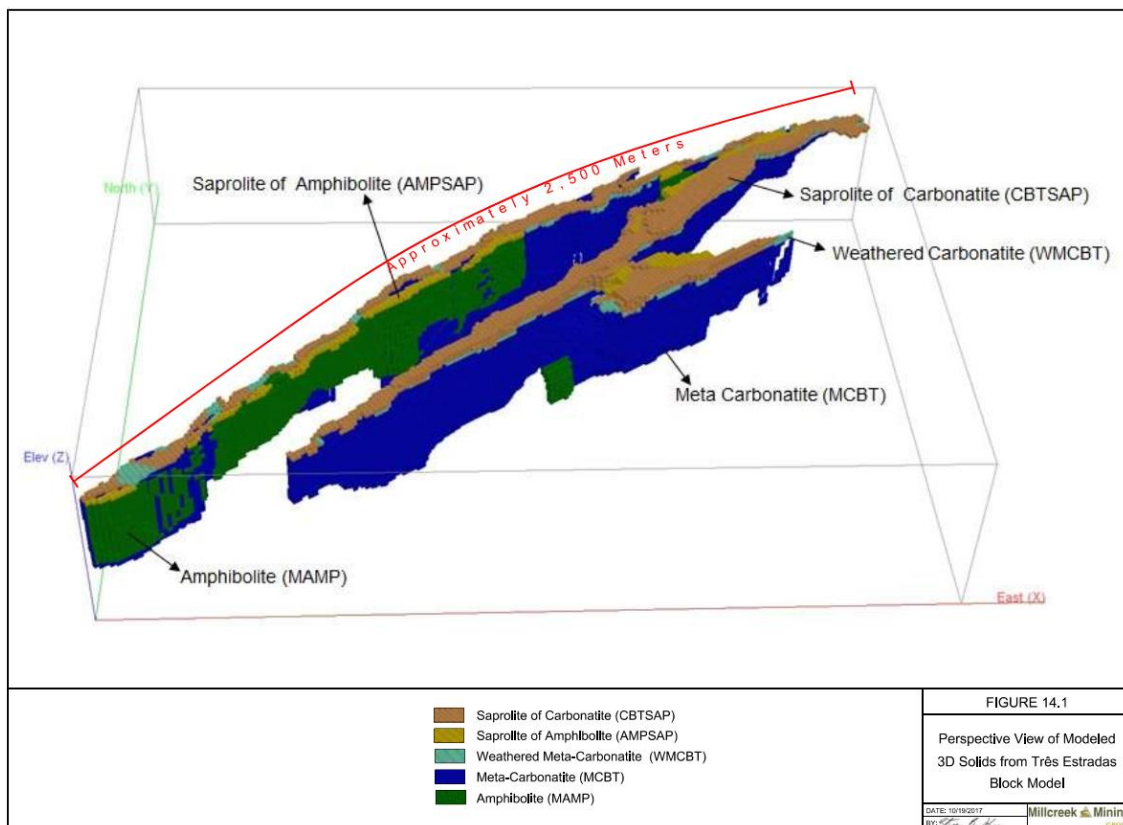


Figure 23: 3D image of the Tres Estradas Phosphate Deposit Block Model

Source: Kerr et. al., 2017. "NI 43-101 Technical Report - Três Estradas Phosphate Project"

A series of variograms and variogram maps to model the spatial continuity of the six oxides (P_2O_5 , CaO , Al_2O_3 , Fe_2O_3 , MgO , and SiO_2) along with specific gravity were performed. Search ellipsoids and different orientations for strike, dip and plunge were evaluated using variogram maps. The variography studies were performed using the composites in the meta-carbonatite (MCBT). Variography shows a preference in orientation that is nearly coincidental to the strike and dip of the meta-carbonatite and the Cerro dos Cabritos Fault. Grade estimations were made using ordinary kriging interpolation for all 5 mineralized domains and for the six oxide variables (P_2O_5 , CaO , Al_2O_3 , Fe_2O_3 , MgO , and SiO_2) and specific gravity using ordinary kriging interpolation.

The resource classification involved a two-stage process with relevant estimation parameters saved in the model blocks and then used as supporting mathematical variables for finalization of the resource classification process. Thus, allowing the Competent Person to prevent unreasonable conditions such as: measured blocks and inferred category blocks occurring side-by-side, measured, and indicated blocks being dominated by blocks with low sample support. VRM consider that the block model classification process has yielded a resource classification appropriate to the confidence in the grade estimates.

In order to ensure "reasonable prospects for economic extraction", Mineral Resources were determined by applying a conceptual pit shell to the block model Pit optimization used for determining the Mineral Resource Statement were completed by Millcreek using MineSight® software employing the Lerchs-Grossman algorithm. Millcreek developed an optimized pit shell using a standard set of mining parameters. The optimized pit shell captured the resources estimated in the block model that have

reasonable prospects for economic extraction. Material outside the shell was not rereported. VRM consider this to be appropriate, ensuring compliance with JORC Code guidelines.

Millcreek completed a detailed review of the drilling program, including all facets in logging, data acquisition, sampling, quality control and assurance, and data verification. Millcreek is satisfied that Aguia has been competent in conducting their exploration programs. Millcreek has conducted a detailed audit of the block model prepared by Aguia and of the resources estimated from the model. Millcreek transferred the block model to Maptek Vulcan® to complete visual and statistical evaluation of the model. A visual comparison made on a section-by-section basis shows strong correlation between block values and composite values. Statistical analysis has been used to compare block model values to composite values. Spatial statistics through the use of swath plots have been used to evaluate grade distribution and specific gravity. Final classification of resources was completed by Millcreek following a manual smoothing supported by output variables generated from the model.

VRM is satisfied that an external audit of Aguia's exploration, interpretation and modelling work has been undertaken with a positive outcome, and that no further auditing is required.

4.2.6 Mineral Resource Estimate - Joca Tavares

Aguia has a second phosphate deposit for which a Mineral Resource has been defined at the Joca Tavares Project which is located 41 km to the southeast of the TEPP. Aguia has recorded conducting systematic exploration work at Joca Tavares using the same methodology and equipment as described above for the TEPP. The Mineral Resource which was announced to the market on 13th July 2016. The Joca Tavares deposit has a Measured and Indicated Resource of 2.75Mt grading at 4.37% P₂O₅ using a minimum cut-off of 3% P₂O₅, reported in accordance with the JORC Code (Aguia, 2016).

Table 6: Maiden Mineral Resource Estimate for Joca Tavares Phosphate Deposit (2016b)

Resource Classification	Domain	Tonnage (T X 1,000)	P ₂ O ₅ (%)	P ₂ O ₅ as Apatite (%)
Measured	CBTSAP	92	7.07	16.75
	CBT	823	3.64	8.61
Total Measured Resources		915	3.98	9.43
Indicated	CBTSAP	191	7.28	17.25
	CBT	1,315	3.87	9.18
Total Indicated Resources		1,506	4.31	10.20
Inferred	CBTSAP	147	7.96	18.86
	CBT	182	3.94	9.34
Total Inferred Resources		329	5.74	13.59

* Mineral resources are not mineral reserves. And have not demonstrated economic viability. All numbers have been rounded to reflect relative accuracy of the estimates. Mineral resources are reported within a conceptual pit shell at a cut-off grade of 3% P₂O₅. Optimization parameters are stated in Table 8.18

Source: Aguia, 2016b. "Optimised Preliminary Economic Assessment of The Três Estradas Phosphate Project Unlocks Significant New Value." ASX Announcement, 12 July 2016.

VRM is satisfied that an external audit of Aguia's exploration, interpretation and modelling work has been undertaken with a positive outcome, and that no further auditing is required.

4.2.7 Ore Reserves and Engineering Studies - Tres Estradas

Following the announcement of the discovery of the Tres Estradas deposit, metallurgical testing and engineering study work commenced and has continued to the present with a succession of scoping and feasibility studies undertaken as understandings of the optimal way to advance the project into production evolved. Engineering Consultancy Groups were commissioned to undertake each study including SRK, Millcreek and GE21. Some of the key studies were:

Agua, 2015b. Positive Preliminary Economic Assessment Demonstrates Robust Project Economics for Três Estradas. ASX Announcement, 19 August 2015. (SRK)

Kerr, S.B., Stephenson, R., and Horn, A.D., 2017. NI 43-101 Technical Report - Três Estradas Phosphate Project, Rio Grande do Sul, Brazil Updated Resource Report, by Millcreek Mining Group dated October 25, 2017. (Millcreek)

Agua, 2018b. Bankable Feasibility Study of Três Estradas Confirms Robust Project Economics ASX Announcement, 21 March 2018. (Millcreek)

Agua, 2020a. New Scoping Study of Phase 1 Três Estradas Phosphate Project Confirms Excellent Economics ASX Announcement, 12 February. (GE21)

Agua, 2020b. Bankable Feasibility Study for The Três Estradas Phosphate Project Reaffirms Excellent Economics. ASX Announcement, 17 December 2020. (GE21)

Agua, 2023b. Updated BFS of Phosphate Project Confirms Robust Economics. ASX Announcement, 21 March 2023. (GE21)

A maiden Ore Reserve (Mineral Reserve) for the deposit was announced in 2018 (Agua, 2018b) based on the 2017 Mineral Resources and reported in accordance with the JORC Code . Independent engineering firm Millcreek was engaged to undertake the Feasibility Study underpinning these Ore Reserves.

Table 7: Maiden Ore Reserves for Tres Estradas Deposit (2018b)

Classification	Reserves PHASE 1 (Saprolite, tonnes)	Reserves PHASE 2 (Carbonatite + Amphibolite, tonnes)	Reserves (Total, tonnes)	Head Grade (% P ₂ O ₅)
Proven	844,302	27,023,619	27,867,921	3.92
Probable	4,352,915	11,334,168	15,687,083	5.01
Proven + Probable	5,197,217	38,357,787	43,555,004	4.31

Source: Agua, 2018b. Bankable Feasibility Study of Três Estradas Confirms Robust Project Economics ASX Announcement, 21 March 2018

The 2018 Ore Reserve was followed by a scoping study announced in February 2020 (Agua, 2020a), followed by a Feasibility Study announced in November 2020 (Agua, 2020b). Independent engineering firm GE21 were engaged to undertake these studies. The 2020 studies only considered exploitation of the oxidised upper portion of the phosphate deposit, whereas the 2018 Feasibility Study produced an Ore Reserve for the fresh deeper portion of the deposit, resulting in an Ore Reserve over 8 times higher in tonnes than the 2020 reserve. Total estimated Proven and Probable Ore Reserves for the TEPP, were reported in accordance with the JORC Code, as summarised in Table 7. Reserves and head grade are reported on a mill-feed (post mining) basis and are inclusive of ore losses and dilution. The 2020 Ore Reserves and represent the current Reserves reported by Agua.

Table 8: Current Ore Reserves for Tres Estradas Deposit (2020 and 2023)

Block dimensions 12x6x10 (m) Mine Recovery 98%, Dilution 2% (Effective date 08/01/2020)										
Litho	Class	Mass	P ₂ O ₅	CaO	MgO	SiO ₂	K ₂ O	Fe ₂ O ₃	MnO ₂	Al ₂ O ₃
		Mt	%							
CBTSAP	Proved	0.64	10.2	18.1	5.2	28.5	0.45	19.1	0.89	4.7
	Probable	3.67	9.2	16.2	4.6	31.8	0.39	18.4	0.87	5.9
AMPSAP	Proved	0.04	6.7	10.9	9.5	37.3	0.71	15.3	0.68	7.3
	Probable	0.67	4.9	11.4	7.6	39.9	1.07	15.4	0.47	8.6
	Total Proved	0.68	10.0	17.7	5.5	29.0	0.5	18.9	0.9	4.9
	Total Probable	4.34	8.5	15.5	5.1	33.1	0.5	17.9	0.8	6.3
Total Proved and Probable		5.02	8.8	15.7	5.1	32.5	0.49	18.1	0.82	6.1
Mineral Reserves were estimated using the Geovia Whittle 4.3 software and following the economic parameters: Sale price for DANF@9%P ₂ O ₅ = AUD\$72.00 and for DANF@5%P ₂ O ₅ = AUD\$43.20 Exchange rate AUD\$ 1.00 = R\$ 2.85. Mining costs: AUD\$2.32/t mined, processing costs: AUD\$4.81 /t milled and G&A:AUD\$3.34/t DANF. Mineral reserves are the economic portion of the Measured and Indicated mineral resources. Dilution 2% and Recovery 98% Final slope angle: 34° Waste = 2.50Mt Inferred = 0.03Mt @ 5.2%P ₂ O ₅ Inferred Resources were not included in the Mineral Reserves. The inferred is not a Mineral Reserve.It needs confirmation to become Mineral Reserves. Strip Ratio = 0.5 t/t - (Waste+inferred)/Ore The Competent Person for the estimate is Guilherme Gomides Ferreira, BSc. (MEng), MAIG, an employee of GE21										

Source: Aguiá, 2020b "Bankable Feasibility Study for The Três Estradas Phosphate Project Reaffirms Excellent Economics."

VRM note that an external review of Aguiá's Ore Reserve estimation work has been undertaken by an independent engineering firm, and that the Ore Reserves have been reported in accordance with the JORC Code.

4.2.8 Feasibility Study - Tres Estradas

In 2023 Aguiá completed an update of the 2020 Feasibility Study and announced an unchanged Ore Reserve, but significant changes in the Project implementation and economic outcomes (Aguiá, 2023). The main driver for the update in 2023 appears to be reducing the environmental impact of the operation, however many aspects of the Project implementation were reviewed/modified regarding mineral processing, recovery methods, market study, permitting, capital and operating costs and economic analysis, community engagement and regulations.

The Project was designed for a net-zero construction (energy, water, and carbon). It allows Aguiá to apply for a green building certification. The Company has chosen the Edge Certification, a globally accepted certifier created by the International Finance Corporation.

The Study envisaged the Project be developed and explored in three phases:

Phase 1 – Production of Direct Application of Natural fertilizer (DANF), based on the saprolite of carbonatite and amphibolite material; Ore Reserves are derived from this phase.

Phase 2 – Production of phosphate rock concentrate from carbonatite; Ore Reserves were reported for carbonatite in 2018 but are no longer reported by Aguiá.

