



# Prospectus

**For an offer of between 25,000,000 to 30,000,000 CDIs at an issue price of A\$0.20 each to raise up to A\$6,000,000 (before costs), together with one (1) free attaching New Option for every two (2) CDIs issued**

This prospectus has been primarily issued to provide information on the public offer (**Offer**) of CHESS Depository Interests (**CDIs**) over fully paid ordinary shares in the capital of Solis Minerals Ltd. (**Shares**) (i.e. a ratio of 1 CDI for 1 Share) at an issue price of A\$0.20 per CDI, together with the free attaching New Options.

## Priority Offer

The Offer includes a Priority Offer to eligible Latin Resources Shareholders of up to A\$1,250,000 (represented by 250,000 CDIs) at an issue price of A\$0.20 per CDI.

## Proposed ASX code

SLM

EUROZ HARTLEYS

## Important information

The Offer is for a minimum of 25,000,000 CDIs and a maximum of 30,000,000 CDIs to raise between A\$5,000,000 and A\$6,000,000 (before costs), together with 1 free attaching New Option for every 2 CDIs issued.

It is proposed that the Offer will close at 5.00pm (WST) on 3 December 2021. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

The Company is incorporated in British Columbia under the Business Corporations Act, with incorporation number BC0742068. The Company is registered as a foreign company under the Corporations Act, with Australian Registered Body Number 653 083 026.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this document.

Investment in the securities offered pursuant to this Prospectus should be regarded as **highly speculative** in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the CDIs.

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## IMPORTANT NOTICES

### Offer of CDIs

This Prospectus is issued by Solis Minerals Ltd. (British Columbia company incorporation number BC0742068) (ARBN 653 083 026) (**Company**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Offer contained in this Prospectus comprises an offer to acquire CHESS Depositary Interests (**CDIs**) over fully paid ordinary shares in the Company (**Shares**). Each CDI will represent one underlying Share. The securities offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the Shares on ASX and settle the transactions through CHESS. Note that in this Prospectus, the terms "Shares" and "CDIs" may be used interchangeably, except where the context requires otherwise.

Application will be made to ASX within seven days after the date of this Prospectus for Official Quotation of the CDIs the subject of this Prospectus.

Refer to Sections 1.18, 6.1 and 6.2 for further information regarding CDIs and Shares.

### Prospectus

Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

### Expiry date

This Prospectus expires at 5:00pm (WST) on the date which is 13 months after the Prospectus Date and no securities will be issued on the basis of this Prospectus after this expiry date.

### Not investment advice

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. It is important that you read this Prospectus in its entirety and seek professional advice where necessary.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any

information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offer.

### Speculative investment

The securities offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the securities offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the securities or that there will be an increase in the value of the securities in the future.

Prospective investors should carefully consider whether the securities offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Company's securities.

### Copies of the Prospectus and Application Forms

This Prospectus may be made available in electronic form. Persons having received a copy of the Prospectus in electronic form, or other prospective investors may obtain a paper copy of this Prospectus and the relevant Application Form (free of charge) from the offices of the Company in Australia during the Offer period by contacting the Company. Contact details for the Company are detailed in the Corporate Directory.

The Offer under this Prospectus is only available to persons receiving this Prospectus and an Application Form within Australia.

Applications will only be accepted on the relevant Application Form attached to, or accompanying, this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

Prospective investors wishing to subscribe for securities under the Offer should complete the relevant Application Form. If you do not provide the information required on the relevant Application Form, the Company may not be able to accept or process your Application.

## No cooling-off rights

Cooling-off rights do not apply to an investment in CDIs issued under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

## Foreign investors

No action has been taken to register or qualify the securities the subject of this Prospectus or the Offer, or otherwise to permit the public offering of the Company's securities, in any jurisdiction outside Australia. This Prospectus does not constitute an offer of securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside of Australia may be restricted by law. Persons who come into possession of this Prospectus outside of Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Lodgement of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of such laws.

Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

This Prospectus has not been filed for review with any securities commission in Canada and the CDIs may not be offered or sold within Canada or for the account of any Canadian residents except in transactions exempt from, or not subject to, the prospectus and registration requirements of applicable Canadian securities laws.

## Using this Prospectus

Persons wishing to subscribe for securities offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the

Company and the rights and liabilities attaching to the securities offered pursuant to this Prospectus. If persons considering subscribing for securities offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

## Privacy statement

By completing and returning an Application Form, you will be providing personal information directly or indirectly to the Company, the Share Registry, and related bodies corporate, agents, contractors and third party service providers of the foregoing (**Collecting Parties**). The Collecting Parties will collect, hold and use that information to assess your Application, service your needs as a security holder and to facilitate distribution payments and corporate communications to you as a security holder.

By submitting an Application Form, you authorise the Company to disclose any personal information contained in your Application Form (**Personal Information**) to the Collecting Parties where necessary, for any purpose in connection with the Offer, including processing your Application and complying with applicable law, the Listing Rules, the ASX Settlement Rules and any requirements imposed by any applicable regulatory authority.

If you do not provide the information required in the relevant Application Form, the Company may not be able to accept or process your Application.

If the Offer is successfully completed, your Personal Information may also be used from time to time and disclosed to persons inspecting the register of security holders, including bidders for your securities in the context of takeovers, regulatory authorities, authorised securities brokers, print service providers, mail houses and the Share Registry.

Any disclosure of Personal Information made for the above purposes will be on a confidential basis and in accordance with the *Privacy Act 1988* (Cth) and all other legal requirements. If obliged to do so by law or any public authority, Personal Information collected from you will be passed on to third parties strictly in accordance with legal requirements. Once your Personal Information is no longer required, it will be destroyed or de-identified. As at the Prospectus Date, the Company does not anticipate that Personal Information will be disclosed to any overseas recipient, other than to the Company's non-Australian resident Directors and the Canadian Share Registry.

Subject to certain exemptions under law, you may have access to Personal Information that the Collecting Parties hold about you and seek correction of such information. Access and correction requests, and any other queries regarding this privacy statement, must be made in writing to the Share Registry at the address set out in the Corporate Directory of this Prospectus. A fee may be charged for access.

### **Forward-looking statements**

This Prospectus contains forward-looking statements which are identified by words such as "believes", "estimates", "expects", "targets", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the Prospectus Date, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performances or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

### **Competent Person Statement**

The information in relation to the Geological Information and the Exploration Results for the Mostazal Project, the Ilo Este Project and the Ilo Norte Project in this Prospectus are based on and fairly represents information and supporting documentation

compiled by Mr. Anthony Greenaway, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Greenaway is an employee of the Company, and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)*. Mr Greenaway has provided his prior written consent as to the form and context in which the Geological Information and Exploration Results and supporting information are presented in this Prospectus.

### **Technical information and Competent Person Statement**

The disclosure contained in this Prospectus of a scientific or technical nature, including disclosures in respect of the Mostazal Project, the Ilo Este Project and the Ilo Norte Project are based on information compiled by Mr Anthony Greenaway, Dr Michael Cunningham and Mr Michael Lowry, each of whom are Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Greenaway is an employee of Solis Minerals, Dr Cunningham is an Independent Principal Consultant employed by SRK Consulting (Australasia) Pty Ltd (**SRK**), and Mr Lowry is a full-time Principal Consultant with SRK. SRK have prepared the Independent Geologist's Report (**IGR**) at Section 8 of this Prospectus. The IGR has been prepared to the standard of, and is considered by SRK to be, a technical assessment under the guidelines of each of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)* and the 2012 edition of the JORC Code. Dr Cunningham and Mr Lowry have sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the style of mineralisation and the type of deposit under consideration, and the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the VALMIN Code, and as a Competent Person as defined in the 2012 edition of the JORC Code. Dr Cunningham and Mr Lowry consent to the inclusion in this Prospectus of the statements based of this information in the form and context in which they appear.

### **Photographs and diagrams**

Photographs used in this Prospectus which do not have descriptions are for illustration only and should

not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

### **Regulation of the Company**

As the Company is not established in Australia, its general corporate activities (apart from offering securities in Australia) are not regulated by the Corporations Act or by ASIC, but are instead governed by the Business Corporations Act (British Columbia) (**BCA**) and other applicable Canadian laws. Refer to Section 6.6 for further information.

### **Currency**

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. Conversions may not reconcile due to rounding. All references to "\$" or "A\$" are references to Australian dollars and all references to "C\$" are references to Canadian dollars.

### **Time**

All references to time in this Prospectus are references to WST, being the time in Perth, Western Australia, unless otherwise stated.

### **Glossary**

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 12.

## CORPORATE DIRECTORY

### Directors

Mr Christopher Gale  
*Non-Executive Chairman*

Mr Jason Cubitt  
*Executive Director and CEO*

Mr Kevin Wilson  
*Non-Executive Director*

Mr Fred Tejada (to resign upon Admission)  
*Non-Executive Director*

### Proposed Directors

Mr Michael Parker (to be appointed upon Admission)  
*Non-Executive Director*

Ms Chafika Eddine (to be appointed upon Admission)  
*Non-Executive Director*

### Chief Executive Officer

Mr Jason Cubitt  
*Chief Executive Officer*

### Company Secretaries

Ms Sarah Smith  
*Australia Company Secretary*

Ms Frances Murphy  
*Canadian Company Secretary*

### Registered Office: Australia

C/o - Mirador Corporate Pty Ltd  
Suite 2, Level 1  
1 Altona Street  
West Perth, WA 6005

### Registered Office: Canada

Suite 400, 725 Granville Street,  
Vancouver, British Columbia  
V7Y 1G5

**Telephone:** +1 604 209-1658  
**Email:** [jcubitt@solisminerals.com](mailto:jcubitt@solisminerals.com)  
**Website:** [www.solisminerals.com](http://www.solisminerals.com)  
**TSX-V Code:** SLMN  
**OTC Code:** WMRSF  
**FRA Code:** 08W  
**Proposed ASX Code:** SLM

### Australian Legal Advisor

HWL Ebsworth Lawyers  
Level 19, 480 Queen Street,  
Brisbane QLD 4000

### Canadian Legal Advisor

Miller Thomson LLP  
400 - 725 Granville Street Vancouver, British  
Columbia  
Canada V7Y 1G5

### Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd  
Level 1, 38 Station Street,  
Subiaco, WA, 6008

### Independent Geologist

SRK Consulting (Australasia) Pty Ltd  
5/200 Mary Street  
Brisbane QLD 4000

### Auditor

Davidson & Company LLP  
CF Pacific Centre,  
1200 - 609 Granville Street,  
Vancouver, British Columbia  
V7Y 1G5

### Australian Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
Perth WA 6000

### Canadian Share Registry

Computershare Investor Services Inc.  
510 Burrard St,  
Vancouver, BC, V6C 3B9

### Australian Local Agent

Mirador Corporate Pty Ltd  
Suite 2, Level 1  
1 Altona Street  
West Perth, WA 6005



## LETTER FROM THE BOARD

Dear Investor

It is my pleasure, along with my fellow board members, to invite you to become an investor in Solis Minerals Ltd. (**Company**) as it embarks on its proposed listing on the ASX.

The Company is already listed on the TSX-V (TSX-V:SLMN) so the proposed new listing on the ASX will project it into the category of a dual listed entity, and we expect will significantly enhance its exposure to investors in the ASX market which has a dynamic and deep junior resources exploration sector.

I am excited about the future of the Company, having as a key objective to further explore and ultimately develop its core copper projects, being the Mostazal Copper Project in Chile and the Ilo Este and Ilo Norte Projects in Peru.

The fundamentals surrounding growth in copper production are very sound.

Electric cars use substantial more copper than internal combustion engines. Global electric vehicle (EV) sales had a record year in 2020, and look set to hit new highs in 2021 according to Argus Open markets.<sup>1</sup> China recorded two of its strongest months' of sales of what it calls 'new energy vehicles' (NEVs) — in June and July, even after it reduced subsidies. In addition, European EV sales in the first six months of 2021 increased by almost 160% on the same period of what was already a record-breaking 2020. According to estimates from CRU Group the copper industry needs to spend upwards of US\$100 billion to close what could be an annual supply deficit that could reach 4.7 million metric tonnes by 2030 as the clean power and transport sectors take off.<sup>2</sup> The potential shortfall could reach 10 million tonnes if no mines are built, according to commodities trader Trafigura Group.<sup>3</sup> Closing such a gap would require building the equivalent of eight projects the size of BHP Group's giant Escondida mine in Chile, the world's largest copper mine.

The copper industry has suffered from years of underinvestment, and is now working to develop new mines and bring fresh supply online as the electrification trend envelops the global economy. All that will make copper - and other minerals - scarcer commodities. Within a decade, the world may face a massive shortfall of what is arguably one of the most critical metals for global economies. The Department of Industry, Science, Energy, and Resources of Australia is predicting the price of copper to rise sharply to US\$8,257/ tonne in 2021, with a slight decrease to US\$7,724/ tonne in the following two years and consequent growth to US\$8,876/ tonne by 2026.<sup>4</sup> I note that at the time of preparation of this Prospectus, the current spot copper price is already exceeding that 2021 prediction by some margin, with a spot price of more than US\$9,600/tonne.

The Company's projects are located in the heart of one of the largest copper producing belts in the world. The objective of the Company is to create significant shareholder value by exploring and developing its copper projects in the world's number 1 and 2 copper producing countries, Chile and Peru, to feed the world's growing demand for the red metal – copper! To this end, our most advanced prospect is the Mostazal Project which has a large geophysical anomaly beneath surface copper mineralisation. It is ready to be drilled tested, which we expect to commence soon after listing on the ASX.

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<sup>1</sup> Argus Open markets: (2021, October 13). *China's September EV output, sales refresh highs*. Retrieved from <https://www.argusmedia.com/en/news/2263009-chinas-september-ev-output-sales-refresh-highs>.

<sup>2</sup> CRU Group: Attwood, J (2021, March 2021). *The world will need 10 million tons more copper to meet demand*. Retrieved from <https://www.bloomberg.com/news/articles/2021-03-19/the-world-will-need-10-million-tons-more-copper-to-meet-demand>

<sup>3</sup> Trafigura Group: Payne, J (2021, March 13). *Trafigura CEO expects 10 million tonne supply deficit in copper market by 2030*. Retrieved from <https://www.reuters.com/article/us-trafigura-beheer-copper/trafigura-ceo-expects-10-million-tonne-supply-deficit-in-copper-market-by-2030-idUSKBN2B41RB>

<sup>4</sup> The Department of Industry, Science, Energy and Resources of Australia (2021, June). *Copper: Resources and Energy Quarterly*. Retrieved from <https://www.industry.gov.au/data-and-publications/resources-and-energy-quarterly-june-2021>

The purpose of the Offer is to raise up to A\$6,000,000 (before costs), by the issue of CHESSE Depositary Interests (**CDIs**) over fully paid ordinary shares in the capital of the Company (**Shares**). A minimum of 25,000,000 CDIs and up to 30,000,000 CDIs will be issued, at an issue price of A\$0.20 per CDI, with one free-attaching Option for every two CDIs issued. The CDIs will be issued at a ratio of one CDI for one Share (the **Offer**) and will be available to trade on the Australian Securities Exchange (ASX) under ticker ASX:SLM.

The proceeds of the Offer will largely be utilised to enable the Company to carry out exploration on, and earn into, the Mostazal Copper Project and to further explore and understand the extent of mineralisation of each of its Ilo Projects.

This Prospectus contains detailed information about the Offer and the current and proposed operations of the Company, as well as the risks pertaining to an investment in the Company. Potential investors in the Company should carefully consider those risks (detailed in Section 3).

I encourage you to read the Prospectus carefully and in its entirety before making your investment decision and if required, consult with your stockbroker, solicitor, accountant or other suitably qualified independent professional advisor.

On behalf of the Directors, I invite you to consider this opportunity to invest in the Company, and look forward to welcoming you as an investor.

Yours faithfully



**Mr Christopher Gale**  
**Non-Executive Chairman**  
**Solis Minerals Ltd.**

## KEY OFFER DATES

Indicative timetable	
Prospectus Date (Prospectus lodged with ASIC)	10 November 2021
Priority Offer Record Date	15 November 2021
Opening Date	18 November 2021
Closing Date for Broker Firm Offer	26 November 2021
Closing Date for the Priority Offer and General Offer	3 December 2021
Issue of CDIs and New Options under the Offer	9 December 2021
Expected despatch of holding statements and allotment confirmation advices	10 December 2021
Expected commencement of trading on ASX on a normal settlement basis	17 December 2021

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

The Company reserves the right to vary any and all of the above dates without notice, subject to the Corporations Act, Listing Rules and other applicable laws. In particular, the Company reserves the right to vary the Opening Date and the Closing Date without prior notice, which may have a consequential effect on the other dates. Applicants are therefore encouraged to lodge their Application Form as soon as possible after the Opening Date if they wish to invest in the Company.

The Company also reserves the right not to proceed with the Offer at any time before the issue of securities to Applicants. If the Offer is cancelled or withdrawn before settlement, all Application Monies provided under the Offer will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act.

## KEY OFFER STATISTICS

Key Offer Details	
Securities offered under the Offer	CDIs <sup>1</sup> and New Options <sup>4</sup>
Ratio of CDIs per Share	1 for 1
Ratio of New Options per CDI issued	1 for 2
Offer Price per CDI	A\$0.20
Price per New Option	Nil (free-attaching)
Number of CDIs available under the Offer	Minimum: 25,000,000 Maximum: 30,000,000
Number of New Options available under the Offer	Minimum: 12,500,000 Maximum: 15,000,000
Gross proceeds from the Offer	Minimum: A\$5,000,000 Maximum: A\$6,000,000

Capital Structure		
<b>Securities currently on issue</b>		
• Shares <sup>1</sup>		32,741,654
• Warrants <sup>2</sup>		12,775,076
• Options <sup>3</sup>		2,900,000
<b>Securities on issue upon Admission</b>		
	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
• New CDIs	25,000,000	30,000,000
• Total Shares/CDIs on issue <sup>1</sup>	57,741,654	62,741,654
• Warrants <sup>2</sup>	12,775,076	12,775,076
• Options <sup>3</sup>	2,900,000	2,900,000
• New Options under the Offer <sup>4</sup>	12,500,000	15,000,000
• LM Options <sup>5</sup>	3,400,000	4,000,000
<b>Fully diluted</b>	<b>89,316,730</b>	<b>97,416,730</b>

<b>Indicative market capitalisation<sup>6</sup></b>	<b>A\$12,548,331</b>
<b>Enterprise value<sup>7</sup></b>	<b>A\$5,907,581</b>

**Notes:**

1. CDIs are CHESS Depositary Interests over underlying Shares. Refer to Section 1.18 for further information on CDIs. The rights attaching to the Shares and CDIs are summarised in Sections 6.1 and 6.2 respectively.
2. Refer to Section 6.9 for further information on the Warrants.
3. Refer to Section 6.10 and Section 6.11 for further information on the Options.
4. Refer to Section 6.4 for terms of the New Options.
5. Refer to Section 6.4 and 4.11 for terms of the LM Options.
6. Indicative market capitalisation determined by the number of Shares/CDIs on issue at the date of Admission multiplied by the Offer Price (assuming Maximum Subscription).
7. Enterprise value is calculated as indicative market capitalisation less approximate cash on the date of Admission, comprising the Company's cash at the Prospectus Date of approximately A\$1.51 million (C\$1.38 million) plus the net proceeds of the Offer, being approximately A\$5.1 million in the case of the Maximum Subscription.
8. The figures shown above are as at 26 October 2021, being the latest practicable date prior to the Prospectus Date. No new securities have been issued since this date, other than the potential exercise or conversion of an immaterial number of the existing Options or Warrants on issue.

## INVESTMENT OVERVIEW

The information below is a selective overview only and not intended to provide full information for investors intending to apply for securities offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in the securities the subject of the Offer.

Topic	Summary	More Information
<b>A. Company and business overview</b>		
<b>Who is the issuer of this Prospectus?</b>	<p>Solis Minerals Ltd. (ARBN 653 083 026) (<b>Company</b>), a company incorporated in, and registered under the laws of, the Province of British Columbia, Canada, with incorporation number BC0742068.</p> <p>The Company was incorporated on 1 December 2005. It was originally named Max Resources Ltd. and changed its name to Westminster Resources Ltd on 27 January 2006, and was subsequently changed to Solis Minerals Ltd. on 20 July 2021.</p> <p>The Company was admitted to the TSX-V on 15 July 2008 under the symbol 'WMR' (which was recently changed to 'SLMN' following change of the Company's name to Solis Minerals Ltd.) and on the Frankfurt Exchange on 25 November 2010 under the symbol 08W. The Company's shares are also previously been traded 'over-the-counter' on the US OTC Pink Open Market platform under the symbol 'WMRSF', but are now considered to be 'Gray Market' securities; meaning the securities are not formally quoted or traded on the OTC Markets, but rather unsolicited transactions are processed independently with trades being reported to a self-regulatory organisation (established under US securities law) which passes data on to market data companies.</p>	Section 2.1
<b>What is the Company's business and strategy?</b>	<p>The Company is a mineral exploration company strategically focussed on exploring for, and (in future and subject to exploration success) developing, large scale copper and copper/gold projects in well-known and productive districts in Latin America.</p> <p>The Company primarily selects projects with an existing mineral endowment indicated by historic exploration, with the goal of accessing untapped value via the application of modern and systematic exploration methods and expertise.</p> <p>In the event of exploration success, the Company may pursue a partnership with a major mining company to develop the project through to production if the scale of the project warranted a partner with stronger financial capabilities.</p>	Section 2.1

Topic	Summary	More Information
	<p>The Company will continue to seek growth through business development opportunities. This may include generative work in mature mining jurisdictions or option or joint-venture agreements with third-party vendors.</p>	
<p><b>What are the Company's projects?</b></p>	<p>The Company's three key projects are:</p> <ul style="list-style-type: none"> <li>the <b>Mostazal Project</b> located in the Atacama region of Chile - The Company has recently acquired an option to earn up to a 100% interest in the project for staged payments totalling US\$5 million over four years, along with staged work expenditures totalling US\$5 million;</li> <li>the <b>Ilo Este and Ilo Norte Projects</b>, prospective for copper and gold and located within southern Peru's coastal copper belt. The Company acquired a 100% interest in the projects from Latin Resources in 2018.</li> </ul> <p>The Company has recently withdrawn from its Saskatchewan Project (in which it had previously earned a 50% interest) and has recently wholly divested its historical Mexican projects through the sale of its Mexican subsidiaries pursuant to contracts dated 6 October 2021.</p>	<p>Sections 2.2 to 2.4 (for Projects)</p> <p>Sections 4.5 and 4.6 (for divestments)</p>
<p><b>Do the Company's Projects have any defined resources?</b></p>	<p>The Company's projects are at an early stage of exploration and do not yet have defined resources.</p>	<p>Sections 2.3(c), 2.4(d), 2.4(e) and 8</p>
<p><b>What jurisdictions does the Company operate in?</b></p>	<p>The Company's Projects are in the following jurisdictions:</p> <ul style="list-style-type: none"> <li>Chile - Mostazal Copper Project;</li> <li>Peru - including its Ilo Este and Ilo Norte Projects.</li> </ul> <p>The Company has recently exited projects in Canada (Saskatchewan Project) and Mexico, in August 2021 and October 2021 respectively.</p> <p>The Company has registered offices in Canada and Australia.</p> <p>Of the current Directors, two are Canadian-based (Mr Cubitt, and Mr Tejada who will step down upon Admission) and two are Australian-based (Mr Gale and Mr Wilson). The two Proposed Directors are based in the United Kingdom and Canada respectively (being Mr Parker and Ms Eddine).</p>	<p>Section 2.1</p>
<p><b>What is the Company's financial position?</b></p>	<p>A summary of the financial history of the Company is in the Investigating Accountant's Report in Section 7.</p>	<p>Section 7</p>
<p><b>Why is the Company seeking to raise funds?</b></p>	<p>The Company is seeking to raise funds in order to:</p> <ul style="list-style-type: none"> <li>assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing</li> </ul>	<p>Section 1.11</p>

Topic	Summary	More Information
	<p>Rules, as part of the Company's application for Admission;</p> <ul style="list-style-type: none"> <li>• earn into the Mostazal Copper Project (including funding an exploration program and making payments under the Mostazal Option Agreement);</li> <li>• undertake further exploration programmes on its Peruvian projects, the Ilo Este and Ilo Norte Projects; and</li> <li>• provide general working capital to run the Company.</li> </ul> <p>The Board is satisfied that upon completion of the Offer, the Company will have sufficient working capital to meet its stated objectives.</p>	
<b>B. Investment highlights</b>		
<p><b>Experienced management and Board</b></p>	<p><u>Board</u></p> <p>Just prior to lodgement of the Prospectus, the Board was comprised of:</p> <ul style="list-style-type: none"> <li>(a) Mr Christopher Gale - Non-Executive Chairman (appointed 17 July 2018);</li> <li>(b) Mr Jason Cubitt - Director, CEO and Vice President (appointed 29 August 2017); and</li> <li>(c) Mr Fred Tejada - Director (appointed 4 December 2019).</li> </ul> <p>Mr Kevin Wilson was appointed as a Non-Executive Director with effect from 10 November 2021 (being the Prospectus Date), and the appointment of Mr Parker and Ms Eddine (<b>Proposed Directors</b>) have also been approved by the Shareholders (subject to and with effect from the Company's Admission) at the 2021 AGM which occurred on 4 October 2021.</p> <p>The Proposed Directors will be appointed subject to and with effect from Admission, with Mr Tejada to resign his directorship upon Admission.</p> <p>Consequently, the Board will be comprised of the following upon Admission:</p> <ul style="list-style-type: none"> <li>(a) Mr Christopher Gale - Non-Executive Chairman (appointed 17 July 2018);</li> <li>(b) Mr Jason Cubitt - Director, CEO and Vice President (appointed 29 August 2017);</li> <li>(c) Mr Kevin Wilson - Non-Executive Director (appointed with effect from lodgement of this Prospectus on 10 November 2021);</li> </ul>	<p>Sections 5.1 and 5.3</p>



Topic	Summary	More Information
	<p>(d) Mr Michael Parker - Non-Executive Director (to be appointed with effect from Admission); and</p> <p>(e) Ms Chafika Eddine - Non-Executive Director (to be appointed with effect from Admission).</p> <p><u>Key Management</u></p> <p>Mr Rachel Chae was first appointed as the Chief Financial Officer on 20 January 2020 and will remain in this position.</p> <p>Mr Tony Greenaway was first appointed as Head of Exploration on 1 March 2021 and will remain in this position.</p> <p>Mr Angelo Peri was appointed as Country Manager for Chilean Operations on 1 March 2021 and will remain in this position.</p> <p>Consequently, the Company has added significant expertise to the board and management teams as it begins its work on the Mostazal Copper Project. Mr Angelo Peri joined the group as Country Manager in Chile. Mr Peri was formerly head of Exploration for Sumitomo Chile for 10 years.</p> <p>Mr Kevin Wilson is also currently Chairman of Navarre Minerals Limited, Investigator Resources Limited, and non-executive Director with Los Cerros Limited, with previous experience as a geologist with Anglo American and a stockbroker and investment banker with CS First Boston and Merrill Lynch.</p> <p>Ms Chafika Eddine has extensive experience in corporate governance and ESG, whilst Mr Parker spent 21 years with First Quantum Minerals, most recently as regional manager for Chile, Peru and Argentina.</p>	Section 5.3
<b>Mostazal Project - One Project, two targets</b>	The Mostazal Project has a near-surface manto-style target, with a foreign estimate of 10 million tonnes grading 0.95% copper. Mostazal also has a deep porphyry target, with a compelling geophysical signature, not tested by the historical manto drilling.	Section 2.3(b) and 2.3(c)
<b>Top jurisdictions for copper</b>	Chile and Peru together produce approximately 40% of the world's mined copper. This is a key reason for the Company focusing its efforts on copper exploration in these jurisdictions.	Sections 2.3(b) and 2.4(c)
<b>Copper is critical for the new and old economy</b>	The Company's focus is on copper, already a pivotal element in the global economy, but becoming even more important for the electrification of the world.	Chairman's Letter
<b>Low valuation, tight structure</b>	The Company's enterprise value upon Admission will be A\$5,907,581 with \$6,640,749 in cash (after costs of the Offer) and only 62,741,654 Shares/CDIs on issue	Section 1.12

Topic	Summary	More Information
	(assuming the Maximum Subscription). The dual listing may improve the Company's following by investors, and improve the Company's access to future capital given both the ASX and TSX-V have significant junior resources participants.	
<b>Dual-listed</b>	The Company has been listed on the TSX-Venture Exchange since 2008, and has an established investor base in North America and to a lesser extent in Europe.	Section 2.5
<b>Well-funded for extensive exploration program</b>	<p>The Company's cash balance combined with the net funds to be raised under the Offer will comprise approximately A\$5.7 million (on the basis of the Minimum Subscription scenario) and A\$6.6 million (on the basis of the Maximum Subscription scenario).</p> <p>The Company intends to apply these funds primarily towards exploration drilling on the Mostazal Project in Chile, future acquisition payments in respect of the Mostazal Project, and geophysical programs on the Ilo Este and Ilo Norte Projects in Peru.</p>	<p>Sections 1.11 and 8</p> <p>Sections 2.3(f) and 2.4(h)</p>
<b>C. Key risks</b>		
<p><b>Prospective investors should be aware that subscribing for Securities in the Company involves a number of risks and uncertainties. The risk factors set out in Section 3 and other risks applicable to all securities, may affect the value of the Company's securities in the future. Accordingly, an investment in the Company should be considered highly speculative. This overview summarises only some of the risks that apply to an investment in the Company and investors should refer to Section 3 for a more detailed summary of the risks.</b></p>		
<b>Going concern risk</b>	<p>The most recent full year accounts of the Company (for the year ended 31 May 2021) includes a note by the Company's auditor of a material uncertainty as to the entity's ability to continue as a going concern. Even if the Offer is fully subscribed, further funding will be required by the Company to support its ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. The Company's ability to raise further capital within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors, including prospectivity of projects (existing and future), the results of exploration, subsequent feasibility studies, development and mining, share market and industry conditions and the price of relevant commodities and exchange rates.</p> <p>If adequate funds are not available on acceptable terms, the Company may not be able to develop its projects and it may impact on the Company's ability to continue as a going concern.</p>	Section 3.2(a)
<b>Contract risk</b>	The Company is party to an agreement with the Mostazal	Section 3.2(b)

Topic	Summary	More Information
	<p>Companies (and their shareholders) pursuant to which it will acquire up to a 100% interest in the Mostazal Copper Project. The early termination of the agreement, for any reason, may mean that the Company will not realise the full value of the contract, which will adversely affect the growth prospects, operating results and financial performance of the Company.</p>	
<p><b>Tenure risk - Chile (Unpaid licence fees)</b></p>	<p>Six of the eight granted concessions forming part of the Mostazal Project are subject to unpaid fees by the current owners of the concessions. Such concessions are at risk of public auction unless two times the owed fees (which calculates to approximately US\$33,319) is paid before the declared auction date. These public auctions have been stayed due to the COVID-19 pandemic and are expected to recommence from November 2021. Whilst the Mostazal concessions are owned by the Mostazal Companies, the terms of the option granted to the Company provide a number of rights which would enable the Company to pay the unpaid fees directly and offset that fee against future Mostazal Option Payments owing to the Mostazal Companies. If an auction date is declared, there is a risk that the concessions could be auctioned if the back payments are not made in a timely manner by the current owners (being the Mostazal Companies) or the Company.</p>	<p>Section 3.2(c) and 4.2.</p> <p>See also Chilean Solicitors Report at Section 10.</p>
<p><b>Tenure risk - Peru (Border zone concessions and overlaps)</b></p>	<p>Three of the Company's Peruvian pediments (applications for mining concessions), being "Pallagua1", "Uchusuma A" and "Uchusuma B" are within the border zone with Chile, meaning that special rules apply where the applicant is not owned by Peruvian interests (as is the case for the Company and its Peruvian Subsidiary). For these pediments to be granted, a "Supreme Decree" must be obtained from the Peruvian Government. Whilst the Company has applied for the Supreme Decree, none have been granted in recent years in respect of the border area with Chile, and there is no guarantee that it will be granted to Solis. Accordingly, these pediments may never be granted. Although not part of the Company's proposed work plan, these pediments will become part of the longer term plan for exploration in southern Peru, if and when granted.</p> <p>The Company has also applied for pediments the "Uchusuma A" and "Uchusuma B"; however these pediments (applications for mining concessions) partially overlap an earlier pediment with priority. Hence, if the Company's pediments and the competing pediments are granted, the Company will not be able to undertake mining activities (including exploration) in the overlap areas without an agreement with the owner of the</p>	<p>Section 3.2(d).</p> <p>See also Peruvian Solicitors Report at Section 9.</p>

Topic	Summary	More Information
	underlying tenement. There can be no guarantee that this may be achieved.	
<b>Tenure risk - Peru (Production penalties)</b>	<p>Production penalties will accrue for the Company's package of concessions in Peru, where minimum production has not been achieved by the times stipulated under Peruvian law. Production penalties have already begun accruing for some of the Company's Peruvian concessions (totalling approximately US\$150,600 with additional production penalties in 2022 being estimated by the Company to amount to approximately US\$230,200. The production penalties will continue increasing and accruing during the remaining life of the concessions, up to a theoretical maximum of approximately US\$1.25 million per annum if the Company decides to retain all 13 of the existing concessions and if all concessions are in the final decade of their 30-year life from after 2035. There is no guarantee that the Company will be able to offset any of the production penalties and there is a risk that the Company will be required to make these penalty payments or suffer cancellation of some or all of the Peruvian concessions.</p>	<p>Section 3.2(e). See also Peruvian Solicitors Report at Section 9.</p>
<b>Future payment obligations</b>	<p>As part of acquiring its interests in the Mostazal Copper Project, the Company assumed obligations to make future payments to third parties upon milestones being satisfied. These include staged Mostazal Option Payments of USD\$5 million over 4 years, and staged exploration expenditure of a further USD\$5 million over 4 years. The Company will need to raise further funds in future to meet these payment obligations.</p> <p>At the date of this Prospectus, the Company has already made payments totalling USD\$240,000 pursuant to the earn-in terms, however is yet to incur any expenditures toward the US\$450,000 target to be met by 23 June 2022, pending commencement of its planned work program scheduled for January 2022.</p> <p>There can be no certainty that the Company will have sufficient funds to satisfy these obligations if and when they become payable.</p>	<p>Section 3.2(f)</p>
<b>Political and sovereign risk</b>	<p>The Company's projects are located in Peru and Chile. Peru is on the western coast of South America. It shares its borders with Ecuador and Colombia to the north, Brazil and Bolivia to the east and Chile to the south. Chile, is on the southwest coast of South America, sharing its borders with the South Atlantic Ocean to the west, Peru to the north, and Bolivia and Argentina to the east and northeast.</p> <p>The Company's operations could be affected by changes in the economic or other policies of the Governments in Peru or Chile or other political, regulatory or economic</p>	<p>Section 3.2(g)</p>

Topic	Summary	More Information
	<p>authorities in Peru or Chile. For instance, an increase in copper royalties or other taxes could adversely impact the economics of Company's potential future operations and the Company's ability to attract capital. Peru and Chile are presently stable democracies, but the Company cannot guarantee access, surety of title and/or tenure of its Peruvian or Chilean based assets.</p>	
<p><b>Foreign governments and legal systems risk</b></p>	<p>Chile and Peru, where the Company's current operating assets reside and other jurisdictions in which they may operate in the future, together with Canada, where the Company is based, differ from the legal system found in Australia.</p> <p>This could lead to exposure to any or all of the following risks:</p> <ul style="list-style-type: none"> <li>• lack of guidance or interpretation of the applicable rules and regulations;</li> <li>• delays in redress or greater discretion on the part of governmental authorities; and</li> <li>• restrictions on the potential extraction and export of mineral ores or concentrates.</li> </ul> <p>Additionally, the legal system in Chile has inherent uncertainties that could limit the legal protections available to the Company, which include:</p> <ul style="list-style-type: none"> <li>• on-going process to amend the Chilean Constitution;</li> <li>• on-going discussion at the congress to establish a royalty on mining production;</li> <li>• inconsistencies between and within laws;</li> <li>• limited judicial and administrative guidance on interpreting Chilean legislation, particularly that relating to business, corporate and securities laws;</li> <li>• substantial gaps in the regulatory structure due to a delay or absence of enabling regulations;</li> <li>• a lack of judicial independence from political, social and commercial forces;</li> <li>• corruption; and</li> <li>• bankruptcy procedures that are subject to abuse,</li> </ul> <p>any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Furthermore, it may be difficult to obtain swift and equitable enforcement of a Chilean judgement, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash</p>	<p>Section 3.2(h)</p>