Phase 3 – Recovery the remaining agricultural lime from the tailings dam. No Mineral Resource has been announced for agricultural lime.

Based on mine planning, cost estimation and economic analysis, GE21 concluded that that a significant portion of the saprolite of the deposit may be reasonably considered to be feasible for economic recoverability. GE21 recommended the development of *"a detailed geotechnical study, including Phase 2 of the project, to guarantee the continuity of activities with safety and economically; and develop studies to better define the time to implement Phase 2, using conclusions and the confirmation that the regional market is demanding more fertilizer options."* (Viana et. al., 2023). GE21 did not report any Ore Reserves for the Fresh Carbonatite portion of the deposit.

VRM have thus considered the deeper fresh carbonatite portion of the deposit to remain as Mineral Resources under JORC Code definitions.

The Phase 1 open pit, waste dump, sump and operation footprint stemming from the current Feasibility Study are shown on Figure 24.

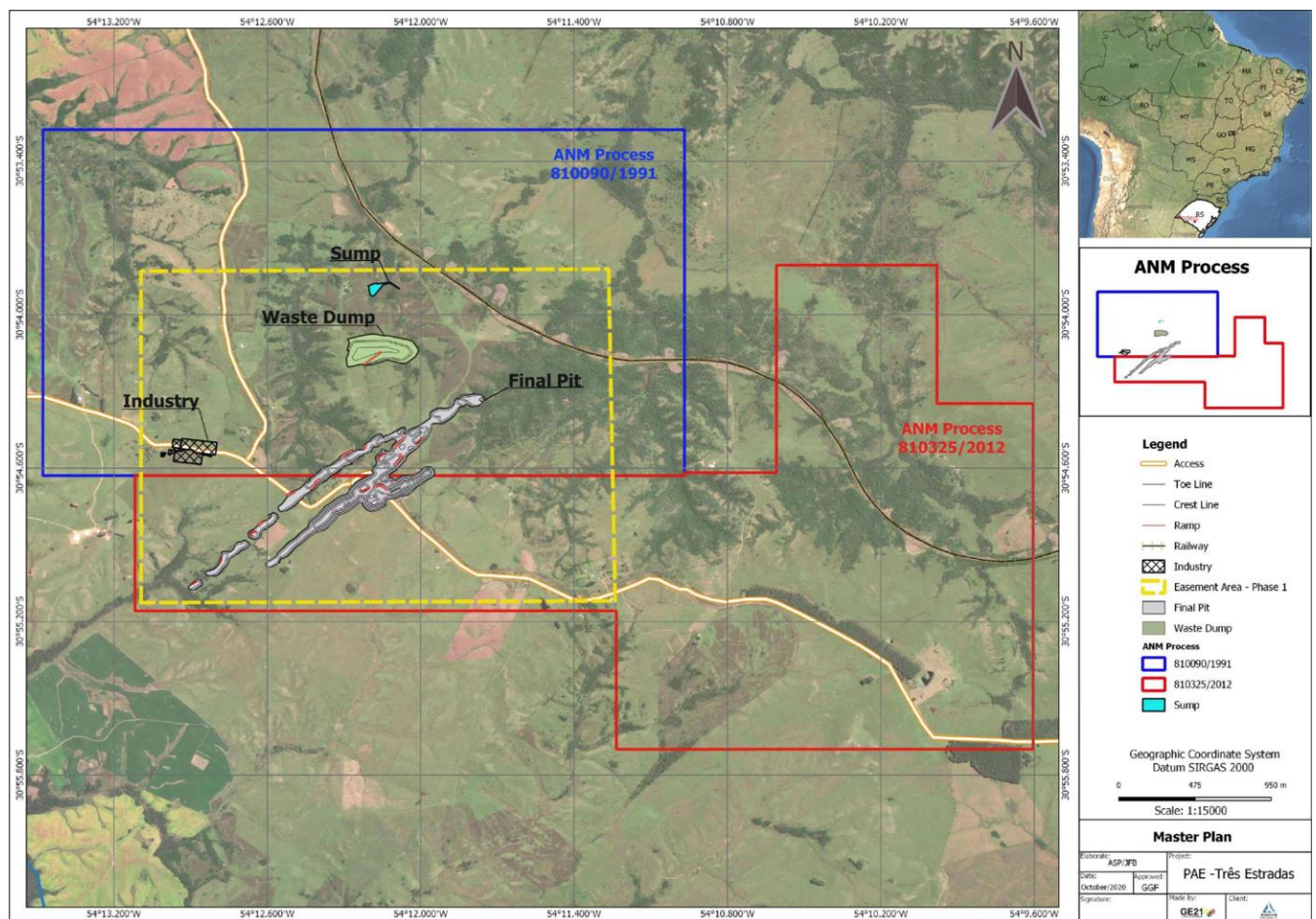


Figure 24: TEPP Map showing Master Plan of Feasibility Study

Source: Aguiá, 2023b. "Updated BFS of Phosphate Project Confirms Robust Economics." ASX Announcement, 21 March 2023.

Aguiá intends to produce a Direct Application Natural Fertiliser (DANF) product from the TEPP, to be classified as a "natural phosphate" with the Brazilian Ministry of Agriculture, Livestock and Supply (MAPA). As part of the application process for product registration with MAPA, the agronomic lab tests were conducted at the Instituto Brasileiro de Análises Agronomic Lab (IBRA) in Sumaré – SP in

accordance with MAPA guidelines for testing fertilizers. The agronomic lab tests were conducted on a representative sample from the carbonatite saprolite ore (CBTSAP) and amphibolite saprolite ore (AMPSA) from the TEPP. The samples passed the test work within acceptable limits for each parameter.

The TEPP proposes to capture a market share of phosphate fertiliser in the local agricultural region by supplying initially 50ktpy of DANF product. Then to reach a production rate of approximately 300ktpy of DANF product from year 4 to year 18. Lab results confirmed that the DANF product's suitability to meet customer's product specifications. Specific agronomic trials were undertaken to define the agronomic efficiency regarding distinct crops and types of soil. For this work, GE21 considered the price of the DANF from year 1 to 15 at A\$ 120.00/t and A\$ 72.00/t in the years 16 to 18 due to the available ore grade. A summary of the tests results is presented in Table 9, along with reference to the ASX Announcement by Aguia for each crop test result.

Table 9: Summary of agronomic tests results on DANF from TEPP saprolite

Crop	Highlight	Announcement date
Soybean	Pampafos® (CBTSAP) applied to soybean crop resulted in a yield of 98% of that achieved using TSP in the same P ₂ O ₅ dosage.	16 June 2020
Corn (Maize)	Green mass and grain productivity from treatment with a dosage of 100 kg/ha surpassed the productivity achieved using conventional phosphate fertilisers.	9 July 2020
Rice	Pampafos® returned yields of up to 99.8% of those achieved using conventional fertilisers	11 May 2021
Rice	Rice productivity results using Pampafos® in a dosage of 50 kg/ha of P ₂ O ₅ surpassed the productivity achieved using conventional TSP in the same dosage.	8 September 2021
Oat	Oat productivity results using Pampafos® in a dosage of 100kg/ha of P ₂ O ₅ achieved 92% of the yield achieved using conventional TSP in the same dosage.	22 December 2021
Wheat	Wheat productivity results using Pampafos® in a dosage of 50 and 200 kg/ha of P ₂ O ₅ surpassed the productivity achieved using conventional TSP in a dosage of 90 kg/ha of P ₂ O ₅ .	3 February 2022
Corn	Corn productivity results using Pampafos® in a dosage of 125kg/ha of P ₂ O ₅ surpassed the productivity achieved using conventional Triple Superphosphate (TSP) in the same dosage at Pelotas Agronomic Station.	1 June 2022

Source: Viana et. al., 2023. "BFS – Bankable Feasibility Study Tres Estradas Phosphate Project" (in Aguia, 2023b)

Metso Minerals (Metso) developed a comminution test work program which established the characteristics of the ore at Tres Estradas regarding crushability and grindability in order to provide data to support the selection of the comminution circuit and equipment for the industrial plant. The program covered the following determination and assays: sag mill comminution tests, crushing bond work index, bond ball mill work index, rod mill work index, point load test, and bond abrasion index. The program covered the four main ore types: MCBT, CBTSAP, MAMP and AMPSAP. Metso developed 2 pilot grinding tests in closed circuit using CBTSAP and AMPSAP, with an objective to determine the energy consumption and simulate the industrial scale of the closed milling circuit. The test was conducted at Metso laboratory in Sorocaba, Brazil. The results confirmed a low energy consumption in the close milling circuit and the feasibility of the process.

From 2020 to 2022 Aguia developed pilot Natural Drying tests achieving good results in terms of drying rate (0.4% per day). The results confirm and allow the concept of a Natural Drying operation composed by the windrow turner machine turning the ore piles under sheds with a translucent roof. This drying operation represents low opex and permit a carbon free drying operation.

The processing facilities for the Tres Estradas Phosphate Project - Phase 1 comprises essentially a comminution circuit. The processing plant will produce approximately 285ktpy (dry basis) of DANF from a feed rate of approximately 300ktpy of ore. During the phase, the facility will consist of the following processing circuits: a closed grinding circuit, a bagging circuit, and a bulk circuit.

Marketing Studies were undertaken by a local Brazilian company specializing in fertilizers and agriculture which found excellent potential to bring a DANF product to the local agricultural market. Rio Grande do Sul State currently imports 100% of their phosphate needs. The planted area of grains in the state has increased significantly in the last four years, mainly due to the conversion of native fields in the southern half of the State into soybean crops. This region is currently one of the main agricultural frontiers of expansion in the country. Consequently, the estimate of phosphate consumption grew in the same proportion, going from about 642kt of P₂O₅ nutrient in the 2015/16 harvest to 678kt in the 2019/20 harvest. It is proposed that Aguia will sell their entire production of DANF from Tres Estradas domestically and directly to the consumers as a substitute and/or complement for conventional phosphate products.

Current environmental liabilities are limited to cut lines for drilling, drill pad clearings, mud pumps and various infrastructures.

A comprehensive Environmental and Social Impact Assessment (EIA/RIMA), that meet Brazilian and international standards, was undertaken in 2015 and 2016 by Golder Associates based on over 14 months of field data collection and subsequent interpretation. The first version on the EIA/RIMA was submitted to the State Government Agency (FEPAM) on October 7th, 2016 and an updated version of the EIA/RIMA was submitted to FEPAM on September 1st, 2017. The community Public Hearing for the TEPP was held on March 20th, 2019 in Lavras do Sul and after FEPAM analysis, the Preliminary License (LP) was granted on October 15th, 2019. In early 2021 the Company has submitted the Basic Environmental Plan (PBA) and the completion of the LP conditions to FEPAM. Also received the pre-approval of the mine development plan (PAE) from Brazilian Mining Agency. In November 2022, the Installation Licence (LI) was issued by FEPAM.

Due to the existing Public Civil Action around the Project permitting, Aguia has decided not to start construction in benefit of the conciliation proceedings that took place shortly after the LI award. Once evidence that all required environmental programs have been implemented, the Operation License (LO) may then be issued.

The Cost Estimate for 2023 Feasibility Study Update was undertaken by GE21. Capital Expenditure (CAPEX) and Operating expenditure (OPEX) were estimated based on quotation, as well as the use of industry guidelines and databases. The total capital cost for the TEPP is estimated to be AUD\$26.2M. The total operating cost for the TEPP is estimated to be AUD\$35.32/t of DANF after ramp-up (year 4).

A Discounted Cash Flow (DCF) base case scenario was developed by GE21 to assess the project based on economic-financial parameters, the results of the mine scheduling, CAPEX estimates and OPEX estimates. The Table below presents the Real Profit DCF results for the TEPP, based on actual profit.

Table 10: Summary of Real Profit DCF results for the TEPP (2023 Feasibility Study)

CAPEX (AUD\$M)	26.2
NPV (AUD\$M) @ 10%	110.8
OPEX (AUD\$/t of ROM)	33.62
IRR (%)	54.7%
Payback (Years)	2.9 Years

Source: Viana et. al., 2023. "BFS – Bankable Feasibility Study Tres Estradas Phosphate Project" (in Aguia, 2023b)

The Feasibility Studies published by Aguia for the TEPP are complex multi-disciplinary studies comprising numerous pieces of test work and sub-studies undertaken by specialist professionals over an extended time period. It is beyond the scope of this report for VRM to offer an opinion on the reliability of the Feasibility Studies. It is noted that the work has largely been undertaken by independent firms with specialist capabilities appropriate to each scope of work.

Royalties - Tres Estradas

The original tenement holder, CBC, is entitled to receive royalties levied at the rate of 2% of the net revenue (royalties capped at USD\$10,000,000) that results from the commercialization of the mineral products for Tres Estradas. However, Aguia may, at any time, purchase the royalty right from CBC for USD\$5,000,000 (Viana, et.al., 2023).

The legal opinion includes a description of rights forthcoming to CBC which include a pre-emptive right to acquire any calcium carbonate production in the mineral rights area, a right to purchase up to 30% of produced calcium carbonate (after exercising the option), and the issuance of 600,000 Aguia shares upon exercise of the option (Viana, et.al., 2023)

4.2.9 Development - Tres Estradas

Following the positive results from their 2020 Feasibility Study, Aguia proceeded ahead with advancing the TEPP including making application for all licences and permits required to construct and run the designed mine. The construction licence for the TEPP was issued by FEPAM, the State Environmental Authority in November 2022 (Aguia, 2022). This was a critical milestone in the environmental permitting of the mine because it provides the necessary authorisation to initiate construction and start developing the mine site. It represents a substantial de-risking in the path to construction and production. The final phase in the permitting process will be the Operation Licence, which is the site inspection conducted before the opening of the mine and processing plant. Its purpose is to ensure that the TEPP was constructed following the approved design of the project and complies with the environmental, safety, health, and mining rules.

Public Civil Action

Aguia has advised the market (Aguia, 2023b) that it has decided not to start construction because of a Public Civil Action (PCA) in progress, ruled against Aguia by the Federal Public Prosecutor's Office (FPPO), in benefit of possible settlement negotiations (Aguia, 2022). The proceedings were brought against Aguia in 2021, with FEPAM alleging flaws in the Environmental Impact Assessment (EIA).

VRM understands that the grounds of the PCA were:

- that Traditional Community of family ranchers present on the land affected by the TEPP was not consulted and did not provide prior, free, and informed consent;
- a second public hearing should have been held to encompass those people in the Municipality of Dom Pedrito and in the Torquato Servero district (locations that would be affected by environmental impacts of the TEPP), in addition to the public hearing held in Lavras do Sul; and
- technical discrepancies in the EIA that was presented to FEPAM (Viana, et.al., 2023).

VRM understands that there was at first favourable decision, which had been appealed and granted, and there is an injunction request pending of decision that prevents the Company from starting construction until the court makes a decision. Both the federal prosecutor currently representing the FPPO in the PCA and the federal trial court judge in charge of the case responded positively to Aguiá's attempt to negotiate with all parties involved to resolve the matters under dispute as soon as possible. Between December 2022 and February 2023, a couple of meetings were held between the parties to discuss a possible settlement. (Viana, et.al., 2023).

The case remains unresolved. The length of the delay to development of the TEPP is uncertain and appear to depend on the FPPO, associations and Court.

4.3 Rio Grande Copper Project - Brazil

4.3.1 Location and Tenement

Aguiá's Rio Grande Copper Project comprises over 100 tenements spread across a broad area of the state of Rio Grande do Sul with the majority of prospects located close to the city of Caçapava do Sul in the central southern region of Brazil. It is centred approximately 260 km from the state capital, Porto Alegre. The region has an excellent infrastructure with the Port of Rio Grande, located 250 km from Caçapava do Sul by BR-392. The climate of the region is subtropical to temperate. The main rivers in the region are the Bossoroca, São Rafael and Santa Bárbara rivers and the drainage pattern is rectangular dendritic.

4.3.2 Regional Geology

The Andrade Copper Project is focused on the Rio Grande Copper Belt. There are over 100 copper occurrences registered in the Brazilian Geological Survey database within the Rio Grande Copper Belt. These occurrences are hosted by a variety of volcanic and sedimentary rock types, which underwent hydrothermal alteration, developing veins, stringers and sulphides dissemination that are usually associated with copper minerals and minor content of silver and/or gold. The Rio Grande Belt has hosted one historical copper mine known as Camaqua (Brito, 2010). The now-exhausted copper mine included the Uruguai and the São Luiz orebodies, which were hosted by sedimentary rocks. The mine is located in the municipality of Caçapava do Sul. Mining was initiated in 1901 and operated intermittently until 1996. About 22.5 Mt of ore grading 0.76% copper were mined underground and in an open pit, producing 171,396 tons of copper, 4.5 tons of gold and 38 tons of silver (Brito, 2019). After its closure, there was no major copper exploration investment in southernmost Brazil until Aguiá initiated exploration in 2018. Most of the recent copper exploration activity in Brazil has focussed on northern and northeast Brazil (Aguiá, 2023f).

Academic geological studies have discussed similarities in the geology of the Kalahari Copper Belt to that of Southern Brazil and in particular the Rio Grande Copper Belt. The mineralised host rocks of both

are sedimentary rocks, conglomerates and sandstones, and volcanic rocks, particularly intermediate. The main copper mineral is chalcocite, minor bornite and rarely chalcopyrite. In the weathering profile, malachite is the most common copper mineral. The common mineralisation textures are disseminations, open-space fillings, quartz-carbonate veins, stockworks and some replacement textures. The respective hydrothermal alterations are also similar, associated with minerals such as chlorite, carbonates, epidote, sericite, albite, and hematite (Aguia, 2021).

4.3.3 Local Geology

The Rio Grande Copper Project including the Andrade Copper mineralisation covers a broad variety of geological units across the Rio Grande Copper Belt as illustrated in Figure 25. The main Project areas of interest are located within the São Gabriel Domain, composed of Pre-Cambrian metamorphic rocks of the Cambaí Complex, Vacacaí Metamorphic Complex, Brazilian Granitoids, and volcanic and sedimentary rocks of the Neoproterozoic-Ordovician.

The Andrade deposit has received by far the most exploration by Aguia with no drilling recorded other than at Andrade. The geology of the Andrade deposit area is dominated by four main packages; the metavolcanic-sedimentary Vacacaí Complex, the Caçapava Do Sul Granite Complex, and the sedimentary Bom Jardim and Santa Bárbara formations. The Andrade deposit is hosted in the Vacacaí Complex at the western flank of the Caçapava Granite.

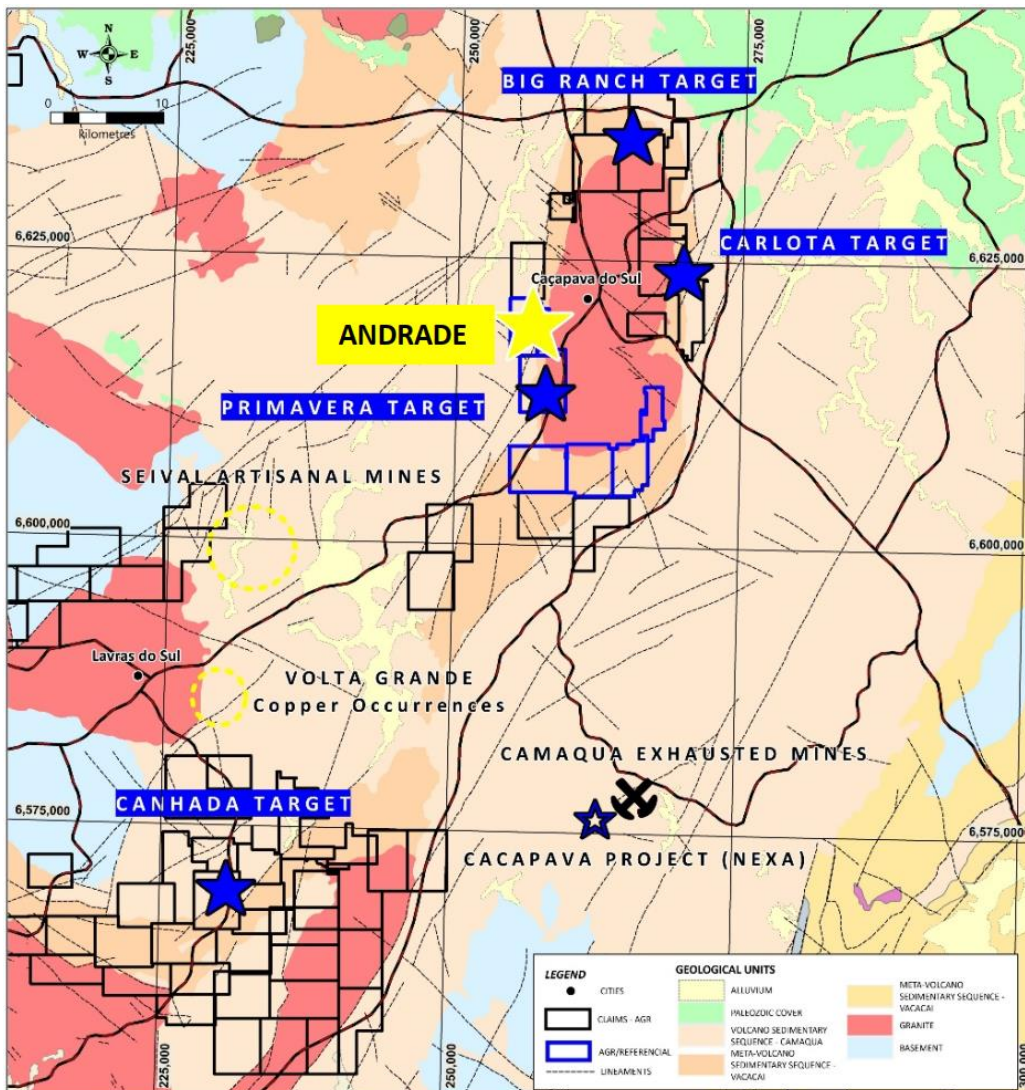


Figure 25: Andrade Copper Project map showing targets over regional geology

Source: Aguiá, 2019a. "Mineral Resource Exploration and Development Southern Brazil - Aguiá Resources Limited" Corporate Presentation; ASX release dated April 2019. Note: tenement outlines are outdated.

4.3.4 Exploration - Copper

Aguiá holds an extensive tenure position in the Rio Grande Copper Belt, with some 1,500 km² of exploration permits. They have reported defining 12 exploratory targets which have highly anomalous copper and silver grades at surface (Aguiá, 2023f).

The publicly available information on the exploration Aguiá have conducted on their Rio Grande Copper Belt tenements is confined to ASX Announcements in the 2016-2019 period, with subsequent announcements about copper being confined to work on the Andrade copper deposit. In October 2021, an announcement titled "Exploration Potential of The Rio Grande Copper Belt", provided a narrative of their exploration philosophy but provided no information about any on-ground work on the tenements (Aguiá, 2021d).

Eight copper prospects were identified in the 2016-2019 period (Aguiá, 2019). Copper exploration prospects mentioned in Aguiá releases include the Primavera, Passo Feio, Lagoa Parada and Canhada.

In December 2020, Agüia was granted 24 new exploration permits, which expanded the Company's land position within the Rio Grande Copper Belt by 375 km². Agüia subsequently announced the identification of four copper prospects on this ground, being Salso, Piquiri, Estuque and Cota (Agüia, 2023f). The Company has continued to stake areas in the Rio Grande Copper Belt and now holds some 1500 km² of exploration permits.

Primavera Corridor

The Primavera prospect is located 4 km south of the Andrade deposit and occupies the same stratigraphic and structural position. It is likely the along strike extension of the Andrade deposit. Significant historical work has been conducted on this prospect. Referencial Geologia drilled 1,894 m of core over 11 holes in 2010 and re-sampled a further 701 m of surface trenching. In addition, a further 16 shallow drillholes were completed by historical owners. The historical drillholes were reported by Agüia to show significant intercepts with elevated Cu-Ag grades similar to Andrade. This historical work at Primavera requires re-investigation to determine the litho-structural controls on mineralization and formulate an appropriate deposit model. Very little exploration has been conducted on the ground between the Primavera prospect and the Andrade deposit and this area and is thus prospective for further copper-silver mineralization.

Carlota Prospect

Carlota is a copper-gold prospect located on the eastern edge of Caçapava Granite, 13 km east of the Andrade deposit. Rock sampling, including assays results of up to 1.63% Cu and 48 g/t Au. Soil geochemistry has delineated a gold-in soil anomaly measuring over 500m in length. A geophysical IP/Resistivity survey mapped a chargeability anomaly in excess of 600m (Agüia, 2021c).

Canhada Prospect

Located approximately 55 km southwest of Andrade, surface rock sampling at Canhada has assayed over 4% Cu. An airborne geophysical anomaly approximately 9km by 3km with coincident copper in soil anomalism is considered prospective for copper mineralisation (Agüia, 2021c).

Passo Feio Prospect

Located approximately 16km southeast of the Andrade Project the Passo Feio prospect is defined by a large (16km²) low-magnetic airborne geophysical anomaly interpreted to be related to the hydrothermal oxidation of magnetite to hematite. Further field follow-up resulted in the identification of many copper showings hosted by heavily fractured volcanic rocks which is very similar to what is seen at the Canhada prospect. Sampling has returned 1.55% Cu and 2.10% Cu in different rock types. Grab samples of sandstone outcrops have returned up to 2.30% Cu (Agüia, 2021c).

Seival Prospect

Located approximately 25km southwest of the Andrade Project, the Seival prospect is interpreted to be associated with the same structural corridor that controlled the Andrade-Primavera trend. The prospect is crossed by two major north-northeast trending regional faults. Both are mapped to extend northwards where they narrow and pass through the Andrade deposit. A possible copper extension is indicated to the south of the prospect. Initial rock sampling included a sample which returned 2.30% Cu in volcanic rock (Agüia, 2021c).

Lagoa Parada Prospect

Located 10km to the southeast of the city of Lavras do Sul and 50km southwest of the Andrade Project, the Lagoa Parada prospect is defined by an aeromagnetic high and surface rock copper anomalism. The copper occurs as disseminations in the matrix of the sandstone and filling fractures. The main copper mineral is malachite reflecting the weathering at surface. Reconnaissance geological sampling was reported by Aguia to have returned some highly anomalous copper and silver grades (Aguia, 2021c).

Cota Prospect

Located 35 km southwest from the Andrade deposit, geological mapping at the Cota prospect found surface copper mineralisation on the contact between volcanic rocks with a fine-grained granite intrusion. Copper occurs as disseminations in the matrix of the volcanic rock and filling fractures. Reconnaissance geological sampling was reported by Aguia to have returned some highly anomalous copper and silver grades (Aguia, 2023f).

4.3.5 Andrade Copper Mineral Resource estimates

The focus of Aguia's copper exploration for the last 4 years has been the Andrade Copper Project. In February 2019, Aguia signed an option agreement to purchase 6 exploration permits totalling 5,158.7 ha which cover the Andrade deposit from a private Brazilian company, Referencial Geologia. In March 2019, Aguia issued a Mineral Resource statement based on the results of 38 historical diamond drillholes, and subsequently undertook exploration campaigns that included: surface mapping program; reprocessing of a historical airborne geophysical data package; reprocessing of historical stream sediment sampling; reprocessing of a historical ground geophysical survey; metallurgical program including flotation and acid-leaching test work; and re-sampling of 18 historical trenches. In early 2020 two diamond drillholes confirmed the north and south high-grade copper zone within the existing mineral resource area (Viana, 2023).

In February 2023, Aguia released an updated Mineral Resource Estimate (MRE) for Andrade which was reported in accordance with the JORC Code (Aguia, 2023e, Viana, 2023). The updated MRE was based on the results of drilling campaigns that occurred from 2019 to 2023 and is the current MRE. The Mineral Resource includes total Measured and Indicated Resources of 22.6 Mt at 0.43% Cu and 2.11 g/t Ag, and Inferred Mineral Resources totalling 3.0Mt at 0.43% Cu and 1.85 g/t Ag, as detailed in Table 11. The 2023 MRE update followed an infill drilling campaign completed by Aguia in 2022, comprising 25 core drillholes totalling 2646 metres drilled to improve the classification to the Measured & Indicated Resource category.