Topic	Summary	More Information
	<p>flows or prospects.</p> <p>The Company cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected or even forfeited as a result of the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain. In addition, political instability and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.</p>	
<p><b>Emerging market risk</b></p>	<p>The Company's projects are located in Chile and Peru. Chile and Peru are considered to be emerging market economies. Emerging markets are generally more vulnerable to market volatility as well as political and economic instability more so than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:</p> <ul style="list-style-type: none"> <li>• currency fluctuations and devaluations;</li> <li>• inflation;</li> <li>• exchange controls</li> <li>• high interest rates;</li> <li>• wage and price controls</li> <li>• economic and political instability</li> <li>• the imposition of trade barriers;</li> <li>• expropriation and political violence or disturbance; and</li> <li>• changes in economic, tax or other policies.</li> </ul> <p>In addition, economic conditions in Peru and Chile are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investor's reaction to developments in one country can have effects on the securities of issuers in other countries.</p>	<p>Section 3.2(i)</p>
<p><b>Environmental liabilities</b></p>	<p>The vendor of the Company's Peruvian assets (Latin Resources' wholly owned subsidiary, Peruvian Latin Resources S.A.C. or 'PLR') disclosed to the Company (at the time of sale) the existence of seven known (but unquantified) environmental liabilities, and other mining environmental liabilities or disturbed areas covered by the concessions forming the package of Peruvian Properties which had not been identified by Peruvian authorities. The nature and extent of these liabilities, and the party responsible for causing them, was not disclosed; however PLR represented to the Company that it was not the</p>	<p>Section 3.2(j) and 4.4(d)</p>

Topic	Summary	More Information
	<p>generator of these liabilities. The laws in relation to remediation of environmental laws in Peru are complex. Since 2006 Peru's Ministry of Energy and Mining has kept an inventory of environmental liabilities associated with mining, however for the vast majority, the party responsible is not known. If the generator of such pre-existing liabilities cannot be determined, there is a low risk that the Company, as the current or last registered owner of these concessions could be held liable or required to undertake remediation.</p>	
<p><b>Land access</b></p>	<p>Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases, the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary mineral rights or access licences to conduct exploration or evaluation activities.</p> <p>The Company is able to carry out its currently planned activities for the Mostazal Project in Chile without additional access rights, pursuant to an exception in the Chilean Mining Code in respect of particular activities where the land is unfenced and uncultivated. However, there is no guarantee that the Company will be able to obtain access rights for future planned activities or if the Mostazal Project is further developed.</p> <p>The Company is also yet to secure land access arrangements for its Peruvian projects (Ilo Norte and Ilo Este). The underlying land is owned by two separate parties, being a private landowner and the State. In order to obtain access to undertake the planned geophysical surveys on the private owned land, the Company must enter into an agreement with the private landowner. At the date of this Prospectus negotiations have yet to commence.</p> <p>In the case of gaining access to undertake geophysical surveys on State land, the Company is not required to obtain access permission as the Peruvian Mining Act establishes that surveying (cateo) and prospecting (prospeccion) are “free” throughout the country. However, as noted in paragraph 3.3 of the Peruvian Solicitor's Report the Superintendency of State Goods has been recently restricting their interpretation regarding the cases in which their authorisation is required to access State-owned barren lands and there is a risk that the Company will be required to seek access permission.</p>	<p>Section 3.2(k)</p>

Topic	Summary	More Information
	<p>In each case there can be no certainty that access rights will be secured at all, or in a timely manner to enable the geophysical surveys to proceed when and as planned.</p>	
<p><b>Permitting</b></p>	<p>The Company has all required permits in place for its currently planned work program at its Mostazal Project in Chile, and likely only requires access agreements for its geophysical work program in Peru. There is however some uncertainty as to whether approval will be required from the Peruvian Superintendency of State Goods to access the State barren lands.</p> <p>In any event, as the Company further develops its projects in future, it will need additional permits, authorisations, licences, environmental approvals, water use rights, and other approvals depending on the types of activities it intends to undertake. There is no guarantee that the Company will obtain such approvals, or that such approvals can be obtained on favourable terms or conditions or in a timely manner.</p>	<p>Section 3.2(l)</p>
<p><b>Local physical access risks - steep terrain and earthquakes</b></p>	<p>Although the Company's projects are located within reasonable proximity to industrial population centres of Copiapo in Chile and Ilo in Peru, the steep terrain at the Ilo Este Project in Peru in particular, has created difficulty in acquiring quality data in previous geophysical surveys. There can be no guarantee of the success of the proposed surveys at Ilo Este in acquiring data of sufficient quality to enable the development of drill targets. In addition, the Company's projects in both Chile and Peru are subject to earthquakes which can create hazards that may disrupt the Company's planned operations. The occurrence of such events and their gravity are inherently uncertain.</p>	<p>Section 3.2(m)</p>
<p><b>Reliance on historical data</b></p>	<p>The Company has acquired historical data on all of its major projects in Chile and Peru and has used this information to guide its proposed work plans. Although the Company, or its consultants, have no reason to doubt the integrity of the historical data, not all historical data is supported by adequate QA/QC documentation. The Company cannot guarantee that the data sets do not contain errors or bias that could cause the Company to make erroneous assumptions and conclusions about the prospectivity of the projects in the design of its exploration work programs.</p>	<p>Section 3.2(n)</p>
<p><b>COVID-19</b></p>	<p>The outbreak of coronavirus disease (COVID-19) continues to have a material effect on global economic markets. The global economic outlook continues to face uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets</p>	<p>Section 3.2(o)</p>



Topic	Summary	More Information
	<p>and share price.</p> <p>The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on the Company. The spread of such diseases or illnesses amongst the Company's management, employees, contractors, suppliers and logistic networks, as well as any quarantine and isolation requirements, may reduce the Company's ability to operate and have detrimental financial implications.</p> <p>The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. It could interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains.</p> <p>At the Prospectus Date, international travellers to Chile must isolate on entry until they receive a negative COVID-19 test result. In Peru there exists a declared National Emergency which will extend to at least 14 November 2021. In both countries, access to the area of the proposed work plans is available with the use of COVID-19 safety protocols, but there is no guarantee that further travel and quarantine restrictions will not be enforced and cause disruptions to the Company's proposed operations.</p>	
<p><b>Royalty introduction risk - Chile</b></p>	<p>In May 2021, the Chilean Lower House of Parliament approved Bill No. 12093-08 (Bill) to change mining companies' current profit based tax structure to a revenue based progressive marginal rate over copper prices (royalty)<sup>1</sup>. The Bill includes the proposal to introduce a flat rate of 3% of copper revenue that rises to a marginal rate of 15% when the copper price rises above US\$2.00/lb; to 35% when copper is above US\$2.50/lb; to 50% above US\$3.00/lb; to 70% above US\$3.50/lb; and to 75% when the copper price is above \$4.00/lb<sup>2</sup>. The Bill also proposes certain deductions to offset the marginal royalty rates to miners who can demonstrate certain levels of processing of exported minerals. As at the date of the Prospectus, the Bill continues to be debated in the Upper House (Senate). Whilst there is no certainty that the Bill will be passed into law as it stands, or will be passed in an amended form or passed at all, any imposition of a royalty either in place of or in addition to the current profit based taxing regime will likely have a negative impact on the economics of both existing copper operations and future proposed operations. There is a risk that any royalty introduced could have a material adverse effect on the potential future profitability, or economic viability of the Company's projects in Chile, and on the Company's</p>	<p>Section 3.2(p)</p>

Topic	Summary	More Information
	<p>ability to attract funding for copper exploration activities in Chile, such as at Mostazal.</p> <p><sup>1</sup> <i>Fitch Ratings</i>, 6 July 2021.</p> <p><sup>2</sup> <i>Bloomberg News</i>, 31 August 2021.</p>	
<b>Peruvian tax reform risk</b>	<p>In late October 2021, the Peruvian Government announced a proposed tax reform that included additional taxes from mining companies. Details of the proposal are not yet available. Whilst there is no certainty that the tax reform will be passed into law, any increase in either the current profit based taxation regime or royalty regime will likely have a negative impact on the economics of both existing mining operations and future proposed operations. There is a risk that any increase in profit tax or royalty could have a material adverse effect on the potential future profitability, or economic viability, of the Company's projects in Peru, should they progress to development. In addition, any increase in tax could impact on the Company's ability to attract funding for exploration activities in Peru, such as at Ilo Este or Ilo Norte.</p>	Section 3.2(q)
<b>Exploration, development and operating risks and costs</b>	<p>Mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.</p>	Section 3.3(a)
<b>Future capital requirements</b>	<p>The Company will require further financing in the future, in addition to its existing cash reserves and amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy.</p>	Section 3.3(b)
<b>Tenure, access and grant of applications</b>	<p>The Company's operations are subject to receiving and maintaining licences and permits from appropriate governmental authorities. There is no assurance that delays will not occur in connection with obtaining all necessary grants or renewals of licences/permits for the proposed operations, additional licences/permits for any possible future changes to operations, or additional permits associated with new legislation. Prior to any development on any of its properties, subsidiaries of the Company must receive licences/permits from appropriate governmental authorities. There is no certainty that the Company will hold all licences/permits necessary to develop or continue operating at any particular property.</p>	Section 3.3(c)

Topic	Summary	More Information
<b>Commodity and foreign exchange risks</b>	The Company's ability to proceed with the development of its mineral projects and benefit from any future mining operations will depend on market factors, some of which may be beyond its control. It is anticipated that any revenues derived from mining will primarily be derived from the sale of copper and other precious and base metals. Consequently, any future earnings are likely to be closely related to the price of these commodities and the terms of any off-take agreements that the Company enters into.	Section 3.3(l)
<b>D. Overview of the Offer</b>		
<b>What is the Offer?</b>	<p>The Company is offering for subscription up to 30,000,000 CDIs at an Offer Price of A\$0.20 to raise up to A\$6,000,000 (before costs) under the Offer, comprising:</p> <ul style="list-style-type: none"> <li>• a Priority Offer of up to 6,250,000 CDIs to raise up to A\$1,250,000 (before costs);</li> <li>• a General Offer of up to 23,750,000 CDIs to raise up to A\$4,750,000 (before costs).</li> </ul> <p>The General Offer also includes the Broker Firm Offer.</p> <p>Any CDIs not taken up under the Priority Offer will become available under the General Offer.</p> <p>To be eligible to participate in the Priority Offer, Broker Firm Offer or General Offer you must have a registered address in Australia.</p> <p>The Offer also include the issue of free-attaching New Options, on the basis of one (1) New Option for every two (2) CDIs issued.</p>	Section 1.1 to 1.6 (inclusive) and Section 6.4
<b>What is the Offer price?</b>	A\$0.20 per CDI.	Sections 1.1
<b>What is the price of the New Options</b>	Nil. The New Options are being issued as free-attaching Options.	Section 1.6
<b>Is there a cooling off period?</b>	No. Cooling-off rights do not apply to an investment in CDIs pursuant to this Offer. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.	Sections 1.1
<b>Is there a Minimum Subscription?</b>	<p>The Minimum Subscription is A\$5,000,000, which represents 25,000,000 CDIs (together with 12,500,000 free-attaching Options).</p> <p>If the Minimum Subscription is not reached, the Offer will not complete and all Applications Monies will be refunded (without interest) within three months from the Prospectus Date.</p>	Section 1.8
<b>Who can participate in the Priority</b>	The Priority Offer consists of a A\$1.25 million priority allocation to eligible Latin Resources Shareholders with	Section 1.3

Topic	Summary	More Information
<b>Offer?</b>	registered addresses in Australia.	
<b>What is the allocation policy?</b>	<p>CDIs offered under the Priority Offer that are not taken up will be allocated by the Company under the General Offer (at the Directors' discretion in consultation with the Lead Manager).</p> <p>With respect to the Priority Offer, allocations will be made at the absolute discretion of the Company, subject to any applicable regulatory matters and spread requirements of the Listing Rules.</p> <p>For applications under the Broker Firm Offer, brokers will decide as to how they allocate CDIs among their clients. However, the Company and the Lead Manager reserve the right to reject or scale back any applications in the Broker Firm Offer.</p> <p>New Options will be allocated on the basis of one (1) New Option for every two (2) CDIs issued.</p>	Sections 1.2 to 1.7
<b>What are CDIs?</b>	<p>ASX uses an electronic system called CHES for the clearance and settlement of trades on ASX.</p> <p>The Company is incorporated in British Columbia, Canada, and the requirements of British Columbian laws that registered shareholders have the right to receive a stock certificate does not permit the CHES system of holding uncertificated securities. Accordingly, to enable companies such as the Company to have their securities cleared and settled electronically through CHES, depositary instruments called CDIs are issued.</p> <p>CDIs represent the beneficial interest in the underlying shares in a foreign company such as the Company and are traded in a manner similar to shares of Australian companies listed on ASX.</p> <p>Each CDI will be equivalent to one Share.</p>	Section 1.18
<b>What rights and liabilities attach to the CDIs being offered and underlying Shares?</b>	<p>A description of the Company's Shares, including the rights and liabilities attaching to them, is in Section 6.1.</p> <p>A description of the CDIs is in Section 6.2.</p>	Sections 6.1-6.5
<b>Will the CDIs be quoted on ASX?</b>	<p>The Company will apply to ASX within seven days of the Prospectus Date for official quotation of its CDIs on ASX under the ASX Code "SLM".</p> <p>Admission is conditional on the ASX approving that application. If approval is not given within three months of the Prospectus Date (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p>	Section 1.19

Topic	Summary	More Information
<b>Will the New Options be quoted on ASX?</b>	No. However, if the New Options are exercised, the Company will apply to ASX for official quotation of any resulting Shares issued.	Sections 1.6 and 6.4
<b>What is the Offer period?</b>	An indicative timetable for the Offer is set in the "Key Offer Dates" section of this Prospectus.	Page ix
<b>Is the Offer underwritten?</b>	No.	Section 1.23
<b>What are the conditions of the Offer?</b>	<p>The Offer under this Prospectus are conditional upon the following events occurring:</p> <ul style="list-style-type: none"> <li>• the Company raising the Minimum Subscription amount of A\$5,000,000 under the Offer;</li> <li>• to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such restrictions on trading on the Company's securities as mandated by the Listing Rules. However at this stage, no such restrictions agreements are anticipated to be required;</li> <li>• ASX providing the Company with a list of conditions acceptable to the Company which, once satisfied, will result in ASX admitting the Company to the Official List; and</li> <li>• the receipt of all necessary regulatory approvals on conditions acceptable to the Company, including any approvals required by ASX and TSX-V.</li> </ul> <p>If these conditions are not satisfied, the Offer will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.</p>	Section 1.9
<b>Who are the advisors to the Offer?</b>	<ul style="list-style-type: none"> <li>• Euroz Hartleys Limited is the Lead Manager to the Offer.</li> <li>• HWL Ebsworth Lawyers is the Australian legal advisor to the Company.</li> <li>• Miller Thomson LLP is the Canadian legal advisor to the Company.</li> <li>• Rodrigo, Elias Medrano Abogados is the Peruvian legal advisor to the Company.</li> <li>• Bofill Mir &amp; Alvarez is the Chilean legal advisor to the Company.</li> <li>• RB Abogados is the Mexican legal advisor to the Company.</li> <li>• BDO Corporate Finance (WA) Pty Ltd is the Investigating Accountant to the Offer.</li> <li>• Davidson &amp; Company LLP are the Company's auditor.</li> </ul>	Corporate Directory and 6.22

Topic	Summary	More Information
	<ul style="list-style-type: none"> <li>SRK Consulting (Australasia) Pty Ltd is the Independent Geologist to the Company.</li> </ul> <p>Refer to Section 6.22 for details regarding fees payable.</p>	
<b>Who is the lead manager to the Offer?</b>	The Company has appointed Euroz Hartleys Limited as the lead manager (Lead Manager) to the Offer.	Section 4.11
<b>What fees are payable to the Lead Manager</b>	<p>The Lead Manager will receive the following fees:</p> <ul style="list-style-type: none"> <li>a flat management fee of A\$35,000 (plus 10% GST);</li> <li>a distribution fee equal to 6% of the amount subscribed pursuant to the Offer (amounting to between \$300,000 and \$360,000 (plus GST of 10%) depending on the amount raised).</li> </ul> <p>Additionally, and subject to the Minimum Subscription being raised, the Company will issue the Lead Manager with between 3,400,000 and 4,000,000 options (<b>LM Options</b>) exercisable at A\$0.28 on or before the date which is 3 years from the date of Admissions, and otherwise having the terms set out in Section 6.4.</p>	Section 4.11 and 6.4
<b>What are the Lead Manager's interests in securities of the Company?</b>	As at the Prospectus Date, the Lead Manager does not hold or have any interests in, securities of the Company.	Section 4.11
<b>E. Directors and related party interests and substantial holders</b>		
<b>Who are the Directors?</b>	<p>The current Directors are:</p> <ul style="list-style-type: none"> <li>Christopher Gale (Non-Executive Chairman);</li> <li>Jason Cubitt (CEO, Executive Director);</li> <li>Kevin Wilson (Non-Executive Director); and</li> <li>Fred Tejada* (Non-Executive Director).</li> </ul> <p>The additional Proposed Directors (to be appointed with effect from the date of Admission) are:</p> <ul style="list-style-type: none"> <li>Mr Michael Parker (Non-Executive Director); and</li> <li>Ms Chafika Eddine (Non-Executive Director).</li> </ul> <p>* Mr Fred Tejada will resign as a Director from the date of Admission.</p>	Section 5.1
<b>What benefits are being paid to Directors?</b>	<p>The Company has entered into agreements with each Director as summarised in Section 4.4.</p> <p>The Company has one Executive Director, being Mr Jason Cubitt - entitled to total fees of C\$120,000 per annum.</p> <p>Upon Admission, the Company will have four Non-Executive Directors:</p>	Sections 4.4, 6.1(j) and 0

Topic	Summary	More Information
	<ul style="list-style-type: none"> <li>• Christopher Gale - entitled to total fees of C\$72,000 per annum;</li> <li>• Kevin Wilson - entitled to total fees of C\$60,000 per annum;</li> <li>• Michael Parker - entitled to total fees of C\$60,000 per annum; and</li> <li>• Chafika Eddine - entitled to total fees of C\$60,000 per annum.</li> </ul> <p>The total aggregate amount of directors' fees payable to all of the Non-Executive Directors is A\$400,000 per annum. This amount may only be increased with the approval of Shareholders.</p>	
<p><b>What important contracts with related parties is the Company a party to?</b></p>	<p>The Company has entered into:</p> <ul style="list-style-type: none"> <li>• engagement agreements and letters of appointment with each of the Directors;</li> <li>• a contract for the 100% acquisition of the Ilo Este and Ilo Norte Projects from its major shareholder Latin Resources for consideration of 3,800,000 Shares (on a post-Consolidation basis) which completed on 13 February 2018, and which entitles Latin Resources to appoint one director to the Board (currently Mr Christopher Gale) for so long as it maintains at least a 10% interest in the issued and outstanding shares of the Company;</li> <li>• arrangements for the debt settlement of an amount of \$254,540.35 by the issuance of a total of 2,545,404 Shares to Latin Resources, Christopher Gale (Non-Executive Chairman) and an entity associated with Jason Cubitt (CEO) which settled on 21 October 2020;</li> <li>• numerous private placements with its major shareholder Latin Resources, each at the same issue price and on the same terms as offered to other subscribers;</li> <li>• private placements where key management personnel have participated, each at the same issue price and on the same terms as offered to other subscribers.</li> </ul>	<p>Section 4.4 and Section 6.15.</p>

Topic	Summary	More Information																												
<p><b>What interests do Directors have in the securities of the Company?</b></p>	<p>As at the Prospectus Date, the Directors hold relevant interests in the Securities specified below.</p> <table border="1" data-bbox="507 353 1200 864"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>Options</th> <th>Warrants</th> </tr> </thead> <tbody> <tr> <td>C Gale (and associates)</td> <td>8,469,408</td> <td>950,000</td> <td>2,025,000</td> </tr> <tr> <td>J Cubitt</td> <td>535,000</td> <td>450,000</td> <td>400,000</td> </tr> <tr> <td>F Tejada</td> <td>0</td> <td>400,000</td> <td>0</td> </tr> <tr> <td>K Wilson</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>M Parker</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>C Eddine</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Refer to Section 6.13 for further details of the Directors interests. Refer to Section 6.9 for the terms and conditions of the Warrants, and to Sections 6.10 and 6.11 for a summary of the terms and conditions of the Options.</p>	Director	Shares	Options	Warrants	C Gale (and associates)	8,469,408	950,000	2,025,000	J Cubitt	535,000	450,000	400,000	F Tejada	0	400,000	0	K Wilson	0	0	0	M Parker	0	0	0	C Eddine	0	0	0	<p>Section 6.13</p> <p>See also Sections 6.9, to 6.11.</p>
Director	Shares	Options	Warrants																											
C Gale (and associates)	8,469,408	950,000	2,025,000																											
J Cubitt	535,000	450,000	400,000																											
F Tejada	0	400,000	0																											
K Wilson	0	0	0																											
M Parker	0	0	0																											
C Eddine	0	0	0																											
<p><b>Substantial holders</b></p>	<p>To the best of the knowledge of the Company based on the available information, as at the Prospectus Date the following Shareholders hold a voting power of over 5% of the Shares on issue:</p> <table border="1" data-bbox="507 1191 1174 1496"> <thead> <tr> <th></th> <th>Shares</th> <th>% (Pre-IPO)</th> </tr> </thead> <tbody> <tr> <td>Latin Resources</td> <td>7,938,158</td> <td>24.24</td> </tr> <tr> <td>Latin Resources aggregated with Christopher Gale<sup>1</sup></td> <td>8,469,408</td> <td>25.87</td> </tr> </tbody> </table> <p><b>Notes</b></p> <ol style="list-style-type: none"> <li>1. Upon completion of the Offer, Latin Resources' shareholding will be diluted to approximately 12.7% in the case of the Maximum Subscription being reached.</li> <li>2. The above holdings have been aggregated on the basis that Christopher Gale is an "associate" of Latin Resources on the basis that he is a director and substantial shareholder of Latin Resources, and the nominee director appointed by LRS to the Company's Board.</li> </ol>		Shares	% (Pre-IPO)	Latin Resources	7,938,158	24.24	Latin Resources aggregated with Christopher Gale <sup>1</sup>	8,469,408	25.87	<p>Section 6.17</p>																			
	Shares	% (Pre-IPO)																												
Latin Resources	7,938,158	24.24																												
Latin Resources aggregated with Christopher Gale <sup>1</sup>	8,469,408	25.87																												



Topic	Summary	More Information
<b>F. Key differences between Australian and Canadian company law</b>		
<p>As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are governed by the BCA and other applicable Canadian laws.</p> <p>Although there are similarities between the two jurisdictions from a company law perspective, there are differences with respect to operation of certain laws and regulations concerning shares of publicly listed companies including but not limited to:</p> <ul style="list-style-type: none"> <li>• corporate procedures;</li> <li>• transactions requiring shareholder approval;</li> <li>• shareholders' right to requisition meetings, vote and appoint proxies;</li> <li>• takeovers;</li> <li>• substantial shareholders reporting;</li> <li>• related party transactions;</li> <li>• protection of minority shareholders - oppressive conduct; and</li> <li>• "two-strikes" rule in relation to remuneration reports.</li> </ul> <p>For a detailed description of differences of the above, please refer to Section 6.6.</p>		
<b>G. Applications and other information</b>		
<b>How do I apply?</b>	Applications under the Offer can be made by completing the Application Form.	Section 1.14
<b>What is the minimum application under the Offer?</b>	Applications under the Offer must be for a minimum of 10,000 CDIs (A\$2,000).	Section 1.14
<b>Is there any brokerage, commission or stamp duty payable by Applicants?</b>	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of CDIs under the Offer.	Section 1.14
<b>What is the allocation policy?</b>	<p>The Directors, in consultation with the Lead Manager, will allocate CDIs at their discretion with a view to ensuring an appropriate Shareholder base for the Company going forward.</p> <p>There is no assurance that any Applicant will be allocated any CDIs, or the number of CDIs for which the Applicant has applied.</p>	Section 1.2, 1.3 and 1.6
<b>Who is eligible to participate in the</b>	The Offer is open to all investors with a registered	Section 1.21

<b>Topic</b>	<b>Summary</b>	<b>More Information</b>
<b>Offer?</b>	address in Australia.	
<b>Can the Offer be withdrawn?</b>	<p>The Company reserves the right not to proceed the Offer at any time before the issue of the CDIs to successful Applicants.</p> <p>If the Offer does not proceed, all Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.</p>	Section 1.25
<b>What are the tax implications of investing in CDIs under the Offer?</b>	<p>The tax consequences of any investment in CDIs under the Offer will depend upon your particular circumstances.</p> <p>Section 6.7 contains a summary of the principal Canadian federal income tax considerations generally applicable to a non-Canadian shareholder in relation to the acquisition, holding or disposal of securities in the Company.</p> <p>Prospective investors should obtain their own tax advice before deciding to invest.</p>	Section 6.7
<b>Will the Company pay dividends?</b>	<p>The Company does not expect to pay dividends in the near future as its focus will primarily be on growing the existing business.</p> <p>Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.</p>	Section 2.8
<b>What is the cost of the Offer?</b>	The expenses of the Offer are estimated to be approximately A\$867,606 (based on the Maximum Subscription scenario).	Section 6.16
<b>H. Further information</b>		
<b>How can I obtain further information?</b>	<p>Further information can be obtained by reading this Prospectus and consulting your professional advisors.</p> <p>You can also contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) for further details.</p> <p>All enquiries in relation to the Broker Firm Offer should be directed to your broker.</p>	Section 1.29

## 1. Details of the Offer

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### 1.1 The Offer

This Prospectus invites investors to apply for up to 30,000,000 CHES Depositary Interests (**CDIs**) over 30,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) (i.e. a ratio of 1 CDI for 1 Share) at an issue price of A\$0.20 per CDI to raise up to A\$6,000,000, together with one (1) free-attaching New Option for every two (2) CDIs issued (**Offer**).

Successful Applicants will receive CDIs in respect of Shares applied for. The issue of CDIs is necessary to allow ASX trading of securities of a company incorporated in Canada. CDIs give a holder similar, but not identical rights, to a holder of Shares. Refer to Sections 1.18 and 6.2 for further details of CDIs. References in this Prospectus to "Shares" include references to "CDIs" as appropriate.

There is no cooling-off period in connection with an application for CDIs pursuant to this Offer. Accordingly, in most circumstances, once an Application has been made, it cannot be withdrawn.

### 1.2 Structure of the Offer

The Offer comprises the:

- (a) the **Priority Offer**, which is open to Latin Resources Shareholders who are Australian residents, and subject to limited exclusions (see Section 1.3);
- (b) the **General Offer**, which is open to Australian residents (see Section 1.4); and
- (c) the **Broker Firm Offer**, which is open to persons who have received a firm allocation from their broker (see Section 1.5).

The allocation of CDIs under the Priority Offer will be made in consultation with the Lead Manager, but subject to the final discretion of the Board. No guarantee of allocation of any Shares may be made to any Applicant.

### 1.3 Priority Offer

A total allocation of up to 6,250,000 CDIs (equivalent to A\$1,250,000 in aggregate) has been set aside for the Priority Offer.

Latin Resources Shareholders who are Australian residents will be given priority (on an individual basis) for an allocation of CDIs (subject to submitting valid Applications for at least 10,000 CDIs, being the minimum parcel size of A\$2,000).

Latin Resources Shareholders may apply for more CDIs under the Priority Offer, however there is no guarantee that they will be allocated the total amount they apply for, or more than A\$1,250,000 in total.

The Directors in consultation with the Lead Manager will allocate CDIs under the Priority Offer at their sole discretion in a way that is fair and equitable to those Latin Resources Shareholders who apply for CDIs, having regard to their current holdings in Latin Resource, and also having regard to the need for Solis to achieve a minimum of 300 unrelated Shareholders for the purposes of satisfying the ASX listing criteria.

Further information on Latin Resources and its relationship to the Company can be found at Section 6.15 of this Prospectus.

If a Latin Resources Shareholder applies for CDIs under the Priority Offer and is ineligible to participate, such application will be treated as if it is made under the General Offer.

### **Exclusions**

The following persons will also be excluded from the Priority Offer, irrespective of whether they are a Latin Resources Shareholder:

- (a) any person who is also a Director, officer or related party of the Company or Latin Resources (including Mr Christopher Gale);
- (b) any person who is an Associate of a Director, officer or related party.

Eligible Latin Resources Shareholders will be sent a letter (either by email or post) inviting them to participate in the Priority Offer. The invitation letter will contain a unique reference number.

To make a valid application under the Priority Offer, you must use the Priority Application Form and insert the unique reference number from your invitation letter. If your unique reference number is not provided Solis may be unable to ascertain eligibility for the Priority Offer, and as such, there is a risk that any Applicant who fails to provide their HIN or SRN may not receive an allocation at all if the Priority Offer is fully subscribed, and there is no capacity remaining available under the General Offer.

Early lodgement of your application is recommended as the Offer may be closed early at the Directors' discretion. If the Company receives Applications under the Priority Offer for more than A\$1.25 million, it intends to treat such additional Applications as being made under the General Offer. The Directors reserve the right to allocate such applications at their discretion.

To participate in the Priority Offer, investors should use the Priority Offer Application Form. Refer also to Section 1.14.

## **1.4 General Offer**

Pursuant to the General Offer, the Company offers up to 23,750,000 CDIs at an Offer Price of \$0.20 per CDI to raise up to \$4,750,000 (before costs). The General Offer is open to the general public and to all Shareholders of the Company with a residential address within Australia.

Applications under the General Offer must be for a minimum of 10,000 CDIs and thereafter in multiples of 1,000 CDIs.

The CDIs to be issued pursuant to the General Offer are CDIS in respect of Shares of the same class and will rank equally in all respects with the existing Shares in the Company. The rights and liabilities attaching to the CDIs and Shares are further described in Section 6.1 to 6.3.

Applications for CDIs under the General Offer must be made on the General Offer Application Form accompanying this Prospectus and received by the Registry on or before 5.00pm (WST) on the Closing Date. Persons wishing to apply for CDIs under the General Offer should refer to Section 1.14 for further details and instructions.

### **1.5 Broker Firm Offer**

CDIs available under the Broker Firm Offer form part of (and are not in addition to) the 23,750,000 CDIs available under the General Offer.

The Broker Firm Offer is open to persons who have received a firm allocation of CDIs from their broker and who have a registered address in Australia (and are not located in the United States). Applicants who have been offered a firm allocation by a broker will be treated as Applicants under the Broker Firm Offer in respect of that allocation. To participate in the Broker Firm Offer, your Broker Firm Application Form must be received by your broker by 5.00pm (WST) on the Broker Firm Closing Date. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Registry. Applicants should contact their broker to determine whether they may be allocated CDIs under the Broker Firm Offer.

You should contact your broker to determine whether you can receive an allocation of CDIs under the Broker Firm Offer.

### **1.6 New Options (free-attaching)**

The New Options will:

- (a) be issued on the basis of one (1) free attaching New Option for every two (2) CDIs issued. As such, no separate Application is required;
- (b) be free-attaching Options to be issued for nil consideration. As such, no additional funds will be raised from the issue of the New Options;
- (c) not be quoted. However the Company will apply for quotation of Shares issued as a result of the New Options being exercised;
- (d) otherwise have the terms as set out in Section 6.4.

### **1.7 Allocation Policy**

The notional and final allocation of CDIs between the Priority Offer, the Broker Firm Offer and the General Offer was and will be determined by the Company in consultation with the Lead Manager.

CDIs offered under the Priority Offer that are not taken up will be allocated by the Company under the Broker Firm Offer or the General Offer (at the Directors' discretion and in consultation with the Lead Manager). Accordingly, final allocations will depend on demand.

Allocations under the Priority Offer will be at the absolute discretion of the Board, in a manner consistent with the above, and having regard to any applicable regulatory matters and spread requirements of the Listing Rules.

The Company's Chairman Mr Christopher Gale is an Executive Director of Latin Resources, and as such will not participate in either the Priority Offer or the allocation process.

The intended allocation of firm stock to brokers under the Broker Firm Offer has been determined by the Company in consultation with the Lead Manager. CDIs to be allocated to brokers for allocation to their Australian resident clients will be issued or transferred to the applicants nominated by those brokers (subject to the right of the Company and the Lead Manager to reject, aggregate or scale back applications). It will be a matter for each broker as to how they allocate CDIs among their retail clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them, receive the relevant CDIs.

Holding statements and allotment confirmation advices are expected to be dispatched on or around 10 December 2021. If you sell CDIs before receiving a holding statement or allocation confirmation advice, you do so at your own risk, even if you obtained details of your holding from the Offer Information Line or confirmed your allocation through a broker.

## 1.8 Minimum Subscription

The minimum subscription under the Offer is A\$5,000,000 (being 25,000,000 CDIs) (**Minimum Subscription**).

None of the CDIs offered under this Prospectus will be issued if Applications are not received for the Minimum Subscription. Should Applications for the Minimum Subscription not be received within three months from the Prospectus Date, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

## 1.9 Conditional Offer

The Offer under this Prospectus is conditional upon the following events occurring:

- (a) the Company raising the Minimum Subscription amount;
- (b) to the extent required by ASX or the Listing Rules, each person entering into a restriction agreement imposing such restrictions on trading on the Company's securities as mandated by the Listing Rules;

- (c) ASX providing the Company with a list of conditions acceptable to the Company which, once satisfied, will result in ASX admitting the Company to the Official List; and
- (d) the receipt of all necessary regulatory approvals on conditions acceptable to the Company, including any approvals required by ASX and TSX-V.

If these conditions are not satisfied then the Offer will not proceed and the Company will repay all Application Monies in accordance with the Corporations Act.

### 1.10 Purpose of Prospectus

The purpose of this Prospectus is to:

- (a) raise up to A\$6,000,000 pursuant to the Offer (before associated costs of the Offer);
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;
- (c) enable the Company to commence earning an initial 49% interest in the Mostazal Properties (as further discussed at Section 4.2); and
- (d) position the Company to seek to achieve the objectives detailed in Section 2.

### 1.11 Use of funds

The following table shows the intended use of funds in the 2 year period following Admission:

<b>Funds available</b>	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
Cash reserves as at the Prospectus Date	C\$1,387,687	C\$1,387,687
Funds raised from the Offer	A\$5,000,000	A\$6,000,000
<b>Total funds available</b>	<b>C\$5,987,687</b>	<b>C\$6,907,687</b>
<b>A\$ equivalent<sup>1</sup></b>	<b>A\$6,508,355</b>	<b>A\$7,508,355</b>

**Notes:**

1. The A\$ equivalent has been calculated using the exchange rate of C\$0.92 published by the Reserve Bank of Australia Limited on 26 October 2021, being the latest practicable date prior to the Prospectus Date.