Table 11 Mineral Resource Estimate for Andrade Deposit (2023)

Table 1 - Mineral Resource Table						
Agua Resources Limited – Andrade Deposit Effective date 31/12/2023						
Class	Domain	Mass kt	Average Value		Metal Content	
			OK_Cu %	OK_Ag g/t	OK_Cu t	OK_Ag kt. oz
MEASURED	HG OX	0.13	1.38	12.21	1.73	0.05
	HG SULF	624	1.42	5.10	8 830	102
	LG OX	158	0.37	3.74	578	19
	LG SULF	1 031	0.35	3.02	3 633	100
	Total	1 813	0.72	3.80	13 043	221
INDICATED	HG SULF	526	1.54	8.10	8 109	137
	LG OX	900	0.38	2.34	3 418	68
	LG SULF	19 341	0.37	1.78	71 569	1 105
	Total	20 766	0.40	1.96	83 096	1 310
MEA+IND	HG OX	0.13	1.38	12.21	1.73	0.05
	HG SULF	1 150	1.47	6.47	16 939	239
	LG OX	1 058	0.38	2.55	3 996	87
	LG SULF	20 372	0.37	1.84	75 202	1 206
	Total	22 580	0.43	2.11	96 138	1 532
INFERRED	HG SULF	173	1.60	7.71	2 765	43
	LG OX	282	0.33	1.13	937	10
	LG SULF	2 548	0.36	1.53	9 110	126
	Total	3 003	0.43	1.85	12 812	179

Notes:
1. Definitions were followed for Mineral Resources. Mineral Resources also conform to JORC (2012) Code.
2. Mineral Resources are stated within a resource pit shell optimized above a cut-off grade of 0.17% Cu.
3. Average bulk densities of 2.68 t/m³ for high-grade domains and 2.60 t/m³ for low-grade and waste domains were applied.

Source: Viana, 2023. "Andrade Copper Project Independent Technical Memorandum – Resource Estimate Update."

The 2023 MRE for the Andrade deposit was reported at a cut-off grade of 0.17% Cu within an optimised pit shell. No Ore Reserves have been estimated for the Andrade Project at this time. The MRE update was conducted by independent consulting firm GE21 in Brazil (Rodriguez, et. al., 2021).

Following a metallurgical program including flotation and acid-leaching test work, Agua undertook a scoping study on the Andrade deposit. In February 2023, Agua released an updated MRE for the Andrade copper deposit and further feasibility study work (Viana, 2023 in Agua, 2023c).

Based on the results of the feasibility study work, VRM is not convinced of the economics of the project due to a number of fatal flaws apparent in the assumptions underlying the feasibility study work and thus impacting the financial modelling. The issues identified include:

- The mineralisation contains abundant calcium carbonate veinlets.
- High acid consumptions were recorded during acid leach test work.
- Agua did not effectively investigate the effect of the effect of contained calcium carbonate on the acid leaching operation, leading to unsupported assumptions used in study work.
- The Mineral Resource is relatively low grade at 0.43% Cu.
- The Mineral Resource is of a relatively modest size at 25.5Mt. (Viana, 2023 in Agua, 2023c).

VRM have formed the opinion there exists uncertainty about the Andrade deposit having reasonable prospects for eventual economic extraction, as required under the JORC Code, due to a number of Modifying Factors. Therefore, VRM have elected to assign a low confidence factor to the Mineral Resources..

5. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 12 and provides a guide as to the most applicable valuation techniques for different assets.

Table 12: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

Valuation Approaches suitable for mineral properties				
Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the Rio Grande Phosphate and Rio Grande Copper Projects owned by Aguia are best described as Advanced Exploration projects while the remaining Projects and tenements surrounding these areas are considered Early Exploration to Exploration Projects.

There are MRE's within two Projects which are reported under JORC 2012.

In VRM's opinion, Rio Grande Phosphate and Rio Grande Copper Projects should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method (with appropriate discounts applied), with a secondary valuation being a yardstick approach. Additional valuations, being a Geoscientific or Kilburn approach and a PEM have been used to determine the value of the exploration potential within the tenements but distal from the currently estimated Mineral Resources.

5.1 Previous Valuations

VRM is not aware of any previous valuations for the Mineral Assets owned by Andean or Aguia.

5.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time and this valuation is using information available as of 15 February 2024 being the valuation date of this Report and considering information up to 26 February 2024. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

5.3 General Assumptions

The Mineral Assets of Andean and Agua are valued using appropriate methodologies as described Table 12 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

That all information provided to VRM is accurate and can be relied upon.

- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral license will remain active.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The metal prices assumed (where they are used / considered in the valuation) is as of 15 February 2024, (source S&P Capital IQ) being.
 - Copper US\$8,223.00
 - Gold US\$2,000.55
 - Silver US\$22.63
- The exchange rates used in this valuation (source www.xe.com) are.
 - US\$ - AUS\$ 0.650575
 - Brazil – US\$ 0.201002
 - Brazil – AUS\$ 0.308960
- All currency in this report are Australian Dollars or AUS, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

5.4 Commodity Market Analysis

5.4.1 Copper Market Analysis

Several Projects being valued in this Report are dominantly prospective for copper, specifically the Rio Grande Copper Project. The current market conditions and supply and demand fundamentals of the copper markets are summarised here.

While the copper price in US dollars is high there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money. The US dollar price has flattened since mid-2022.

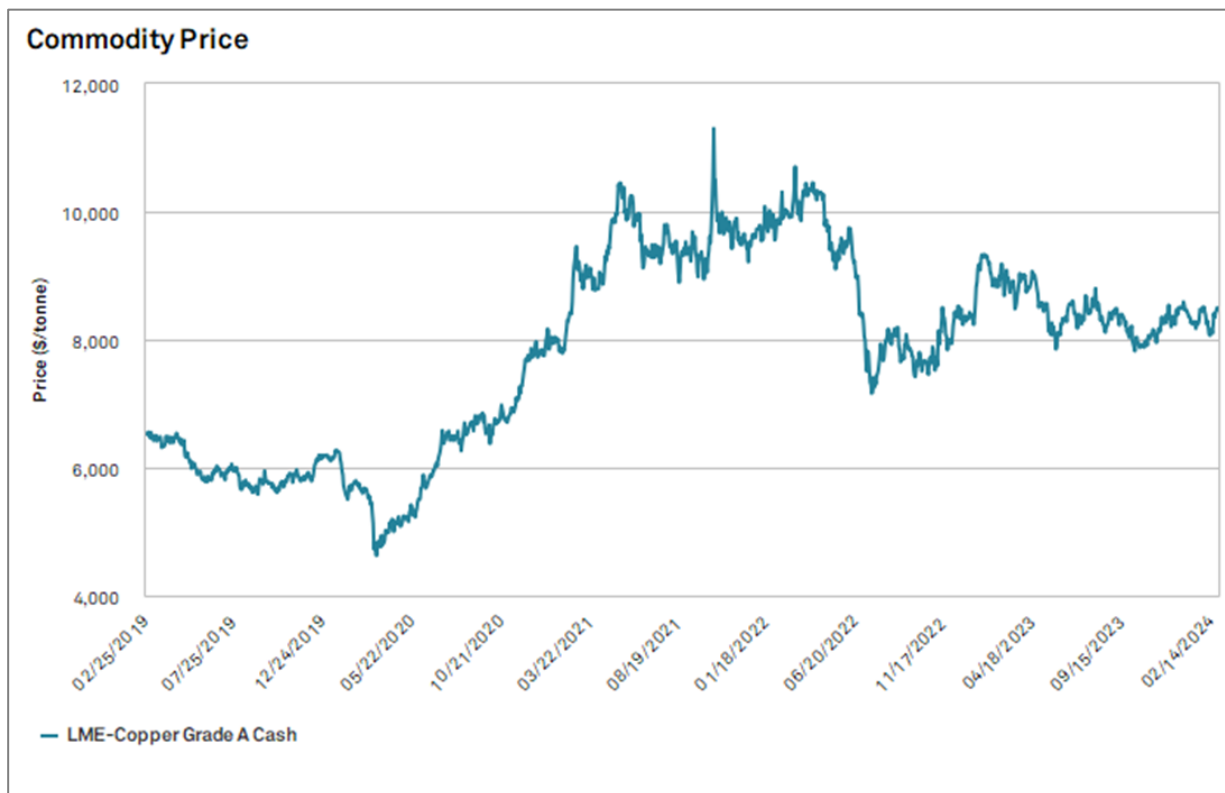


Figure 26: Five Year Copper Spot Price \$USD

Source: S and P Capital IQ

5.4.2 Gold and Silver Market Analysis

Several Projects being valued in this Report are dominantly prospective for gold or Silver. The current market conditions and supply and demand fundamentals of the precious metal markets are summarised here.

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe-haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Global uncertainty specifically political instability in Europe and the Middle East and the impacts of the COVID-19 pandemic, has driven an increase in the gold price since early 2020. Figure 27 shows the gold price in USD over the last five years and Figure 28 shows the silver price in USD for the same period.

While the gold price is high in Australian dollars there is a strong bias toward advanced projects obtaining funding and the earlier stage projects being difficult to attract investment money.

VRM considers that the gold price and gold company interest, to be strengthening part due to the weak US dollar and due to renewed interest in gold companies as an investment option in part due to weakness in other commodities. On the basis of the high gold and silver prices VRM considers that a market premium of 20% should be applied to the technical geoscientific valuation to generate a market valuation of the exploration potential within the various gold and silver mineral projects.