Use of funds	Minimum Subscription (A\$)		Maximum Subscription (A\$)	
Exploration program - Ilo Este and Ilo Norte (Peru) <sup>1</sup>	235,600	3.6%	235,600	3.1%
Exploration programs - Mostazal (Chile) <sup>2</sup>	1,445,510	22.2%	2,359,732	31.4%
Mostazal Option Payments <sup>3</sup>	1,662,050	25.5%	1,662,050	22.1%
Costs of the Offer <sup>4</sup>	782,391	12.0%	867,606	11.6%
Corporate Costs and general Working Capital <sup>5</sup>	2,381,245	36.6%	2,381,245	31.7%
<b>TOTAL</b>	<b>A\$6,506,796</b>	<b>100%</b>	<b>A\$7,506,233</b>	<b>100%</b>

**Notes:**

1. Comprising exploration costs at Ilo Este and Ilo Norte relating to geophysical surveys and data processing under the Minimum Subscription.
2. Comprising exploration costs at Mostazal including a total of 1,950m of diamond drilling under the Minimum Subscription: plus an additional 1,850m under the Maximum Subscription.
3. S1 Mostazal Option Payments payable under the Mostazal Option Agreement due on 23 June 2022 and 23 June 2023, being the first and second anniversaries of the date of execution of the Mostazal Option Agreement. Refer to Section 4.2 for details on these option payments.
4. Refer to Section 6.16 for details of the estimated costs of the Offer.
5. Working capital expenses include creditors and accruals at Prospectus Date, executive and non-executive director costs, company secretary costs, legal and accounting costs, rent, municipal taxes and other operating overheads.
6. A\$:C\$ exchange rate of A\$1:C\$0.92 applied, as published by the Reserve Bank Australia Limited on 26 October 2021, being the latest practicable date prior to the Prospectus Date. Also includes two years corporate costs and payment of net creditors and accruals of A\$278,079.

The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic



conditions. In light of this, the Board reserves the right to alter the way the funds are applied.

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

### 1.12 Capital structure

On the basis that the Company completes the Offer on the terms in this Prospectus, the Company's capital structure will be as follows:

<b>Securities currently on issue</b>	
Shares <sup>1</sup>	32,741,654
Warrants <sup>2</sup>	12,775,076
Existing Options <sup>3</sup>	2,900,000
<b>Fully diluted pre-IPO</b>	<b>48,416,730</b>

<b>Securities on issue upon Admission</b>		
	<b>Minimum Subscription</b>	<b>Maximum Subscription</b>
Existing Shares	32,741,654	32,741,654
New CDIs <sup>1</sup>	25,000,000	30,000,000
Total Shares / CDIs on issue	57,741,654	62,741,654
Warrants <sup>2</sup>	12,775,076	12,775,076
Existing Options <sup>3</sup>	2,900,000	2,900,000
New Options under the Offer <sup>4</sup>	12,500,000	15,000,000
Lead Manager Options <sup>5</sup>	3,400,000	4,000,000
<b>Fully diluted post-IPO</b>	<b>89,316,730</b>	<b>97,416,730</b>

**Notes:**

1. CDIs are CHESS Depository Interests over underlying Shares. Refer to Section 1.18 for further information on CDIs. The rights attaching to the Shares and CDIs are summarised in Sections 6.1 and 6.2 respectively.
2. Refer to Section 6.9 for further information on the Warrants.
3. Refer to Section 6.10 and Section 6.11 for further information on the Options.

4. Refer to Section 1.6 and 6.4 for terms of the New Options
5. Refer to Section 4.11 for details of the number and terms of Options that may be issued to the Lead Manager and to Section 6.4 for their full terms.
6. The figures shown above are as at 26 October 2021, being the latest practicable date prior to the Prospectus Date. No new securities have been issued since this date, other than the potential exercise or conversion of an immaterial number of the existing Options or Warrants on issue.

The Company's free float at the time of Admission will be not less than 20%.

### 1.13 Forecasts

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

The Directors consequently believe that, given these inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

### 1.14 How to apply under the General Offer and the Priority Offer

#### (a) **Priority Offer Applicants**

Eligible Latin Resources Shareholders will be sent a letter (either by email or post) inviting them to participate in the Priority Offer. The invitation letter will contain a unique reference number.

To make a valid application under the Priority Offer, you must use the Priority Application Form and insert the unique reference number from your invitation letter.

#### (b) **General Information - General Offer and Priority Offer**

All Applications under the General Offer should be made using the General Offer Application Form

Applications for CDIs under the Offer can only be made by BPAY® or online and following the instructions on the Application Form and below.

No brokerage, stamp duty or other costs are payable by Applicants.

All Application Monies will be paid into a trust account.

An Application together with payment for the Application constitutes a binding and irrevocable offer to subscribe for the number of CDIs specified in the Application. The Application Form does not need to be signed for the

Application to be valid. If the Application is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe, amend or complete the Application is final. If your payment for the Application Money is different to the amount specified in your Application then the Company may accept your Application for the amount of Application Money provided.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of CDIs pursuant to this Prospectus. The return of an Application will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

Applications under the Offer must be for a minimum of 10,000 CDIs (A\$2,000) and then in increments of 1,250 CDIs (A\$250). Payments must be made in Australian dollars.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Applications as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

(c) ***Submitting an Application Form and paying with BPAY®***

Applicants under the Offer wishing to pay by BPAY® should complete the online Application Form accompanying the electronic version of this Prospectus which is available via a link at the following website **<https://solismineralsipooffer.thereachagency.com>** and follow the instructions on the online Application Form (which includes the Biller Code and your unique Customer Reference Number (**CRN**)).

You should be aware that you will only be able to make a payment via BPAY® if you are the holder of an account with an Australian financial institution which supports BPAY® transactions. When completing your BPAY® payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (WST) on the Closing Date. Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY®, and policies with respect to processing BPAY® transactions may vary between banks, credit unions or building societies.

The Company accepts no responsibility for any failure to receive Application Monies by BPAY® before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

## 1.15 How to apply under the Broker Firm Offer

To be eligible to apply for CDIs under the Broker Firm Offer, you must have a registered Australian address.

If you are applying for CDIs under the Broker Firm Offer, you should arrange for your Broker Firm Application Form to be lodged with the broker from whom you received your firm allocation. Broker Firm Application Forms must be completed in accordance with the instructions given to you by your broker and the instructions set out on the reverse of the Broker Firm Application Form. By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus

Applicants under the Broker Firm Offer must complete their Broker Firm Application Form and pay their Application Monies to their broker in accordance with the relevant broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms to the Company or Registry.

The Broker Firm Offer is expected to close at 5.00pm (WST) on 26 November 2021. The Company and the Lead Manager may elect to extend the Offer or any part of it or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice.

Your broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your broker for instructions. The Applicant's broker will act as the Applicant's agent in processing the Application Form and providing application details and application monies to the Share Registry. The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your broker in connection with your Application.

The minimum application under the Broker Firm Offer is \$2,000 of CDIs, and in multiples of \$250 thereafter worth of CDIs. There is no maximum value of CDIs that may be applied for under the Broker Firm Offer. However, the Company and the Lead Manager reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications in the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer and may amend or waive the Broker Firm Offer application procedures or requirements, in its discretion in compliance with applicable laws.

The allocation of CDIs to brokers will be determined by the Company and the Lead Manager. CDIs that are allocated to brokers for allocation to their clients will be issued to the successful Applicants who have received a valid allocation of CDIs from those Brokers. It will be a matter for the brokers how they allocate CDIs among their clients, and they (and not the Company) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant CDIs. The Company and the Registry take no responsibility for any acts or omissions by your broker in connection with your Application, Broker Firm Application Form and Application Monies (including,

without limitation, failure to submit Broker Firm Application Forms by the close of the Broker Firm Offer). Delivery versus payment (DvP) settlement is available for applicants under the Broker Firm Offer. Please contact your broker or the Lead Manager for further details.

#### 1.16 Allocation and allotment of CDIs

The Directors reserve the right to reject any Application or to allot a lesser number of CDIs than that applied for. If the number of CDIs allocated is less than that applied for, or no allotment is made, any surplus Application Monies will be promptly refunded without interest.

Subject to ASX granting approval for quotation of the CDIs, the allotment of CDIs to be issued under the Offer will occur as soon as practicable after the Offer closes and the conditions set out in Section 1.9 have been satisfied.

Holding statements and allotment confirmation advices will be dispatched as required by ASX. It is the responsibility of applicants to determine their allocation prior to trading in the CDIs.

Applicants who sell the CDIs before they receive their holding statement or allotment confirmation advice will do so at their own risk.

#### 1.17 Application Monies to be held in trust

The Application Monies for CDIs to be issued pursuant to the Offer will be held in a separate bank account and held on trust on behalf of Applicants until the CDIs are allotted. If the CDIs to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Application Monies will be refunded in full without interest, and any CDIs issued under the Offer will be deemed to be void. All interest earned on Application Monies (including those which do not result in the issue of CDIs) will be retained by the Company.

#### 1.18 CHES and CDIs

Successful Applicants should note that, as the Company is incorporated and registered in British Columbia, Canada, they will be issued with CDIs instead of Shares under this Prospectus. This is because the requirements of Canadian laws that registered shareholders have the right to receive a stock certificate does not permit the CHES system of holding uncertificated securities.

CDIs issued pursuant to this Prospectus will allow beneficial title to the Shares to be held and transferred. CDIs are electronic depositary interests or receipts issued and are units of beneficial ownership in securities registered in the name of CHES Depositary Nominees Pty Ltd (**CDN**). CDN is a wholly owned subsidiary of ASX. The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder. The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN for the benefit of CDI Holders. Each CDI represents one underlying Share.

CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.

CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.

With the exception of voting rights, the CDI Holders are generally entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders. As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands. CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN. Refer to Sections 6.2 and 6.3 for further information about CDIs.

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Operating Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of CDI Holders.

The Company will not issue certificates of title to CDI Holders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement or allotment confirmation advice which sets out the number of CDIs issued to them, in much the same way as the holder of shares in an Australian incorporated ASX-listed entity would receive a holding statement in respect of shares. A holding statement will also provide details of a CDI Holder's Holder Identification Number (in the case of a holding on the CHESS sub-register) or Securityholder Reference Number (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of CDIs held by CDI Holders. CDI Holders may also request statements at any other time (although the Company may charge an administration fee).

Canadian securities laws restrict the trading of Shares in Canada for a period of four months and a day from the date of issuance. This will not prevent subscribers from being able to trade CDIs on the ASX once the Company is admitted to the Official List of the ASX. However, it will prevent holders of CDIs on the ASX from transferring their shares to the TSX-V during the restriction period. Outside of this initial four-month period when the transfer of CDIs from the ASX to the TSX-V is restricted, Shareholders will be able to transfer their CDIs/Shares between the ASX and TSX-V.

### 1.19 ASX Listing and Official Quotation

Within seven days after the Prospectus Date, the Company will apply to ASX for admission to the Official List and for the CDIs offered by this Prospectus, to be granted Official Quotation.

If ASX does not grant permission for Official Quotation within three months after the Prospectus Date (or within such longer period as may be permitted by ASIC) none of the CDIs offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest) as soon as practicable.

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

## 1.20 Risk factors of an investment in the Company

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the various business segments of the Company. Section 3 details the key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other suitably qualified independent adviser.

## 1.21 International offer restrictions

The distribution of this Prospectus within jurisdictions outside of Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

No action has been taken to register or qualify the CDIs offered under this Prospectus, or the Offer, or otherwise to permit the public offering of the CDIs, in any jurisdiction outside of Australia.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her Application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

Without limiting the above, this document does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia.

The Offer pursuant to an electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia.

### 1.22 **Restricted securities**

Other than as set out directly below, the Company does not envisage that any CDIs issued pursuant to the Offer will be classified by ASX as restricted securities.

Certain other Securities may be classified as restricted securities by ASX in accordance with the Listing Rules and subject to escrow for up to 24 months from the date of Official Quotation. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the CDIs commencing quotation on ASX.

### 1.23 **Underwriting**

This Offer is not underwritten.

### 1.24 **Lead Manager**

Euroz Hartleys Limited have been appointed as Lead Manager to the Offer. Further details, including the fees to be received by the Lead Manager, are set out in Section 4.11.

### 1.25 **Withdrawal**

The Directors may, at any time prior to the issue of the CDIs offered under this Prospectus, decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies (without interest) within 28 days of giving notice of their withdrawal in accordance with the requirements of the Corporations Act.

### 1.26 **Paper copies of Prospectus**

The Company will provide paper copies of this Prospectus (including any supplementary or replacement document) and an Application Form to investors upon request and free of charge. Requests for a paper copy should be directed to the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

### 1.27 **Taxation**

It is the responsibility of all persons to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer, by consulting their own professional tax advisers.

Neither the Company nor any of its Directors or officers accepts any liability or responsibility in respect of the taxation consequences of the Offer.

A brief summary of the principal Canadian federal income tax considerations generally applicable to a non-Canadian shareholder in relation to the acquisition, holding or disposal of securities is contained in Section 6.7.



## 1.28 Privacy disclosure

Persons who apply for CDIs pursuant to this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry.

The Company and the Share Registry collect, hold and use that personal information to assess applications for Securities, to provide facilities and services to Security holders, and to carry out various administrative functions.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's Share Registry.

If the information requested is not supplied, applications for CDIs will not be processed. By submitting an Application Form, you agree that the Company may use the information provided by you on the Application Form for the purposes set out herein and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

A Security holder has a right to gain access to, correct and update the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Rules.

## 1.29 Enquiries

This Prospectus provides information for potential investors in the Company, and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

Enquiries relating to this Prospectus should be directed to the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

## 2. Company Overview

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### 2.1 Summary and Strategy

The Company is a publicly traded mineral exploration company. It was incorporated under the BCA on 1 December 2005 and originally named 'Max Resources Ltd. It subsequently listed on the TSX Venture Exchange (**TSX-V**) on 15 July 2008 under the name 'Westminster Resources Ltd.' In July 2021 the Company changed its name to 'Solis Minerals Ltd.'

The Company is based in and has registered offices in Canada and Australia.

The Company is focussed on exploring for, and subject to exploration success - developing, large scale copper and copper/gold projects in well-known and productive districts in Chile and Peru. The Company primarily selects projects with an existing mineral endowment indicated by historic exploration, with the goal of accessing untapped value via the application of modern and systematic exploration methods and expertise.

In the event of exploration success, the Company may pursue a partnership with a major mining company to develop the project through to production.

The Company will continue to seek growth through business development opportunities. This may include generative work in mature mining jurisdictions or option or joint-venture agreements with third-party vendors.

### 2.2 Key Projects

The Company's main business undertaking is mineral exploration across its three key projects (Figure 1) being the:

- (a) Mostazal Copper Project in the Atacama region of Chile, further discussed at Section 2.3 below; and
- (b) Ilo Este and Ilo Norte Projects in southern Peru further discussed at Section 2.4 below.

The company raised C\$2.75m in May 2021 via an equity private placement with the objectives of conducting geophysical surveys and drill target identification at Ilo Norte, progressing its due diligence review of the Mostazal Project and satisfying the first option payment under the Mostazal Option Agreement. Further details of the planned exploration activities for these projects are contained in Sections 2.3(f) and 2.4(h) respectively.

The Company has recently divested its interests in each of:

- (c) the Saskatchewan Copper Project in Canada (see Section 4.5 below); and
- (d) its historical Mexican projects (see Section 4.6 below).



Figure 1: Solis Minerals Ltd – Project Location Map

### 2.3 Overview of Chilean Project - Mostazal Copper Project

#### (a) Project Acquisition

In June 2021, the Company entered into the Mostazal Option Agreement (a definitive four-year option agreement) to acquire initially 49%, then up to 100% of the interests in certain mineral claims comprising the Mostazal Project. Further details are set out in Section 4.2.

#### (b) Project Overview

The Mostazal Project is within the Domeyko Fault System in Chile's Atacama Desert, being the major structural control for most of Chile's largest copper porphyry deposits (refer Figure 2.6 in IGR report). It is located 80 kilometres northeast of Copiapo (Figure 2) and some 40 kilometres from Codelco's existing El Salvador Copper Mine. It consists of eight exploitation licences, covering approximately 1,317 hectares. The Mostazal Property has a history of small scale past production from near-surface copper/silver mineralized mantos lenses and an untested geophysical and geochemical copper porphyry target identified at depth.



Figure 2: Mostazal Copper Project - Location Map

The geology within the project area consists of fine-grained to porphyritic andesite lava flows and breccias of the Jurassic–Lower Cretaceous age Sierra Fraga Formation that are locally interbedded with volcanoclastic sediments (Figure 3). The andesites are intruded by a series of dacitic porphyry dykes of Palaeocene to Eocene age that typically trend north-northwest–south-southeast.

Copper mineralisation at Mostazal is thought to be controlled by a series of north-northwest to south-southeast striking fault zones that crosscut the andesitic stratigraphic layers and dip 40–45° to the west. A series of post mineralisation faults striking northeast–southwest appear to truncate and offset the north–south mineralised fault zones.

Mineralisation identified at the project consists of several stratified, stacked, and discontinuous copper–silver (Cu-Ag) mineralised lens or “mantos” within the andesite volcanic rocks that strike to the north-northwest and dip to the west sub-parallel to host andesite flow banding.

Mineralisation of copper oxides mixed with chalcocite is observed from the surface down to approximately 40–50 m depth below which is a zone consisting of mainly chalcocite and locally bornite, and chalcopyrite. Copper minerals consist of an oxide phase (malachite, chrysocolla, and minor atacamite and azurite) and a sulphide phase (chalcocite, minor bornite). Whitish-grey coloured chalcocite is the dominant copper sulphide mineral.

Near surface mineralisation has been identified over an area approximately 2.5 km long, 2 km wide and up to 300 m depth and remains open along strike and at depth.

Interpretations of the Project's geophysical data including Induced Polarisation (IP) and magnetic surveys have led to an interpretation whereby the manto mineralisation is thought to be the shallow expression of a hidden, deep-seated copper porphyry system. The system appears to be coincident with an IP chargeability-high and a magnetic-low, and represents a priority target for future exploration.

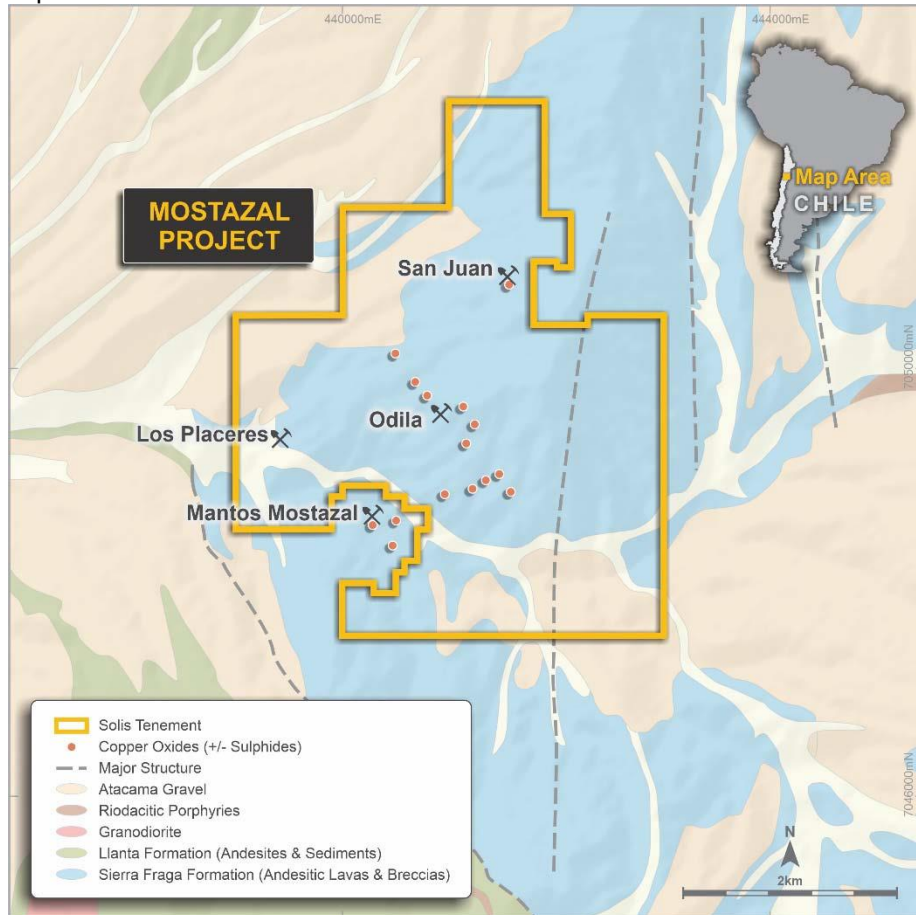


Figure 3: Mostazal Copper Project – Simplified regional geology

(c) **Historical exploration**

There have been several phases of exploration and small-scale mining activities completed throughout the Mostazal Project area since 2005 with most of the work focused on the oxide-transitional manto-style mineralisation rather than sulphide mineralisation.

During 2005, the first geological evaluation of the Mostazal area identified the presence of strata bound (manto) mineralisation style, showing good exploration potential for Cu – Ag mineralisation.

From 2005 to 2007 the concessions were consolidated and 12 km of access roads were constructed in order to start a small surface-mining operation (up to 2,000 tons per month). Historical production at Mostazal is estimated to have totalled 120,000 tons with an average grade of 1.8% Cu. Mining was developed for nearly 600 metres along a subparallel NNW trending fault system.

In 2008, Galileo Minerals Ltd. carried out exploration work, including mapping and sampling and construction of drill sites. Due to the Global Financial Crisis of 2008, Galileo abandoned the project.

Between December 2011 and August 2013 IMT Exploraciones (IMT), a subsidiary of Chilean IMT Trust Investment group, carried out geological mapping, rock and trench sampling, geophysics (IP and Ground Magnetics) and drilled 60 diamond core holes for a total of 11,380 m. In mid-2013, a 200x200 m grid regolith sampling program over approximately 2,500ha identified a broad geochemical anomaly due east of the mine area, but no further work was carried out in this sector and IMT abandoned the project. Subsequently APGC Corp Chile SpA used the diamond drill database to generate a “foreign estimate” for the Mostazal Copper Project of 10 million tonnes with average grade of 0.95% Cu and 8 g/t Ag occurring within 150m of surface.

The relevance of the foreign estimate to Solis is that it represents the first attempt to model the lateral and depth extents and average grades of the manto style mineralisation within the project area, and provides Solis with a tool for future work targeting this style of mineralisation.

It is unknown if APGC’s foreign estimate was completed and reported using any of the known international reporting guidelines and definitions (e.g. the Comision Minera (Qualifying Commission of Competences in Mineral Resources and Reserves) in Chile, the Canadian Institute of Mining (CIM) or the Joint Ore Reserves Committee (JORC) in Australia). Neither Solis nor SRK have done sufficient work to verify and report the foreign estimate as a Mineral Resource as outlined in the various codes.

In 2016, Santiago Metals Limitada undertook geological mapping at a 1:20,000 scale in the project area, in order to characterise the lithology, alteration, mineralisation and structures to evaluate mineral resources to feed its leach plant, located near Inca de Oro village. Santiago Metals concluded that the sulphide mineralisation potential is large, but not so the potential for oxide mineralisation, its main interest, so decided not to pursue the project.

Refer to section 2.4 and 2.5 of the Independent Geologist’s Report at Section 8 of this Prospectus for further details on the geology and history of the Mostazal Property.

(d) **Location and infrastructure**

The Mostazal Copper Project is located in the Chañaral Province of the Third Atacama Region, Chile, approximately 80 kilometres from the regional mining centre of Copiapo and 30 kilometres to the east of the village of Inca de Oro (Figure 2).

The project concessions are accessed from Copiapo via sealed road to Inca de Oro, then via unsealed gravel roads to the project itself. Access within the Mostazal Project concessions themselves is via a network of unsealed access tracks.

The Mostazal Project is situated approximately 2,450m to 3,000m above sea level, on the western flanks of the Andes Mountain Range. Topographically, the Mostazal Project is centred around the Chañaral Alto gulch, an incised drainage channel, rising in elevation to the north and south (Figure 4).

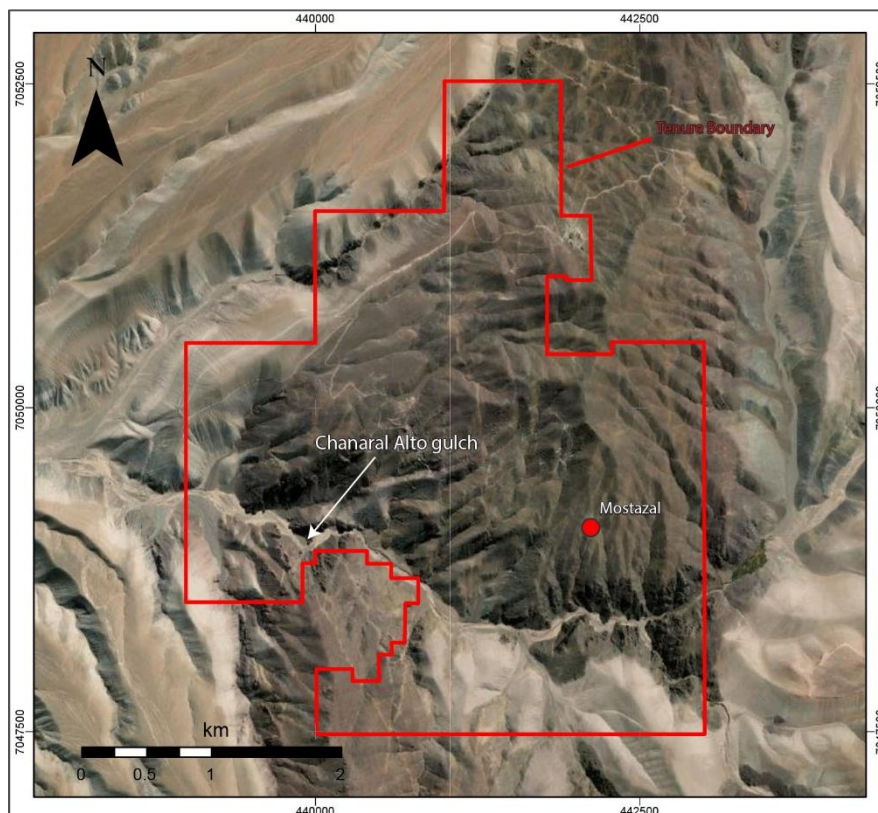


Figure 4: Mostazal Copper Project – Site access map

(e) **Schedule of mining claims**

A schedule of the mining claims the subject of the Mostazal Project is contained at section 2.3.1 of the Independent Geologist's Report in Section 8 and in the Chilean Solicitors Report at Section 10.

(f) **Planned activities**

The Company has allocated an amount of A\$1,445,510 (in the case that Minimum Subscription funds are raised) and A\$2,359,732 (in the case of the Maximum Subscription amount) to the planned exploration activities on the Mostazal Project over the next 2 years. For further details of how the Company plans to use the funds raised by this Offer, see Section 1.11 of this Prospectus.

Proposed work for the Mostazal Project includes diamond drill testing of four separate target areas (Figure 5) including: Target Area 1 - the interpreted

porphyry target; Target Area 2 - the main area of manto mineralisation; Target Area 3 - the eastern soil/ magnetic anomaly; and Target Area 4 – the northern soil/ magnetic anomaly. Other planned activities include review of historical data and drill cores, detailed geological re-logging and alteration mapping, and down-hole geophysical surveys.

The purpose of this program is to drill test: a “high chargeability” and “low magnetic” geophysical anomaly to locate the source of copper, silver and gold mineralisation encountered at surface, which may be a distal expression of a much larger porphyry system at depth; near surface manto style mineralisation; and coincident copper-in-soil geochemical and magnetic geophysical anomalies.

Details of the planned exploration activities include:

- Phase I: An estimated 1,950m of diamond drilling in an estimated four holes to an average depth of 450-500m. Phase I drilling will target priority target areas including both porphyry and manto mineralisation targets (Figure 5) and is funded under the Minimum Subscription.
- Phase II: an additional estimated 1,850m of HQ diamond drilling to follow-up results from the Phase I drill holes. Phase II drilling is contingent on assay results from Phase I drilling and is also contingent on observations and raising the Maximum Subscription amount of A\$6 million.
- Drill core samples are to be collected as 2m composite samples and submitted for detailed multi-element analysis including for base and precious metals.
- Post drilling a down-hole geophysical survey will be undertaken to assist in further directing of potential subsequent drilling activities.
- All drill cores will be photographed, logged in detail for geological and structural information, along with basic geotechnical data including RQD (rock quality designation) and drill core recovery information.
- All samples will be sent to an independent laboratory for analysis, with residual core retained on site for future reference.
- Selected samples will be sent for detailed petrological analysis including spectral analysis to assist in alteration mapping.

Drilling at the Mostazal Project is scheduled to commence as soon as practicable following Admission (with a best estimate expectation of January 2022) and is anticipated to be completed over a 6 month period based on a 24 hour operation shift involving 40 personnel on a 7 day on / 7 day off working roster. The Company anticipates drill testing two of the four targets in Phase 1, but reserves the right to adjust the work program as it sees fit, depending on results and observations obtained from the drill program as it progresses. The Company has an existing contract for up to 3,000m of drilling and intends to seek an extension to this contract to 3,800m, assuming commitment to Phase II of the program.



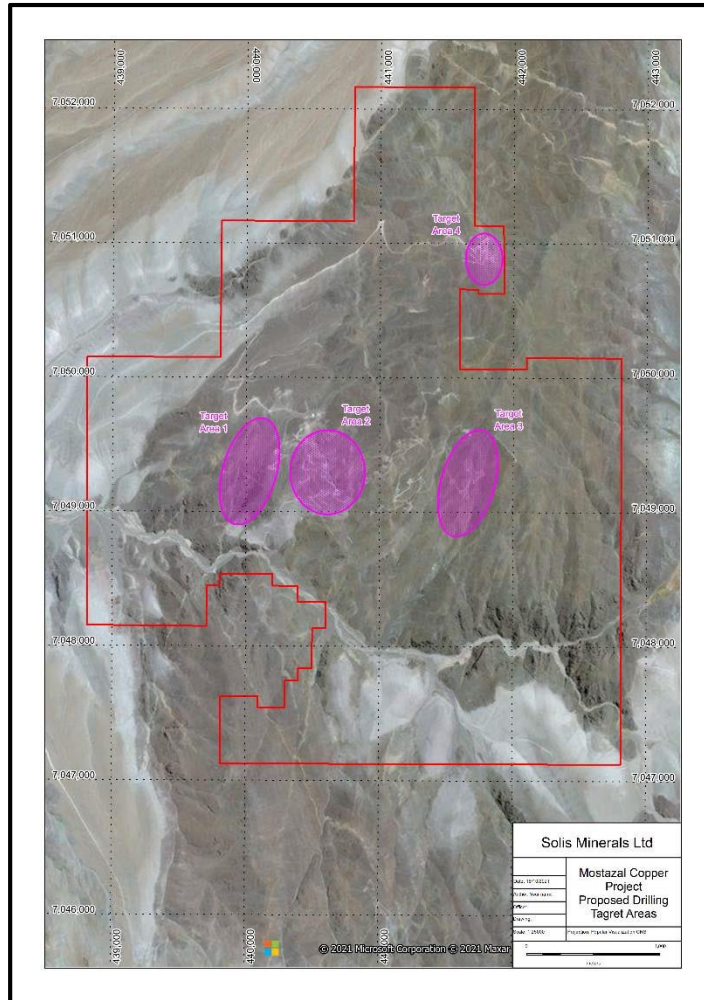


Figure 5: Mostazal Copper Project – Proposed Phase I and Phase II diamond drill hole target area locations.

(g) **Land access arrangements**

The Mostazal Project comprises a total of 8 granted Exploitation Mining Concessions covering a total area of 1,317 hectares. The 8 concessions have been constituted in accordance with the Chilean Mining Code 1983, which provides the titleholder of exploitation mining concessions the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted.

As detailed in the Chilean Solicitors Report at Section 10 of this Prospectus, Articles 14 and 15 of the Chilean Mining Code provides that preliminary exploration works, including drilling, may be done in open and uncultivated lands, whoever the owner may be, without the need of an authorisation. Accordingly, in this case no separate access agreement is required, as the work plan occurs on open and uncultivated State lands.

Refer to section 2.3 of the Independent Geologist's Report at Section 8 and Part III (A) of the Chilean Solicitor's Report at Section 10 of this Prospectus for further details on the Mostazal Project concessions.

(h) **Permitting requirements**

On 18 August 2021, approval was requested from SERNAGEOMIN (Chile's National Geology and Mining Service) to commence activities, including an exploration drilling program on the Mostazal Project. This approval was granted on 4 October 2021.

The proposed work program is for a duration of six months anticipated to commence as soon as reasonably practicable after Admission (involving 40 personnel on a 7 day on / 7 day off work roster). The site will be managed by the Company's Country Manager for Chilean Operations (Mr Angelo Peri).

Due to the size and scale of the Company's proposed work program, no environmental permits or authorisations are required in addition to the SERNAGEOMIN approval. Other than the drill contract extension required for its Phase II drilling program, the Company confirms that there are no legal, regulatory, statutory or contractual impediments to entering the particular Mostazal concessions covered by this exploration program and carrying out the planned exploration activities such that the Company will be able to spend its allocated cash in accordance with its commitments for the purposes of Listing Rules.

## 2.4 Overview of Peruvian Projects - Including Ilo Este and Ilo Norte

(a) **Peruvian Project Composition**

The Company owns a 100% interest in a number of copper-focused projects located in the department of Moquegua, in southern Peru.

The Company's Ilo Este Copper Project is located approximately 20 kilometres northeast of the port city of Ilo, and is hypothesized to be a large, eroded porphyry containing copper, gold, silver and molybdenum, with an identified mineralised trend over three square kilometres.

The Ilo Norte Copper Project is located approximately 20 kilometres north-northeast of the city of Ilo and consists of a 10 km long alteration system, hosting iron-oxide-copper-gold mineralisation (IOCG), (Figure 6).

The city of Ilo hosts deep-water port and a copper smelter and refinery (Figure 8) owned by Southern Peru Copper Inc.

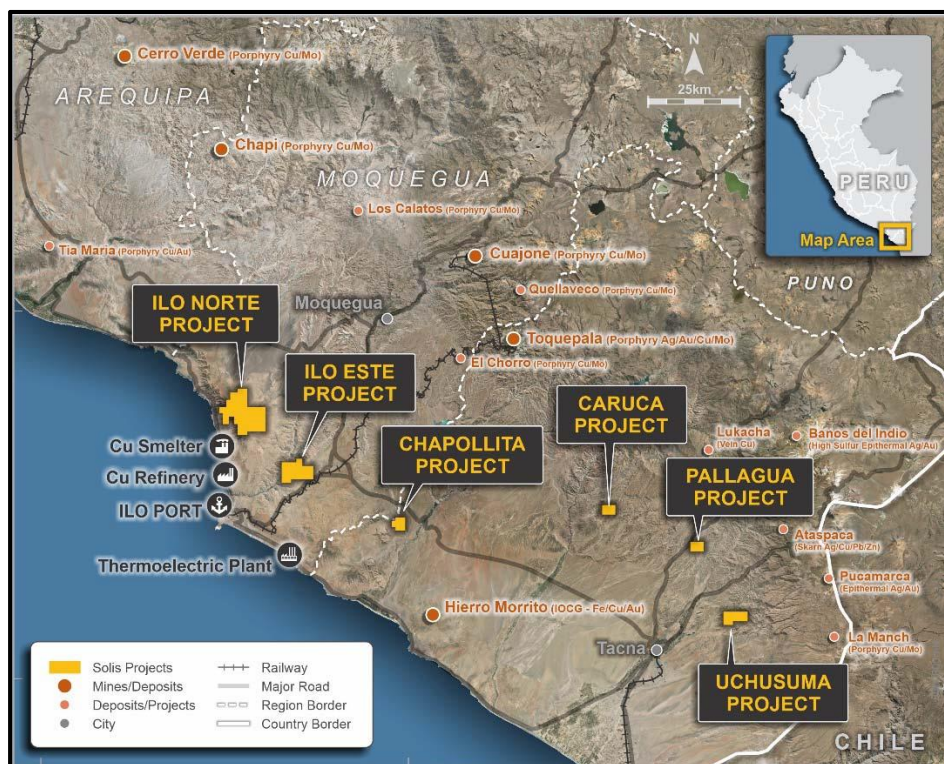


Figure 6: Solis Minerals Ltd – Peruvian Projects' Location Plan

Solis also owns a 100% interest in several earlier-stage concessions in Peru, the Chappolita, Caruca, Pallagua and Uchusma Projects, located to the east and southeast of Ilo Este (Figure 6). These earlier-stage projects will initially require much less funding, and will be explored as secondary priorities, compared to Ilo Este and Ilo Norte, and do not form part of the Company's work plans under this Prospectus. Apart from Chappolita (a mining concession) the remaining projects comprise pediments (applications).

Accordingly, the Company's current focus in Peru is on its Ilo Este and Ilo Norte Projects, with the current exploration budget for Peru being allocated to these two key projects. Small amounts of working capital may be budgeted to be spent on secondary targets, in conjunction with the more significant work programs on Ilo Este and Ilo Norte, as determined by the Board of the Company and management and subject to the Company obtaining all necessary permits and land access rights to carry out exploration on its other Peruvian projects.

Further information on the Company's Peruvian projects, including a tenement table, is contained in section 3 of the Independent Geologists Report at Section 8 of this Prospectus and in the Peruvian Solicitors Report (Exhibit A) at Section 9 of this Prospectus.

(b) **Acquisition of Peruvian Projects**

In February 2018, the Company (through its wholly owned subsidiary, Westminster Peru S.A.C.) entered into a Property Purchase Agreement to acquire a 100% interest in its package of Peruvian assets, including the Ilo Este and Ilo Norte Projects, from Latin Resources (a related party of the Company).

Refer to Section 4.4 for a summary of the terms and conditions of the Property Purchase Agreement and to Section 6.15(e) for details on the Company's relationship with Latin Resources.

(c) **Ilo Este and Ilo Norte Project Overview**

The Ilo Este and Ilo Norte Projects are a portfolio of exploration concessions in the highly prospective coastal IOCG/porphyry copper belt of southern Peru. Solis believes that the mineralisation identified on Ilo Norte is part of an IOCG system, with a high-grade copper-skarn target; while the mineralisation at Ilo Este is part of a copper-gold-molybdenum porphyry system.

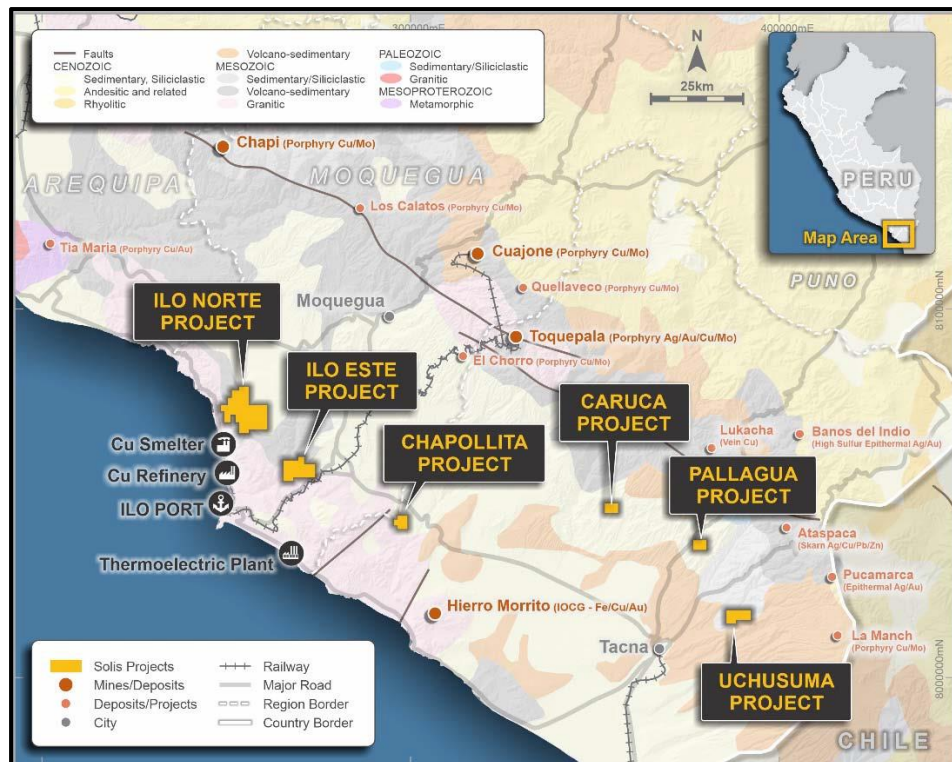


Figure 7: Solis Minerals Ltd – Peruvian Projects' Location Plan, and simplified regional scale geology

The Ilo Norte and Ilo Este project areas are composed of mostly interlayered andesite volcanic rocks and volcanoclastic sedimentary rocks of the Lower Jurassic Chocolate Formation, the Upper Jurassic Guaneros Formation and the Lower to Middle Cretaceous Toquepala Group. The andesitic rocks are fine to medium-grained lavas and subvolcanic intrusives and the volcanoclastic rocks are typically fine to medium grained sandstones and coarser conglomerates (Figure 7).

Intruded into the Chocolate and Guaneros formations is the Cretaceous age Ilo Batholith which comprises gabbros, gabrodiorites and diorites. It is these intrusives that have driven the regional metamorphism and mineralisation.

Further detailed information on the geology and mineralisation at the Ilo Norte and Ilo Este projects is contained in section 3.4 and 3.5 of the Independent Geologists Report at Section 8 of this Prospectus.

(d) **Ilo Este Project - Historical Exploration**

The Ilo Este Project does not have any mineral resource estimates, current or historical. Ilo Este has been only partially explored and, while the Company is optimistic that Ilo Este could potentially host economic mineralisation, given the early stage nature of the project, there is no guarantee that continued exploration will produce positive results.

During 1999, a division of the Rio Tinto Group ("RTZ") carried out preliminary reconnaissance work over the Ilo Este project area.

In 2000, RTZ carried out an exploration program over an area which included the Ilo Este concessions. A nine square kilometre area was mapped and 15 trenches were geochemically sampled. This work was followed up with a reverse circulation drilling program that consisted of 12 holes for a total of 2,128 metres. No results are available, although the location, orientation and dip of each drill hole has been reported, but has not been verified.

Previous owner Latin Resources initiated a number of geological and alteration mapping campaigns, with the most comprehensive completed in 2014, which defined two roughly parallel, east-southeast-trending intrusive belts, each over 1 kilometre in length, 0.5 kilometre in width, and both hosting typical copper-gold porphyry alteration and mineralisation.

In 2014 a geophysical contracting company called Real Eagle Exploration completed 119 linear km of magnetic survey lines for Latin Resources.

From August 2014 until January 2015 Latin Resources drilled three diamond drill holes at Ilo Este for a total of 2,073m. Each hole intercepted variable but low grade copper, gold molybdenum and silver mineralisation.

In mid 2015, a joint venture (now dissolved) was entered into with Compania Minera Zahena S.A.C. Between November 2015 and April 2016, Zahena completed 9 diamond drill holes for a total of 5,322 meters at Ilo Este on an irregular grid. Most of the drilling was completed in HQ diameter core, and generally intercepted hypogene mineralisation with copper values between 0.1% and 0.3%. The highest-grade intercept was 21 metres grading 0.28% copper starting at 612 metres downhole. Three drillholes were not sampled as they failed to penetrate a thick sedimentary cover sequence.

Refer to section 3.4 - 3.6 of the Independent Geologist's Report at Section 8 of this Prospectus for further details on the geology and history of the Ilo Este Project concessions.

(e) **Ilo Norte Project - Historical Exploration**

During 2000, Southern Peru Copper Company carried out mapping and sampling of the broad Ilo area between the smelter and the town of Cerrillos, 175 kilometres to the north, with no data available.

In May 2003, Teck Corporation flew airborne magnetic and radiometric surveys and completed stream sediment and rock chip sampling surveys in the region

including the northern two-thirds of the Ilo Norte Project area, highlighting several magnetic anomalies.

In 2009, the previous owner Latin Resources carried out reconnaissance work and applied for the concessions. A ground magnetic survey was carried out over Ilo Norte by Fugro Ground Geophysics between April and July 2009. In total approximately 300 linear kilometres of survey lines were completed, delineating several new magnetic anomalies.

A ground gravimetric survey was carried out over Ilo Norte by Fugro Ground Geophysics in March 2010. The gravity surveying was difficult to correct due to the steep terrain, but did produce a separate anomaly 400 metres west of the primary surface geology and magnetic anomaly at Ilo Norte.

In April 2011, a reverse circulation drilling program consisting of eight holes for a total of 2,690 metres was completed. Seven of the eight holes intercepted anomalous copper-gold mineralisation and iron oxides.

Detailed 1:5,000 scale geological mapping of the available exposure was carried out in 2011 – 2012.

An Induced Polarisation survey was completed by Val D'or Geofisica S.A.C for Latin Resources on the Ilo Norte Project during December 2012 and January 2013. The survey consisted of three parallel survey lines at a spacing of 400 meters, for a total of 11.9 line-km. A chargeability anomaly was interpreted that splits into northern and southern anomalies at approximately 2-300m depth.

In January 2014 a joint venture (now dissolved) was executed with Compania Minera Zahena S.A.C and, between April and December 2014, Zahena completed 16 diamond drill holes for a total of 12,658 meters at Ilo Norte on an approximate 400m grid. Most of the drilling was completed in HQ diameter core. Numerous longer (15-40 metres) but lower-grade copper mineralised intercepts were encountered, erratically distributed within the volcanoclastic sequences, with a number of shorter higher-grade intercepts also reported.

Refer to section 3.4 to 3.6 of the Independent Geologist's Report at Section 8 of this Prospectus for further details on the geology and history of the Ilo Norte Project concessions.

(f) **Location and infrastructure**

Ilo Este and Ilo Norte are both located in the department of Moquegua, in southern Peru, approximately 22 kilometres north-northeast and 20 kilometres northeast respectively of the port city of Ilo, which hosts a copper smelter, refinery and deep-water port (Figure 8).

Access to the Ilo Este Project area is relatively simple, travelling from Ilo to the northeast along the main Pan-American Highway then via unsealed gravel road to the project itself.

Access to the Ilo Norte Project is more difficult, with no direct access to the more prospective higher areas of the project from the Pan-American Highway.

To gain access to this area it is necessary to travel approximately 78 kilometres to the northeast from Ilo along the Pan-American Highway, then a further 32 kilometres to the west-southwest along the Pan-American Highway. From here access to the project area is via a series of unsealed gravel roads further to the southwest.

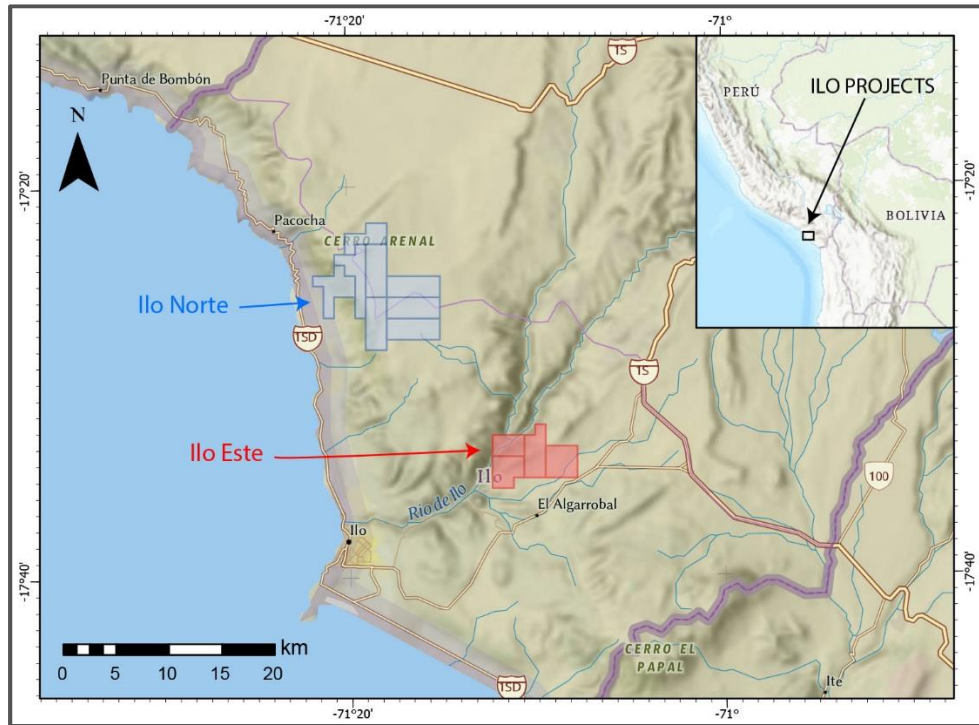


Figure 8: Location of Ilo Norte and Ilo Este Copper Projects. IS = Pan American Highway.

(g) **Schedule of mining claims**

A schedule of the mining claims for all of the Company's Peruvian concessions, including those comprising the Ilo Este and Ilo Norte Projects, is contained in section 3.3.1 of the Independent Geologist's Report in Section 8 and the Peruvian Solicitors Report (Exhibit A) at Section 9.

(h) **Planned activities**

The Company has allocated an amount of A\$235,600 to the planned exploration activities including geophysical surveys on the Ilo Este and Ilo Norte Projects over the next two years, under the Minimum Subscription and Maximum Subscription amounts. The aim of the work is to define potential drilling targets for future, as yet unscheduled assessment.

For further details of how the Company plans to use the funds raised by this Offer, see Section 1.11 of this Prospectus.

The planned exploration activities include geophysical surveys to define drill targets, as described below.

(i) **Ilo Norte**

Proposed work for the Ilo Norte Project includes acquisition of additional IP survey line data and an extension of the magnetic survey data via an additional ground/ drone survey (Figure 9). The aim of the work is to define potential target areas for future drill testing.

Details of the proposed work is as follows:

- An extension of the 2012 IP survey will be completed to extend the survey coverage to the east and west. A chargeable zone is interpreted to extend east and west beyond the 2012 survey coverage and coincides with a magnetic anomaly with a NE- SW strike. An additional five 400m spaced transects will be completed continuing westward from the 2012 survey and another three transects to the east.

Due to the steep terrain to the west of the existing IP traverses, acquisition is expected to be difficult with slow production. Results may also be compromised depending on the ground conditions and ability to make good electrical contact through transmitter and receiver points.

- Re-processing of the 2012 IP data together with the new survey data will be undertaken as it may be possible to get better inversion models from the combined dataset.
- Additional drone or ground magnetic survey will be undertaken, to extend coverage to the north and east to allow for a 3D inversion model block to be generated over the area and allow interpretation based on 3D models from IP and ground magnetic data.



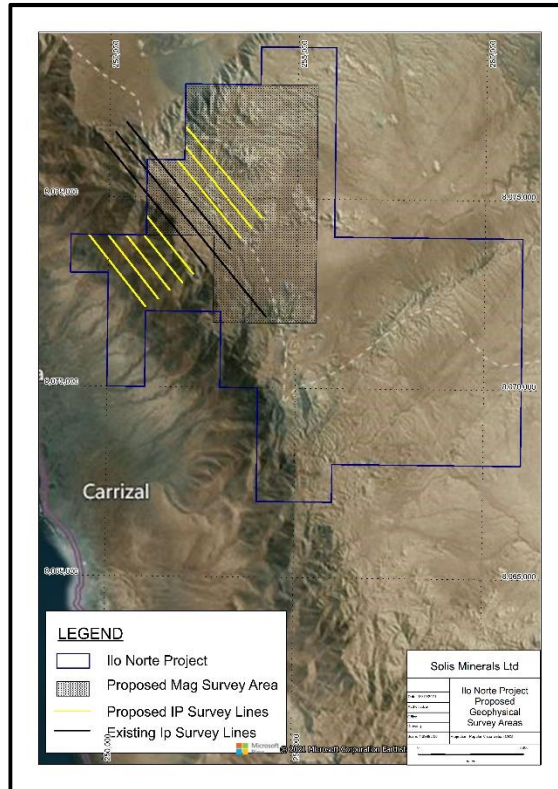


Figure 9: Ilo Norte Project showing 2013 IP transects (black), proposed new IP transects (yellow) and proposed extension area of the ground magnetic data (hatched area).

(ii) **Ilo Este**

Additional information is required in order to define drill targets. The original 2014 ground magnetic survey raw data covering the Ilo Este Project area has not been located, and as such no reprocessing of the data has been undertaken. Further attempts to recover this data will be made.

- In the absence of the raw data an additional ground mag or drone surveys will be undertaken to recapture the anomalies noted at section 3.17 of the Independent Geologist Report at Section 8 of this Prospectus.
- Further analysis in the form of 3D inversions will be undertaken on the new survey data (or the original data if it can be sourced), with the aim of planning of any additional geophysical surveys and or defining potential target areas for future drill testing.

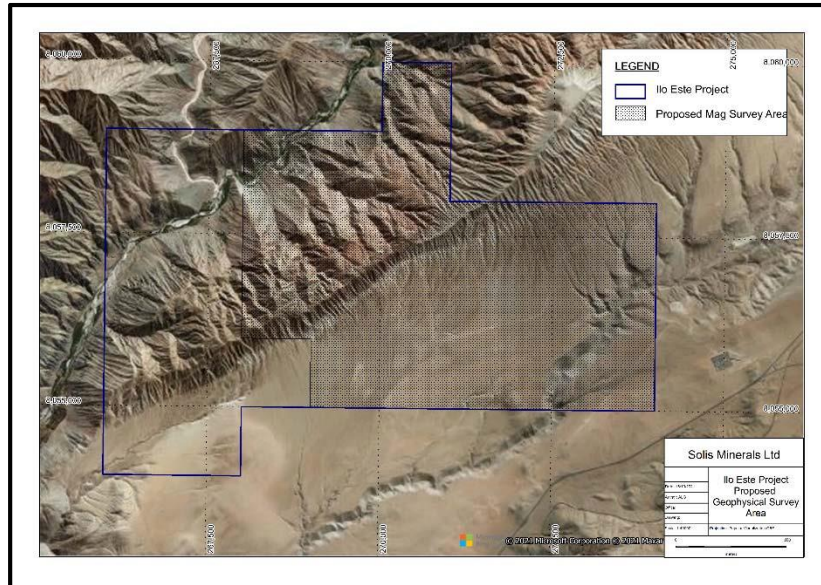


Figure 10: Ilo Este project showing the area (hatched area) for ground magnetic data re-acquisition.

The Company confirms that, other than securing access rights, there are no legal, regulatory, statutory or contractual impediments to entering the particular Ilo Este and Ilo Norte concessions covered by this exploration program and carrying out the planned exploration activities such that the Company will be able to spend its allocated cash in accordance with its commitments for the purposes of Listing Rules.

(i) **Land access arrangements – Ilo Este and Ilo Norte**

Under Peru's Mining Act, the 13 granted concessions are "mining concessions" comprising the Ilo Este and Ilo Norte Projects carry a right to explore for and exploit minerals, being a property right granted by the Peruvian Government, independent from the ownership of the surface land on which it is located. To conduct exploration or mining activities the holder of the concession must obtain land use rights in one of the ways supported by Peruvian law.

The Company is yet to secure land access arrangements for its Peruvian projects (Ilo Norte and Ilo Este). In order to obtain access to undertake the geophysical surveys the Company must enter into an agreement with any private landowners or, if the land is owned by the State, apply for access permission from the State. The current title holders of the surface land underlying Company's proposed geophysical exploration activities are Southern Peru Copper Corporation, Secursal del Peru (**SPCC**) and the State. As at the date of the Prospectus, negotiations have not commenced with SPCC. In the case of gaining access to undertake geophysical surveys on State land, the Company understands that no access permission is required.

(j) **Permitting requirements – Ilo Este and Ilo Norte**

The Company confirms that, other than securing access arrangements from the private landowner, there are no legal, regulatory, statutory or contractual impediments to entering the particular Ilo Este and Ilo Norte concessions

covered by this geophysical exploration program and carrying out the planned exploration activities such that the Company will be able to spend its allocated cash in accordance with its commitments for the purposes of Listing Rules. However, on completion of the geophysical surveys, should the Company proceed to undertake drilling activities, then further permits will be required.

## 2.5 Company history

The Company was admitted to the TSX-V on 15 July 2008. It originally traded under the symbol 'WMR' (which was recently changed to 'SLMN' following change of the Company's name to Solis Minerals Ltd.).

The Company's securities were also admitted to the Frankfurt Exchange on 25 November 2010 under the symbol 08W. The Company's shares have also previously been traded 'over-the-counter' on the US OTC Pink Open Market' platform under the symbol 'WMRSF', but are now considered to be 'Gray Market' securities; meaning the securities are not formally quoted or traded on the OTC Markets, but rather unsolicited transactions are processed independently with trades being reported to a self-regulatory organisation (established under US securities law) which passes data on to market data companies.

Other transactions, capital raisings undertaken by the Company and corporate events affecting capital structured during the life of the Company are noted below:

On 27 January 2006, the Company changed its name to Westminster Resources Ltd.

On 1 February 2006, the Company entered into an option agreement with United Exploration Management Inc. (**UEM**) to purchase claims in British Columbia, Canada referred to as the Honeybun property. Along with cash compensation of C\$100,000, the Company issued 1,500,000 Shares to UEM. The Company subsequently (on 31 May 2010) wrote down all costs associated with the Honeybun Property and divested the claims.

On 28 February 2006, the Company issued 11,700,000 Shares at a price of \$0.001 per Share for gross proceeds of C\$11,700 and completed a non-brokered private placement issuing 4,550,000 Shares at a price of \$0.10 per Share for gross proceeds of C\$455,000.

On 31 October 2006, the Company completed a non-brokered private placement issuing 1,557,000 Shares at a price of C\$0.20 per Share for gross proceeds of C\$311,400.

On 12 October 2007, the directors of the Company surrendered for no consideration 3,200,000 of the founders' Shares back to the Company's treasury, and the 8,500,000 founders' Shares remaining outstanding were revalued, with 5,000,000 being revalued to C\$0.00234 per Share, and 3,500,000 revalued to C\$0.05 per Share, resulting in an additional C\$175,000 being paid by the directors for their founders' Shares. The surrender of Shares resulted in a reduction of capital stock of C\$171,276 and a corresponding increase in contributed surplus.

On 11 July 2008, the Company completed its initial public offering by issuing 8,000,000 Shares at a price of \$0.25 each to raise gross proceeds of C\$2,000,000. The Company also issued agents' Warrants entitling the holder to acquire up to 800,000 Shares at C\$0.25 per Share, exercisable on or before 15 July 2010 (now expired). The Company was also admitted to the TSX-V on 15 July 2008. It originally traded under the symbol 'WMR' (which was recently changed to 'SLMN' following change of the Company's name to Solis Minerals Ltd.).

On 25 November 2010, the Company's shares began trading on the Frankfurt Exchange under the code 08W.

An exploration and exploitation agreement with purchase option was signed on 17 December 2008 giving Minera Westminster (one of the Company's then Mexican Subsidiaries) the right to explore and exploit, as well as to purchase the Fafy and Yoribiobe concessions (forming part of the Company's now divested historical Mexican assets) for staged payments of US\$1,000,000.

On 13 May 2009, the Company completed a non-brokered private placement by issuing 3,400,000 Shares and 3,400,000 attaching Warrants at a price of C\$0.25 per unit for gross proceeds of C\$850,000. Each Warrant entitled the holder to purchase one additional Share at C\$0.30 per Share until 13 May 2011.

On 23 June 2009, an agreement to acquire a 75% interest in La Kala Concession and La Kala 2 Concession was entered into with Minera Van Gold, S. de R.L. de C.V. ("Minera VG") by making staged cash payments totalling US\$1,058,000 and staged exploration expenditures totalling US\$2 million. The expenditure requirements were later amended in February 2012 to US\$1,700,000. (The La Kala concessions form part of the Company's now divested historical Mexican assets).

On 17 March 2010, an agreement to acquire a 100% interest in the El Cobre concessions was entered into by completing staged cash payments of US\$1,500,000 over a 5 year period (**El Cobre Purchase Option**).

Douglas, Douglas 1, Douglas 2, Douglas 3, Douglas 4, El Cobre 1 and El Cobre2 concessions were staked by Minera Westminster (one of the Company's then Mexican Subsidiaries) and were owned 100%. Lya 2, Los Amigos, San Bartolo, El Guayacan, Los Alamos and El As3 were purchased outright for cash, for a total amount of US\$70,000. (The Douglas and El Cobre concessions form part of the Company's now divested historical Mexican assets).

On 3 December 2010, the Company completed a non-brokered private placement by issuing 1,428,571 units at \$0.35 per unit for gross proceeds of C\$500,000. Each unit consisted of one Share and one-half Warrant with each whole Warrant entitling the holder to acquire one Share at C\$0.47 until December 3, 2012. The Company also issued 42,957 agent Warrants with a fair value of \$10,967.

On 14 December 2010, the Company completed a non-brokered private placement by issuing 2,274,500 units at C\$0.45 per unit for gross proceeds of C\$1,023,525. Each unit consisted of one Share and one Warrant entitling the holder to acquire one Share at C\$0.56 until 14 December 2012. The Company also issued 90,000 units with a fair value of \$40,500 and 160,780 agent Warrants with a fair value of \$30,291.

During the year ended 31 May 2011, a total of 1,229,242 Warrants were exercised for gross proceeds of C\$391,485, and a total of 415,000 Options were exercised for gross proceeds of C\$103,750.

On 17 November 2011, the Company completed a non-brokered private placement by issuing 10,540,000 Shares at C\$0.10 per Share for gross proceeds of C\$1,054,000, with 469,600 agent Warrants with a fair value of C\$27,706 also being issued. Each agent Warrant entitled the holder to acquire one Share at \$0.10 until 17 November 2012.

On 13 April 2012, the Company completed a non-brokered private placement by issuing 5,830,000 Shares at C\$0.15 per Share for gross proceeds of C\$874,500.

On 17 April 2012, the Company signed an option agreement with Capstone Mining Corp. (TSX:CS) granting Capstone the right to acquire up to a 70% interest in the Cumbal San Bartolo prospect area of the El Cobre Project through staged exploration expenditures totalling C\$9.3 million by 31 December 2015, and delivering a scoping study by 30 June 2016. This agreement was later terminated by Capstone on 8 July 2014, and the Company later re-purchased Capstone's residual interest in exchange for a royalty on the concessions. (The El Cobre Project forms part of the Company's now divested historical Mexican assets).

In the fiscal year ended 31 May 2012 the Company acquired by staking the Encenada concessions. (These concessions also form part of the Company's now divested Mexican assets).

The Company terminated the El Cobre Purchase Option and recognised a C\$2,400,000 property write-down during the year ended 31 May 2012. The El Cobre Project then consisted of Lya 2, Los Amigos, San Bartolo, El Guayacan, Los Alamos, El As3 Douglas, Douglas 1, Douglas 2, Douglas 3, Douglas 4, El Cobre 1 and El Cobre 2, El Guayacan 2, San Bartolo 1, San Bartolo 2 and La Mula concessions, all of which form part of the Company's now divested Mexican assets.

During the year ended 31 May 2012, the Company issued 1,500,000 Shares at C\$0.10 per Share and made cash payments of C\$343,000 to repay loans payable of \$493,000.

On 19 November 2012, the Company issued 56,640 Shares for the exercise of 56,640 Warrants at C\$0.10 per Share for proceeds of C\$5,664.

On 31 October 2012 the Company completed a non-brokered private placement with Capstone of 10,000,000 Shares at C\$0.10 per share to raise gross proceeds of C\$1,000,000.

On 21 August 2012, the Company issued 93,440 Shares for the exercise of 93,440 Warrants at C\$0.10 per Share for proceeds of C\$9,344.

On 7 March 2014, the Company closed the securities exchange with Global Resources Investment Trust plc (**GRIT**), being a junior mining institutional investor and issued 20,000,000 Shares at price of C\$0.06 per Share to GRIT, in exchange for 659,880 ordinary shares of GRIT, at the deemed price of £1.00 per GRIT Share, with fair value

of \$1,200,000. A finder's fee of \$60,000 is payable in connection with this transaction. The securities exchange functioned as a financing method for the Company, with the Company selling its shares in GRIT for cash proceeds, used for working capital.

On 2 February 2015, the Company closed a non-brokered private placement of 14,600,000 units at \$0.05 per unit to raise gross proceeds of C\$730,000. Each unit comprised one Share and one-half of Warrant, with each full Warrant entitling the holder to purchase one Share at C\$0.10 until February 2, 2017. A total of 64,000 finder's fee Warrants valued at C\$2,800 were issued in connection with this transaction. Each finder's fee Warrant entitled the holder to purchase one Share at C\$0.10 until 2 February 2017.

On 6 June 2014, the Company closed a non-brokered private placement of 635,000 units at C\$0.50 per unit to raise gross proceeds of C\$317,500. Each unit comprised one Share and one-half Warrant, with each whole Warrant entitling the holder to purchase one Share at C\$0.10 until 6 June 2016.

During the year ended 31 May 2015, the Company decided not to pursue the Fafy, Yoribiobe, La Kala, and La Kala 2 concessions (in Mexico) and has divested and written down the properties to nil.

On 21 April 2016, the Company closed a non-brokered private placement of 11,826,000 units at C\$0.05 per unit to raise gross proceeds of C\$591,300. Each unit comprised one Share and one Warrant, with each whole Warrant entitling the holder to purchase one Share at C\$0.10 until April 21, 2018.

During 2016, 2,200,000 Warrants with an exercise price of C\$0.10 per unit were exercised for gross proceeds of C\$220,000.

In July 2016 the Company acquired four lithium prospective claims (the Mer Lithium Project) in the Yellowknife Pegmatite Belt, located east of Yellowknife in the Northwest Territories of Canada. The purchase price was 50,000 Shares in the Company and C\$25,000 cash. These projects were divested and written down to nil during the year ended 31 May 2018.

On 1 May 2017, the Company completed a 1 for 10 Share consolidation. The Company's outstanding Options and Warrants were adjusted on the same basis (1 for 10) as the Shares, with proportionate adjustments made to the exercise prices.

On 25 May 2017, the Company issued 8,150,000 units at C\$0.12 per unit to raise gross proceeds of C\$978,000. Each unit comprised one Share and one additional Warrant, with each whole Warrant entitling the holder to purchase one Share at C\$0.16 for a 5 year term.

On 30 May 2017, the Company issued 1,026,666 Shares with a fair value of C\$256,867 to settle accounts payable of C\$859,966. The Company recognised a gain of C\$485,967 on the settlement.

During 2017, 178,500 Warrants with an exercise price of C\$1.00 were exercised for gross proceeds of C\$178,500 and 205,000 Options with an exercise price of C\$0.50 were exercised for gross proceeds of C\$102,500.

In May 2017 the Company closed a capital raising whereby the Company issued 8,150,000 Units at a price of C\$0.12 per Unit (on a pre-Consolidation basis), where each Unit comprised of one Share and one free-attaching Warrant. Post-Consolidation this was adjusted to 1,630,000 Warrants exercisable at C\$0.80 each. No related parties participated in this tranche of 2017 financing.

In June 2017 the Company closed the second tranches of the 2017 financing whereby the Company issued 3,870,000 Units at a price of C\$0.12 per Unit (on a pre-Consolidation basis), where each Unit comprised of one Share and one free-attaching Warrant. Post-Consolidation this was adjusted to 774,000 Warrants exercisable at C\$0.80 each. No related parties participated in this tranche of 2017 financing.

On 12 September 2017, the Company announced it had reached terms with Latin Resources (a related party and Insider of the Company) to acquire all of the Company's current Peruvian assets, including the assets and concessions comprising the Ilo Este and Ilo Norte Projects in exchange for 3.8 million shares of the Company (on a post-consolidation basis). The definitive transaction document (a Property Purchase Agreement summarised at Section 4.4) was entered into on 6 February 2018 with the transaction closing on 13 February 2018. Further details on the Company's relationship with Latin Resources and entry into this agreement are provided at Sections 6.15(a) and 6.15(e).

On 15 November 2017 the Company issued 350,000 Shares as part of a non-brokered private placement for gross proceeds of C\$80,500. The units consisted of one Share at C\$0.23 and one-half Warrant exercisable at C\$0.35 for a one year term.

During the year ended 31 May 2018, the Company did not renew certain claims in the El Cobre Project, Mexico and recorded a write down of C\$794,070.

During the year ended 31 May 2018, management decided to fully write down the Mer Lithium Project to nil, as it was not planning further exploration.

On 16 August 2018, the Company entered into a Farm-In Agreement with AusQuest Limited (**AusQuest**) pursuant to which AusQuest could earn a 65% interest in six Peruvian copper claims by completing a specified drill program, or a 75% interest by completing a Pre-Feasibility Study. It could then offer to buy the Company's remaining 25% interest for fair market value. Certain conditions precedent were not met, and the Farm-In agreement was terminated.

On 2 August 2018, the Company entered into an option agreement to acquire up to an 80% interest in the Saskatchewan Project and subsequently earned a 50% interest in that project. The Company has now relinquished all rights and interest in the Saskatchewan Project, having signed the Saskatchewan Termination Agreement in August 2021. See Section 4.5 for further details of that agreements and divestment.

During the year ended 31 May 2019, the Company did not complete annual work assessments on the El Cobre Project in Mexico and therefore decided to write off all of the carrying value of the claims of \$1,677,780. The Company also did not renew certain claims in Peru acquired from Latin Resources in 2017 and recorded a write down of C\$84,801.

On 29 August 2019, the Company undertook a consolidation of its share capital on the basis of one post-Consolidated Share for every five pre-Consolidated Shares. At that time it had 47,270,495 Shares on issue, which reduced to 9,454,099 Shares on issue on a post-Consolidation basis (with a corresponding consolidation being made to the Company's other classes of Securities then on issue).

On 21 October 2020, the Company entered into debt settlement agreements with certain related parties converting C\$254,540.35 of debt for 2,545,404 Shares. Further details are disclosed at Section 6.15(b).

On 21 October 2020, the Company completed a private placement of C\$696,340 through the issue of 6,963,400 Shares at C\$0.10 per Share, with one free-attaching Warrant (exercisable at C\$0.20 for two years) for every *two* new Shares issued. Latin Resources (a related party) participated in this financing and subscribed for 1,100,000 Units (comprising 1,100,000 Shares and 550,000 Warrants), with all requirements of Multilateral Instrument 61-101 (MI 61-101) being complied with in respect of LRS' participation.

On 11 March 2021, the Company announced plans to acquire an initial 49%, and up to a 100% of the Mostazal Copper Project, for staged payments totalling US\$5 million over four years, along with staged work expenditures totalling US\$5 million. The definitive transaction document was entered into on 23 June 2021. Further details are disclosed at Section 4.2 and Section 4.3 (in respect of the related NSR Royalty).

On 12 May 2021, the Company closed its most recent private placement, raising C\$2,755,750 through the issue of 13,778,750 new Shares at C\$0.20 per new Share, with one free-attaching Warrant (exercisable at C\$0.30 for two years) for every *two* new Shares issued. The following Insiders and related parties participated in the financing, with all regulatory requirements in respect of related party participation (including under MI 61-101) having been complied with:

- Latin Resources subscribed for 2,700,000 Units (comprising 2,700,000 Shares and 1,350,000 Warrants);
- Christopher Gale subscribed for 250,000 Units (comprising 250,000 Shares and 125,000 Warrants);
- Jason Cubitt (via Jason Cubitt Holdings Inc.) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants);
- Rod Stevens subscribed for 50,000 Units (comprising 50,000 Shares and 25,000 Warrants);
- Carrie Howes (via Rayleigh Capital Ltd) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants). (Rayleigh Capital's services were terminated by the Company on 30 August 2021).