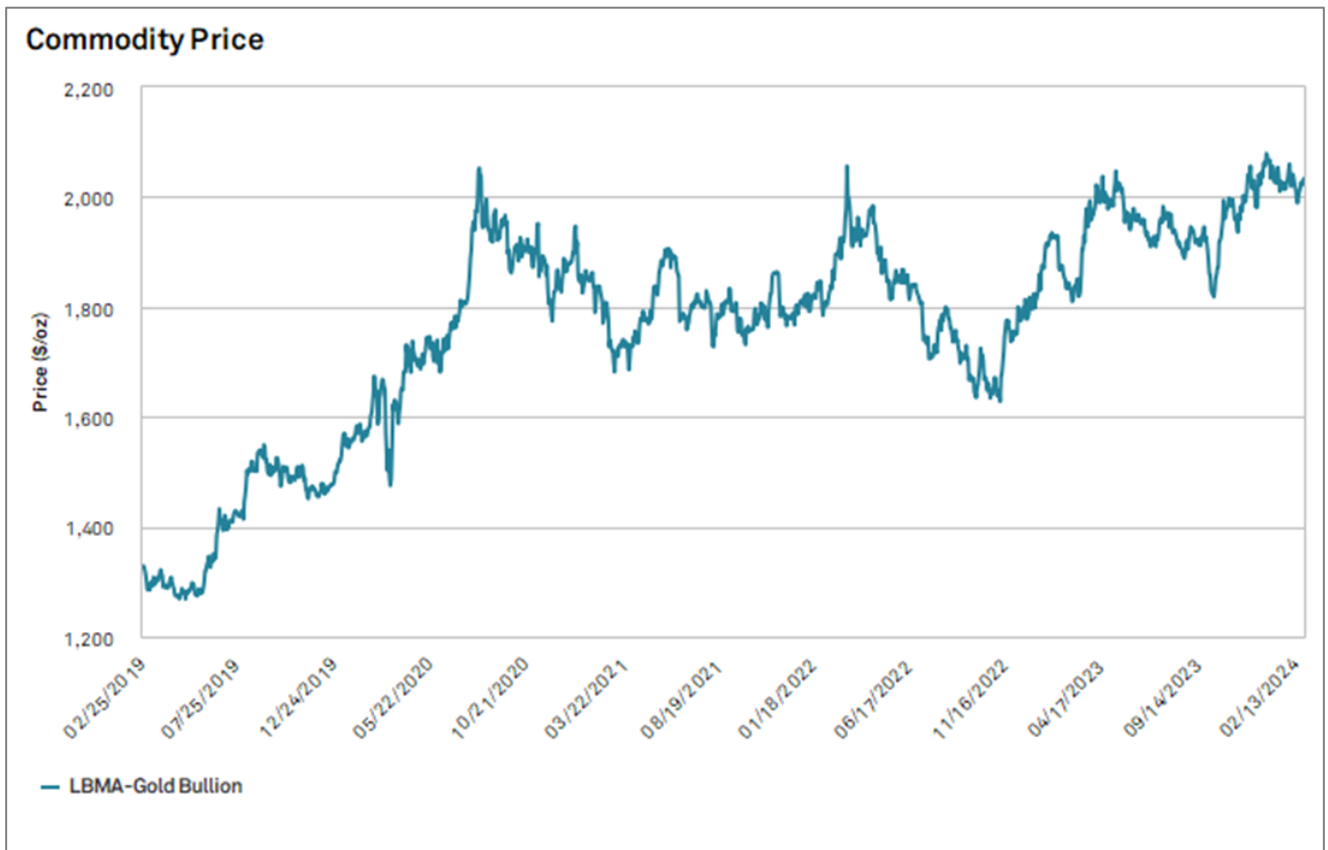


Figure 27: Five Year Gold Spot Price \$USD

Source: S and P Capital IQ

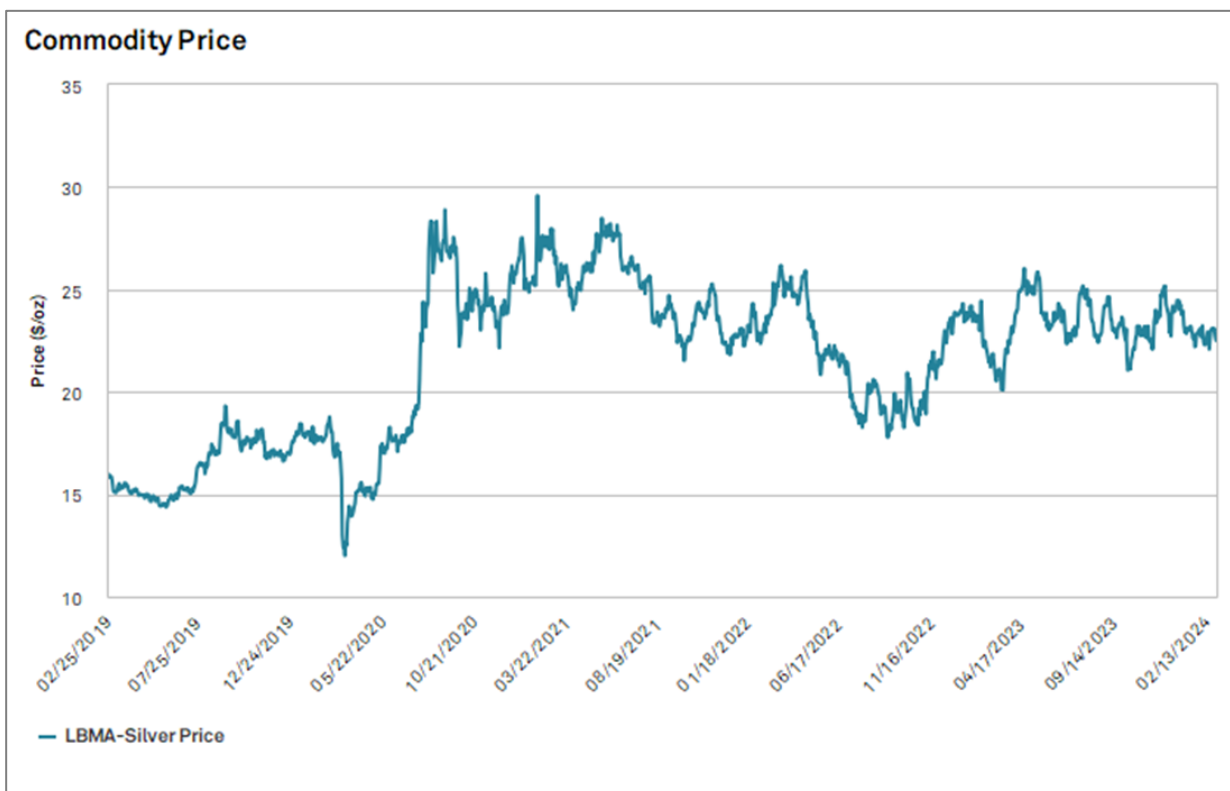


Figure 28: Five Year Silver Spot Price \$USD

Source: S and P Capital IQ

5.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (DCF) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

At the Valuation Date there are current Ore Reserves estimated within the Rio Grande Phosphate Project and specifically for the Tres Estradas deposit however there is uncertainty as to the timeframe for any development to proceed due to the public civil action currently before the courts in Brazil, therefore income-based valuation techniques are not considered appropriate as a primary valuation method.

5.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with MRE's reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions is typically derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated that are considered reasonable and where comparable project specific transactions have been identified. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

For the Rio Grande Phosphate Project there were no comparable transactions identified resulting in this valuation method not being a viable option. For the Rio Grande Copper Project, while there were

identified project specific transactions that were potentially comparable, in VRM's opinion the economic analysis and scoping study level work on the Mineral Resource has identified factors that are likely to impact on the viability of the Mineral Resource. Therefore, in VRM's opinion the Mineral Resource is not a viable basis to value the Project.

5.5.2 Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price. Due to the concerns associated with the Mineral Resources and Ore Reserves in VRM's opinion a yardstick valuation approach is not a viable method for the Rio Grande Phosphate or the Rio Grande Copper Projects.

5.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or MRE's (both current and historic).
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

5.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is

described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 13 documents the ranking criteria that were used in conjunction with the base acquisition cost (BAC) for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Colombian and Brazilian tenements, the BAC has been determined based on an assumed exploration commitment of A\$300/km² for each of the tenements that are at an early stage of development while a BAC of A\$10,000/km² has been used for tenements that contain the reported Mineral Resources and Ore Reserves or small projects with significant exploration potential, for example the Andean Projects.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks and or execution risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 13 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 13: Ranking Criteria used to determine the geoscientific technical valuation

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified	Significant intersections – not correlated on section	Favourable geological setting
2.5			Several significant ore grade intersections that can be correlated	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5				
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market which is currently considered to be elevated for phosphate, copper, gold and silver as shown in Figure 26 to Figure 28. On that basis, the technical valuations were adjusted up by 20% for gold and up by 20% for silver. No premium or discount was applied to the phosphate or copper Projects.

A 20% reduction or locational discount was applied for the Andean Colombian projects while a 20% discount was applied for the Rio Grande Phosphate Project and 10% for the other Projects owned by Aguia in Brazil.

For early-stage Projects (where there are either no Mineral Resource or Ore Reserve estimates or the estimates are not considered current or justified), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

5.6.2 Comparable Market Based Transactions – Area Based

The area based comparable transaction valuation method is the same as the Mineral Resource based comparable transaction however rather than the comparable transaction price being assigned to the contained Mineral Resource within a project it is assigned to the Project area of the subject transaction. VRM does not believe that this is a suitable method for a primary valuation method for exploration assets without a Mineral Resource as there are significant identifiable differences between any two projects and to obtain a meaningful and representative comparable project dataset is difficult due to the highly variable transaction prices for areas considered to be prospective. Therefore, VRM prefers to use the Geoscientific approach as the primary valuation method and usually would use a Prospectivity Enhancement Multiplier (PEM) approach as a secondary method. In this case as there are no mandated exploration commitments and no annual reporting of the expenditure available in public reporting VRM considers that a PEM approach would generate an inconsistent valuation and therefore an area based comparable transaction approach has been undertaken for the exploration potential within the various Projects.

6. Valuation of the Andean and Aguia Mineral Assets

The mineral assets valued as a part of this ITAR are the Andean Projects in Colombia and the Brazilian projects owned by Aguia. They are considered to be prospective for phosphate, copper, silver, and gold.

There are JORC Compliant phosphate and copper Mineral Resources within the Rio Grande Phosphate Project and the Rio Grande Copper Projects in Brazil.

VRM has undertaken a critical review of the reported Mineral Resources and the Ore Reserves and is of the opinion that there are concerns associated with the viability of the copper Mineral Resources which preclude its use in the valuation. Due to the litigation associated with the phosphate project, in VRM's opinion this excludes a cash flow valuation in the valuation, additionally the lack of comparable project based phosphate transactions removed a comparable transaction valuation method as a viable option. Therefore the Projects have been valued using a Kilburn or Geoscientific valuation method and a comparable transaction (area based) method as described further below.

6.1 Comparable Transactions – Resource Multiples

6.1.1 Phosphate Mineral Resources – Rio Grande Phosphate Project

VRM has undertaken a search of all South American project-based phosphate project transactions and has not identified any transactions which could be considered comparable to the Rio Grande Phosphate Project. Therefore, in VRM's opinion the lack of comparable transactions results in this approach being excluded as a viable valuation method.

6.1.2 Copper Mineral Resource – Rio Grande Copper Project

VRM has concerns associated with the viability of the copper Mineral Resource within the Rio Grande Copper Project being exploited due to the mineralogy and metallurgy associated with the Project and the low grade which is likely to significantly impact the viability of any development of the Mineral Resource as it is currently delineated. Therefore, in VRM's opinion, this is not a viable method to value the copper Project.

6.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For MRE's, a common yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions.

Due to concerns associated with the Mineral Resources within the Rio Grande Copper Project VRM does not consider that a yardstick valuation approach is reasonable. Additionally, as there is ongoing litigation associated with the Rio Grande Phosphate Project this valuation method is not considered a viable valuation method.

6.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC has been assumed to be \$300/km². The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each tenement using the ranking criteria for the Andean Projects with the Off-Property Criteria considered to be between 1.5 and 3.0 the On-Property Criteria between 2.0 and 2.5, the Anomaly Factor between 1.5 and 3.0 while the Geology Criteria are considered to be between 1.0 and 2.0. When these ranking criteria are combined with the base acquisition cost of \$10,000/km² due to the tenements being considered as equivalent to Mining Leases, as detailed in Appendix B, this has determined the technical value. A discount of 20% has been applied to the Andean tenements in Colombia and a premium of 20% applied to the for the gold and silver projects due to the strong gold price.

For the Aguia Projects in Brazil a location discount of between 10% and 20% was applied to the projects (due to the legal dispute associated with the approvals on the phosphate project) while no discount or premium has been applied to the copper or phosphate projects to account for the current market conditions. The ranking criteria for the Aguia Projects were an Off-Property Criteria considered to be between 1.0 and 2.5, the On-Property Criteria between 1.0 and 3.0, the Anomaly Factor between 1.0 and 3.5 while the Geology Criteria are considered to be between 1.0 and 2.5. The BAC used for the Aguia tenements was typically \$300/km² however for the two tenements that host the Ore Reserves within the phosphate project a BAC of \$10,000/km² was applied.

The Market Values are shown in Table 14. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix C while the Market Value is the Technical Value multiplied by the geopolitical / locational risk and market adjustments.

Table 14: Geoscientific Market Valuation of the projects owned by Andean and Aguia.

Project	Method	Lower Valuation (\$,000)	Preferred Valuation (\$,000)	Upper Valuation (\$,000)
Santa Barbata	Geoscientific	930	2,330	3,730
Atocha	Geoscientific	230	470	700
El Dovio	Geoscientific	390	730	1,080
Total Andean Projects		1,550	3,530	5,510
Rio Grande Phosphate	Geoscientific	4,610	7,530	10,450
Rio Grande Copper	Geoscientific	820	2,130	3,450
Other Aguia Projects	Geoscientific	20	50	80
Total Aguia Projects		5,450	9,710	13,980

Appropriate rounding to the total valuation has been undertaken.

The Andean exploration projects are considered by VRM to have a market value using the Geoscientific method of between **\$1.55 million** and **\$5.51 million** with a preferred value of **\$3.53 million** while the projects owned by Aguia have a market value of between **\$5.45 million** and **\$13.98 million** with a preferred value of **\$9.71 million**.

6.4 Comparable Transactions – Area Based Multiples

VRM reviewed a series of 20 early stage transactions from 2018 to September 2023 in the state of Minas Gerais, Brazil. A multiple was calculated for each transaction to determine the price paid per square kilometre. After detailed review of the transactions, only the transactions greater than 15km² were used as the very small areas in other transactions tended to skew the data. The raw range of transactions per km² is between \$2669 and \$1.6 million which clearly would generate a valuation range that is unreasonably large. The final set of data used to derive the valuation is detailed in Appendix C.

From the analysis of twelve transactions greater than 15km², VRM determined average, median, and various percentiles of the data as at the transaction date which were then normalised. The normalisation was undertaken by a ratio of the commodity price on the day that each of the comparable transactions was announced and the commodity price on valuation date. A preferred valuation was determined using the average transaction multiple (A\$/km²) with the range determined based on a $\pm 25\%$ from the preferred valuation. This corresponds to a lower multiple of A\$5475/km², a preferred or average multiple of A\$7,300/km² and an upper multiple of \$9125/km².

In VRM's opinion these multiples can be applied to the area of Aguia's Projects as reported above.

Table 15: Comparable Transactions – Area Based Valuation by Project

Project	Method	Lower Valuation (\$,000)	Preferred Valuation (\$,000)	Upper Valuation (\$,000)
Santa Barbata	Comp. Transactions – Area	70	90	120
Atocha	Comp. Transactions – Area	20	20	30
El Dovio	Comp. Transactions – Area	10	20	20
Total Andean Projects		100	130	170
Rio Grande Phosphate	Comp. Transactions – Area	770	1,030	1,290
Rio Grande Copper	Comp. Transactions – Area	8,510	11,340	14,180
Other Aguia Projects	Comp. Transactions – Area	310	410	520
Total Aguia Projects		9,590	12,790	15,990

Note Appropriate rounding has been undertaken.

The Andean exploration projects are considered by VRM to have a market value using the Comparable transactions, area based multiple method of between **\$0.1 million** and **\$0.17 million** with a preferred value of **\$0.13 million** while the projects owned by Aguia have a market value of between **\$9.59 million** and **\$15.99 million** with a preferred value of **\$12.79 million**.

7. Risks and Opportunities

7.1 General Risks and Opportunities

There are JORC 2012 MRE's within the Rio Grande Phosphate and Rio Grande Copper Projects.

Mineral exploration, by its very nature has significant risks, particularly for early-stage projects, of which many of the Project areas are considered. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within any of the Projects. Even in the event significant mineralisation does exist within the Projects, factors both in and out of the control of the Company may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration. This may include, but is not limited to, factors such as community consultation and agreements, as well as environmental considerations. Once more advanced, Projects are assessed for risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes. Assessment of these risks would be addressed in successive technical-economic studies, which generally commence once a Project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data included in annual and quarterly technical reports and ASX releases sourced from the companies and other public data. In addition, company presentations and academic literature has been used to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the tenement holdings.

There are two potential sources of uncertainty associated with this type of information compilation; 1. significant material information may not have been identified in the data compilation, and 2. there is a potential risk associated with the timely release of the exploration reports related to the areas of interest. That is, under the current regulations associated with annual technical reporting, any report linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. In addition, historical reports are not all digitally available. Therefore, obtaining the historical reports often requires extremely time-consuming and costly searches. There could also be duplication and compilation errors associated with several of the publicly available data compilations; this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, these data may not be available and may have material errors that could have a material impact on potential exploration decisions.

Often the historical exploration reports do not include or discuss the use of quality assurance and quality control (QAQC) procedures as part of the sampling programs. Therefore, it is difficult to determine the validity and reliability of much of the historical samples, even where original assays are reported. The inability to properly validate all the exploration data reported herein, which has an impact on the proposed exploration, increases the exploration risk.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues. There has also been a recent increase in the recognition of the need for a rapid transition of the global energy requirements and there has been a significant push

toward a change toward a lower carbon intensity power generation. This shift has dramatically changed the demand profile for several “green” or “future facing” commodities including lithium, nickel, copper in the electrification of vehicles and uranium in power generation.

7.2 Project Specific Risks and Opportunities

All the projects with Mineral Resources have additional exploration potential adjacent to or along strike of the current Mineral Resources and regional exploration targets that require additional evaluation and assessment. These Resource extensions are a material opportunity on each of the projects.

The most significant risk for the Rio Grande Phosphate Project is the Public Civil Action which is restricting the company from advancing the project to construction. The timeframe and outcome of these proceedings is unknown and may have a material impact on the ability of Aguia to advance the Project to production.

The most significant risk associated with the Rio Grande Copper project is the challenging metallurgical aspects of the potential development scenario with the preferred development option being a heap leach operation with the risk being he high to very high acid consumption due to the calcium carbonate veins within the copper mineralisation. In VRM’s opinion the low grade of the copper mineralisation currently delineated in the Mineral Resource and the high acid consumption associated with the metallurgical tests suggest that there are economic and technical challenges in advancing the currently delineated copper mineralisation toward production.

For the regional Projects where no Mineral Resource has been delineated there are the typical risks associated with early-stage exploration projects. While there are risks that no additional material that may be exploitable would be delineated, VRM considers that these risks are minimal and that there is a significant opportunity associated with the potential to delineate additional mineralisation within the Projects. This is evident by the high grade mineralisation that is currently being treated in the Santa Barbara Project with the pilot scale processing plant actively processing material from exploration adits associated with several high grade gold veins, there is no Mineral Resource within the area which provides a significant opportunity to delineate the extent of the known high grade gold veins that are currently being processed.

8. Preferred Valuations

Based on the valuation techniques detailed above, Table 16 provides a summary of the valuations derived for the exploration potential within the projects by the various techniques. Figure 29 graphically shows the valuation range and preferred valuation for the Projects and the combined valuation range and preferred valuation for the mineral assets.

VRM's preferred valuation is based on the Geoscientific method is considered the preferable method to value the exploration potential within the Projects. The geoscientific method is generally supported by the area based comparable transaction valuation, however VRM notes the large discrepancy between the Geoscientific valuation and the area based comparable transaction valuation for the Andean Projects. This is due to the comparable transactions all being for early-stage projects with minimal or no anomalism within the projects associated with the comparable transactions.

On this basis in VRM's opinion, as detailed in Table 16 the likely market value of the Andean projects is between \$1.6 million and \$5.5 million with a preferred valuation of \$3.5 million while the Projects owned by Aguia have a market value of between \$5.4 million and \$14.0 million with a preferred valuation of \$9.7 million. This range is determined based on the primary valuations being the Geoscientific valuation approach as the primary valuation method in Table 16 below.

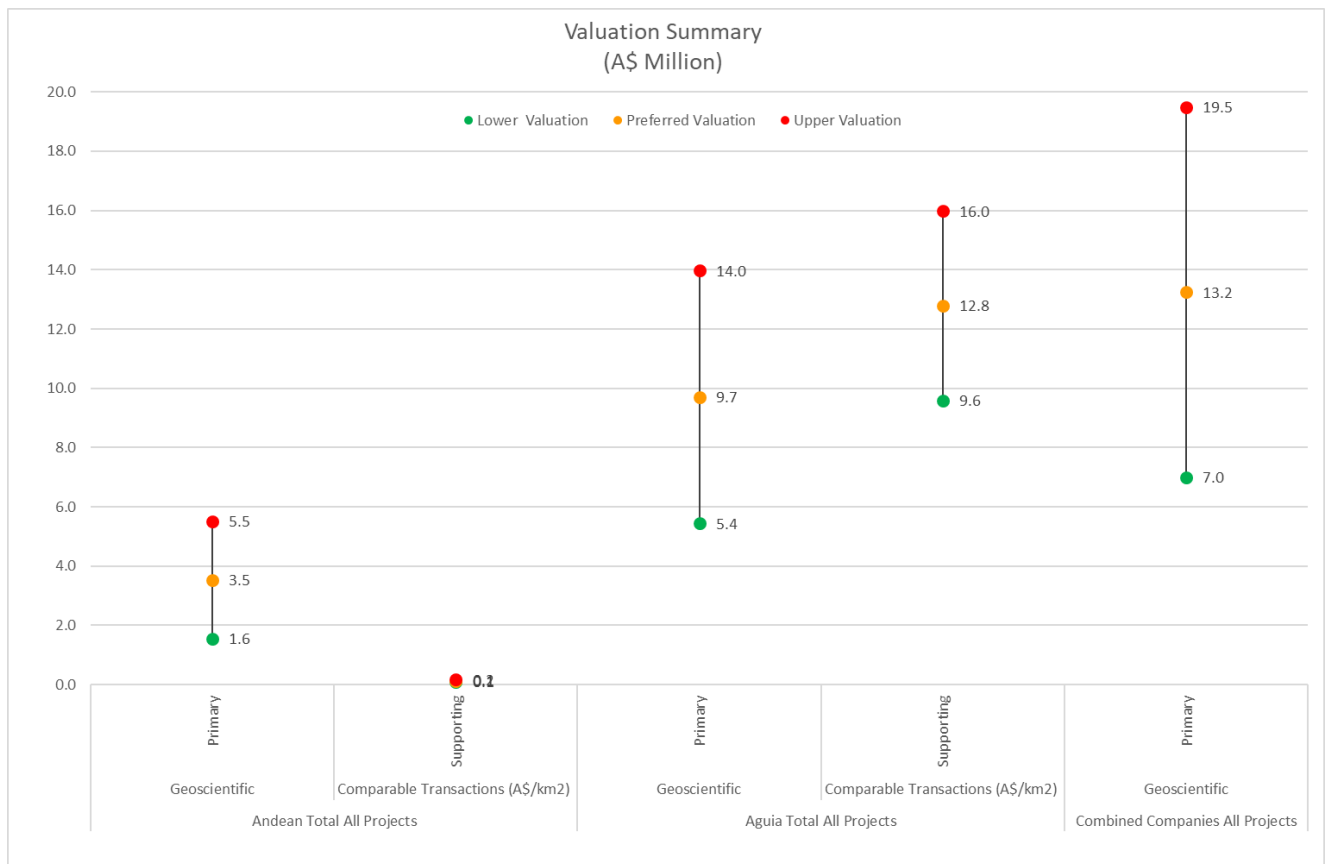
Table 16: Valuation Summary Projects by method

Company	Method		Lower Valuation (A\$ million)	Preferred Valuation (A\$ million)	Upper Valuation (A\$ million)
Andean	Geoscientific	Primary	1.55	3.53	5.51
	Comparable Transactions (A\$/km ²)	Supporting	0.10	0.13	0.17
Aguia	Geoscientific	Primary	5.45	9.71	13.98
	Comparable Transactions (A\$/km ²)	Supporting	9.59	12.79	15.99
Combined Projects			7.00	13.24	19.49

Note the totals may not add due to rounding in the valuations.

Figure 29 below summarises the information in Table 16 and shows in a graphical form the various valuations of the Mineral Assets.

Figure 29 Valuation Summary Preferred (Primary) Valuations



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Appendix A Andean and Aguia Tenure

Company	Country	Project	Claim #	Holder	Grant / Application	Expiry Date	Total Area ha
Andean	Colombia	El Dovio	IEH-08441	Corporación Minera de Colombia S.A.S	13/01/2012	18/09/2043	1145.7208
Andean	Colombia	El Dovio	IEH-08401	Andean			150.852
Andean	Colombia	Santa Barbara	0-439C1	Andean	12/09/2022	29/10/2036	214
Andean	Colombia	Santa Barbara	IEV-16061	Luis Ángel Consuegra Tavera.	31/08/2010	23/02/2041	110.86013
Andean	Colombia	Atocha	HFL-151C1	MINERA LA FORTUNA S.A.S.	14/03/2022	16/04/2040	214.0687
Aguia	Brazil	Rio Grande Phosphate	810766/2021	Águia Fertilizantes S.A.	20/03/2023	20/03/2026	1,299.78
Aguia	Brazil	Rio Grande Phosphate	810090/1991	Águia Fertilizantes S.A.	16/08/2010	16/08/2012	1,000.00
Aguia	Brazil	Rio Grande Phosphate	810325/2012	Águia Fertilizantes S.A. (CBC Option)	03/05/2017	14/11/2021	990.95
Aguia	Brazil	Rio Grande Phosphate	810702/2011	Falcon Petróleo S.A.	09/10/2012	09/10/2015	1,885.25
Aguia	Brazil	Rio Grande Phosphate	810988/2011	Falcon Petróleo S.A.	15/04/2015	15/04/2018	84.39
Aguia	Brazil	Rio Grande Phosphate	811189/2011	Águia Fertilizantes S.A. (Valmor Pedro Meneguizzo	11/08/2022	11/08/2025	1,631.70
Aguia	Brazil	Rio Grande Phosphate	810448/2014	Águia Fertilizantes S.A.	2/14/2018	10/1/2024	1,605.12
Aguia	Brazil	Rio Grande Phosphate	810996/2010	Águia Fertilizantes S.A. (CBC Option)	25/09/2023	25/09/2024	896.23
Aguia	Brazil	Rio Grande Phosphate	811188/2011	Valmor Pedro Meneguizzo (Option Agreement)	7/17/2019	01/28/2024	1,922.15
Aguia	Brazil	Rio Grande Phosphate	810732/2005	Mineração Fazenda Terra Santa (Mineração Terra Santa Option)	12/27/2016	09/30/2024	1,520.62
Aguia	Brazil	Rio Grande Phosphate	810346/2014	Águia Fertilizantes S.A. (IAMGOLD Option)	42805	09/30/2024	1,275.66
Aguia	Brazil	Rio Grande Copper	810081/2019	Águia Fertilizantes S.A.	11/12/2023	11/12/2026	656.83
Aguia	Brazil	Rio Grande Copper	810125/2021	Águia Fertilizantes S.A.	11/05/2021	1/10/2024	669.58
Aguia	Brazil	Rio Grande Copper	810126/2018	Águia Fertilizantes S.A.	07/12/2020	30/09/2024	936.38
Aguia	Brazil	Rio Grande Copper	810126/2021	Águia Fertilizantes S.A.	13/03/2023	13/03/2026	1985.79
Aguia	Brazil	Rio Grande Copper	810127/2018	Águia Fertilizantes S.A.	16/10/2018	29/04/2023	537.17
Aguia	Brazil	Rio Grande Copper	810127/2021	Águia Fertilizantes S.A.	11/05/2021	1/10/2024	1794.08
Aguia	Brazil	Rio Grande Copper	810129/2021	Águia Fertilizantes S.A.	13/03/2023	13/03/2026	1974.88
Aguia	Brazil	Rio Grande Copper	810130/2021	Águia Fertilizantes S.A.	13/03/2023	13/03/2026	1903.49
Aguia	Brazil	Rio Grande Copper	810131/2021	Águia Fertilizantes S.A.	13/03/2023	13/03/2026	1998.25
Aguia	Brazil	Rio Grande Copper	810132/2021	Águia Fertilizantes S.A.	16/04/2021	1/10/2024	1990.42
Aguia	Brazil	Rio Grande Copper	810133/2021	Águia Fertilizantes S.A.	11/05/2021	1/10/2024	1934
Aguia	Brazil	Rio Grande Copper	810134/2018	Águia Fertilizantes S.A.	07/12/2020	30/09/2024	1083.87
Aguia	Brazil	Rio Grande Copper	810134/2021	Águia Fertilizantes S.A.	16/04/2021	1/10/2024	1984.63
Aguia	Brazil	Rio Grande Copper	810135/2018	Águia Fertilizantes S.A.	07/12/2020	30/09/2024	1970.04
Aguia	Brazil	Rio Grande Copper	810135/2021	Águia Fertilizantes S.A.	11/05/2021	1/10/2024	1995.05

Company	Country	Project	Claim #	Holder	Grant / Application	Expiry Date	Total Area ha
Agua	Brazil	Rio Grande Copper	810136/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1971.27
Agua	Brazil	Rio Grande Copper	810136/2021	Água Fertilizantes S.A.	11/05/2021	1/10/2024	1484.66
Agua	Brazil	Rio Grande Copper	810137/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1921.48
Agua	Brazil	Rio Grande Copper	810137/2021	Água Fertilizantes S.A.	11/05/2021	1/10/2024	1992.99
Agua	Brazil	Rio Grande Copper	810138/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1832.25
Agua	Brazil	Rio Grande Copper	810138/2021	Água Fertilizantes S.A.	11/05/2021	1/10/2024	1992.4
Agua	Brazil	Rio Grande Copper	810139/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1656.77
Agua	Brazil	Rio Grande Copper	810140/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1634.74
Agua	Brazil	Rio Grande Copper	810140/2021	Água Fertilizantes S.A.	11/05/2021	1/10/2024	1971.06
Agua	Brazil	Rio Grande Copper	810141/2018	Água Fertilizantes S.A.	07/12/2020	30/09/2024	1126.67
Agua	Brazil	Rio Grande Copper	810141/2021	Água Fertilizantes S.A.	11/05/2021	1/10/2024	1469.6
Agua	Brazil	Rio Grande Copper	810142/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1189.46
Agua	Brazil	Rio Grande Copper	810143/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1095.42
Agua	Brazil	Rio Grande Copper	810144/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1986.44
Agua	Brazil	Rio Grande Copper	810145/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1745.06
Agua	Brazil	Rio Grande Copper	810146/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1647.84
Agua	Brazil	Rio Grande Copper	810147/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1486.79
Agua	Brazil	Rio Grande Copper	810148/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1879.32
Agua	Brazil	Rio Grande Copper	810149/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	872.5
Agua	Brazil	Rio Grande Copper	810150/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1854.55
Agua	Brazil	Rio Grande Copper	810151/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	977.39
Agua	Brazil	Rio Grande Copper	810152/2018	Água Fertilizantes S.A.	7/12/2020	30/09/2024	1341.15
Agua	Brazil	Rio Grande Copper	810153/2018	Água Fertilizantes S.A.	31/12/2020	30/09/2024	1683.3
Agua	Brazil	Rio Grande Copper	810154/2018	Água Fertilizantes S.A.	31/12/2020	30/09/2024	1610.1
Agua	Brazil	Rio Grande Copper	810155/2018	Água Fertilizantes S.A.	31/12/2020	30/09/2024	1986.76
Agua	Brazil	Rio Grande Copper	810156/2018	Água Fertilizantes S.A.	19/10/2020	30/09/2024	1939.23
Agua	Brazil	Rio Grande Copper	810157/2018	Água Fertilizantes S.A.	31/12/2020	30/09/2024	1961.94
Agua	Brazil	Rio Grande Copper	810187/2018	Água Fertilizantes S.A.	31/08/2021	1/10/2024	730.26
Agua	Brazil	Rio Grande Copper	810215/2010	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	28/08/2015	28/01/2024	714.97
Agua	Brazil	Rio Grande Copper	810275/2021	Água Fertilizantes S.A.	28/06/2021	1/10/2024	38.25
Agua	Brazil	Rio Grande Copper	810345/2009	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	28/08/2015	28/01/2024	115.91
Agua	Brazil	Rio Grande Copper	810385/2011	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	14/03/2019	8/08/2026	1791.05
Agua	Brazil	Rio Grande Copper	810386/2011	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	14/03/2019	8/08/2026	1997.18