On 20 July 2021, the Company changed its name to 'Solis Minerals Ltd.'

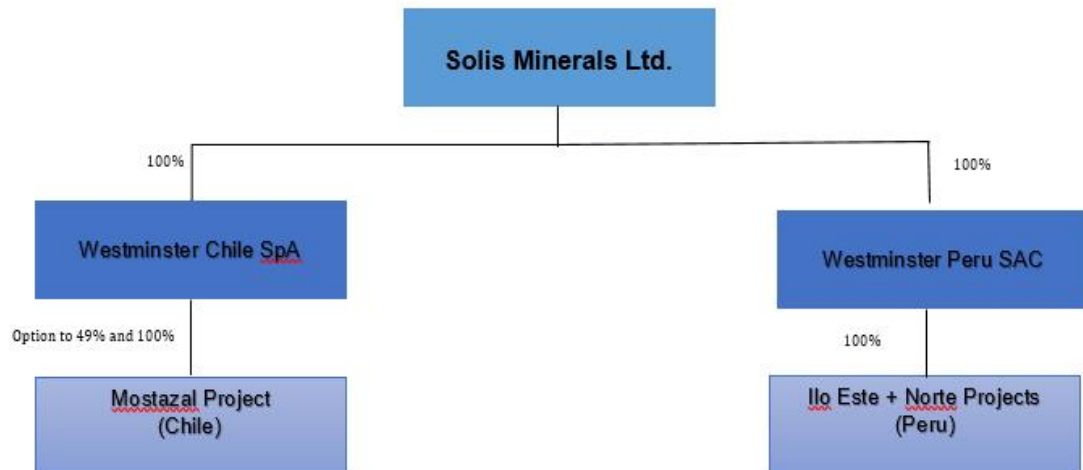
The Board's focus is now on the Mostazal Project, Ilo Este Project and Ilo Norte Project as detailed in Sections 2.1 and 2.2.



## 2.6 Company structure

The Company is part of a corporate group, comprising the Company as the ultimate holding company and two subsidiaries (the Chilean Subsidiary and the Peruvian Subsidiary), having recently divested its two Mexican Subsidiaries.

The current Solis Group, following the divestments of the Mexican Subsidiaries, is depicted as follows:



## 2.7 Subsidiaries

Additional information of the Company's subsidiaries follows:

- (a) **Westminster Chile SpA (Chilean Subsidiary)** which:
- (i) holds the rights and interests comprising the Mostazal Project;
  - (ii) was incorporated in Chile by means of a public deed dated 24 March 2021, signed before Santiago's Notary Public. (In compliance with provisions set forth in the Chilean Commerce Code, an abstract of the Company's incorporation deed was duly registered at page 24.034, number 11.263 of the Santiago's Registry of Commerce of the year 2021, and published in the Official Gazette on March 29, 2021);
  - (iii) has the Chilean Tax ID number 77.342.272-9;
  - (iv) currently has registered equity of CLP\$1.000.000, which is represented by 1,000 shares with a par value of CLP\$1.000 each, all of which are held by the Company;
  - (v) is a simplified corporation (i.e. *sociedad por acciones or SpA*) duly organised, validly existing and in good standing under the laws of Chile. Simplified corporations are regulated by special rules contained in the Commerce Code, in conjunction with any private bylaws. Their regulation is more flexible than other types of corporations as it allows

special agreements regarding, for example, management, profit distributions, share ownership, multiple votes and restrictions to voting rights. SpAs may also be incorporated and operate with only one shareholder (whereas other Chilean corporations require a minimum of two). Its capital is divided into shares. They also provide for flexible management. Bylaws may establish different management options, such as appointing certain shareholder or shareholders, third parties or a board of directors. It is customary for simplified corporations to be managed by an administrator (often the shareholder) who may act personally or through one or more agents or managers;

- (vi) does not have a separate board of directors, as permitted by Chilean law, and is therefore subject to the direction of the Board of the Company;
- (vii) has two registered managers, being two individuals, each of whom act individually (each also being employed by the Company's Chilean lawyers, Bofill, Mir & Alvarez Jana Abogados); and
- (viii) is dependent on the Company for funding.

(b) **Westminster Peru SAC (Peruvian Subsidiary)** which:

- (i) holds the rights and interests of the Company's Peruvian projects (including the Ilo Este and Ilo Norte Projects);
- (ii) was incorporated in Peru, being recorded in file No. 14120577 of the Companies' Registry of the Lima office of the Public Registry and is identified with Taxpayers' Registry No. 20603385455;
- (iii) is a private closed stock corporation (i.e. sociedad anónima cerrada or SAC) duly organised, validly existing and in good standing under the laws of Peru. This type of company requires a minimum of two shareholders, with shareholders' liability limited to the amount of their contributions. A Board of directors is not necessary, with many such corporations being managed by a general manager and through shareholders' meetings;
- (iv) currently has registered capital stock of PEN 1,000, which is represented by 1,000 shares with a par value of PEN 1.00 each. Of these shares 999 are owned legally and beneficially by the Company, and 1 share is owned legally by the Company's Chairman (Mr Christopher Gale) as bare trustee, for the benefit of the Company. Upon Mr Gale's cessation as director for any reason, he must transfer this share to another director of the Company to be determined by the Board;
- (v) does not have a separate board of directors, as permitted by Peruvian law, and is therefore subject to the direction of the Board of the Company;
- (vi) has a registered general manager, being an individual resident in Peru;

(vii) is dependent on the Company for funding.

(c) **Mexican Subsidiaries**

Until recently, the Company had two Mexican Subsidiaries being Minera Westminster S.A. de C.V and Servicios Westminster S.A. de C.V.

These were recently divested by the Company pursuant to agreements dated 6 October 2021, further details of which are provided at Section 4.6.

## 2.8 Dividend policy

The Company does not expect to pay dividends in the near future as its focus will primarily be on using cash reserves to undertake exploration activities on each of the Mostazal Project, Ilo Este, Ilo Norte, Mostazal Projects.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend upon matters such as the availability of distributable earnings, the operating results and financial condition of the Company, future capital requirements, general business and other factors considered relevant by the Directors. No assurances are given in relation to the payment of dividends, or that any dividends may attach franking credits.

## 2.9 Financial information

The Investigating Accountant's Report in Section 7 contains a pro forma balance sheet of the Company following completion of the Offer together with an Investigating Accountant's Report. Investors should note the limitations of the Investigating Accountant's Report.

The financial information set out in the Investigating Accountant's Report includes the audited financial statements for the Company for the year ended 31 May 2021 (**Historical Financial Information**). The Company's Historical Financial Information was audited Davidson & Company LLP in accordance with the Canadian Auditing Standards. Davidson & Company LLP issued an unmodified audit opinion on the financial statements. However, refer to Section 3.2(a) as to statements made by the auditor in respect of going concern risk.

Financial statements prepared in future periods will be prepared in accordance with the recognition and measurement principles contained in International Financial Reporting Standards (**IFRS**) and the company's adopted accounting policies. Audits of those financial statements will be conducted in accordance with Canadian Auditing Standards.

Investors are urged to read the Investigating Accountant's Report in Section 7 in full.

## 3. Risk Factors

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### 3.1 Overview

An investment in the Company should be considered **highly speculative**, accordingly the Directors strongly recommend that potential investors consider the risks factors described below, together with information contained elsewhere in this Prospectus, and consult their professional advisers before deciding whether to apply for CDIs under this Prospectus.

Investors should be aware that the performance of the Company may be affected and the value of its CDIs may rise or fall over any given period. This Section identifies circumstances that the Board regards as the major risks associated with an investment in the Company and which may have a material adverse impact on the financial performance of the Company and the market price of the CDIs if they were to arise.

The Directors aim, and will aim, to manage these risks by carefully planning the Company's activities and implementing risk control measures. However, some of the risks identified below are highly unpredictable and the Company is limited to the extent to which they can effectively manage them.

The following risk factors are not intended to be an exhaustive list of the risk factors to which the Company is exposed. In addition, this Section has been prepared without taking into account any specific investor's individual financial objectives, financial situation and particular needs. Investors should seek professional investment advice if they have any queries in relation to making an investment in the Company.

### 3.2 Risks specific to the Company

#### (a) Going concern risk

The Company's audited account for its most recent financial year ended 31 May, 2021 included the following statements from the Company's auditors:

- (i) "We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a loss of C\$184,973 during the year ended May 31, 2021 and, as of that date, the Company's current assets exceeded its current liabilities by C\$2,106,867. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter" ; and
- (ii) "The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition and exploration of its E&E [Exploration and Evaluation] assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and expected growth, if necessary, or alternatively to dispose of its interests in certain properties. The outcome of these

matters cannot be predicted at this time. If the Company is unable to obtain additional financing, the Company may be unable to continue as a going concern."

The Company had a cash balance of C\$1,387,687 (approximately A\$1.51 million) as at 26 October 2021 (being the latest practical date before the Prospectus Date). Cash to be raised under this Prospectus is expected to improve the Company's cash balance. The Company expects to deploy its cash to facilitate the work plans as described in this Prospectus. There is no guarantee that additional funds can be raised in a timely matter and that the Company will continue as a going concern.

(b) **Contract risk**

The Company is party to an agreement pursuant to which it will acquire up to a 100% interest in the Mostazal Copper Project (see Section 4.2). The early termination of the agreement, for any reason, may mean that the Company will not realise the full value of the contract, which will adversely affect the growth prospects, operating results and financial performance of the Company.

(c) **Tenure risk - Chile (Unpaid licence fees)**

A total of six (of eight) mining concessions at Mostazal have unpaid licence payments from 2017 and 2018 (the Unpaid Concessions). The owners of these concessions are the Mostazal Companies (as detailed at Section 4.2). Under the Chilean Mining Code, the owner of the concessions may pay these fees in arrears by way of back payment equivalent to two times the unpaid fees (which calculates to approximately US\$33,319) in respect of the affected Concessions, or risk the General Treasury of the Republic of Chile taking the affected concessions to a public auction to force their sale resulting in loss of ownership. This may be avoided by the title owner paying the owed back payment before the declared auction date.

The public auctions for years 2017 and 2018 are currently suspended, due to the COVID-19 pandemic, however civil cases are scheduled to restart on 30 November 2021. As at the Prospectus Date, no court date has been set or advertised and there is no certainty as to the dates on which the auctions will be rescheduled. There remains a risk however, that once a court date is advertised and set, the current owners could fail to make the back payment prior to the auction date.

The current owners of the affected Concessions (which are currently under option to Solis) are seeking to have the unpaid fees declared void due to the statute of limitations. The Chilean Option Agreement between the Company and the current owners of the Mostazal concessions (discussed at Section 4.2(I)) provides that, if the license fees are still not paid or declared void prior to the second Mostazal Option Payment of US\$300,000 falling due by 23 June 2022, the Company may make the back payments and deduct that amount from the second Mostazal Option Payment. The Company intends to make the back payment prior to any court date (whenever that may be) and in any event, prior to June 2022. In addition, the Company also has a power of attorney contained within the judicially registered Chilean Option Agreement with the owners of the

affected Concessions. This power of attorney empowers the Company to undertake all acts necessary to protect the integrity of the concessions.

(d) **Tenure risk - Peru (Border zone concessions and overlaps)**

Three of the Company's pediments (applications for mining concessions) namely "Pallagua1", "Uchusuma A" and "Uchusuma B" Pediments, although not part of the Company's proposed work plan, will become part of the longer term plan for exploration in southern Peru, if and when granted. The pediments are located east and south east from Ilo Este and are located within 50 kilometres of the national border with Chile. As a consequence of this, and because the Company's subsidiary company that holds the application is not owned by Peruvian interests, the grant of the relevant mining concession titles is subject to the Company obtaining a Supreme Decree from the Peruvian Government.

The Company filed the relevant applications for obtaining the Supreme Decree on 2 July 2021 (for "Pallagua 1" and "Uchusuma A") and on 8 September 2021 (for "Uchusuma B"), however no response has been issued by the Ministry of Energy and Mines as at the Prospectus Date.

The Peruvian Government has not issued Supreme Decrees authorising the acquisition of mining related assets in the border area with Chile in recent years. If the Supreme Decree application is rejected, then the granting of a mining connection title in respect of the "Pallagua1", "Uchusuma A" and "Uchusuma B" will also be rejected. There can be no guarantee that the Supreme Decree will be granted or of the timing of any such grant, and therefore no guarantee that the Company will be successful in gaining the three concessions.

In addition, in respect of "Uchusuma A" and "Uchusuma B" these pediments (applications for mining concessions) partially overlap an earlier pediment with priority. If the underlying priority tenure is awarded, and the "Uchusuma A & B" tenements are also awarded, then the Company will not be able to undertake mining activities (including exploration) in the overlap areas without an agreement with the owner of the underlying tenement. There can be no guarantee that this may be achieved.

The Company does not have plans to explore in the pediments until grant of the concessions has been confirmed.

(e) **Tenure risk - Peru (Production penalties)**

Under Peruvian mining law, an owner of a mining concession must meet minimum production within the 30-year life of the concession or it will be cancelled. If minimum production (calculated at PEN 4,300 or US\$1,076 per hectare per annum) is not reached by the tenth year following the issuance of the mining concession title (or by December 2018, for mining concessions granted prior to 31 December 2008) "production penalties" will accrue. These penalties are equivalent to: (i) 2% of the minimum production (between years 11 and 15); (ii) 5% of the minimum production (between years 16 and 20); and, (iii) 10% of the minimum production (between years 21 and 30). Payment of production penalties may be avoided if an amount at least 10 times the

applicable penalty was invested in the relevant concession. Production penalties totalling approximately US\$150,600 have already accrued in respect of certain of the Peruvian concessions.

Production penalties commence to be payable on “Bridgette 1”, “Essendon 26”, “Maddison 1” and “Kelly 00” Concessions (Ilo Norte) from 2022; and on “Latin Ilo Este IX” from 2025.

The production penalty in 2022 is estimated by the Company to be an additional amount of approximately US\$230,200. The production penalties will continue increasing and accruing according to the above schedule through the remaining life of the concessions, up to a theoretical maximum of approximately US\$1.25 million per annum if the Company decides to retain all 13 of the existing concessions and if all concessions are in the final decade of their 30-year life from after 2035. There is no guarantee that the Company will be able to offset any of the production penalties and there is a risk that the Company will be required to make these penalty payments or suffer cancellation of some or all of the Peruvian concessions.

(f) **Future payment obligations**

As detailed in Section 4.2, the Company is party to agreements pursuant to which it has assumed certain obligations to make future payments to third parties upon milestones being satisfied.

In particular, in the process of acquiring a 100% interest in the Mostazal Project, the Company is required to make the payments as detailed in Section 4.2(c) and 4.2(e). These include staged Mostazal Option Payments of USD\$5 million over 4 years, and staged exploration expenditure of a further USD\$5 million over 4 years. The Company will need to raise further funds in future to meet these payment obligations.

At the date of this Prospectus, the Company has already made payments totalling USD\$240,000 pursuant to the earn-in terms, however is yet to incur any expenditures toward the US\$450,000 target to be met by 23 June 2022, pending commencement of its planned work program scheduled for January 2022.

There can be no certainty that the Company will have sufficient funds to satisfy these obligations if and when they become payable.

(g) **Political and sovereign risk**

The Company's projects are located in Peru and Chile. Peru is on the western coast of South America. It shares its borders with Ecuador and Colombia to the north, Brazil and Bolivia to the east and Chile to the south. Chile, is on the southwest coast of South America, sharing its borders with the South Atlantic Ocean to the west, Peru to the north, and Bolivia and Argentina to the east and northeast.

The Company's operations could be affected by changes in the economic or other policies of the Governments in Peru or Chile or other political, regulatory

or economic authorities in Peru or Chile. For instance, an increase in copper royalties or other taxes could adversely impact the economics of Company's potential future operations and the Company's ability to attract capital. Peru and Chile are presently stable democracies, but the Company cannot guarantee access, freedom from disruption to its operations, surety of title and/or tenure of its Peruvian or Chilean based assets.

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

Chile and Peru, where the Company's current operating assets reside (and other jurisdictions in which they may operate in the future), together with Canada, where the Company is based, differ from the legal system found in Australia.

This could lead to exposure to any or all of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations;
- (ii) delays in redress or greater discretion on the part of governmental authorities; and
- (iii) restrictions on the potential extraction and export of mineral ores or concentrates.

Additionally, the legal system in Chile has inherent uncertainties that could limit the legal protections available to the Company, which include:

- (iv) on-going process to amend Chilean Constitution;
- (v) on-going discussion at the congress to establish a royalty on mining production;
- (vi) inconsistencies between and within laws;
- (vii) limited judicial and administrative guidance on interpreting Chilean legislation, particularly that relating to business, corporate and securities laws;
- (viii) substantial gaps in the regulatory structure due to a delay or absence of enabling regulations;
- (ix) a lack of judicial independence from political, social and commercial forces;
- (x) corruption; and
- (xi) bankruptcy procedures that are subject to abuse,

any of which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects. Furthermore, it may be difficult to obtain swift and equitable enforcement of a Chilean



judgement, or to obtain enforcement of a judgement by a court of another jurisdiction, which could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows or prospects.

The Company cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected or even forfeited as a result of the actions of government authorities or others, and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain. In addition, political instability and changes in foreign law, including taxation law, may affect the Company's ability to operate successfully, profitably or optimally in foreign jurisdictions.

(i) **Emerging market risk**

The Company's projects are located in Chile and Peru.

Chile and Peru are considered to be emerging market economies. Emerging markets are generally more vulnerable to market volatility as well as political and economic instability more so than developed markets. As such, investments in securities of issuers with all or substantially all of its interests in an emerging market are subject to certain risks which may affect economic and fiscal results. These risks include:

- (i) currency fluctuations and devaluations;
- (ii) inflation;
- (iii) foreign exchange controls
- (iv) high interest rates;
- (v) wage and price controls
- (vi) economic and political instability
- (vii) the imposition of trade barriers;
- (viii) expropriation and political violence or disturbance; and
- (ix) changes in economic, tax or other policies.

In addition, economic conditions in Peru and Chile are, to some extent, influenced by economic and securities market conditions in other emerging market countries. Although economic conditions are different in each country, investor's reaction to developments in one country can have effects on the securities of issuers in other countries.

(j) **Environmental liabilities**

The vendor of the Company's Peruvian assets (Latin Resources' wholly owned subsidiary, Peruvian Latin Resources S.A.C. or 'PLR') disclosed to the Company (at the time of sale) the existence of seven known (but unquantified)

environmental liabilities, and other mining environmental liabilities or disturbed areas covered by the concessions forming the package of Peruvian Properties which had not been identified by Peruvian authorities. The nature and extent of these liabilities, and the party responsible for causing them, was not disclosed; however PLR represented to the Company that it was not the generator of these liabilities.

The laws in relation to remediation of environmental laws in Peru are complex. Since 2006 Peru's Ministry of Energy and Mining (**MEM**) has kept an inventory of environmental liabilities associated with mining, however for the vast majority, the party responsible is not known. If the generator of such pre-existing liabilities cannot be determined, there is a low risk that the Company, as the current or last registered owner of these concessions could be held liable or required to undertake remediation.

(k) **Land access**

Land access is critical for exploration and/or exploitation to succeed. It requires both access to the mineral rights and access to the surface rights. Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary mineral rights or access licences to conduct exploration or evaluation activities.

The Company is able to carry out its currently planned activities for the Mostazal Project in Chile without additional access rights, pursuant to an exception in the Chilean Mining Code in respect of unfenced and uncultivated land. However, there is no guarantee that it will be able to obtain access rights for future planned activities or if the Mostazal Project is further developed.

The Company has not yet secured access rights for its planned geophysical programs in Peru. Although these geophysical work plans represent a small fraction of the Company's use of funds for exploration planned in 2022, the geophysical program is considered an important step in advancing its Peruvian projects and is designed to investigate the potential for drill targets in areas considered prospective by the Company.

In order to obtain access to undertake the geophysical surveys the Company must enter into an agreement with private landowners, unless the land is owned by the State when permission is normally not required. The current title holders of the surface land underlying Company's proposed exploration activities comprise one private landowner and the State (refer to Peruvian Solicitor's Report at Section 9).

At the date of this Prospectus negotiations have yet to commence with the private landowner. Although this landowner has previously entered into an access agreement with the previous owners of the Peruvian concessions to undertake exploration activities, there can be no certainty that an agreement will be secured at all, or secured in a timely manner such that the geophysical surveys will be able to proceed according to the Company's current schedule.

In the case of gaining access to undertake geophysical surveys on State land, the Company is not required to obtain access permission as the Peruvian Mining Act establishes that surveying (cateo) and prospecting (prospeccion) are “free” throughout the country. However, as noted in paragraph 4.3 of the Peruvian Solicitor's Report the Superintendency of State Goods has been recently restricting their interpretation regarding the cases in which their authorisation is required to access State-owned barren lands and there is a risk that the Company will be required to seek access permission. In this case there can be no certainty that an agreement will be secured at all, or secured in a timely manner such that the geophysical surveys will be able to proceed according to the Company's current schedule.

(l) **Permitting**

The Company has all required permits in place for its currently planned work program at its Mostazal Project in Chile, and is of the view that it requires only access agreements for its geophysical work program in Peru. There is however some uncertainty as to whether approval will be required from the Peruvian Superintendency of State Goods to access the State barren lands.

In any event, as the Company further develops its projects in future, it will need additional permits, authorisations, licences, environmental approvals, water use rights, and other approvals depending on the types of activities it intends to undertake. For instance, if the geophysical program in Peru is successful in generating targets, then drilling and access permits will be needed for the Company to undertake this subsequent program. There is no guarantee that the Company will be able to obtain such approvals, or that such approvals can be obtained on favourable terms or conditions or in a timely manner.

(m) **Local physical access difficulties - steep terrain and earthquakes**

Although the Company's projects are located within reasonable proximity to industrial population centres of Copiapo in Chile and Ilo in Peru, the steep terrain at the Ilo Este Project in Peru in particular, has created difficulty in accessing quality data in previous geophysical surveys. There can be no guarantee of the success of proposed surveys accessing data of sufficient quality to enable the development of drill targets. In addition, the Company's projects areas in both Chile and Peru are subject to earthquakes which can create hazards that may disrupt the Company's planned operations. The occurrence of such events and their gravity are inherently uncertain.

(n) **Reliance on historical data**

The Company has acquired historical data on all of its major projects in Chile and Peru and has used this information to guide its proposed work plans. Although the Company, or its consultants, have no reason to doubt the integrity of the historical data, not all historical data is supported by adequate QA/QC documentation. The Company cannot guarantee that the data sets do not contain errors or bias that could cause the Company to make erroneous

assumptions and conclusions about the prospectivity of the projects in the design of its exploration work programs.

(o) **COVID-19**

The outbreak of coronavirus disease (COVID-19) continues to have a material effect on global economic markets. The global economic outlook continues to face uncertainty due to the pandemic, which has had, and may continue to have, a significant impact on capital markets and share prices. The ongoing COVID-19 pandemic and any other possible future outbreaks of viruses may have a significant adverse effect on the Company. The spread of such diseases or illnesses amongst the Company's management, employees, contractors, suppliers and logistic networks, as well as any quarantine and isolation requirements, may reduce the Company's ability to operate and have detrimental financial implications.

The Company's share price may be adversely affected by the economic uncertainty caused by COVID-19. Further measures to limit the transmission of the virus implemented by governments around the world (such as travel bans and quarantining) may adversely impact the Company's operations. It could interrupt the Company carrying out its contractual obligations or cause disruptions to supply chains. This risk is exacerbated by the fact that the Company's operations are in Chile and Peru, while the corporate office is located in Canada and Australia. Travel and other restrictions imposed on management, key employees and contractors travelling to and from Australia, Canada, Chile and Peru, together with internal restrictions on project site access, will have an impact on the operations of the Company.

At the Prospectus Date, international travellers to Chile must isolate on entry until they receive a negative COVID-19 test result. In Peru there exists a declared National Emergency which will extend to at least 14 November 2021. In both countries, access to the area of the proposed work plans is available with the use of COVID-19 safety protocols, but there is no guarantee that further travel and quarantine restrictions will not be enforced and cause disruptions to the Company's proposed operations.

(p) **Royalty introduction risk - Chile**

In May 2021, the Chilean Lower House of Parliament approved Bill No. 12093-08 (Bill) to change mining companies' current profit based tax structure to a revenue based progressive marginal rate over copper prices (royalty)<sup>1</sup>. The Bill includes the proposal to introduce a flat rate of 3% of copper revenue that rises to a marginal rate of 15% when the copper price rises above US\$2.00/lb; to 35% when copper is above US\$2.50/lb; to 50% above US\$3.00/lb; to 70% above US\$3.50/lb; and to 75% when the copper price is above \$4.00/lb<sup>2</sup>. The Bill also proposes certain deductions to offset the marginal royalty rates to miners who can demonstrate certain levels of processing of exported minerals. As at the date of the Prospectus, the Bill continues to be debated in the Upper House (Senate). Whilst there is no certainty that the Bill will be passed into law as it stands, or will be passed in an amended form or passed at all, any imposition of a royalty either in place of or in addition to the current profit based taxing regime will likely have a negative impact on the economics of both

existing copper operations and future proposed operations. There is a risk that any royalty introduced could have a material adverse effect on the potential future profitability, or economic viability of the Company's projects in Chile, and on the Company's ability to attract funding for copper exploration activities in Chile, such as at Mostazal.

<sup>1</sup> *Fitch Ratings, 6 July 2021.*

<sup>2</sup> *Bloomberg News, 31 August 2021.*

(q) **Peruvian tax reform risk**

In late October 2021 the Peruvian Government announced a proposed tax reform that included additional taxes from mining companies. Details of the proposal are not yet available. Whilst there is no certainty that the tax reform will be passed into law, any increase in either the current profit based taxation regime or royalty regime will likely have a negative impact on the economics of both existing mining operations and future proposed operations. There is a risk that any increase in profit tax or royalty could have a material adverse effect on the potential future profitability, or economic viability, of the Company's projects in Peru, should they progress to development. In addition any increase in tax could impact on the Company's ability to attract funding for exploration activities in Peru, such as at Ilo Este or Ilo Norte.

(r) **Failure of studies risk**

Subject to the results of exploration and testing programs to be carried out, the Company may progressively undertake a number of studies in respect of its projects. These studies may include geological, engineering, scoping, pre-feasibility, definitive feasibility and bankable feasibility studies. These studies will be undertaken within parameters designed to determine the future technical and economic feasibility of a project. There can be no guarantee that any of the studies will confirm the technical or economic viability of a project or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ from the results of a scoping study). Even if a study confirms the technical and/ or economic viability of a project, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences.

### 3.3 Risks applicable to operations in the mining industry

(a) **Exploration, development and operating risks and costs**

Potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration and development will result in the discovery of further mineral deposits. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on

activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

Further to the above, the future development of mining operations at any of the Company's current projects (or any future projects that the Company may acquire an interest in) is dependent on a number of factors and avoiding various risks, including, but not limited to mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, risk of access to the required level of funding and contracting risk from third parties providing essential services.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

**(b) Future capital requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences.

The future capital requirements of the Company will depend on many factors including its business development activities. The Board believes the Company's available cash and the net proceeds of the IPO should be adequate to fund its business development activities, exploration program and other Company objectives as discussed in this Prospectus.

The Company will require further financing in the future, in addition to amounts raised pursuant to the Offer. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

As an exploration entity, the Company is making a loss, meaning it is reliant on raising funds from investors or borrowing from lenders in order to continue to fund its operations and to scale growth.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of CDIs, Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing shareholders will be diluted.

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

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

The Directors report that after due enquiries by them, in their opinion, since the date specified in the Solicitors' Reports in Sections 9 and 10 respectively as the date on which the relevant searches were undertaken, there have not been any circumstances that have arisen or that have materially affected or will materially affect the status of the licences/permits, other than as disclosed in this Prospectus.

(d) **Regulatory risks**

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

(e) **Future land access risk**

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

Minerals rights may be negotiated and acquired. In all cases the acquisition of prospective exploration and mining licences is a competitive business, in which

proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. The Company may not be successful in acquiring or obtaining the necessary licences to conduct exploration or evaluation activities outside of the mineral tenements that it already owns.

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

- (i) travel restrictions, quarantining procedures or other impediments to the free movement of personnel as a result of COVID-19;
- (ii) surface title land ownership negotiations, which are required before ground disturbing exploration activities can commence within the jurisdiction where the Company operates;
- (iii) permitting for exploration activities, which are required in order to undertake most exploration and exploitation activities within the jurisdictions where the Company operates; and
- (iv) natural occurrences including inclement weather, volcanic eruptions, lahars and earthquakes.

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

(f) **Access to sufficient used and new equipment**

The services provided by the Company are dependent on access to used and new mining equipment.

In the event that the Company has difficulty in securing adequate supplies of mining equipment at appropriate prices, or if the quality of the equipment is not acceptable or suitable, its ability to perform or commence new projects may be adversely affected. This may have an adverse impact on the financial performance and/or financial position of the Company.

For instance, the global exploration industry has had increased access to capital over recent times and, as a consequence, exploration drilling activity has increased markedly. This had led to reduced availability of drill rigs for contracting and also increased turnaround time for the receipt of chemical assay results from assay laboratories. In turn, this can lead to delays in drilling subsequent drill holes which may be dependent on data from previous drill holes for effective siting. Although the Company has a drill contract for the proposed Mostazal drill program, there can be no certainty that the Company will be able to access suitable drill rigs in the future or that the Company will not



suffer delays in the receipt of assay results causing delays in executing its drill programs.

(g) **Maintenance of equipment risk**

The Company's equipment will require maintenance and replacement over time. The Company has made estimates regarding the maintenance and repair costs, and the market value of used equipment.

Future operating and financial performance could be adversely affected because maintenance and repair costs may be higher than estimated, it must be undertaken earlier than anticipated, or if there is a significant operational failure requiring unplanned maintenance expenditure. Future operating and financial performance could be adversely affected because market values of used equipment may fluctuate and are generally lower as a piece of equipment ages. In addition, the cost of the new equipment used may increase, and therefore the Company may spend more on replacement equipment. Any such cost increases could materially and adversely impact the operating and financial performance of the Company.

(h) **Quality of work and delivery**

A key part to the Company's business is its ability to provide high quality services at attractive prices and its ability to consistently deliver the services required by its customers in a timely manner. While the Company has a strong record of executing on these core principles and has initiatives in place to ensure that these core deliverables continue, there is no guarantee the Company will always meet its customers' expectations as to the timing and quality of work performed. Any such failures, or perceived failures, may have a materially adverse impact on the Company's reputation and financial performance.

(i) **Reliance on key personnel**

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

(j) **Maintenance of key relationships**

The Company will rely on relationships with key business partners to enable it to promote its services. A failure to maintain relationships could result in a withdrawal of support, which in turn could impact the Company's financial position.

The Company may lose strategic relationships if third parties with whom the Company has arrangements are acquired by or enter into relationships with a

competitor (which could cause the company to lose access to necessary resources). The Company's current competitors could become stronger, or new competitors could form from consolidations. This could cause the Company to lose access to markets or expend greater resources in order to stay competitive.

**(k) Insurance and uninsured risks**

The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.

**(l) Commodity price and exchange rate risks**

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of copper, and other minerals fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of gold, and other minerals could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold and other minerals are produced, a profitable market will exist for it.

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

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

**(m) Risk of adverse publicity**

The Company's activities will involve mineral exploration and mining and regulatory approval of its activities may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, the Company's activities. The nature of the Company's business attracts a high level of public and media interest and, in the event of any resultant adverse publicity; the Company's reputation may be harmed.

(n) **Third party risk**

The operations of the Company will require involvement of a number of third parties including suppliers. With respect to these third parties and despite applying best practice in terms of pre-contracting due diligence, the Company is unable to completely avoid the risk of:

- (i) financial failure or default by a participant in any joint venture to which the Company may become a party; and
- (ii) insolvency, default on performance or delivery by any operators, contractors or service providers.

These contracts typically contain provisions providing for early termination of the contracts upon giving varying notice periods and paying varying termination amounts. The early termination of any of these contracts, for any reason, may mean that the Company will not realise the full value of the contract, which is likely to adversely affect the growth prospects, operating results and financial performance of the Company.

(o) **Competition risk**

The Company's current and future potential competitors include companies with substantially greater resources. The Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market shares. Such competition could adversely affect the Company's growth prospects, operating results and financial performance.

(p) **Climate change**

There are a number of climate-related factors that may affect the Company's business.

Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's customer's ability to access and utilise their tenements and therefore the Company's ability to carry out services.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(q) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. While the Company has a strong commitment to achieving a safe performance on site and a strong record in achieving safety performance, a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(r) **Management of growth**

There is a risk that management of the Company will not be able to implement the Company's growth strategy. The capacity of management to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(s) **Disruption to business operations**

The Company and its customers are exposed to a range of operational risks relating to both current and future operations. Such operational risks include loss or damage to operating assets and equipment, equipment failures or breakdowns, human error, accidents, information system failures, external services failure, industrial action or disputes, inclement weather (including cyclones) and natural disasters including earthquakes. While the Company endeavours to take appropriate action to mitigate these operational risks and insure against them, the Company cannot control the risks its clients are exposed to, nor can it completely remove all possible risks relating to its own business. A disruption in the operations of the Company or its clients may have an adverse impact on the financial performance and/or financial position of the Company.

(t) **Technology and information systems**

The Company relies on the effective and efficient operation of information technology, software systems, communications technology and other systems and equipment for its operations, including technology and systems provided by third parties. If any of these systems, software or technologies failed to operate effectively, or new system implementations or significant upgrades are required, the Company could suffer interruption to its services and loss of data which could lead to financial loss and damage to its reputation. This may be as a

result of issues including hardware, software or system failures, computer viruses, third party service failures, cyber-attacks or other cyber incidents. Further, failure of the Company's disaster recovery arrangements to operate effectively could also result in financial loss and damage to the reputation of the Company.

(u) **Unforeseen expenses**

The Company may be subject to significant unforeseen expenses or actions, which may include unplanned operating expenses, future legal actions or expenses in relation to future unforeseen events or increases in prices for drilling contracts or skilled labour. The Directors expect that the Company will have adequate working capital to carry out its stated objectives however there is the risk that additional funds may be required to fund the Company's future objectives.

### 3.4 **General risks**

(a) **Securities investments**

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Company's CDIs trade may be above or below the Offer Price and may fluctuate in response to a number of factors. Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the CDIs, regardless of the Company's operational performance.

(b) **CDIs**

Canadian securities laws restrict the trading of shares in Canada for a period of four months and one day from the day of issuance. This will not prevent subscribers from being able to trade CDIs on the ASX once the Company is admitted to the Official List of the ASX. However, it will prevent holders of CDIs on the ASX from transferring their shares to the TSX-V during the restriction period. If the TSX-V provides better liquidity over that period, as holders of CDIs will not be able to sell their shares for the restriction period on the TSX-V, there is a risk that share prices may be lower following expiry of the restriction period.

(c) **Share market conditions**

The market price of the CDIs may fall as well as rise and may be influenced by the varied and unpredictable movements in the equity markets. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(d) **No independent valuation**

No independent valuation of the Company's projects or general valuation of the Company's Shares, has been carried out for the purposes of this Prospectus.

(e) **Policies and legislation**

Any material adverse changes in government policies or legislation of Canada or Australia or any other country that the Company has economic interests may affect the viability and profitability of the Company.

(f) **Litigation**

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(g) **Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(h) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

(i) **Price risk**

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(j) **Tax Rules**

Tax rules or their interpretation in relation to equity investments may change. In particular, both the level and basis of taxation may change. In addition, an investment in the CDIs involves tax considerations that may differ for each CDI

holder. Each prospective CDI holder is encouraged to seek professional tax advice in connection with any investment in the Company. Tax law is complex and is subject to regular change. Changes in tax law, including various proposed but as yet not enacted changes in tax law may adversely impact the Company's future financial performance and position. Resulting changes in tax arrangements may adversely impact the Company's future financial performance and position. In addition, future changes to other laws and regulations or accounting standards, which apply to the Company from time to time, could materially adversely affect the Company's future financial performance and position.