Company	Country	Project	Claim #	Holder	Grant / Application	Expiry Date	Total Area ha
Agua	Brazil	Rio Grande Copper	810439/2021	Água Fertilizantes S.A.	27/07/2021	1/10/2024	1566.84
Agua	Brazil	Rio Grande Copper	810440/2021	Água Fertilizantes S.A.	27/07/2021	1/10/2024	1021.96
Agua	Brazil	Rio Grande Copper	810441/2016	Água Fertilizantes S.A.	01/09/2016	17/10/2025	1521.51
Agua	Brazil	Rio Grande Copper	810441/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1748.45
Agua	Brazil	Rio Grande Copper	810442/2016	Água Fertilizantes S.A.	01/09/2016	12/09/2025	1825.73
Agua	Brazil	Rio Grande Copper	810442/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	990.94
Agua	Brazil	Rio Grande Copper	810520/2011	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	14/03/2019	08/08/2026	1365.94
Agua	Brazil	Rio Grande Copper	810715/2022	Água Fertilizantes S.A.	-	-	1743.06
Agua	Brazil	Rio Grande Copper	810749/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1691.16
Agua	Brazil	Rio Grande Copper	810750/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1757.99
Agua	Brazil	Rio Grande Copper	810751/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1772.12
Agua	Brazil	Rio Grande Copper	810752/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1846.31
Agua	Brazil	Rio Grande Copper	810753/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1621.89
Agua	Brazil	Rio Grande Copper	810754/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1775.59
Agua	Brazil	Rio Grande Copper	810755/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	920.43
Agua	Brazil	Rio Grande Copper	810756/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1013.12
Agua	Brazil	Rio Grande Copper	810757/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1815.09
Agua	Brazil	Rio Grande Copper	810758/2019	Água Fertilizantes S.A.	31/08/2021	1/10/2024	1691.11
Agua	Brazil	Rio Grande Copper	810762/2021	Água Fertilizantes S.A.	20/03/2023	20/03/2026	1300.04
Agua	Brazil	Rio Grande Copper	810764/2021	Água Fertilizantes S.A.	27/03/2023	27/03/2026	1977.99
Agua	Brazil	Rio Grande Copper	810768/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1760.76
Agua	Brazil	Rio Grande Copper	810770/2021	Água Fertilizantes S.A.	27/03/2023	27/03/2026	1678.35
Agua	Brazil	Rio Grande Copper	810772/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1745.1
Agua	Brazil	Rio Grande Copper	810773/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1914.45
Agua	Brazil	Rio Grande Copper	810775/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1679.89
Agua	Brazil	Rio Grande Copper	810776/2021	Água Fertilizantes S.A.	13/03/2023	13/03/2026	1820.03
Agua	Brazil	Rio Grande Copper	810777/2021	Água Fertilizantes S.A.	20/10/2021	20/10/2024	1893.07
Agua	Brazil	Rio Grande Copper	810778/2021	Água Fertilizantes S.A.	20/10/2021	20/10/2024	1823.3
Agua	Brazil	Rio Grande Copper	810779/2021	Água Fertilizantes S.A.	20/03/2023	20/03/2026	1080.69
Agua	Brazil	Rio Grande Copper	810780/2021	Água Fertilizantes S.A.	-	-	1631.28
Agua	Brazil	Rio Grande Copper	810799/2012	Água Fertilizantes S.A.	09/06/2014	04/02/2024	866.72
Agua	Brazil	Rio Grande Copper	810808/2008	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	28/08/2015	28/01/2024	279.03
Agua	Brazil	Rio Grande Copper	810911/2016	Água Fertilizantes S.A.	19/10/2020	30/09/2024	1936.15

Company	Country	Project	Claim #	Holder	Grant / Application	Expiry Date	Total Area ha
Agua	Brazil	Rio Grande Copper	810912/2016	Água Fertilizantes S.A.	04/10/2023	4/10/2026	1999.99
Agua	Brazil	Rio Grande Copper	811045/2021	Água Fertilizantes S.A.	20/03/2023	20/03/2026	192.02
Agua	Brazil	Rio Grande Copper	811091/2017	Água Fertilizantes S.A.	07/02/2018	01/10/2024	473.62
Agua	Brazil	Rio Grande Copper	811092/2017	Água Fertilizantes S.A.	19/10/2020	30/09/2024	1015.46
Agua	Brazil	Rio Grande Copper	811217/2021	Água Fertilizantes S.A.	-	-	1022.68
Agua	Brazil	Rio Grande Copper	811219/2021	Água Fertilizantes S.A.	08/02/2022	08/02/2025	837.31
Agua	Brazil	Rio Grande Copper	811277/2015	Água Fertilizantes S.A.	27/05/2016	04/02/2024	1560.01
Agua	Brazil	Rio Grande Copper	811278/2015	Água Fertilizantes S.A.	23/02/2016	28/01/2024	1872.97
Agua	Brazil	Rio Grande Copper	811279/2015	Água Fertilizantes S.A.	06/10/2016	18/08/2024	1406.77
Agua	Brazil	Rio Grande Copper	811294/2015	Água Fertilizantes S.A.	08/12/2015	06/10/2023	731.77
Agua	Brazil	Rio Grande Copper	811363/2014	Água Fertilizantes S.A.	14/02/2018	01/10/2024	699.35
Agua	Brazil	Rio Grande Copper	811508/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	985.65
Agua	Brazil	Rio Grande Copper	811530/2015	Água Fertilizantes S.A.	26/10/2016	30/08/2025	2000
Agua	Brazil	Rio Grande Copper	811549/2015	Água Fertilizantes S.A.	08/12/2015	06/10/2023	1969.47
Agua	Brazil	Rio Grande Copper	811572/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1999.99
Agua	Brazil	Rio Grande Copper	811573/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1807.68
Agua	Brazil	Rio Grande Copper	811583/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1981.95
Agua	Brazil	Rio Grande Copper	811586/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1147.91
Agua	Brazil	Rio Grande Copper	811588/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1114.16
Agua	Brazil	Rio Grande Copper	811589/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1119.44
Agua	Brazil	Rio Grande Copper	811596/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1945.63
Agua	Brazil	Rio Grande Copper	811625/2015	Água Fertilizantes S.A.	19/10/2020	30/09/2024	1835.91
Agua	Brazil	Rio Grande Copper	811639/2015	Água Fertilizantes S.A.	14/02/2018	01/10/2024	1034.21
Agua	Brazil	Rio Grande Copper	810636/2007	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	20/04/2015	-	1046.54
Agua	Brazil	Rio Grande Copper	810.647/2008	Referencial Geologia Mineração e Meio Ambiente Ltda (Option	7/10/2015	-	1971.49
Agua	Brazil	Corda & Laqamar	831798/2013	Agua Metais Ltda			1,775.56
Agua	Brazil	Santa Catarina	815625/2008	Agua Metais Ltda			998.27
Agua	Brazil	Lucena	846105/2009	Água Metais Ltda	9/1/2009		1,772.99
Agua	Brazil	Lucena	846106/2009	Água Metais Ltda	11/6/2014		1,538.93
Agua	Brazil	Lucena	846107/2009	Água Metais Ltda	9/1/2009		1,146.40
Agua	Brazil	Lucena	846108/209	Água Metais Ltda	10/29/2014		188.17
Agua	Brazil	Lucena	846575/2011	Água Metais Ltda	11/22/2011		953.33
Agua	Brazil	Lucena	846153/2013	Água Metais Ltda	3/12/2014		8.21

Company	Country	Project	Claim #	Holder	Grant / Application	Expiry Date	Total Area ha
Agua	Brazil	Lucena	846154/2013	Água Metais Ltda	6/13/2014		31.68
Agua	Brazil	Lucena	846132/2015	Água Metais Ltda	9/15/2015		999.88
Agua	Brazil	Lucena	846133/2015	Água Metais Ltda	9/15/2015		119.39
Agua	Brazil	Lucena	846134/2015	Água Metais Ltda	9/15/2015		265.71
Agua	Brazil	Lucena	846135/2015	Água Metais Ltda	9/15/2015		131.58
Agua	Brazil	Lucena	846236/2016	Água Metais Ltda	1/5/2017		443.18
Agua	Brazil	Lucena	846237/2016	Água Metais Ltda	1/5/2017		66.41
Agua	Brazil	Lucena	846582/2011	Água Metais Ltda	11/22/2011	26/04/2024	251.96
Agua	Brazil	Lucena	846587/2011	Água Metais Ltda	11/22/2011	26/04/2024	142.71
Agua	Brazil	Lucena	846588/2011	Água Metais Ltda	11/22/2011	26/04/2024	64.81

Appendix B Geoscientific Valuation

Company	Project	Claim Number	Area (km ²)	Off Property		On Property		Anomaly		Geology		BAC	Technical Value (A\$ Million)			Location Factor	Market Factor	Market Value (A\$ Million)		
				Low	High	Low	High	Low	High	Low	High		Low	Mid	High			Low	Mid	High
Andean	ED	IEH-08441	11.46	1.5	2.0	2.0	2.5	2.5	3.0	1.0	2.0	\$114,572	0.86	2.15	3.44	80%	120%	0.82	2.06	3.30
Andean	ED	IEH-08401	1.51	1.5	2.0	2.0	2.5	2.5	3.0	1.0	2.0	\$15,085	0.11	0.28	0.45	80%	120%	0.11	0.27	0.43
Total El Dövio			12.97										0.97	2.43	3.89			0.9	2.3	3.7
Andean	SB	0-439C1	2.14	2.5	3.0	2.0	2.5	1.5	2.0	1.0	1.5	\$21,400	0.16	0.32	0.48	80%	120%	0.15	0.31	0.46
Andean	SB	IEV-16061	1.11	2.5	3.0	2.0	2.5	1.5	2.0	1.0	1.5	\$11,086	0.08	0.17	0.25	80%	120%	0.08	0.16	0.24
Total Santa Barbara			3.25										0.24	0.49	0.73			0.2	0.5	0.7
Andean	A	HFL-151C1	2.14	2.5	3.0	2.0	2.5	2.5	3.5	1.5	2.0	\$21,407	0.40	0.76	1.12	80%	120%	0.4	0.7	1.1
Total Andean			18.36										1.62	3.68	5.74			1.6	3.5	5.5
Agua	RGP	810766/2021	13.00	2.0	2.5	1.5	2.0	1.5	2.0	1.0	1.5	\$3,899	0.02	0.04	0.06	80%	100%	0.01	0.03	0.05
Agua	RGP	810090/1991	10.00	2.0	2.5	2.0	2.5	3.5	4.0	2.0	2.5	\$100,000	2.80	4.53	6.25	80%	100%	2.24	3.62	5.00
Agua	RGP	810325/2012	9.91	2.0	2.5	2.0	2.5	3.5	4.0	2.0	2.5	\$99,095	2.77	4.48	6.19	80%	100%	2.22	3.59	4.95
Agua	RGP	810702/2011	18.85	2.0	2.5	1.5	2.0	1.5	2.0	1.0	1.5	\$5,656	0.03	0.06	0.08	80%	100%	0.02	0.04	0.07
Agua	RGP	810988/2011	0.84	2.0	2.5	2.0	2.5	1.5	2.0	1.0	1.5	\$253	0.00	0.00	0.00	80%	100%	0.00	0.00	0.00
Agua	RGP	811189/2011	16.32	2.0	2.5	2.0	2.5	1.5	2.0	1.0	1.5	\$4,895	0.03	0.06	0.09	80%	100%	0.02	0.05	0.07
Agua	RGP	810448/2014	16.05	2.0	2.5	1.5	2.0	1.5	2.0	1.0	1.5	\$4,815	0.02	0.05	0.07	80%	100%	0.02	0.04	0.06
Agua	RGP	810996/2010	8.96	2.0	2.5	1.5	2.0	1.5	2.0	1.0	1.5	\$2,689	0.01	0.03	0.04	80%	100%	0.01	0.02	0.03
Agua	RGP	811188/2011	19.22	2.0	2.5	2.0	2.5	1.5	2.0	1.0	1.5	\$5,766	0.03	0.07	0.11	80%	100%	0.03	0.06	0.09
Agua	RGP	810732/2005	15.21	2.0	2.5	2.0	2.5	1.5	2.0	1.0	1.5	\$4,562	0.03	0.06	0.09	80%	100%	0.02	0.05	0.07
Agua	RGP	810346/2014	12.76	2.0	2.5	2.0	2.5	1.5	2.0	1.0	1.5	\$3,827	0.02	0.05	0.07	80%	100%	0.02	0.04	0.06
Total Rio Grande Phosphate			141.12										5.77	9.41	13.06			4.6	7.5	10.4
Agua	RGC	810081/2019	6.57	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$1,970	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	810125/2021	6.70	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,009	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	810126/2018	9.36	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,809	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810126/2021	19.86	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,957	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810127/2021	17.94	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,382	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810129/2021	19.75	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,925	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810130/2021	19.03	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,710	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810131/2021	19.98	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,995	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04