Further, taxes payable in Chile by the Company may change as a result of the introduction of any new royalty in Chile.

(k) **Speculative investment**

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

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

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

## 4. Material Contracts

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### 4.1 Introduction

The Directors consider that certain contracts entered into by the Company are material to the Company or are of such a nature that an investor may wish to have particulars of them when making an assessment of whether to apply for CDIs under the Offer. The provisions of such material contracts are summarised in this Section. As this Section is a summary only, the provisions of each contract are not fully described. To understand fully all rights and obligations pertaining to the material contracts, it would be necessary to read them in full.

### 4.2 Mostazal Option Agreement

#### (a) General

On 23 June 2021, the Company and its Chilean subsidiary (Westminster Chile SpA (**Chilean Subsidiary**)) entered into an agreement (**Mostazal Option Agreement**) with Walter Enrique Viteri Aldunate (**Viteri**) and Reinaldo Leiva Saez (**Leiva**) (together the **Mostazal Shareholders**) who together own all of the shares in eight Chilean companies (together the **Mostazal Companies**) holding mineral claims in the Atacama region of Chile comprising the Mostazal project (**Mostazal Property**).

Refer to Section 2.3 for further details of the Mostazal Property.

Under the terms of the Mostazal Option Agreement, the Mostazal Shareholders and the Mostazal Companies (together the "Optionor") granted the Company an exclusive option, in two stages, to acquire initially 49% (**S1 Option**), then up to 100% (**S2 Option**) of the Mostazal Property.

#### (b) Mostazal Companies

The Mostazal Companies are:

- (i) SLM Mostazal Uno de Deigo de Almgaro;
- (ii) SLM Mostazal Dos de Deigo de Almgaro;
- (iii) SLM Mostazal Tres de Deigo de Almgaro;
- (iv) SLM Mostazal Cuatro de Deigo de Almgaro;
- (v) SLM Mostazal Seis de Deigo de Almgaro;
- (vi) SLM Mostazal Seite 1 de Deigo de Almgaro;
- (vii) SLM Mostazal Ocho de Deigo de Almgaro; and
- (viii) SLM Placeres 1 de Deigo de Almgaro.



Each of the Mostazal Companies is the sole registered owner of one each of the 8 claims comprising the Mostazal Properties.

(c) **Grant of Option**

The Company has the option to acquire an initial 49% interest in the Mostazal Property from the Optionor over a three year period (**S1 Option**), as part of the "Stage One Earn-In".

On or around 19 February 2021, the Company paid an initial amount of USD\$40,000 (as a non-refundable fee to the Optionor) to secure this option and facilitate due diligence.

To maintain the S1 Option and acquire the initial 49%, the Company must make the following cash payments to the Optionor and undertake minimum work expenditure on the project:

- (i) US\$200,000 payment on the signing of agreement (this has been completed);
- (ii) US\$300,000 payment on or before the 1<sup>st</sup> anniversary of agreement signing (23 June 2022);
- (iii) US\$800,000 payment on or before the 2<sup>nd</sup> anniversary of agreement signing (23 June 2023); and
- (iv) US\$1,600,000 payment on or before the 3<sup>rd</sup> anniversary of agreement signing (23 June 2024),

(together, **S1 Mostazal Option Payments**).

The S1 Mostazal Option Payments may be accelerated by the Company at any time and must be made in order to maintain the S1 Option.

In addition, the Company must carry out mining work on the Mostazal Property to incur aggregate expenditures of US\$2,600,000 as follows:

- (i) US\$450,000 of expenditures to have been expended on or before the 1<sup>st</sup> anniversary of the agreement signing (23 June 2022); and
- (ii) an additional US\$750,000 expenditures to have been expended on or before the 2<sup>nd</sup> anniversary of agreement signing (23 June 2023); and
- (iii) an additional US\$1,400,000 expenditures to have been expended on or before the 3<sup>rd</sup> anniversary of agreement signing (23 June 2024).

(together, **S1 Expenditures**).

The Company will lose the S1 Option if it does not pay any of the S1 Mostazal Option Payments or make the S1 Expenditures within the applicable period, with no right, interest or title in the Mostazal Property being earned (regardless of amounts paid or expended), unless an extension is mutually agreed.

The "S1 Option Period" ends on the 3<sup>rd</sup> anniversary of agreement signing.

The overall "Option Period" (including in respect of S2 Option) ends on the 4<sup>th</sup> anniversary of agreement signing.

(d) **Exercise of Acquisition Option**

Upon the S1 Mostazal Option Payments and S1 Expenditures being satisfied, the Mostazal Shareholders will transfer to the Chilean Subsidiary 49% of the outstanding Mostazal Companies shares, resulting in the Chilean Subsidiary holding 49% and Viteri and Leiva holding 25.5% respectively.

The same percentage interests will also be held for any additional properties staked by the Company in within a 10km radius of Mostazal Property area (**Additional Properties**).

(e) **Acquisition of 100% interest**

Following the exercise of the S1 Option, the Company:

- (i) may make a further payment to the Optionor of US\$2,100,000 on or before the expiry of the Option Period (**S2 Mostazal Option Payment**); and
- (ii) then must carry out mining work on the Mostazal Property to incur an additional US\$2,400,000 expenditures on or before expiry of the Option Period (**S2 Expenditure**).

(together the **S2 Mostazal Obligations**).

Following exercise of the S1 Option until satisfaction of the S2 Mostazal Obligations, the Optionor will retain a 51% interest in the Mostazal Property (via the Mostazal Companies shares).

Upon the Company satisfying the S2 Mostazal Obligations, the Mostazal Shareholders will transfer the remaining 51% of the outstanding shares in all Mostazal Companies, resulting in the Chilean Subsidiary becoming a 100% shareholder of each of the Mostazal Companies. It will also thereby hold an indirect 100% interest in the Mostazal Property.

If the S2 Mostazal Obligations are not satisfied, the Chilean Subsidiary will continue to hold 49% of the shares in each of the Mostazal Companies and subject to the Chilean joint venture provisions (summarised at Section 4.2(j) below), the Chilean Subsidiary and the current Mostazal Shareholders will hold 49% and 51% of the shares in all eight Mostazal Companies respectively.

(f) **Acceleration**

At any time before the end of the Option Period, the Company may choose to pay the Optionor a cash payment of US\$5,000,000 (in aggregate) to accelerate the exercise of the Option and complete the Stage 2 earn in.

(g) **Conduct during Option period**

The Company is the "Operator" of the Work Programs on the Mostazal Property from the date of signing until termination of the Mostazal Option Agreement.

During that period the Company:

- (i) shall fund the costs of all work programs conducted;
- (ii) is entitled to charge 5% of exploration expenditures as a management fee;
- (iii) will deliver to the Optionor parties on a periodic basis, updates describing operations on the Mostazal Property and to the extent possible, results of work programs, together with details of exploration expenditures made, including all digital data, assay results, geochemical and geophysical survey data and drill hole databases obtained or prepared during such period;
- (iv) report any significant results from operations to the Optionor parties as soon as available;
- (v) keep the property free of all encumbrances arising out of the operations;
- (vi) perform such assessment work, or make payments in lieu thereof and pay such rentals, taxes, maintenance fees or other payments and do all things necessary to maintain the Mostazal Property and related assets in good standing including, without limitation, staking and re-staking mining concessions, and applying for additional mineral rights and other rights;
- (vii) comply with laws and maintain proper books and accounts and adequate insurance;
- (viii) perform its duties and obligations in a sound and workmanlike manner, in accordance with sound mining and engineering practices and other practices customary in the Canadian and Chilean mining industries, and in substantial compliance with all applicable federal, provincial, territorial and municipal laws, bylaws, ordinances, rules and regulations;
- (ix) permit the Optionor parties to inspect all geological, geophysical and geochemical databases and any samples or drill core obtained and within the Operator's possession or control;
- (x) allow the Optionor parties or its designates access to the Mostazal Property (at their own risk and with an indemnity in favour of the Operator), to review the operations carried out;
- (xi) obtain and maintain adequate insurance to protect the parties from third party claims during any period the operations are carried out (including any contractor engagement); and

- (xii) arrange for and maintain workers' compensation or equivalent coverage for all eligible employees engaged by the Operator in accordance with local statutory requirements.

(h) **Abandonment**

During the Option Period if the Company intends to abandon or surrender any mineral rights comprised in the Mostazal Property, the Company must give the Optionor at least 60 days' notice in advance of the applicable date of expiration or abandonment.

The Optionor may deliver a notice to the Company that it wishes to have the relevant part of the Mostazal Property conveyed to them. Following a transfer or abandonment, the mineral rights transferred or abandoned will cease to form part of the Mostazal Property.

(i) **Termination**

- (i) The Company may terminate the Mostazal Option Agreement at any time prior to the exercise of the S1 Option by written notice to the Optionor (**S1 Opt-Out**). In that event, the Company will acquire no interest in the Mostazal Property and will have no further obligations under the Mostazal Option Agreement.
- (ii) The agreement will otherwise terminate if:
  - (A) the Company fails to make any of the S1 Mostazal Option Payments or make the S1 Expenditures;
  - (B) the Company elects not to proceed with the S2 Earn-In, in which case the Chilean Subsidiary will remain as 49% owner of the shares in each of the Mostazal Companies, with the Mostazal Shareholders retaining the residual 51%, subject to "Joint Venture Provisions" summarised below; or
  - (C) the parties mutually agree in writing.

(j) **Joint Venture Provisions**

If the Company has earned the S1 Option to obtain a 49% interest in each of the Mostazal Companies but decides not to pursue, or does not meet the obligations of the second stage (to earn the balance 51%), the relationship of the parties shall be regulated as shareholders of said Mostazal Companies in accordance with the rules established by law in the Chilean Mining Code.

The Mostazal Companies are a type of company (Sociedades Legales Mineras) created by the sole effect of the law when two or more persons or entities jointly request the constitution of a mining concession or jointly acquire a mining concession. Their corporate governance and relationship as shareholders is regulated in the Chilean Mining Code, with the most important aspects being:

- (i) Shareholders meetings govern the company, acting as its leading authority and conducting all business concerning it;
- (ii) The resolutions of the shareholders must be adopted at meetings. The meetings should be called by a Court upon the request of any shareholder. No call to the meeting will be required if shareholders representing 100% of the company's shares attend the meeting. Alternatively, it is possible to reach agreements by executing a public deed provided that shareholders owning 100% of the shares are parties to such deed;
- (iii) Resolutions are passed by shareholders with the majority of the company's shares in the first call or the majority of the shares attending in the second call, subject to the special quorums in the following circumstances:
  - (A) The entry into a mortgage agreement concerning a company's mining concession, or the granting of the right to exploit it to a third party, and the fixing of fees for conservation and exploration expenses of mining concessions, must all be adopted by the absolute majority of the shares of the company. An absolute majority requires 51% of shares to carry the vote;
  - (B) The sale, promise of sale, and purchase option, over any concession owned by the company or a quota or material part thereof, and the holding of meeting in a different corporate domicile, must be agreed by a quorum constituted by two-thirds of the company's shares;
- (iv) Without prejudice to legal status of the company, the shareholders must appoint one or more managers for the development of the ordinary course of its business. Such manager/s shall be appointed at a meeting or by public deed, by a simple majority of the shares of the company;
- (v) Determination of the time and amount of dividends to be distributed to the shareholders is also determined by a shareholders' meeting, failing which dividends will be distributed when the manager deems it convenient.

(k) **Force Majeure**

If the Company is prevented or delayed from complying with the Mostazal Option Agreement by reason of any event beyond its reasonable control (except those caused by its own lack of funds) that prevents or delays it from conducting activities, including acts of God, fire, flood, explosion, inclement weather conditions, strikes, lockouts or other industrial disturbances, any terrorist act, war, insurrection, any military or parliamentary act or order, laws, rules and regulations of any duly constituted court or governmental authority or action or inaction of "Governmental Entity", inability to obtain any environmental, operating or other permits or approvals, authorisations or consents, or non-availability of materials or transportation, protests, demonstrations or other events causing work stoppages by environmental

lobbyists or others, the time limited for the performance by the Company of its obligations will be extended by a period of time equivalent to the period of delay.

This is broad enough to capture delays caused by government imposed restrictions in connection with COVID-19.

The Company must issue notice of a force majeure event immediately upon its occurrence and immediately after the end of the period of delay when such event has been eliminated or rectified.

The Company must also take all reasonable steps to eliminate any force majeure, as far as practical.

(l) **Chilean Option Agreement**

In accordance with Chilean law the parties were required to sign a public deed in Spanish, with an option to purchase agreement according to the terms of Article 169 of the Chilean Mining Code (**Article 169**), containing the terms and conditions of the Mostazal Option Agreement in a structure that is compliant with Chilean Mining Law regulations (**Chilean Option Agreement**).

The Chilean Option Agreement includes a prohibition to sell, assign or encumber part or all of the shares in the Mostazal Companies and the Mostazal Property during the Option Period, a prohibition on any of the Mostazal Companies entering into any new agreements, and an undertaking to keep those companies in good standing, amongst others. This Chilean Option Agreement has been entered into and was registered with the relevant Chilean mining registrar on 9 July 2021 (**Registration**).

Article 169 contains the regulatory framework for the promise to sell mining concessions (or of a quota or of a material part of mining concessions), or shares of companies regulated under the Chilean Mining Code (such as the Mostazal Companies) and extends to unilateral and irrevocable offers (option agreements) for the purchase of such assets.

With effect from Registration, Article 169 provides the following protections for the Company and the Chilean Subsidiary as the beneficiary of the Option:

- (i) in the case of a transfer of the offered assets to third parties, it creates an obligation of such third party to transfer such assets to the beneficiary, in the terms contained in such agreement;
- (ii) if the relevant assets are subject to acts and/or contracts that limit or affect, or may limit or affect, the possession or ownership of the assets by the beneficiary, Article 169 expressly provides for the termination ipso facto (by that very fact or act) of the relevant acts or contracts that affect or may affect the property of the beneficiary;
- (iii) for the case of the option agreement the offer granted to the beneficiary can be unilaterally accepted and executed by the beneficiary without the need of the grantor's consent (in this case the Mostazal Companies

and Mostazal Shareholders). Such acceptance is formalised by means of the Chilean Option Agreement notarised by a notary public.

#### 4.3 NSR Royalty (Mostazal)

The Company's interests in the Mining Properties is encumbered by the royalty granted to Viteri and Leiva pursuant to the terms of the Mostazal Option Agreement, the key terms being:

- (a) An obligation to pay an amount equivalent to 2% of the "Net Smelter Return" on the sale or disposal of the refined or unrefined "Mining Products" produced in any manner from the Mostazal Property or Additional Property;
- (b) "Net Smelter Return" is defined to include the gross amount received from arm's length sales (with a mechanism to ensure that non-arms' length sales are moderated to market value) less customary permissible deductions;
- (c) "Mining Products" is broadly defined and not limited to any specific metal or ores, and irrespective of the treatments and processes to which they are subject;
- (d) "Additional Property" is defined at Section 4.2(d) above.
- (e) The Royalty subsists for the productive life of the Mostazal Property and Additional Property and for as long as the exploration of the mines associated with those properties do not stop definitively with a maximum term of 100 years, commencing with the start-up of commercial production of the properties;
- (f) Payments are to be made in American dollars, to be settled within the first 60 days of each year and shall only accrue interest if delinquent at the rate of LIBOR + 2% (subject to any maximum permitted by Chilean law);
- (g) No party is permitted to assign their rights, interests or obligations under the Royalty to any other party, other than to a related entity.

The Company and the Chilean Subsidiary have a right to purchase the Royalty as follows:

- (h) 1% of the Royalty for the payment of US\$1,500,00 in cash at any time (resulting in a deduction of 0.5% as it relates to each of Viteri and Leiva); or
- (i) all of the Royalty (2%) for the payment of US\$3,000,000 in cash at any time.

#### 4.4 Ilo Este and Ilo Norte - Acquisition Agreement

##### (a) General

On 6 February 2018, the Company entered into a Property Purchase Agreement (**Peruvian Acquisition Agreement**) with Latin Resources (**LRS**) and its wholly owned subsidiary Peruvian Latin Resources S.A.C (**PLR**) to acquire 100% of the mining concessions held by PLR in southern Peru. At the

time, this included a package of 44 concessions, of which 13 granted concessions remain forming the Ilo Este and Ilo Norte Projects, and the earlier stage Chapollita Project (**Peruvian Properties**). The Company has since staked a further four applications in the area, however these did not form part of the original acquisition from the Latin Resources entities.

The concessions are "mining concessions" and permit the registered owners to explore for and exploit minerals within the area of the concessions. For further information on the Company's remaining Peruvian assets, including the Ilo Este and Ilo Norte Projects refer to Section 9 of this Prospectus, and to the Peruvian Solicitor's Report.

(b) **Grant of Option**

The Peruvian Acquisition Agreement provided for the Company to pay the following consideration to LRS for transfer of the full legal and beneficial interest of the Peruvian Properties to a newly incorporated wholly owned Peruvian subsidiary of the Company (refer to Section 2.7(b) for details of the Peruvian Subsidiary):

- (i) 19 million fully paid shares (which now represent 3,800,000 shares on a post-Consolidation basis) (**LRS Consideration Shares**); and
- (ii) a cash payment of US\$250,000 to be paid in instalments over a two year period, with US\$150,000 paid upon execution of the agreement, being 6 February 2018 (**Execution Date**), and the balance US\$100,000 (**Balance Payment**) one year later on 6 February 2019. The Balance Payment was settled in Shares as set out in Section 6.15(b).

Settlement of the transaction occurred on 8 February 2018.

The LRS Consideration Shares were to be issued over a two month period from the settlement date, with different parcels subject to voluntary escrow for periods of 6 months, 12 months and 18 months from the Execution Date, all of which have now expired.

Other than the restrictions to trading (now lifted), LRS has all the other rights of a shareholder, but is subject to any trading restrictions and filing requirements as may be applicable in the jurisdiction in which it is domiciled. LRS is a public company incorporated and domiciled in Australia, and listed on the ASX having symbol 'LRS'.

(c) **Benefit of Warranties**

Under the terms of the Peruvian Acquisition Agreement, the Company and the Peruvian Subsidiary had the benefit of the following warranties (most of which are expressed to be given to the best of the vendor's knowledge, information and belief) given at the Execution Date and again on settlement:

- (i) PLR is complying and has at all times complied with all the Peruvian laws;



- (ii) the Ilo Properties do not lie within any protected area, rescued area, reserve, reservation, reserved area, or special needs lands as designated by any governmental authority having jurisdiction, that would materially impair the development of a mining project on such land;
- (iii) PLR is the holder of a 100% interest in the concessions comprising the Peruvian Properties and has the exclusive right to receive 100% of any resulting sale proceeds from minerals, metals, ores or concentrates;
- (iv) there are no encumbrances affecting the concessions comprising the Peruvian Properties;
- (v) there are no agreements or options, present or future, contingent, absolute or capable of becoming an agreement or option with the passage of time or occurrence of events, affecting the concessions comprising the Peruvian Properties;
- (vi) there are no actual, alleged or potential claims, proceedings, prosecutions, investigations or action impacting the Peruvian Properties;
- (vii) there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditure;
- (viii) no activities on the Peruvian Properties have been in violation of any environmental law, regulations or regulatory prohibition or order;
- (ix) there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened relates of any kind, of any toxic or hazardous substance or waste, from, in or under the Peruvian Properties (save as permitted or otherwise authorised by law);
- (x) no toxic or hazardous substance or waste has been disposed of, or is located on the Peruvian Properties as a result of the activities of PLR;
- (xi) there are no pending or ongoing native title or indigenous land claims;
- (xii) PLR has no unpaid taxes with the Peruvian tax authorities;
- (xiii) there is no undisclosed information which would have a material adverse effect on the value of the Peruvian Properties.

(d) **Environmental Liability Disclosure**

Notwithstanding the above warranties, each of the vendor parties (LRS and PLR) specifically disclosed the existence of mining environmental liabilities or disturbed areas covered by the Peruvian concessions, which have not been identified by the authorities. The agreement does not identify which concessions are affected, or to what extent. The agreement specifically provided that neither LRS or PRL were the generator of these liabilities. The generator of the liabilities is not known.

The laws in relation to remediation of environmental laws in Peru are complex. Since 2006 Peru's Ministry of Energy and Mining (**MEM**) has kept an inventory of environmental liabilities associated with mining, however for the vast majority, the party responsible is not known.

The general liability rule in Peru is that the generator of the liabilities will be the party responsible (at law) for their remediation. There are however exceptions to this, and it is theoretically possible that the Company (as the current or last registered owner of these concessions) could be held liable, or that the Peruvian Government will assume any remediation where the generator cannot be identified. Having considered Peruvian legal advice, the risk of the Company or its Peruvian Subsidiary being found liable for the pre-existing environmental liabilities is considered to be very low.

In the event that the Company or the Peruvian Subsidiary were to have a breach of warranty claim against LRS or PRL in respect of any of the above warranties or declarations in respect of environmental matters, the Peruvian Acquisition Agreement provides that the maximum aggregate amount recoverable by WMR shall not exceed US\$250,000.

(e) **Ongoing obligations to LRS and 'Nominee Director'**

The Company and the Peruvian Subsidiary have the following ongoing obligations to LRS under the terms of the Peruvian Acquisition Agreement:

- (i) The Company must promptly and as reasonably required by LRS, but at least on a quarterly basis, report to LRS and provide details of all exploration and project expenditure, including exploration results in accordance with the JORC code or the NI 43-101 code;
- (ii) LRS shall be entitled to appoint one director to the Board of the Company or so long as it maintains at least a 10% interest in the issued and outstanding shares of the Company, and shall take all steps necessary at its expense to formalise and ratify such appointment;

As at the date of this Prospectus, Latin Resources maintains the right, and is expected to maintain this right following closing of the Offer. Refer to Section 6.15(e) for further disclosure on LRS' current and expected shareholdings on closing of the Offer.

Mr Christopher Gale (who is also an Executive Director of LRS) was appointed as the Company's Non-Executive Chairman on 17 July 2018 and remains in this position.

#### 4.5 **Saskatchewan Project Divestment - Termination Agreement**

On 7 August 2018, the Company disclosed a proposed transaction to the TSX-V to acquire a 10,858-hectare mineral tenement package 60 km northeast of the La Ronge district in Saskatchewan (**Saskatchewan Property**). The properties were of interest to the Company as they were reported to have numerous mineral occurrences, including copper, nickel, gold, lead, zinc and uranium.

The Company entered into a Letter of Intent agreement with Ore Capital Partners Ltd (**OCP**) dated 2 August 2018 and an amending agreement dated 11 December 2019 (together the **Saskatchewan Option Agreement**).

At the time of entry into the Saskatchewan Option Agreement, Mr Jason Cubitt (then a Director of the Company) was a director and shareholder (but not a controlling shareholder) of OCP. Mr Cubitt has since resigned as a director of OCP effective from 28 November 2018, but retains a shareholding of less than 10%.

The agreements provided for the grant of an option to the Company to earn up to an 80% interest in the Saskatchewan Property in consideration of it spending C\$400,000 on exploration expenditures and issuing 4,000,000 Shares (now 800,000 Shares on a post-Consolidation basis) to OCP to be staged over four years.

As at the Prospectus Date, the Company has issued a total of 800,000 Shares to OCP and has spent C\$1,575 on exploration expenditures. The Company had also (as at August 2021) earned a 50% interest in the Saskatchewan Properties.

The Board determined that:

- (a) on the basis that the newly acquired Mostazal Project was a more prospective focus for the Company and would provide adequate diversification from the Ilo Norte/Este projects in Peru;
- (b) accordingly, the Company would not conduct further exploration on the Saskatchewan Properties or exercise the option to acquire further ownership interests; and
- (c) it was in the best interests of the Company to withdraw from the option and relinquish its current 50% interest.

To that end the Company negotiated and executed a Termination Agreement with OCP dated 9 August 2021 (**Saskatchewan Termination Agreement**), the principal terms being:

- (a) the Saskatchewan Option Agreement was mutually terminated with effect from 9 August 2021;
- (b) the Company agreed to surrender and relinquish its 50% interest back to OCP;
- (c) each party warrants in favour of the other that it has no knowledge of any existing or potential environmental claims or potential claims arising from or directly or indirectly related to any exploration work on the Saskatchewan Properties; and
- (d) the parties have no further obligations to one another under the Saskatchewan Option Agreement and mutually release one another accordingly (including in respect of any environmental claims).

## 4.6 Divestment Agreements - Mexican Assets

On 6 October 2021 the Company completed its divestment of all of its historical Mexican assets, through the sale of 100% of the shares of each of its two Mexican Subsidiaries, being Minera Westminster S.A. de C.V (**MW**) and Servicios Westminster S.A. de C.V (**SW**).

### (a) **MW Divestment Agreement**

On 6 October 2021, the Company entered into an agreement to sell 5,963,367 MW Shares to 1323760 B.C. Ltd (the Buyer) for Mex\$49,999.00, free of any lien or limit on ownership. An additional buyer (collectively, the Buyers) purchased one share from a separate seller (collectively, the Sellers) under the same agreement, on the same terms and for Mex\$1.00. The Buyers are not related parties of the Company.

Pursuant to the agreement, the Buyers acquired 100% ownership of MW.

Under the agreement, the Buyers indemnify and holds each of the Sellers (including the Company) harmless from and against all damages they may suffer or incur in relation to or derived from the sale. All taxes and expenditures arising from the agreement are for the Buyers' account (with the exception of any income tax that may arise from income received by the Sellers). The Company, its shareholders and affiliates are indemnified against losses in connection with any fine, penalty, adverse claim or challenge. From 6 October 2021, the Company has no liability with respect to MW, its assets, debts, obligations, operations or mining concessions.

In addition, the Company was released from all liability attaching to or derived from its status as shareholders of MW, with the Buyer indemnifying the Company, its shareholders, officers and affiliates (as well as those that have been members of the Board of Directors of MW) against all losses and legal action in connection with MW's responsibilities up to the date of execution.

The share certificates were delivered by the Sellers for cancellation on execution of the contract, with MW to register the transfer of shares on confirmation that associated transfer taxes have been paid by the Buyer. As at the Prospectus Date the registration of the transfers is pending.

### (b) **SW Divestment Agreement**

On 6 October 2021, the Company entered into an agreement to sell its 4,999 SW shares, representative of the fixed portion of the capital stock of Servicios Westminster (SM), to 1323760 B.C Ltd (the Buyer) for Mex\$49,999.00, free of any lien or limit on ownership. An additional buyer (collectively, the Buyers) purchased one share from a separate seller (collectively, the Sellers) under the same agreement, on the same terms and for Mex\$1.00. The Buyers are not related parties of the Company.

Pursuant to the agreement, the Buyers acquired 100% ownership of SM.

Under the agreement, the Buyers indemnify and holds each of the Sellers harmless from and against all damages they may suffer or incur in relation to or derived from the sale. All taxes and expenditures arising from the agreement are for the Buyers' account (with the exception of any income tax that may arise from income received by the Sellers). The Company, its shareholders and affiliates are indemnified against losses in connection with any fine, penalty, adverse claim or challenge. From 6 October 2021, the Company has no liability with respect to SM, its assets, debts, obligations or operations.

In addition, the Company was released from all liability attaching to or derived from its status as shareholders of SM, with the Buyer indemnifying the Company, its shareholders, officers and affiliates (as well as those that have been members of the board of directors of SM) against all losses and legal action in connection with SM's responsibilities up to the date of execution.

The share certificates were delivered by the Sellers for cancellation on execution of the contract, with SM to register the transfer of shares on confirmation that associated transfer taxes have been paid by the Buyer. As at the Prospectus Date the registration of the transfers is pending.

#### 4.7 Latin Resources Consulting Agreement

The Company and Latin Resources are parties to a Consultancy Agreement with an effective date of 1 July 2019, pursuant to which Latin Resources provides consulting services in respect of the Peruvian mineral exploration business. The services include facilitation of regulatory and tax filings, development of operational plans for actual or proposed development of the Peruvian opportunities, negotiating transactions relating to acquisitions and divestments and provision of advice relating to risk management and corporate social responsibility.

The agreement is for a 12-month term, commencing 1 July 2019 and automatically renews for consecutive 12-month periods unless either party provides written notice of termination, not less than 30 days prior to the expiry of the term. The Consultancy Agreement expired on 30 June 2021.

In consideration for provision of these services, Latin Resources received 500,000 Options exercisable at C\$0.175 on or before 27 October 2025. These Options were issued under and are governed by the terms of the Company's existing Stock Option Plan applicable to consultants. Refer to Section 6.11 for a summary of the Stock Option Plan.

Latin Resources is the Company's largest shareholder and a related party (as further detailed in Section 6.15(e)).

#### 4.8 Director engagement agreements

##### (a) Directors' Letters of appointment

In order to address the recommendations of the ASX Corporate Governance Council in Recommendation 1.3 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4<sup>th</sup> Edition), the

Company has entered into individual appointment agreements with each of the Directors. These agreements include, amongst other things:

- (i) the duties and responsibilities of a Director and the key matters reserved for the Board;
- (ii) the requirement to keep the Board informed of any other interests which may result in the Director having a material personal interest in a matter being considered by the Company or which may lead to a conflict of interest;
- (iii) the requirement to comply with the Company's corporate governance policies and charters in force from time to time, including the Company's Securities Trading Policy;
- (iv) a confirmation that the Director is able to allocate sufficient time to meet the expectations of their role;
- (v) the entitlement of a Director to seek independent professional advice at the expense of the company as may be reasonably required to assist the Director carry out their duties, subject to obtaining the necessary prior approvals from within the Company;
- (vi) acknowledgement of the obligations to make disclosure of notifiable interests, including Company securities in which the Director has a relevant interest (for ASX purposes);
- (vii) acknowledgement of the obligation to file Insider reports disclosing beneficial ownership of, or control or direction over, directly or indirectly, all securities of the Company and any interest in, or right or obligation associated with, a related financial instrument of a security of the Company, your remuneration from the Company and any other prescribed disclosure (for TSX-V purposes);
- (viii) acknowledgement of the obligations to make disclosure of personal information to facilitate required TSX-V filings and criminal record checks (for TSX-V purposes);
- (ix) ongoing confidentiality obligations.

(b) **Cubitt Agreements (CEO)**

Mr Jason Cubitt was first appointed as a director of the Company on 29 August 2017, and appointed to the position of CEO on 20 December 2018.

*Cubitt CEO Services Agreement*

The Company has entered into a Services Agreement with Mr Jason Cubitt (and his consulting entity 0744350 BC Ltd) effective from 1 March 2021, for the provision of services as President and CEO of the Company.

The agreement continues for a two year term until 28 February 2023, unless renewed by mutual agreement.

Mr Cubitt will receive a fixed fee of C\$10,000 per month (plus GST of 5%) and may also receive a discretionary performance bonus for extraordinary services (at the Board's discretion). He is also entitled to reimbursement of reasonable personal expenses, including travel (with amounts over C\$1,000 requiring prior approval).

If the Company terminates the agreement immediately prior to a "Change of Control" or within a 6 month period after a "Change of Control" for any reason (other than Mr Cubitt's incapacity), then the Company must pay Mr Cubitt an amount equal to 6 times the monthly average of the compensation paid in the three months immediately preceding the termination (**Change of Control Payment**).

The agreement may be terminated:

- (i) by Mr Cubitt at any time on 30 days' written notice to the Company;
- (ii) by the Company immediately prior to a "Change of Control" or within a six months after a "Change of Control" (provided the Change of Control Payment is made);
- (iii) by the Company at any time, either by giving at least 3 months' notice to terminate or by making a termination payment of 3 months' compensation (**Termination Payment**);
- (iv) by the Company without any notice or pay in lieu, for a material breach of the agreement by Mr Cubitt; and
- (v) automatically upon the death or incapacity of Mr Cubitt.

Each of the Change of Control Payment and the Termination Payment are subject to the requirements of the ASX Listing Rules, including any shareholder approval that may be required. If any shareholder or regulatory approval required by the ASX Listing Rules is not provided or obtained, the Company shall not be under any obligation to make the relevant payment.

The Company also applied for and has been granted a waiver of ASX Listing Rule 10.18 to the extent necessary to permit the Company, upon a Change of Control to pay the Change of Control Payment referred to above. Refer to Section 6.19 of this Prospectus for further information in respect of the waiver and its conditions.

Upon termination of the agreement, Mr Cubitt shall immediately resign all offices held with the Company and shall not be entitled to receive any payment or compensation for loss or such office or otherwise by reason of the resignation.

#### *Cubitt Director Agreement*

Mr Cubitt also entered into a Letter of Appointment (as outlined at Section 4.8(a) above) dated on or about 28 September 2021 which:

- (vi) takes effect upon and subject to the Company's Admission;
- (vii) provides that Mr Cubitt's duties as an executive director of the Company (including those set out in his Services Agreement) will involve a commitment of a significant number of hours each month, being a minimum of 160 hours per month; and
- (viii) does not provide for any remuneration in addition to that provided for under his Services Agreement.

Mr Cubitt has also been issued with Options under the Company's existing Stock Option Plan, and presently holds 450,000 such Options. (See Section 6.11 for further details on the Stock Option Plan and Section 6.13 for details of the Options and all other securities currently held by Mr Cubitt).

(c) **Christopher Gale Appointment Letter (Non-Executive Chairman)**

Mr Christopher Peter Gale was appointed as the Chairman of the Company as the nominee director of Latin Resources on 17 July 2018.

The Company first entered into a director agreement with Mr Gale, effective as at 17 July 2018. This has now been replaced with a Letter of Appointment (as outlined at Section 4.8(a) above) dated 28 September 2021 which:

- (i) acknowledges the continuation of Mr Gale's appointment;
- (ii) provides for total compensation of C\$72,000 per annum (C\$6,000 per month) inclusive of statutory superannuation and payable not less than quarterly in arrears; and
- (iii) provides for reimbursement of all travel and accommodation expenses properly incurred concerning the Company's affairs (including attending and returning from general meetings or meetings of the Board or Board committees) and all other expenses properly incurred in connection with the provision of services (subject to prior Board approval).

Mr Gale may cease to hold office at any time upon his resignation by written notice to the Company or otherwise in accordance with the BCA and the Company's Articles, including:

- (iv) if not re-elected at any annual general meeting where he comes up for re-election;
- (v) if the term of office expires;
- (vi) upon death;
- (vii) if removed from office by a special resolution of Shareholders pursuant to Article 14.10 of the Company's Articles;



- (viii) if removed by the directors in any of the circumstances provided by Article 14.11 of the Company's Articles (including where a director is convicted of an indictable offence, is disqualified from acting as director under the BCA, or otherwise removed by unanimous resolution of all other directors subject to a minimum of three remaining).

Mr Gale has also been issued with Options under the Company's existing Stock Option Plan, and presently holds 450,000 such Options. (See Section 0 for further details on the Stock Option Plan and Section 6.13 for details of the Options and all other securities currently held by Mr Gale).

(d) **Fred Tejada Agreements**

Mr Tejada is current a Non-Executive Director first appointed to the Board on 4 December 2019), but will resign with immediate effect if the Company's securities or CDIs are Admitted to the Official List of ASX.

Mr Tejada also holds the position of Technical Manager.

*Directorship*

As is customary under the laws of British Columbia, Mr Tejada does not have a separate agreement in respect of his directorship. He also does not receive any fees in addition to those paid to him as Technical Manager, for his directorship services. As Mr Tejada will resign upon Admission, he has not entered into a Letter of Appointment on similar terms to the other Directors.

*Tejada Technical Project Lead Agreement*

On 1 March 2021, the Company entered into a consultancy agreement with Mr Fred Tejada pursuant to which Mr Tejada is to provide independent consulting services to the Company in the capacity as Technical Manager.

Mr Tejada is entitled to a fixed monthly fee of C\$7,500 plus applicable taxes which is invoiced to the Company monthly, in arrears. Expenses incurred in connection with the provision of the services will be reimbursed, with individual expenses in excess of C\$1,000 requiring approval.

The agreement is for a 1-year term and is renewed on an annual basis (as mutually agreed between Mr Tejada and the Company) unless terminated earlier. The agreement may be terminated by the Company, where Mr Tejada is in default of the agreement, or by either party by providing 30 days' written notice.

The Company agrees to indemnify Mr Tejada against all costs, charges and expenses made by third parties in connection with the consultancy services, except where incurred by reason of Mr Tejada's confirmed gross negligence or wilful misconduct. Mr Tejada indemnifies the Company against all claims and liabilities that may be brought against the Company or its subsidiaries arising out of Mr Tejada's negligence, wilful misconduct or failing to comply with the consultant's obligations under the agreement.

Under the agreement, Mr Tejada is also eligible to receive options or other incentives pursuant to any incentive plans adopted by the Company from time to time at the sole discretion of the Board. He presently holds 400,000 Options (as detailed in Section 6.13) which are governed by the Company's existing Stock Option Plan (summarised at Section 6.11).

(e) **Appointment Letters (Non-Executive Director) - Kevin Wilson, Michael Parker and Chafika Eddine**

Each of Kevin Wilson, Michael Parker and Chafika Eddine have entered into a Letter of Appointment (as outlined at Section 4.8(a) above) with the effective dates and compensation for each being:

<b>Director</b>	<b>Appointment Date</b>	<b>Remuneration</b>
<b>Kevin Wilson</b>	From the Prospectus Date.	C\$60,000 per annum (C\$5,000 per month) inclusive of statutory superannuation and payable not less than quarterly in arrears.
<b>Michael Parker</b>	Subject to and with effect from Admission.	C\$60,000 per annum (C\$5,000 per month) and payable not less than quarterly in arrears.
<b>Chafika Eddine</b>	Subject to and with effect from Admission.	C\$60,000 per annum (C\$5,000 per month) and payable not less than quarterly in arrears.

The terms of appointment for each of these three Directors is otherwise identical and provides for:

- (i) reimbursement of all travel and accommodation expenses properly incurred concerning the Company's affairs (including attending and returning from general meetings or meetings of the Board or Board committees) and all other expenses properly incurred in connection with the provision of services (subject to prior Board approval);
- (ii) the director ceasing to hold office at any time upon resignation by written notice to the Company or otherwise in accordance with the BCA and the Company's Articles, including:
  - (A) if not re-elected at any annual general meeting where he comes up for re-election;
  - (B) if the term of office expires;
  - (C) upon death;

- (D) if removed from office by a special resolution of Shareholders pursuant to Article 14.10 of the Company's Articles;
- (E) if removed by the directors in any of the circumstances provided by Article 14.11 of the Company's Articles (including where a director is convicted of an indictable offence, is disqualified from acting as director under the BCA, or otherwise removed by unanimous resolution of all other directors subject to a minimum of three remaining).

None of Mr Wilson, Mr Parker or Ms Eddine presently hold any securities in the Company.

(f) **Directors' indemnities and insurance**

The Company does not have separate Deeds of Access, Indemnity and Insurance with its directors and officers. Rather, subject to the BCA, the Company's Articles provide that it must indemnify a director, a former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding.

The Articles further provide that directors will be deemed to have contracted with the Company on the terms of this indemnity (as reflected in the Articles).

4.9 **Refer to Section 6.8 of this Prospectus for further information on indemnification of the Directors and officers of the Company under the BCA and the Company's Articles. Additional key management engagement agreements**

(a) **Chae Agreement (CFO Services)**

On 20 January 2020, the Company entered into a consultancy agreement with Ms Rachel Chae pursuant to which Ms Chae is to provide independent consultancy services to the Company as Chief Financial Officer.

Ms Che is entitled to a fixed monthly fee of C\$1,500 per month plus GST of 5%. Expenses incurred in connection with the provision of the services will be reimbursed, with individual expenses in excess of C\$500 requiring prior approval.

The agreement continues on an ongoing basis until terminated. The agreement may be terminated:

- (i) by either party by providing 30 days' written notice;
- (ii) by the Company at any time on written notice in circumstances where Ms Chae has materially breached the agreement; and
- (iii) at any time by mutual written agreement of the parties.

The Company agrees to indemnify Ms Chae from claims arising from her work, only in the event that such claims are the result of information produced and delivered by the Company that is found to be materially inaccurate or false. Ms Chae indemnifies the Company and its officers, directors and employees from claims arising from her work, only in the event that such claims are the result of information produced and delivered by Ms Chae that are found to be materially inaccurate or false.

(b) **1253070 BC Ltd - Garry Stock (Executive)**

The Company has entered into a Services Agreement with Mr Garry Stock and his consulting entity 1253070 BC Ltd.) effective from 1 March 2021, pursuant to which Mr Stock is engaged as an Executive (Strategic Consultant).

The agreement will continue for a period of two years, to 28 February 2023, unless renewed by mutual agreement.

Mr Stock will receive a fixed fee of C\$7,500 per month plus GST of 5%, and is entitled to be reimbursed for any reasonable personal expenses, including travel (with amounts above C\$1,000 requiring prior approval).

Mr Stock may also receive a discretionary performance bonus for extraordinary services from time to time (at the Board's discretion).

If the Company terminates the agreement immediately prior to a "Change of Control" or within a 6 month period after a "Change of Control" for any reason (other than Mr Stock's incapacity), then the Company must pay Mr Stock an amount equal to 6 times the monthly average of the compensation paid in the three months immediately preceding the termination (**Change of Control Payment**).

The agreement may be terminated in any of the following ways:

- (i) by Mr Stock at any time, and for any reason, by giving the Company 30 days' written notice;
- (ii) by the Company immediately prior to a "Change of Control" or within a six months after a "Change of Control" (provided the Change of Control Payment is made);
- (iii) by the Company at any time, and for any reason, either by giving 3 months' written notice or by making a termination payment of 3 months' compensation (**Termination Payment**);
- (iv) by the Company without any notice or pay in lieu, for a material breach of the agreement by Mr Stock; and
- (v) automatically upon the death or incapacity of Mr Stock.

Each of the Change of Control Payment and the Termination Payment are subject to the requirements of the ASX Listing Rules, including any shareholder approval that may be required. If any shareholder or regulatory approval

required by the ASX Listing Rules is not provided or obtained, the Company shall not be under any obligation to make the relevant payment.

The Company also applied for and has been granted a waiver of ASX Listing Rule 10.18 to the extent necessary to permit the Company, upon a Change of Control to pay the Change of Control Payment referred to above. Refer to Section 6.19 of this Prospectus for further information in respect of the waiver and its conditions.

Mr Stock has also been issued with Options under the Company's existing Stock Option Plan, and presently holds 325,000 such Options. (See Section 6.11 for further details on the Stock Option Plan and Section 6.13 for details of the Options and all other securities currently held by Mr Stock).

#### 4.10 Technical Advisor Agreement - SRK

The Company has entered into a consultancy agreement with SRK Consulting (Australasia) Pty Ltd (**SRK**) pursuant to which Dr Michael Cunningham, assisted by Mr Rodney Brown, is engaged by the Company to provide geological and project management services to the Company as a technical advisor.

SRK is engaged to prepare an Independent Geologist's Report (**IGR**) covering the Mostazal Copper Project in Chile and the Company's Peruvian Projects, including the Ilo Este and Ilo Norte Projects. SRK's Independent Geologist's Report is included in Section 8 of this Prospectus.

The SRK agreement provides that:

(a) **Consultancy Fee**

- (i) The total consultancy fee payable to SRK is an estimated A\$41,057 including GST.
- (ii) The Company will also reimburse SRK for all documented reasonable expenses necessarily incurred in the performance of the consultancy services, including travel, promotional and other expenses. A 7.5% surcharge will be applied to all reimbursable expenses.

(b) **Indemnity**

- (i) The Company must indemnify SRK and compensate SRK for any liability and/or expenditure resulting from any additional work required which:
  - (A) results from SRK's reliance on information provided by the Company or the Company not providing material information.
  - (B) relates to any consequential extension workloads through queries, questions or public hearings arising from the IGR.

(c) **Termination**

- (i) Following payment of the first invoice, either party may cancel the project by one months' notice in writing. In the case of the Company, the termination must be accompanied by payments due to the termination date or for work done up until the termination date;
- (ii) After consultation with the Company, SRK reserves the right to cancel a project if the payment for an initial invoice has not been paid or if outstanding accounts have not been paid.

#### 4.11 **Lead Manager Agreement**

The Company appointed Euroz Hartleys Limited to act as Lead Manager to the Offer by letter of engagement dated 14 May 2021 and subsequently by amendment letter dated 22 October 2021, together forming the "Lead Manager Agreement".

The agreement provides that:

- (a) Euroz Hartleys Limited will act as Lead Manager to the Offer on a best endeavours basis;
- (b) the Company will pay the Lead Manager a distribution fee equal to 6% of the amount subscribed pursuant to the Offer (amounting to between \$300,000 and \$360,000 (plus GST of 10%) depending on the amount raised);
- (c) subject to the Company achieving the Minimum Subscription, the Company will pay the Lead Manager a flat management fee of A\$35,000 (plus GST of 10%);
- (d) subject to the Company achieving the Minimum Subscription, the Company will issue the Lead Manager with the following Options, (**LM Options**):
  - (i) If the Minimum Subscription of A\$5 million is achieved - 3,400,000 LM Options;
  - (ii) If the Maximum Subscription of A\$6 million is achieved - 4,000,000 LM Options;
  - (iii) If the amount raised is in between the Minimum Subscription and the Maximum Subscription - the quantum of LM Options will be adjusted proportionally.
- (e) the LM Options shall have an exercise price equal to A\$0.28 (representing a 40% premium to the Offer Price) and an expiry date being the date which is 3 years from the date of Admission. The Company has determined that the value of the Euroz Options (using the Black-Shole model) is the minimum of A\$163,331 and the maximum of A\$192,154.
- (f) all LM Options will be subject to ASX imposed escrow for a period of 24 months commencing on the date of Official Quotation;

- (g) if all of the LM Options were exercised the percentage of the Company's issued capital that they will represent is as follows:

<b>Scenario</b>	<b>Shares/CDIs on Admission*</b>	<b>Fully diluted</b>
<b>Minimum Subscription</b>	5.56%	3.81%
<b>Maximum Subscription</b>	5.99%	4.11%

*\* Assumes no other Options or Warrants are exercised*

- (h) the Company will also reimburse the Lead Manager for all out-of-pocket expenses incurred, subject to Company pre-approval for single expenses of greater than A\$2,000;
- (i) the Company indemnifies the Lead Manager in connection with costs, claims, liabilities and expenses arising in connection with its engagement.

Refer also to Section 6.4 for the full terms and conditions of the LM Options.

The Lead Manager Agreement is binding for a term of 18 months after execution unless extended, and shall be automatically extended by an additional 6 months if the settlement of a capital raising occurs (or is expected to occur) within the period of two months prior to expiry of the initial term. At the end of the initial 18 month term, the Lead Manager and the Company will meet to discuss in good faith a 12 month extension.

The Lead Manager Agreement also grants certain trailing fees and first rights of refusal as follows:

- (j) during the agreement term (including any extensions) the Lead Manager has a first right of refusal to act as lead broker to any equity or hybrid capital raising (however structured), and is entitled to a fee of 6% of the gross amount subscribed any such raising;
- (k) the Company also offers the Lead Manager a first right to act as lead or joint lead manager to any capital raising undertaken within 6 months of expiration of the term, on the same terms (including the fee arrangement set out in 4.11(j) above;
- (l) during the agreement term (including any extensions) the Lead Manager has a first right of refusal to act as exclusive corporate adviser to any merger and acquisition transaction (whether structured as a sale, scheme of arrangement, takeover or otherwise) involving the Company or any of its related bodies corporate. The engagement terms are to be negotiated and reflect reasonable engagement and fee arrangements consistent with market.

As at the Prospectus Date, the Lead Manager does not hold or have any interests in, securities of the Company.

## 5. Board, Management and Corporate Governance

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### 5.1 Current Directors

The names and details of the Directors in office at the Prospectus Date are:

(a) **Christopher Gale - Non-Executive Chairman (appointed 7 July 2018)**

*Qualifications: Business Accounting and Finance Certificate (Graduate School of Management, University of Western Sydney), MACID*

Mr Gale has over 20 years' experience in managing and advising public and private companies. He is the former chairman of the Council on Australian Latin American Relations (COALAR) established by the Australian Government's Department of Foreign Affairs and Trade (DFAT). He is also a founding director of Allegra Capital, a boutique corporate advisory firm based in Perth and is a member of the Australian Institute of Company Directors (AICD).

Mr Gale's other current directorships include Oar Resources Limited (ASX:OAR) (Executive Chairman from March 2019 to present) and Allegra Capital Pty Ltd (Executive Director from July 2006 to present). Mr Gale is also an Executive Director (from September 2008 to present) of the Company's largest shareholder Latin Resources (LRS:ASX) and is not considered to be independent. Further details regarding the relationship between the Company and Latin Resources are included at Section 6.15(e).

(b) **Jason Cubitt – Executive Director, President & CEO (Appointed 29 August 2017)**

*Qualifications: Investment Funds Institute of Canada's Exempt Market Products Course (2009)*

Mr. Cubitt has 25 years of experience working with resource companies in various capacities as founder, finance agent and institutional investor. Most recently, Mr. Cubitt was director of investments for Vertus Investment Advisory and Ascenta Asset Management, offshore investment advisory firms for which he was responsible for precious metals and special situations mining and energy funds.

Mr Cubitt was originally appointed to the board on 29 August 2017; however has held the position of President and CEO from 20 December 2018. Mr Cubitt's other current directorships include Volatus Capital Corp. (CSE:VC) (non-executive Director and Audit Committee Chair from October 2019 to present) and Crest Resources Inc. (CSE:CRES) (non-executive Director and Audit Committee member from August 2021 to present).

(c) **Fred Tejada – Non-Executive Director (Appointed 4 December 2019)**

*Qualifications: BS Geology, Professional Geoscientist (Engineers and Geoscientist of British Columbia License #30021)*



Mr Tejada is a professional geologist, registered in British Columbia. He has over 35 years of international mineral industry experience and has a proven track record, working with both major and junior mining and exploration focused organisations. Mr Tejada was Country Manager for Phelps Dodge Exploration Corporation in the Philippines and previously Vice President for Exploration of Panoro Minerals Ltd. where he directed the resource definition drilling of its two major copper projects in Peru, and Vice President Exploration for Tirex Resources Ltd. He had also been previously involved in the exploration of the Trend and the Belcourt Saxon coal projects in Northeast British Columbia.

Mr Tejada was appointed to the Board on 4 December 2019. Mr Tejada's other current directorships include:

- Kalo Gold Corp (TSXV:KALO) (CEO, Director and Technical Lead) from February 2021 to present;
- Meguma Gold Corp. (CSE:NSAU) (Interim CEO and Director); Director from June 2016 to present, Interim CEO from June 2021 to Present;
- Black Shield Metals Corp. (CSE:BDX) (CEO and Director) from January 2021 to present;
- Volatus Capital Corp. (CSE:VC) (President, CEO and Director) from June 2021 to present;
- Major Precious Metals Corp, (CSE:SIZE) (Independent Director) from April 2018 to present;
- European Electric Metals Inc. (TSXV:EVX) (CEO and Director) from July 2017 to present.

Mr Tejada is not considered to be independent.

Mr Tejada will resign with immediate effect if the Company's securities or CDIs are Admitted to the Official List of ASX.

(d) **Kevin Wilson – Non-Executive Director (Appointed 10 November 2021)**

*Qualifications: Bachelor of Science (Hons) (University of London), Degree of Master of Business Administration (The City University London)*

Mr Wilson has over 30 years' experience in the minerals and finance industries. He was the Managing Director of Leviathan Resources Limited, a Victorian gold mining company, from its initial public offering in 2005 through to its sale in 2006. His previous experience includes 8 years as a geologist with the Anglo American Group in Africa and North America and 14 years as stockbroking analyst and investment banker with CS First Boston and Merrill Lynch in Australian and the USA.

Mr Wilson was appointed to the Board with effect from 10 November 2021, being the date on which this Prospectus was lodged with ASIC. Mr Wilson's other current directorships include Navarre Minerals Ltd (ASC:NML) (Chairman

from April 2007 to present), Los Cerros Ltd (ASX:LCI) (Non-executive director from November 2019 to present) and Investigator Resources Ltd (ASX:IVR) (Chairman from November 2019 to present).

Mr Wilson is to be considered independent.

## 5.2 Proposed Directors

The Board has also nominated two additional directors (below), and Shareholders have approved their appointment at the 2021 AGM, subject to and to take effect from the Company's Admission.

If the Company is not Admitted to the ASX the Proposed Directors will not be appointed.

The addition of the two Proposed Directors will enable the Company to have a fully independent Audit Committee (comprised of three independent directors), to broaden the board's skills matrix, and to allow for best practice corporate governance.

Each of Mr Wilson and the two Proposed Directors (Mr Parker and Ms Eddine) are considered to be independent.

(a) **Michael Parker – Non-Executive Director (to be appointed subject to and with effect from the Company's Admission to ASX)**

*Qualifications: BSc. Mining Geology (Honours), University of Leicester (1986)*

Mr. Parker is a geologist by training and has been a member of the AusIMM for 16 years. Mr. Parker is fluent in English, Spanish and French, and has extensive experience in exploration and project development, overseeing projects from discovery through construction to production. In 21 years with First Quantum Minerals (FQM), he held progressively senior Country Manager positions, and was instrumental in two major copper discoveries: the Lonshi and Frontier mines. He was Country Manager in the Democratic Republic of Congo (DRC) for FQM, overseeing up to 3,000 staff with two operating copper mines and a mine construction project.

Between 2011 to 2017, he was country manager for FQM in Peru, responsible for the design and implementation of FQM's corporate strategy in Latin America, including Argentina and Chile. He oversaw community relations programs and sustainability processes, ensuring that projects complemented community development in remote areas including preparations for resettlement programs. He was responsible for all government relations and communications throughout Latin America. He currently runs his own consultancy company, Mining Footprint Ltd.

Mr Parker is to be considered to be independent.

(a) **Chafika Eddine – Non-Executive Director (to be appointed subject to and with effect from the Company's Admission to ASX)**

*Qualifications: Doctor of Business Administration with ESG focus (in progress), Royal Roads University, Canada, 2020; Master's in Community Development*

*and Sustainability, University of Victoria/UBC, Canada, 2017; Bachelor's in Law, LLB, Brazil, Sao Paulo Law Bar, 2001; Project Management Professional, PMP Certification, Canada, 2011; Advanced Business Finance / Securities - 192 hours, University of Sao Paulo, Brazil, 2001*

Ms. Eddine has over 20 years of experience in corporate governance including as a non-executive board member of public mining companies. She has previously held positions as Vice President Corporate Development for Bear Creek Mining and Director Corporate Social Responsibility for Hudbay Minerals during early stages of exploration into a feasibility phase, and through the construction of three mines.

She has restructured and established exploration offices in 10 countries for several companies including Anglo American and AngloGold Ashanti, and has worked and lived in Europe, and in South, Central and North America, applying her expertise in compliance towards sustainability and risk mitigation.

Ms. Eddine was a Director of the Board for the Peruvian-Canadian Chamber of Commerce from 2012 to 2018 and is one of the founders of the Global Change for Children Society. Ms Eddine has also previously served on the Company's board from 2 October 2018 to 25 June 2019.

Ms Eddine is to be considered independent.

### 5.3 Key management personnel

(a) **Rachel Chae – Chief Financial Officer (Appointed January 2020)**

*CPA; Certified General Account of Canada; Diploma in Financial Management (British Columbia Institute of Technology)*

Rachel Chae has served as CFO for various publicly traded companies, including a number of junior exploration companies based in Vancouver, British Columbia. Ms. Chae is a Chartered Professional Accountant and Certified General Accountant presently employed by Cross Davis & Company LLP (from August 2015 to present), a Chartered Professional Accountant firm providing accounting services to publicly listed entities, primarily in the mining sectors. Ms. Chae works directly with mining Chief Executive Officers and directors, assisting with their regulatory and accounting needs.

(b) **Anthony (Tony) Greenaway – Vice President Exploration (1 March 2021)**

*Geologist (Curtin University of Technology, 1992)*

Mr Greenaway is a senior executive and qualified geologist with a strong combination of commercial, operational and technical skills gained over 25 years in Australia, Africa (South Africa and Ghana), South America (Chile, Peru), Central America (Mexico) and SE Asia (Indonesia). He has experience across a range of commodities and geological settings copper porphyry, IOCG, orogenic gold and Ni-Cu PGE's amongst others.

Mr Greenaway's technical skills are complemented by experience over a wide range of business disciplines including strategic planning, business development, operations and project management, project feasibility and research, team development and leadership, corporate governance and multi-jurisdictional compliance.

Mr Greenaway is a current member of the Australasian Institute of Mining and metallurgy (AUSIMM), and has sufficient experience to qualify as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code)*.

(c) **Angelo Peri – Country Manager for Chilean Operations (Appointed March 2021)**

*Geologist (North University Chile, 1986); Master's Program in Economic Geology (Catholic University of the North Antofagasta Chile, 1999)*

Mr. Peri was most recently head of generative and exploration operations in Chile for Sumitomo Metal Mining from 2011 – 2020. He is a professional geologist with thirty-five years' experience. Prior to his tenure with Sumitomo, Mr. Peri held senior management positions with major mining companies in Latin America including Vale, Phelps Dodge, and Cyprus Amax where he was responsible for the evaluation of projects including Antucoya, Refugio, Chimborazo and Altamira.

#### 5.4 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted (subject to and with effect from the Company's Admission) the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the Prospectus Date (subject to Admission) are detailed below. The Company's corporate governance information is included in a dedicated section of the Company's website.

(a) **Board of Directors**

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division

of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) appointing and when necessary replacing the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (ii) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (iii) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (iv) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems including the external audit;
- (vi) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (vii) overseeing the Company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- (viii) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

(b) **Composition of the Board**

Election of Board members is substantially the province of the Shareholders in a general meeting. The Board currently consists of one Executive Director (Jason Cubitt), and three Non-Executive Directors (Christopher Gale, Fred Tejada (to resign upon Admission) and Mr Wilson), with the appointment of the two additional Proposed Directors (already approved by Shareholders) only to take effect if and when the Company is Admitted to the ASX.

Each of Mr Wilson (a current Director) and Mr Parker and Ms Eddine (the Proposed Directors) are considered to be independent Directors.

The Board regularly reviews the balance of skills currently available and as part of succession planning to ensure the appropriate level of skills, knowledge and

experience along with diversity and independence are in place to best discharge its responsibilities for the shareholders in the most effective manner.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

(c) **Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(d) **Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

(e) **Remuneration arrangements**

The Board will establish a separate Remuneration Committee. Subject to appointment of the Proposed Directors, the committee will comprise three independent directors. Its role is to evaluate the performance of the Board and individual Directors on an annual basis, with the aid of an independent advisor, if deemed required.

(f) **Securities trading policy**

The Board has adopted a policy (subject to Admission) that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the Executive Directors). The policy generally provides that the written acknowledgement of the Chairman (or the Board in the case of the Chairman) must be obtained prior to trading.

(g) **Diversity policy**

The Company is committed to workplace diversity. The Company recognises the benefits from diversity in the workplace and at the Board level, including access to different perspectives and ideas, benefitting from a wide range of talent. The Board has adopted a Diversity Policy committing to annual reviews in respect of diversity. Further information is given in Section 5.5 below.

(h) **Audit and risk**

The Company's risk management policy exists to provide a framework for the Company to monitor and assess all associated risks to the Company. Subject to Admission, the Company's audit committee will consist of three independent directors.

Audit committee meetings will be held at least twice a year with the external auditors expected to attend at least one meeting a year.

(i) **External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board (and, after such time as the audit committee is constituted, the audit committee) from time to time will review the scope, performance and fees of those external auditors. The fees for external auditors is subject to shareholder approval.

**5.5 Departures from Recommendations**

Following Admission, the Company will be required to report any departures from the Recommendations in its annual financial report.

The Company's compliance and departures from the Recommendations (as will be in place subject to and with effect from Admission) are detailed in the table below.

<b>Principles and Recommendations</b>	<b>Comply (Yes/No)</b>	<b>Explanation</b>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>		
<p><b>Recommendation 1.1</b></p> <p>A listed entity should disclose a board charter setting out:</p> <ul style="list-style-type: none"> <li>(a) the respective roles and responsibilities of its board and management; and</li> <li>(b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	YES	<p>The Company has established a Board Charter.</p> <p>The Board Charter sets out the specific responsibilities of the Board in relation to corporate governance, the role of the Board, the Board's relationship with management, the key responsibilities of the Board, the structure of the Board, the role of the chair, the role of Board committees and the occurrence of Board meetings. A copy of the Company's Board Charter is available on the Company's website.</p>
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) undertake appropriate checks before appointing a director or senior executive, or putting forward to security holders a candidate for election, as a director; and</li> <li>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	YES	<ul style="list-style-type: none"> <li>(a) The Company's Remuneration and Nomination Committee Charter requires the Board to undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director.</li> <li>(b) All material information relevant to a decision on whether or not to elect or re-elect a Director will be provided to security holders in any notice of meeting</li> </ul>

Principles and Recommendations	Comply (Yes/No)	Explanation
		pursuant to which the resolution to elect or re-elect such Director will be voted on.
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	YES	<p>The Company's Remuneration and Nomination Committee Charter and Board Charter require the Board to ensure that each Director and senior executive is a party to a written agreement with the Company which sets out the terms of that Director's or senior executive's appointment.</p> <p>The Company has entered into a written agreement with each Director and senior executive setting out the terms of their appointment.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	YES	<p>The Board Charter outlines the role, responsibility and accountability of the Company Secretary. The Company Secretary is accountable directly to the Board, through the Chair, on all matters relating to the proper functioning of the Board.</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a diversity policy;</li> <li>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>(c) disclose in relation to each reporting period: <ul style="list-style-type: none"> <li>(i) the measurable objectives set for that period to achieve gender diversity;</li> <li>(ii) the entity's progress towards achieving those objectives; and</li> <li>(iii) either:</li> </ul> </li> </ul>	PARTIALLY	<p>The Company has a Diversity Policy which includes requirements for the board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them.</p> <p>Due to the current size and composition of the organisation, the Board does not consider it appropriate to provide measurable objectives in relation to gender diversity. The Company is committed to ensuring that the appropriate mix of skills, expertise, and diversity are considered when employing staff at all levels of the organisation and when making new senior executive and Board appointments and is satisfied that the composition of employees, senior executives and members of the Board is appropriate.</p>



Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined “senior executive” for these purposes); or</p> <p>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</p>		
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period, whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	NO	<p>(a) The Board (in the absence of a Nominations Committee) is responsible for evaluating the performance of the Board and individual Directors on an annual basis, with the aid of an independent advisor, if deemed required.</p> <p>(b) The Company has not yet undertaken a performance evaluation with respect to the Board, its committees and individual directors.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p>	YES	<p>The Board reviews the performance of its senior executives on a routine basis. A senior executive, for these purposes, means key management personnel (as defined in the Corporations Act), other than non-executive Directors.</p> <p>The applicable processes for these evaluations can be found in the</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(b) disclose, for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>		<p>Company's Performance Evaluation Policy, which is available on the Company's website.</p> <p>The Performance Evaluation Policy has been newly adopted and therefore no performance evaluation has been undertaken in accordance with those processes contained within the policy.</p>
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p> <p>(b) and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>NO</p>	<p>The Company does not comply with Recommendation 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership</p>	Yes	<p>The Board's skills matrix indicates the mix of skills, experience and expertise that are considered necessary at Board level for optimal performance of the Board. The matrix reflects the Board's objective to have an appropriate mix of industry and professional experience including skills such as corporate finance, geology, mining, policy development, mergers and acquisition, legal, commercial and customer relationships. External consultants may be brought in with specialist knowledge to address areas where this is an attribute deficiency in the Board.</p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>(a) the names of the directors considered by the board to be independent directors;</li> <li>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>(c) the length of service of each director.</li> </ul>	Yes	<p>The Company will disclose in its Annual Report those Directors it considers independent Directors and the considerations given in determining independence. The Annual Report also includes the length of service of each Director.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	NO	<p>One (1) of the Company's current four (4) Directors are considered to be independent. The remaining Directors are not considered to be independent.</p> <p>The appointment of two additional Proposed Directors has been approved by Shareholders at the 2021 AGM, which will only take effect if and when the Company is Admitted to the ASX.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
		Each of Mr Wilson (a current Director), and Mr Parker and Ms Eddine (the Proposed Directors) are considered to be independent Directors.
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	PARTIALLY	<p>The roles of Chair of the Board and CEO are separate and distinct. Christopher Gale is the Non-Executive Chair of the Company and Jason Cubitt is the CEO. Christopher Gale is the Company's Chair and is not considered independent by virtue of his position as the Managing Director of the Company's largest shareholder, Latin Resources Limited.</p> <p>As the Company grows, the Board will consider the transitioning of this role to that of an independent director.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	YES	In accordance with the Company's Board Charter, the Board is responsible for the approval and review of induction and continuing professional development programs and procedures for Directors to ensure that they can effectively discharge their responsibilities. The Company Secretary is responsible for facilitating inductions and professional development.
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	Yes	The Board has approved a Statement of Values and charges the Directors with the responsibility of inculcating those values across the Company.
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>(b) ensure that the board or a committee of the board is informed</li> </ul>	Yes	The Company has adopted a Code of Conduct for the Board, senior executives and employees that promote the highest standards of ethics and integrity in carrying out their duties to the Company.

Principles and Recommendations	Comply (Yes/No)	Explanation
of any material breaches of that code.		
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have and disclose a whistleblower policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	Yes	<p>The Board has adopted a Whistleblower Policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The purpose of this policy is to promote responsible whistle blowing about issues where the interests of others, including the public, or of the organisation itself are at risk.</p>
<p><b>Recommendation 3.4</b></p> <ul style="list-style-type: none"> <li>(a) have and disclose an anti-bribery and corruption policy; and</li> <li>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</li> </ul>	YES	<p>The Board has a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings. The Board has adopted an Anti-Bribery and Anti-Corruption Policy for the purpose of setting out the responsibilities in observing and upholding the Company's position on bribery and corruption provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.</p>
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director, who is not the chair of the board,</li> </ul> </li> <li>(b) and disclose:</li> </ul>	YES	<p>The Company intends to comply with Recommendation 4.1 (following and subject to the appointment of the Proposed Directors) and will form an Audit Committee, comprising of three (3) independent directors.</p> <p>The Audit Committee will be chaired by an independent director who is not the chair of the Board. The Company Secretary will perform the duties of Secretary of the Audit Committee.</p> <p>The Company will disclose the charter of the committee, the number of times the committee met throughout the period and the individual attendances of the</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(i) the charter of the committee;</p> <p>(ii) the relevant qualifications and experience of the members of the committee; and</p> <p>(iii) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(c) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		<p>members at those meetings. The relevant qualifications and experience of the members will not be disclosed in the charter of the committee. The Company will disclose the charter of the committee, the number of times the committee met throughout the period and the individual attendances of the members at those meetings. The relevant qualifications and experience of the members will not be disclosed in the charter of the committee.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	YES	<p>The Board relies on management accountability for the Company's financial statements and reports for a financial period and requires the CEO and CFO/Company Secretary, to provide declarations that in their opinion, the financial records and reports have been properly maintained and presented and comply with appropriate accounting standards, giving a true and fair view, in all material respects, of the financial position and performance of the Company and its entities.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	YES	<p>When preparing reports for release to the market including the periodic reports, these reports shall be prepared and reviewed by the Chief Executive Officer before being presented to the Board for review and approval. Such reports shall not be released to market without this review and approval process by executive management and the Board.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	YES	<p>(a) The Company has adopted a Continuous Disclosure Policy which is set out within the Company's Corporate Governance Plan and details the Company's disclosure requirements as required by the Listing Rules and other relevant legislation.</p> <p>(b) The Continuous Disclosure Policy is available on the Company's website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	YES	<p>The Board has appointed the Australian Company Secretary as the person responsible for communicating with the relevant securities exchanges and overseeing and coordinating the timely disclosure of information to ASX and TSX-V, subject to prior review and approval of all announcements by the Directors or any person with appropriate delegated authority. The Company Secretary ensures that the Board are aware of when any announcement is due to go out and when the confirmation of release is received, the Company Secretary promptly forwards this to the Board.</p>
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	YES	<p>The Board has appointed the Australian Company Secretary as the person responsible for communicating with ASX and overseeing and coordinating the timely disclosure of information to ASX, subject to prior review and approval of all announcements by the Directors or any person with appropriate delegated authority. The Australian Company Secretary will ensure any substantive presentations are released to the ASX Market Announcements Platform ahead of the presentation and in accordance with the Continuous Disclosure Policy.</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	YES	<p>Information about the Company and its governance is available on the Company's website; <a href="http://www.solisminerals.com">www.solisminerals.com</a></p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program to facilitate effective two-way communication with investors.</p>	YES	<p>The Company has adopted a Shareholder Communications Policy which aims to promote and facilitate effective two-way communication with investors. The Policy outlines a range of ways in which information is communicated to Shareholders.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	YES	<p>As per the Company's Shareholder Communications Policy, Shareholders will be encouraged to participate at all meetings of security holders of the Company. Upon the despatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting.</p> <p>CDI holders are also encouraged to attend the Meeting, however cannot vote in person and must direct CHES Depositary Nominees how to vote in advance of the meeting.</p>
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than a show of hands.</p>	YES	<p>The Company conducts a poll at meetings of security holders to decide each resolution.</p>
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.</p>	YES	<p>The Company is committed to maintaining a Company website with general information about the Company and its operations and information specifically targeted at keeping the Company's shareholders informed about the Company. Regular reports are released through the ASX and the TSX-V as well as the media. Notices of all meetings of shareholders, annual reports, including annual audited financial</p>



Principles and Recommendations	Comply (Yes/No)	Explanation
		statements and management and discussion and analysis (MD&A) quarterly reports and material announcements are posted on SEDAR ( <a href="http://www.sedar.com">www.sedar.com</a> ).
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> <li>(i) has at least three members, a majority of whom are independent directors; and</li> <li>(ii) is chaired by an independent director,</li> </ul> </li> <li>(b) and disclose: <ul style="list-style-type: none"> <li>(i) the charter of the committee;</li> <li>(ii) the members of the committee; and</li> <li>(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</li> </ul> </li> <li>(c) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</li> </ul>	NO	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> </ul>	YES	<p>The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established policies in relation to the implementation of practical and effective control systems. The Company has established a Risk Management Policy and will disclose in relation to each reporting</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
(b) disclose, in relation to each reporting period, whether such a review has taken place.		period whether a review of the risk management has taken place.
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	NO	The Company does not have an independent internal audit function. Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function in the manner disclosed below, the expense of an independent internal auditor is not considered to be appropriate.
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	YES	<p>The Company identifies and manages material exposure to environmental and social risks in a manner consistent with its Risk Management Policy, which is available on the Company's website.</p> <p>The Company has, and continues to, undertake various organisation wide risk reviews to identify potential business risks. The effectiveness of the controls in place to address each risk is reviewed on a regular basis and, where the residual risk is considered outside of acceptable limits, further controls and risk mitigation measures are developed and implemented.</p>
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director,</p>	YES	<p>The Company will form a Remuneration committee. Subject to appointment of the Proposed Directors, the committee will comprise of three (3) independent directors. The Remuneration Committee will be chaired by an independent director who is not the chair of the Company.</p> <p>The Remuneration Committee is responsible for setting the Company's remuneration structure,</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p>(b) and disclose:</p> <p>(i) the charter of the committee;</p> <p>(ii) the members of the committee; and</p> <p>(iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(c) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>		<p>determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Company has adopted a Remuneration and Nomination Committee Charter which is available on the Company's website <a href="http://www.solisminerals.com">www.solisminerals.com</a></p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	YES	<p>The Board Charter sets out the policies and practices of the remuneration of Non-Executive Directors, Executive Directors and other senior executives.</p> <p>All Directors of the Company typically receive remuneration comprising a base salary component and other fixed benefits based on the terms of their respective employment agreements with the Company or its subsidiaries, and potentially the ability to participate in incentive plans.</p> <p>Details of the remuneration of the Directors and other executives are outlined in Sections 4.8 and Section 0 of this Prospectus and will be included in all Annual Reports going forward, available on the Company's website and SEDAR.</p>
<p><b>Recommendation 8.3</b></p>	YES	<p>The Company's Trading Policy prohibits the hedging of unvested performance share rights and</p>

Principles and Recommendations	Comply (Yes/No)	Explanation
<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>		<p>vested securities that are subject to disposal restrictions at all times, irrespective of trading windows. This is intended to prevent transactions which could have the effect of distorting the proper functioning of performance hurdles or reducing the intended alignment between management's and shareholders' interests.</p> <p>For the purposes of this policy, hedging includes the entry into any derivative transaction such as options, forward contracts, swaps, futures, warrants, caps and collars and any other transaction in financial products which operate to limit (in any way) the economic risk associated with holding the relevant securities.</p> <p>The Trading Policy is available on the Company's website <a href="http://www.solisminerals.com">www.solisminerals.com</a></p>
<p><b>Recommendation 9.1</b></p> <p>A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.</p>	N/A	-
<p><b>Recommendation 9.2</b></p> <p>A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.</p>	YES	The Company will hold its annual general meeting in either British Columbia or Australia.
<p><b>Recommendation 9.3</b></p> <p>A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	YES	The Company will hold its annual general meeting in British Columbia or Australia. Under the BCA, the auditor is not required to attend an annual general meeting, unless a registered shareholder requires the auditor's attendance by written notice given to the Company at least five days before the meeting.