Company	Project	Claim Number	Area (km ²)	Off Property		On Property		Anomaly		Geology		BAC	Technical Value (A\$ Million)			Location Factor	Market Factor	Market Value (A\$ Million)		
				Low	High	Low	High	Low	High	Low	High		Low	Mid	High			Low	Mid	High
Agua	RGC	810132/2021	19.90	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,971	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810133/2021	19.34	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,802	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810134/2018	10.84	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,252	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810134/2021	19.85	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,954	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810135/2018	19.70	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,910	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810135/2021	19.95	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,985	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810136/2018	19.71	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,914	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810136/2021	14.85	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,454	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810137/2018	19.21	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,764	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810137/2021	19.93	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,979	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810138/2018	18.32	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,497	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810138/2021	19.92	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,977	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810139/2018	16.57	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,970	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810140/2018	16.35	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,904	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810140/2021	19.71	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,913	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810141/2018	11.27	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,380	0.01	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810141/2021	14.70	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,409	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810142/2018	11.89	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,568	0.01	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810143/2018	10.95	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,286	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810144/2018	19.86	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,959	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810145/2018	17.45	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,235	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810146/2018	16.48	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,944	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810147/2018	14.87	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,460	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810148/2018	18.79	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,638	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810149/2018	8.73	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,618	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810150/2018	18.55	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,564	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810151/2018	9.77	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,932	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810152/2018	13.41	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,023	0.01	0.02	0.03	90%	100%	0.01	0.01	0.02
Agua	RGC	810153/2018	16.83	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,050	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810154/2018	16.10	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,830	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810155/2018	19.87	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,960	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810156/2018	19.39	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,818	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810157/2018	19.62	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,886	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810187/2018	7.30	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,191	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	810215/2010	7.15	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$2,145	0.02	0.04	0.07	90%	100%	0.02	0.04	0.06

Company	Project	Claim Number	Area (km ²)	Off Property		On Property		Anomaly		Geology		BAC	Technical Value (A\$ Million)			Location Factor	Market Factor	Market Value (A\$ Million)		
				Low	High	Low	High	Low	High	Low	High		Low	Mid	High			Low	Mid	High
Agua	RGC	810275/2021	0.38	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$115	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	RGC	810345/2009	1.16	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$348	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	810385/2011	17.91	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$5,373	0.05	0.11	0.17	90%	100%	0.04	0.10	0.15
Agua	RGC	810386/2011	19.97	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$5,992	0.05	0.12	0.19	90%	100%	0.05	0.11	0.17
Agua	RGC	810439/2021	15.67	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,701	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810440/2021	10.22	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,066	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810441/2016	15.22	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,565	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810441/2021	17.48	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,245	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810442/2016	18.26	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,477	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810442/2021	9.91	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,973	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810520/2011	13.66	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$4,098	0.04	0.08	0.13	90%	100%	0.03	0.07	0.12
Agua	RGC	810715/2022	17.43	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,229	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810749/2019	16.91	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,073	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810750/2019	17.58	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,274	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810751/2019	17.72	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,316	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810752/2019	18.46	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,539	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810753/2019	16.22	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,866	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810754/2019	17.76	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,327	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810755/2019	9.20	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,761	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810756/2019	10.13	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,039	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810757/2019	18.15	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,445	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810758/2019	16.91	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,073	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810762/2021	13.00	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,900	0.01	0.02	0.03	90%	100%	0.01	0.01	0.02
Agua	RGC	810764/2021	19.78	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,934	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810768/2021	17.61	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,282	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810770/2021	16.78	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,035	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810772/2021	17.45	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,235	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810773/2021	19.14	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,743	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810775/2021	16.80	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,040	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810776/2021	18.20	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,460	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810777/2021	18.93	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,679	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810778/2021	18.23	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,470	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	810779/2021	10.81	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,242	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810780/2021	16.31	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,894	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	810799/2012	8.67	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,600	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02

Company	Project	Claim Number	Area (km ²)	Off Property		On Property		Anomaly		Geology		BAC	Technical Value (A\$ Million)			Location Factor	Market Factor	Market Value (A\$ Million)		
				Low	High	Low	High	Low	High	Low	High		Low	Mid	High			Low	Mid	High
Agua	RGC	810808/2008	2.79	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$837	0.01	0.02	0.03	90%	100%	0.01	0.02	0.02
Agua	RGC	810911/2016	19.36	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,808	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	810912/2016	20.00	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$6,000	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	811045/2021	1.92	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$576	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	RGC	811091/2017	4.74	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$1,421	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	811092/2017	10.15	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,046	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811217/2021	10.23	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,068	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811219/2021	8.37	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,512	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811277/2015	15.60	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,680	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	811278/2015	18.73	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,619	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	811279/2015	14.07	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$4,220	0.01	0.02	0.03	90%	100%	0.01	0.02	0.03
Agua	RGC	811294/2015	7.32	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,195	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	RGC	811363/2014	6.99	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,098	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	811508/2015	9.86	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$2,957	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811530/2015	20.00	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$6,000	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	811549/2015	19.69	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,908	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	RGC	811572/2015	20.00	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$6,000	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	811573/2015	18.08	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,423	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	811583/2015	19.82	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,946	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	811586/2015	11.48	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,444	0.01	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811588/2015	11.14	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,342	0.01	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811589/2015	11.19	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,358	0.01	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	811596/2015	19.46	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,837	0.01	0.02	0.04	90%	100%	0.01	0.02	0.04
Agua	RGC	811625/2015	18.36	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$5,508	0.01	0.02	0.04	90%	100%	0.01	0.02	0.03
Agua	RGC	811639/2015	10.34	1.0	1.5	1.0	1.5	1.5	2.0	1.0	1.5	\$3,103	0.00	0.01	0.02	90%	100%	0.00	0.01	0.02
Agua	RGC	810636/2007	10.47	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$3,140	0.03	0.06	0.10	90%	100%	0.03	0.06	0.09
Agua	RGC	810.647/2008	19.71	1.5	2.0	2.0	3.0	3.0	3.5	1.0	1.5	\$5,914	0.05	0.12	0.19	90%	100%	0.05	0.11	0.17
Total Rio Grande Cu			1574.24									\$472,272	0.91	2.37	3.84			0.8	2.1	3.5
Agua	C&L	831798/2013	17.76	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$5,327	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	SC	815625/2008	9.98	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$2,995	0.00	0.00	0.01	90%	100%	0.00	0.00	0.01
Total Applications			27.74										0.00	0.01	0.02			0.00	0.01	0.02
Agua	L	846105/2009	17.73	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$5,319	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	L	846106/2009	15.39	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$4,617	0.00	0.01	0.01	90%	100%	0.00	0.01	0.01
Agua	L	846107/2009	11.46	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$3,439	0.00	0.01	0.01	90%	100%	0.00	0.00	0.01
Agua	L	846108/209	1.88	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$565	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00

Company	Project	Claim Number	Area (km ²)	Off Property		On Property		Anomaly		Geology		BAC	Technical Value (A\$ Million)			Location Factor	Market Factor	Market Value (A\$ Million)		
				Low	High	Low	High	Low	High	Low	High		Low	Mid	High			Low	Mid	High
Agua	L	846575/2011	9.53	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$2,860	0.00	0.00	0.01	90%	100%	0.00	0.00	0.01
Agua	L	846153/2013	0.08	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$25	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846154/2013	0.32	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$95	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846132/2015	10.00	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$3,000	0.00	0.00	0.01	90%	100%	0.00	0.00	0.01
Agua	L	846133/2015	1.19	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$358	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846134/2015	2.66	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$797	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846135/2015	1.32	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$395	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846236/2016	4.43	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$1,330	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846237/2016	0.66	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$199	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846582/2011	2.52	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$756	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846587/2011	1.43	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$428	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Agua	L	846588/2011	0.65	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$194	0.00	0.00	0.00	90%	100%	0.00	0.00	0.00
Total Lucena			81.25										0.01	0.04	0.07			0.01	0.04	0.06
Total Agua																		5.4	9.7	14.0

Note Project abbreviations in the table above are El Dovio - ED, Santa Barbara – SB, Atocha – A, Rio Grande Phosphate – RGP, Rio Grande Copper – RGC, Lucena – L, Santa Catarina – SC, Corda & Lagamar – C&L

Appendix C Comparable Transactions

Date	Project	State	Buyer	Seller	\$ (million)	Currency	A\$ (million)	Equity	(A\$ Million) 100% basis	AUS Li Price at deal	Normalised Ratio	Deal Normalised	Area km2	\$ per km2 normalised to Li price
20/09/2023	Parabolic	Minas Gerais	Alderan	Parabolic	\$ 5,260,000	AUD	\$ 5,260,000	100%		51,728.57	0.79	\$ 4,137,873.61	472.00	\$8,766.68
1/02/2023	Spark - Talisman	Minas Gerais	Spark Energy Minerals	Talisman	\$ 1,210,000	AUD	\$ 1,331,000	100%		92,225.61	0.44	\$ 587,284.38	220.00	\$2,669.47
4/05/2023	Li Valley	Minas Gerais	Lithium Plus	Spark Energy	\$ 1,100,000	CAD	\$ 1,210,000	65%		52,946.50	0.77	\$ 1,430,726.77	220.00	\$6,503.30
29/12/2022	St Anthony - Foxfire	Minas Gerais	Spark Energy Minerals	Foxfire Metals	\$ 1,956,446	AUD	\$ 1,956,446	75%		100,586.90	0.40	\$ 1,055,327.37	123.15	\$8,569.45
20/12/2022	Gold Mountain	Minas Gerais	Gold Mountain	Mars Mines	\$ 1,125,000	AUD	\$ 1,125,000	75%		100,586.90	0.40	\$ 606,836.65	92.64	\$6,550.48
10/03/2023	Spark - Talisman	Minas Gerais	Spark Energy Minerals	Talisman	\$ 700,000	CAD	\$ 763,000	100%		88,886.25	0.46	\$ 349,310.72	86.31	\$4,047.16
22/09/2023	East Brazil	Minas Gerais	Adelong Gold		\$ 1,931,400	AUD	\$ 1,931,400	100%		51,728.57	0.79	\$ 1,519,370.55	53.17	\$28,575.71
9/08/2023	Ponte Nova	Minas Gerais	Perpetual Resources		\$ 350,000	AUD	\$ 350,000	100%		58,579.70	0.69	\$ 243,132.41	50.00	\$4,862.65
26/09/2023	Itinga and Paraiso	Minas Gerais	Perpetual Resources		\$ 300,000	AUD	\$ 300,000	100%		51,728.57	0.79	\$ 236,000.40	40.00	\$5,900.01
7/03/2023	Brascan #2	Minas Gerais	Brascan Resources	BHBC Exploracao	\$ 250,000	CAD	\$ 275,000	100%		88,886.25	0.46	\$ 125,898.36	29.64	\$4,247.58
15/02/2023	Brascan - #1	Minas Gerais	Brascan Resources	BHBC Exploracao	\$ 176,000	CAD	\$ 193,600	100%		92,225.61	0.44	\$ 85,423.18	29.56	\$2,889.82
7/12/2022	Lithium Ionic - Borges	Minas Gerais	Lithium ionic	Borges	\$ 143,440	AUD	\$ 143,440	100%		100,586.90	0.40	\$ 58,029.77	15.27	\$3,800.25
31/05/2023	Jaguar	Minas Gerais	Solis Minerals		\$ 3,900,000	USD	\$ 6,027,821	100%		56,772.31	0.72	\$ 4,320,616.27	11.43	\$378,006.67
13/02/2023	Lithium Ionic - Clesio	Minas Gerais	Lithium ionic	Clesio Alves	\$ 143,000	AUD	\$ 143,000	100%		92,225.61	0.44	\$ 63,096.67	10.00	\$6,309.67
23/11/2021	830.219/2017	Minas Gerais	Latin Resources		\$ 196,500	USD	\$ 272,538	100%		29,967.37	1.36	\$ 370,084.29	6.90	\$53,635.40
23/11/2021	831.799/2005	Minas Gerais	Latin Resources		\$ 246,000	USD	\$ 341,193	100%		29,967.37	1.36	\$ 463,311.63	6.90	\$67,146.61
20/04/2018	Las Cuevas	Minas Gerais	Latin Resources		\$ 3,325,000	USD	\$ 4,335,072	100%		20,860.50	1.95	\$ 8,456,557.70	5.50	\$1,537,555.95
15/09/2023	Linopolis Jaime	Minas Gerais	OzAurum		\$ 800,000	USD	\$ 1,238,400	100%		51,728.57	0.79	\$ 974,209.63	2.40	\$405,920.68
11/05/2022	Monte Alto	Minas Gerais	Latin Resources		\$ 205,000	USD	\$ 293,276	100%		75,980.63	0.54	\$ 157,070.90	1.40	\$112,193.50
6/04/2022	830.080/2022	Minas Gerais	Latin Resources		\$ 1,171,400	USD	\$ 1,553,581	100%		75,980.63	0.54	\$ 832,056.68	0.50	\$1,664,113.36

VRM Valuation Normalised			
	Low (-25%)	Average and Preferred	High (+25%)
Value / km2	\$5,461.41	\$7,281.88	\$9,102.35
Km2	178.0	178.0	178.0
Value (100%)	\$0.97	\$1.30	\$1.62
Value 50%	\$0.49	\$0.65	\$0.81

Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [[Mineralogy Database \(webmineral.com\)](http://webmineral.com)] and Wikipedia ([Wikipedia](http://wikipedia.org)).

The terms listed below are taken from the 2015 VALMIN Code ([The VALMIN Code - 2015 Edition](#)).

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the *Australian Corporations Act 2001 (Cth)*.

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1 of the VALMIN Code.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the *Corporations Act*.

Independent Expert Report means a Public Report as may be required by the *Corporations Act*, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 of the VALMIN Code for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 of the VALMIN Code for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as:

- (a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- (b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- (c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- (d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.
- (e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Project means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

Mineral Resource is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging, etc.).

Mining Industry means the business of exploring for, extracting, processing, and marketing Minerals.

Modifying Factors is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Ore Reserve is defined in the current version of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code). Refer to <https://www.jorc.org/> for further information.

Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resources and **Petroleum Reserves** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to [Society of Petroleum Engineers \(SPE\) | Oil & Gas Membership Association](#) for further information.

Practitioner is an Expert as defined in the *Corporations Act*, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

- (a) admits members primarily on the basis of their academic qualifications and professional experience.
- (b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and
- (c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build goodwill.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 of the VALMIN Code for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or **Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the *Corporations Act*.

Securities Experts are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the *Corporations Act*, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialists are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report must not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

RSM Corporate Australia Pty Ltd

Level 13, 60 Castlereagh Street

Sydney, NSW 2000

GPO Box 5138

Sydney, NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

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