## 6. Additional Information

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### 6.1 Rights attaching to Shares

The Offer is for CDIs which represent the beneficial interest in the underlying Share. Refer to Section 6.2 for a summary of the rights of CDI Holders.

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

#### (a) Voting

At any meeting of Shareholders, every person present who is a Shareholder or proxy holder and entitled to vote on the matter has one vote for every Share held. The Shareholder need not cast all votes in the same way. If there are joint Shareholders registered in respect of any Share, any one of the joint Shareholders may vote at any meeting of Shareholders, either personally or by proxy, in respect of the Share as if that joint Shareholder were solely entitled to it. If more than one joint Shareholder is present at any meeting of Shareholders, personally or by proxy, and more than one of the joint Shareholders votes in respect of that Share, then only the vote of the joint Shareholder present whose name stands first in the central securities register in respect of the Share will be counted.

As detailed in Section 6.2, holders of CDIs can attend but cannot vote in person at a general meeting, and must instead direct CDN how to vote in advance of the meeting. Any notice of meeting issued to CDI Holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's written instructions.

If, pursuant to the Listing Rules, a notice of meeting contains a voting exclusion statement which excludes certain named persons (or class of persons) and their associates from voting on a particular resolution, any votes cast on that resolution by the named person (or class or person) excluded from voting or an associate of that person or those persons must be disregarded.

#### (b) Meetings

Unless deferred or waived in accordance with the BCA, an annual general meeting of Shareholders is required to be held by the Company once in every calendar year and not more than 15 months after the last annual general meeting of Shareholders.

The BCA and the Articles require that notice of a meeting of Shareholders or public companies must be provided not less than 21 days, but not more than two months before the meeting. However, public companies incorporated under the BCA are also subject to the requirements of National Instrument 54-1010-*Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), which provides for minimum notice periods of greater than the minimum 21 day period in the statute. Under NI 54-101, the record date for determining the registered Shareholders that are entitled to receive notice of the meeting may not be less than 30 days nor more than 60 days prior to the date for the meeting, subject to certain exceptions. In addition as a "reporting issuer" under NI 54-101, the Company is required, subject to certain exemptions, to notify certain intermediaries at least 25 days prior to the record date.

Under the BCA, the Company is required to give notice only to registered Shareholders entitled to vote at the meeting as well as its directors. Under applicable Canadian securities laws, the Company is also required to give notice to certain beneficial shareholders.

As noted above, CDI Holders may only exercise their vote by directing CDN accordingly.

In addition, under the BCA, a Shareholder(s) holding in the aggregate of at least 5% of the Shares has the right to requisition a general meeting of Shareholders for the purpose of transacting any business that may be transacted at a general meeting of Shareholders. The BCA details the information that must be included in such a request, and the timing requirements.

(c) **Shareholders rights to bring a resolution before a meeting**

A shareholder proposal (a **Proposal**) is a document setting out a matter that the submitter wishes to have considered at the next annual general meeting of the Company. Under the BCA, Proposals may be submitted by both registered and beneficial Shareholders who are entitled to vote at an annual Shareholders' meeting who in the aggregate constitute at least one percent of the Shares or have Shares with a fair market value more than C\$2,000, provided that the shareholder has been a registered owner or beneficial owner of one or more Shares for an uninterrupted period of at least two years before the date of the signing of the Proposal. Such entitled shareholder may not submit a Proposal if within two years of the date of signing the Proposal, the person failed to present, in person or by proxy, at an annual general meeting, an earlier Proposal of which they were the submitter and in response to which the Company had complied with the technical requirements for Proposals under the BCA. A Proposal must be received at the registered office of the Company at least three months before the anniversary of the previous year's annual reference date.

If a Proposal has been submitted in accordance with the BCA, the Company would then be required to set out the text of the Proposal in its management proxy circular (and, if requested by the person submitting the Proposal, include or attach in its management proxy circular a statement by the Shareholder in support of the Proposal not exceeding 1,000 words).

The BCA provides for exemptions from the requirements to include a Proposal in the Company's management proxy circular in certain circumstances, including where:

- (i) the directors have called an annual general meeting to be held after the date on which the Proposal is received by the company and have sent notice of that meeting;
- (ii) the Proposal is not valid, as it does not meet the requirements set out above;
- (iii) substantially the same proposal was submitted to Shareholders in a notice of meeting, or
- (iv) an information circular or equivalent, relating to a general meeting that was held not more than 5 years before the receipt of the Proposal, and did not receive the prescribed amount of support at the meeting;
- (v) it clearly appears that the Proposal does not relate in a significant way to the business or affairs of the company;
- (vi) it clearly appears that the primary purpose for the Proposal is:
  - (A) securing publicity; or
  - (B) enforcing a personal claim or redressing a personal grievance against the company or any of its directors, officers or security holders;
- (vii) the Proposal has already been substantially implemented;
- (viii) the Proposal, if implemented, would cause the company to commit an offence; or
- (ix) the Proposal deals with matters beyond the company's power to implement.

(d) **Dividends**

Pursuant to the Articles and subject to applicable law, the Board may from time to time declare and authorise payment of such dividends as they may deem advisable, and the Board may determine the time for payment of such dividends, manner of payment of the dividend and the record date for determining the Shareholders entitled thereto.

All dividends on shares of any class or series of shares must be declared and paid according to the number of shares held.



(e) **Transfer of Shares**

Pursuant to the Articles and subject to applicable law, Shares may be transferred by a written instrument of transfer which complies with the Articles and applicable law.

The Board must not refuse to register a transfer of CDIs when required by the Listing Rules or ASX Settlement Rules.

(f) **Issue of further Shares**

The BCA permits shares with or without par value. Pursuant to the Company's Notice of Articles, the Company is authorized to issue an unlimited number of common shares without par value.

The Shares may be issued for such consideration as the Company's Directors may determine. Shares issued by a company governed by the BCA are non-assessable and may only be issued if consideration for such shares is fully paid.

As a TSX-V listed company, issuances of securities by the Company require the approval of TSX-V. TSX-V may impose conditions on a transaction or grant exemptions from its own requirements. TSX-V will consider various factors, including the involvement of Insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of the Company's securityholders.

TSX-V will generally require securityholder approval for: (a) any transaction which results in the creation of a new Control Person (defined below); (b) any transaction where the number of securities issued or issuable to non-arm's length parties as a group as payment of the purchase price for an acquisition, exceeds 10% of the number of outstanding securities of the company; and (c) the sale of more than 50% of the company's assets, business or undertaking.

The TSX-V defines "**Control Person**" as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of a company except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX-V may require securityholder approval if the transaction results in the creation of a new Control Person. The TSX-V may also require securityholder approval for a private placement that appears to be undertaken as a defensive tactic to a takeover bid or if the issuance of securities pursuant to the private placement is a related party transaction.

(g) **Voluntary Dissolution**

Pursuant to the BCA, the Company may apply to be dissolved if it is authorised to do so by a special resolution passed by the Shareholders, it has no assets

and it has no liabilities or has made adequate provisions for the payment of each of its liabilities.

Pursuant to the BCA, the Company may liquidate if it has been authorized to do so by a special resolution passed by the Shareholders. Concurrently, the Company must also appoint a qualified liquidator approved by an ordinary resolution passed by the Shareholders.

If the Company is wound up, liquidated or dissolved, then, subject to applicable law and to the rights of the holders of shares with special rights upon winding up, if any, the assets of the Company legally available for distribution among the shareholders, after payment of all debts and other liabilities of the Company, shall be distributed to the shareholders in proportion to their respective holdings of the shares in respect of which such distribution is being made.

(h) **Variation of rights**

At present, the Company's only class of shares is common shares without par value. Subject to the Articles and the BCA, amendments to the special rights and restrictions attached to any issued shares of the Company require the approval by way of a resolution of the directors.

(i) **Directors – appointment and removal**

Each of the Directors shall be elected at each annual general meeting of Shareholders (or appointed by unanimous Shareholder resolution) and shall serve in office until the close of the next annual general meeting, unless they vacate their office earlier. Each Director retiring at an annual general meeting of Shareholders is eligible to be re-elected at that meeting.

Additional Directors may be elected at general meetings by an ordinary resolution passed by the Shareholders. The Board may also appoint additional Directors (up to one-third of the number of Directors elected at the previous annual general meeting) or Directors to fill a casual vacancy. Directors so elected or appointed must retire at the next annual general meeting, at which they may seek re-election.

A Director may be removed from office by a special resolution passed by the Shareholders. The Board shall also be entitled to remove from office any Director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign. Subject to there being at least three remaining directors, all other Directors may pass a resolution to remove a Director. The Board may appoint a director to fill the resulting vacancy.

Notwithstanding the above, Latin Resources will retain its right to nominate a director to the Company's Board for so long as it holds at least 10% of the Company's Shares (as set out in Section 4.4(e)).

(j) **Directors – fees and remuneration**

Under the Articles, the Directors may fix the remuneration of the directors, officers and employees of the Company. The Directors can also decide that Director remuneration can be determined by the Shareholders. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to the Company outside the ordinary duties of a director, subject to the Listing Rules. Under applicable Canadian securities law, a report on executive compensation is required to be included in the management proxy circular in connection with the annual meeting each year.

The current amount fixed by the Directors for payment to Non-Executive Directors is A\$400,000. Pursuant to the Listing Rules, this amount may only be increased with Shareholder approval.

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

(k) **Indemnities**

Subject to the BCA, the Company must indemnify a director, a former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of this indemnity (as reflected in the Articles).

In addition, the Company may indemnify any other person against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

The restrictions and limitations on the indemnity and insurance provisions are detailed in the Articles.

(l) **Alteration to the Articles**

The Company's charter documents consist of a "Notice of Articles", which sets forth the name of the company and the amount and type of authorized capital, and "Articles" which govern the management of the company. The notice of articles is filed with the Registrar of Companies and the articles are filed with the company's registered and records office. Subject to the BCA, the Articles regulate the business and affairs of the company and provide for matters including the allotment and issuance of shares, the calling of, and voting at, shareholders' and directors' meetings and the quorum requirements for such meetings, elections of the board of directors and appointment of officers, the payment of dividends, the borrowing powers and restrictions on a corporation, filling of vacancies, notices, types and duties of officers, the appointment of committees and other routine conduct.

The required authorisation to amend the Notice of Articles or Articles under the BCA will be specified in the BCA or the Articles based on the type of resolution.

In many instances, including a change of name or amendments to the Articles, the BCA or the Articles may provide for approval solely by a resolution of the directors or by ordinary resolution of the shareholders. If the type of resolution is not specified in the BCA or the Articles, most amendments will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution.

Amendments to the special rights and restrictions attached to issued shares require, in addition to any resolution provided for by the Articles, consent by a special resolution of the holders of the class or series of shares affected.

(m) **Alterations to satisfy ASX's Listing Rules**

On 26 July 2021, the Company's Articles were amended to adopt provisions required by the Listing Rules. The provisions mirror the content of Listing Rule 11.12 in respect of rules applicable to restricted securities. These include

- (i) trading restrictions and prohibitions for the Company to acknowledge disposals during the escrow period;
- (ii) for quoted securities requirements that these will be kept on the Company's issuer sponsored sub-register with a holding lock (for the duration of the escrow period);
- (iii) that holders of restricted securities will not be entitled to participate in any return of capital during the escrow period;
- (iv) that holders of restricted securities will not be entitled to dividends or distributions, or the exercise of voting rights, if they have breached the escrow requirements, for so long as such breach subsists.

Additionally, the Articles were amended to adopt a set of template provisions (contained in Appendix 15A of the Listing Rules) designed to ensure that the Articles will be applied in a manner consistent with the Listing Rules.

## 6.2 Rights of CDI Holders

With the exception of voting rights, CDI Holders are generally entitled to equivalent rights as holders whose securities are legally registered in their own name. The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities. However, in some cases, marginal difference may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Canadian legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).

The ASX Settlement Rules require the Company to give notices to CDI Holders of general meetings of Shareholders. The notice of meeting must include a form permitting the CDI Holder to direct CDN how to vote on a particular resolution, in accordance with the CDI Holder's written directions. CDN is then obliged under the ASX Settlement Rules to lodge proxy votes in accordance with the directions of CDI Holders. CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into certificated Shares prior to the relevant meeting in order to vote in person at the meeting.

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.

### 6.3 Converting between Shares and CDIs

CDI Holders may at any time convert their holding of CDIs (tradeable on ASX) to Shares by:

- (a) in the case of CDIs held through the issuer sponsored sub-register, contacting the Share Registry directly to obtain the applicable request form; or
- (b) in the case of CDIs held on the CHESS sub-register, contacting their controlling participant (generally a stockbroker), who will liaise with the Share Registry to obtain and complete the request form.

Upon receipt of a request form, the relevant number of CDIs will be cancelled and Shares will be transferred from CDN into the name of the CDI Holder and issued in book-entry or certificated form in accordance with instructions in the request. This will cause the Shares to be registered in the holder's name on the register of Shareholders and trading will no longer be possible on ASX.

A holder of Shares may also convert their Shares to CDIs by contacting the Canadian Share Registry if the Shares held are registered directly in their name or their stockbroker (or applicable controlling participant) if the Shares are held on their behalf in the Canadian Central Security Depository. In each case, the Shares will be transferred from the Shareholder's name into the name of CDN and a holding statement will be issued to the person who converted their Shares to CDIs in respect of the CDIs that have been issued. The CDIs will be tradeable on ASX.

### 6.4 Terms of New Options and LM Options

(a) **Unlisted**

Each New Option and each Lead Manager Option will be unlisted.

(b) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(c) **Exercise Price**

Subject to paragraph (j) below, the amount payable upon exercise of each:

- (i) New Option will be A\$0.30 per Option;
- (ii) Lead Manager Option will be A\$0.28 per Option (representing a 40% premium over the Offer Price),

(Exercise Price).

(d) **Expiry Date**

The Expiry Date of each:

- (i) New Option is 5:00 pm (WST) on the date that is twenty four (24) months from the date of issue;
- (ii) Lead Manager Option is 5.00 (WST) on the date that is thirty six (36) months from the date of Admission,

(Expiry Date).

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

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (Exercise Period).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (Notice of Exercise) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (Exercise Date).

(h) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors;
- (iii) if admitted to the official list of ASX at the time, apply for Official Quotation on ASX of Shares issued pursuant to the exercise of the Options. If a notice delivered under paragraph (ii) above for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Ranking**

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

(j) **Reorganisation of capital**

If at any time the issued capital of the Company is reorganised, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reorganisation.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

## 6.5 ASIC relief

Pursuant to ASIC Class Order CO14/827, ASIC has given class order relief for offers for the issue or sale of CDIs, where the underlying foreign securities are quoted on ASX and are held by CDN as the depositary nominee. The purpose of the relief is to remove any uncertainty about how offers of CDIs over underlying foreign securities are

regulated under the Corporations Act, ensuring offers of CDIs are regulated as an offer of securities under the disclosure provisions of Chapter 6D of the Corporations Act.

Pursuant to the Class Order, the Company is required to provide the following information.

Topic	Explanation
Nature of CDIs	<p>The Shares the subject of the Offer will trade on ASX in the form of CDIs.</p> <p>A CDI is a unit of beneficial ownership in a share (or beneficial interest in a share) or option of a foreign company, where the underlying share, interest or option is registered in the name of a depositary nominee (in this case Chess Depositary Nominees Pty Ltd (<b>CDN</b>)), for the purpose of enabling the foreign share, interest or option to be traded on ASX.</p> <p>For further information see Section 1.18.</p>
Specific features of CDIs	<p>The main difference between holding CDIs and Shares is that the holder of CDIs has beneficial ownership of the underlying Shares instead of legal title. Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.</p> <p>Each CDI will represent one underlying Share.</p> <p>CDI Holders have the same economic benefits of holding the underlying Shares. CDI Holders are able to transfer and settle transactions electronically on ASX.</p> <p>With the exception of voting rights, the CDI Holders are entitled to equivalent rights and entitlements as if they were the legal owners of Shares. CDI Holders will receive notices of general meetings of Shareholders.</p> <p>For further information see Section 1.18.</p>
Identity and role of CDN	<p>The Shares underlying the CDIs issued pursuant to this Prospectus will be registered in the name of CDN. CDN is a wholly owned subsidiary of ASX.</p> <p>Legal title to the underlying Shares is held by CDN for the benefit of the CDI Holder.</p> <p>CDN receives no fees from investors for acting as the depositary nominee in respect of CDIs.</p>
How to convert CDIs into Shares	<p>Information on how to convert CDIs into Shares is set out in Section 6.3.</p>
Voting rights	<p>CDI Holders cannot vote personally at Shareholder meetings. The CDI Holder must convert their CDIs into</p>



Topic	Explanation
	<p>certificated Shares prior to the relevant meeting in order to vote in person at the meeting.</p> <p>As CDI Holders are not the legal owners of underlying Shares, CDN, which holds legal title to the Shares underlying the CDIs, is entitled to vote at shareholder meetings of the Company on the instruction of the CDI Holders on a poll, not on a show of hands.</p> <p>CDI Holders are entitled to give instructions for one vote for every underlying Share held by CDN.</p> <p>For further information see Section 6.3.</p>
Dividends or other distributions	<p>The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, or other distributions flow through to CDI Holders as if they were the legal owners of the underlying securities.</p> <p>As each CDI will represent one underlying Share, in the event the Company pays a dividend or undertakes a distribution CDI holders will receive the same benefit as if they were holding Shares.</p>
Corporate actions	<p>The ASX Settlement Rules require that all economic benefits, such as dividends, bonus issues, rights issues or similar corporate actions flow through to CDI Holders as if they were the legal owners of the underlying securities.</p> <p>However, in some cases, marginal differences may exist between the resulting entitlements of CDI Holders and the entitlements they would have accrued if they held Shares directly. This is because, for the purposes of certain corporate actions, CDN's holding of Shares is, for Canadian legal reasons, treated as a single holding, rather than as a number of smaller separate holdings corresponding to the individual interests of CDI Holders (thus, for example, CDI Holders will not benefit to the same extent from the rounding up of fractional entitlements as if they held Shares directly).</p>
Takeovers	<p>If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, the ASX Settlement Rules require that CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI Holder. In these circumstances, CDN must ensure that the offeror, pursuant to the takeover bid, processes the takeover acceptance.</p>

Further information on CDIs can also be found in Guidance Note 5 to the ASX Listing Rules (available at [https://www.asx.com.au/documents/rules/gn05\\_chess\\_depository\\_interests.pdf](https://www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf) and [www.asx.com.au/documents/settlement/CHESS\\_Depository\\_Interests.pdf](https://www.asx.com.au/documents/settlement/CHESS_Depository_Interests.pdf)).

## 6.6 Key differences between Australian and Canadian company law

As the Company is not incorporated in Australia, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the BCA and other applicable Canadian laws.

This is a general description of the principal differences between the laws and regulations concerning shares in a company incorporated in Canada as opposed to Australia. It is provided as a general guide only and does not purport to be a comprehensive analysis of all the consequences resulting from acquiring, holding or disposing of such shares or interest in such shares. The laws, regulations, policies and procedures described are subject to change from time to time.

### (a) Corporate procedures

The Company is incorporated in the Province of British Columbia, Canada, and is subject to the laws of that Province, as well as the applicable Canadian common and federal laws. The Company's shares are listed on TSX-V.

Canadian company law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes in which the companies are incorporated. In the case of the Company, the relevant statute is the BCA.

### (b) Transactions requiring shareholder approval

Under the BCA, certain extraordinary corporate actions, such as amalgamations, continuances, reorganisations and liquidations require the approval of shareholders by special resolution.

As a dual listed TSX-V listed company, in addition to shareholder approvals required under the Listing Rules, issuances of securities by the Company require the approval of TSX-V. TSX-V will impose conditions on a transaction or grant exemptions from its own requirements. TSX-V will consider various factors, including the involvement of Insiders in the transaction, whether the transaction materially affects control of the issuer, and whether a court or administrative body has considered the interest of the Company's security holders.

The TSX-V will generally require, subject to applicable exemptions, security holder approval for:

- (i) any transaction or series of transactions which result in the creation of a new Control Person (defined below);
- (ii) any transaction where the number of securities issued or issuable to non-arm's length parties as a group as payment of the purchase price

for an acquisition, exceeds 10% of the number of outstanding securities of the company; and

- (iii) the sale of more than 50% of the company's assets, business or undertaking.

The TSX-V define "Control Person" as any person that holds or is one of the combination of persons that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of a company except where there is evidence showing that the holder of those securities does not materially affect the control of the company.

For distributions of listed securities in reliance on a prospectus exemption (known as private placements), TSX-V may require security holder approval if the transaction results in the creation for a new Control Person. The TSX-V may also require security holder approval for a private placement that appears to be undertaken as a defensive tactic to a takeover bid or if the issuance of securities pursuant to the private placement is a related party transaction.

The TSX-V also required security holder approval of any fixed number stock option plan that, together with all of the company's other previously established stock option plans or grants, could result at any time in the number of listed shares reserved for issuance under stock options exceeding 10% of the issued shares. Fixed plans must receive shareholder approval at the time the plan is to be implemented, and at such time the number of shares reserved for issuance under the plan is amended. A rolling stock option plan must receive shareholder approval at the time the plan is to be implemented and annually, at the issuer's annual general meeting.

The TSX-V may also require disinterested security holder approval of certain related party transactions.

(c) **Security holders' right to convene meeting**

The BCA as well as the Articles provide that the Company may call a meeting of shareholders at any time. The BCA further provides that the holders of not less than 5% of the issued capital of the Company that carry the right to vote at a general meeting may requisition the directors of the Company to call a meeting of the Company shareholders for the purposes stated in the requisition.

Under Canadian law, a shareholder proposal (**Shareholder Proposal**) is a document setting out a matter that the submitter proposes to have considered at the next annual general meeting of the Company.

Under the BCA, Shareholder Proposals may generally be submitted by both registered and beneficial shareholders who are entitled to vote at an annual shareholders' meeting who, in the aggregate, constitute at least one percent of the shares of the company or have shares with a value of more than C\$2,000, provided that the shareholder has been a registered owner or beneficial owner of one or more share for an uninterrupted period of at least 2 years in the case of the BCA, before the date of the signing of the Shareholder Proposal.

A Shareholder Proposal must be received at the registered office of the Company at least three months before the anniversary of the previous year's annual reference date.

If a Shareholder Proposal has been submitted in accordance with the BCA, the Company would then be required to set out the text of the Shareholder Proposal and the names and mailing addresses of the submitter and the supporters in its management proxy circular (and, if requested by the person submitting the Shareholder Proposal, include or attach in its management proxy circular a statement by the shareholder in support of the Shareholder Proposal).

(d) **Right to appoint proxies**

Every shareholder of the Company entitled to vote at a meeting of the Company may appoint a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

Under the BCA, on a show of hands each holder of a share present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of a share present in person or by proxy will have one vote for each share held.

(e) **Changes to rights attaching to securities**

In accordance with the BCA, amendments to the special rights and restrictions attached to any issued Shares require, in addition to any resolution provided by the Articles, consent by a special resolution of the holders of the class or series of shares affected.

(f) **Takeovers**

Under applicable Canadian securities legislation, a "takeover bid" occurs when there is an "offer to acquire" outstanding voting or equity securities made to any person in any province or territory where the securities subject to the offer, together with the securities owned or controlled by the offeror and its affiliated and associates, constitute 20% or more of the outstanding securities, but does not include an offer to acquire if the offer to acquire is a step in an amalgamation, merger, reorganisation or arrangement that requires approval in a vote of security holders.

Unless an exemption is available, a takeover bid must be made to all holders of each class of voting or equity securities being purchased, at the same price per security – that is, identical consideration – must be offered to each holder of securities. These provisions require, among other things, the production, filing and mailing of a takeover bid circular to shareholders of the target company.

Takeover bids must treat all security holders alike and must not involve any collateral agreements, with certain exceptions for employment compensation arrangements. A bid must remain open for 105 days, unless the issuer issues a news release providing for a shorter period at the time or after the bid is made. Such a shorter period must be no less than 35 days.

For the protection of target security holders, the takeover bid rules contain various additional requirements, such as restriction applicable to conditional offers and with withdrawal, amendments or suspension of offers, Securities regulators also retain a general "public interest jurisdiction" to regulate takeovers and any intervene to halt or prevent activity that is abusive. Issuer bids are regulated similarly to takeover bids.

Following a bid, second step transactions where the acquirer brings its percentage ownership to 100% are governed by the BCA. No shareholder approval of the acquisition would be required if the acquirer obtained 90% of the outstanding securities subject to the bid. Otherwise, a meeting must be called and associated regulations complied with for an acquisition, including obtaining shareholder approval. Appraisal (or dissent) rights are available for objecting shareholders who fulfil certain procedural requirements.

Canadian securities laws allow certain exemptions to the formal bid requirements, on specified conditions. For example, private agreements to purchase securities from up to five normal persons are permitted if the purchase price does not exceed 115% of the market price. Under the normal course purchase exception, the offeror (together with any joint offerors) may acquire up to 5% of a class of securities within a 12-month period if there is a published market for the relevant class the consideration paid does not exceed the market price at the date of acquisition and no acquisitions are made outside of the exemption over the 12 month period. A *de minimis* exemption also exists in circumstances where less than 50 beneficial shareholders are subject to the bid, and those shareholders collectively represent less than 2% of a class of securities.

The Canadian securities regulatory authorities (**CSA**) have recognised that takeover bids play an important role in the economy by acting as a discipline on corporate management and as a means of reallocating economic resources to their best uses. In considering the merits of a takeover bid, there is a possibility that the interests of management of the target company will differ from those of its shareholders. The CSA considers the primary objective of the takeover bid provisions of the Canadian securities legislation to be the protection of the bona fide interest of the shareholders of the target company. As certain defensive measures taken by management of a target company may have the effect of denying shareholders the ability to make a fully formed decision and frustrating an open takeover bid process, the CSA will therefore examine target company defensive tactics in specific cases to determine whether they are abusive of shareholder rights.

Without limiting the foregoing, defensive tactics that may come under scrutiny if undertaken during the course of a bid, or immediately before a bid (if the board of directors has reason to believe that a bid might be imminent) include:

- (i) The issuance of or granting of an option on or the purchase of, securities representing a significant percentage of the outstanding securities of the target company;
- (ii) The sale or acquisition or granting of an option, on or agreeing to sell or acquire assets of a material amount; and

- (iii) The entering into a contract or taking corporate action other than in the normal course of business.

Shareholder approval of corporate action may be a factor in the decision as to whether the tactics are appropriate.

Notwithstanding the above, defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid; however, tactics that are likely to deny or limit severely the ability of the shareholders to respond to a takeover bid or a competing bid may result in action by the CSA.

(g) **Substantial shareholders reporting**

Under applicable Canadian securities law, a person who acquired ownership and control, directly or indirectly, of more than 10% of the outstanding Shares will be required to publicly disclose their holdings, and to file an early warning report with the applicable Canadian securities regulator. The early warning report discloses the person's name, address, and certain details of surrounding their ownership of Shares and securities of the Company convertible into Shares.

(h) **Related party transactions**

In accordance with the policies of the TSX-V and applicable securities law, the Company is subject to Multilateral Instrument 61-101 – Protection of *Minority Security Holders in Special Transactions (MI 61-101)* which imposes valuation, minority approval and disclosure requirements of entities involved in certain related party transactions.

A related party transaction includes a transaction between an issuer and a person that is a related party to the issuer at the time that the transaction is agreed to whether or not there are also other parties to the transaction, as a consequence of which, either through the transaction itself or together with a connected transaction, the issuer directly or indirectly, among other things:

- (i) purchases or acquires an asset from the related party for valuable consideration;
- (ii) sells, transfers or disposes of an asset to the related party;
- (iii) leases property to or from the related party;
- (iv) acquires the related party or combines with the related party through an amalgamation, arrangement or otherwise;
- (v) issues a security to, or subscribes for a security of the related party;
- (vi) materially amends the terms of an outstanding debt or liability owed by or to the related party, or the terms of an outstanding credit facility with the related party;

- (vii) provides a guarantee or collateral security for a debt or liability of the related party, or materially amends the terms of the guarantee or security; or
- (viii) borrows money from, lends money to the related party, or enter into a credit facility with the related party.

With respect to business combinations, subject to certain exemptions, MI 61-101 has two principal requirements:

- (i) that the issuer obtain a formal valuation in respect of the transaction; and
- (ii) that the issuer obtain minority approval of the transaction (meaning approval by a majority of the affected security holders, excluding the votes attached to affected securities held by parties interested in the business combination, related parties of an interested party, and persons acting jointly with interested parties).

The Company is currently exempted from the requirement of obtaining a formal valuation because it is not listed on any of the specified exchanges listed in section 4.4(1)(a) of MI 61-101 but may no longer be able to rely on this exemption following the commencement of quotation of its securities on the ASX.

MI 61-101 also requires an issuer to include certain disclosures regarding related party transactions in a material change report that is required to be filed under MI 61-101 and in the management proxy circular that is sent to a company's security holders to obtain minority approval in respect of the related party transaction.

(i) **Protection of minority shareholders – oppressive conduct**

Under the BCA, a shareholder of a company and any other person to whom the court considers an appropriate person to make an application has the right to apply to court on the grounds that:

- (i) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more shareholders;
- (ii) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit, including an order to prohibit any act proposed by the company.

(j) **Rights of security holders to bring or intervene in legal proceedings**

Under the BCA, a shareholder or director of a company and any person who, in the discretion of the court, is a proper person to make an application to court to bring an action on behalf of the company (**Derivative Action**), may, with judicial leave:

- (i) bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation; or
- (ii) defend in the name and on behalf of the company, a legal proceeding brought against the company.

To bring a Derivative Action it is required to obtain leave of the court, which requires the court to exercise judicial discretion. The Court has broad powers to direct the conduct of any such legal proceeding.

(k) **"Two strikes" rule**

There is no "Two-strikes" rule under the BCA. Under the Articles, the Company may fix the remuneration of the directors, officers and employees of the Company. Additional remuneration may be paid above this fixed amount to directors providing professional or other services to the Company outside the ordinary duties of directors. Under applicable Canadian Securities law, a report on executive compensation is required to be filed annually, within six months of the year end, or applicable executive compensation disclosure included in the Company's information circular for its annual general meeting (and with the information circulate to be posted to SEDAR within six months of year end.

## 6.7 **Taxation summary**

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires as beneficial owner Shares pursuant to the Offer and who, at all relevant times, for purposes of the *Income Tax Act (Canada)* and the *Income Tax Regulations* (collectively, the **Tax Act**):

- (a) is not, and is not deemed to be, resident in Canada;
- (b) deals at arm's length with the Company;
- (c) is not affiliated with the Company;
- (d) holds the Shares as capital property;
- (e) does not use or hold, and is not deemed to use or hold, the Shares in connection with carrying on a business in Canada; and
- (f) has not entered into, with respect to their Shares a "derivative forward agreement", "synthetic disposition arrangement" or a "dividend rental arrangement" each as defined in the Tax Act (a **Non-Canadian Holder**).



This summary does not apply to a purchaser that carries on or is deemed to carry on an insurance business in Canada and elsewhere or that is an "authorised foreign bank" (as defined in the Tax Act). Such holders should consult their own tax advisers..

This summary assumes that a purchaser of a CDI acquires a beneficial interest in, and is the beneficial owner of, the Share underlying the CDI.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the **Proposed Amendments**) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

**This summary is of a general nature only and is not, and is not intended to be, nor should it be construed as, legal or tax advice to any particular Non-Canadian Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Shares should consult their own tax advisors having regard to their own particular circumstances.**

(a) **Currency conversion**

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Shares must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of dividends required to be included in the income of, and capital gains or capital losses realized by, a Non-Canadian Holder may be affected by fluctuations in the Canadian / Australian dollar exchange rate.

(b) **Dividends**

Dividends paid or credited, or deemed to be paid or credited, on the Shares to a Non-Canadian Holder will generally be subject to Canadian withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Holder is entitled under any applicable income tax convention. The Company is required to withhold the applicable tax from the dividend payable to the Non-Canadian Holder, and to remit the tax to the Receiver General of Canada for the account of the Non-Canadian Holder.

(c) **Disposition**

A Non-Canadian Holder will not be subject to tax under the Tax Act on any capital gain realised on a disposition or deemed disposition of the Shares, unless, at the time of disposition, the Shares are or are deemed to be "taxable Canadian property" (as defined in the Tax Act) to the Non-Canadian Holder and the gain is not exempt from tax pursuant to the terms of an applicable income

tax convention between Canada and the country in which the Non-Canadian Holder is resident.

Generally, the Shares will not constitute taxable Canadian property to a Non-Canadian Holder at a particular time provided that the Shares are listed at that time on a "designated stock exchange" as defined in the Tax Act (which includes the TSX-V), unless at any particular time during the 60-month period that ends at that particular time:

- (i) At least 25% or more of the issued shares of any class or series of shares of the Company were owned by or belonged to one or any combination of:
  - (A) the Non-Canadian Holder;
  - (B) persons with whom the Non-Canadian Holder does not deal with at arm's length (for the purposes of the Tax Act); and
  - (C) partnerships in which the Non-Canadian Holder or a person described in (B) holds a membership interest directly or indirectly through one or more partnerships,and
- (ii) at such time more than 50% of the fair market value of the Shares was derived directly or indirectly from one or any combination of:
  - (A) real or immovable properties situated in Canada;
  - (B) "Canadian resource property" (as defined in the Tax Act);
  - (C) "timber resource property" (as defined in the Tax Act); and
  - (D) Options in respect of, or interests in, or for civil law rights in, property in any of the foregoing (whether or not such property exists).

Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Shares may be deemed to be taxable Canadian property.

Even if the Shares are taxable Canadian property of a Non-Canadian Holder, such Non-Canadian Holder may be exempt from tax under the Tax Act on the disposition of Shares by virtue of an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident. In cases where a Non-Canadian Holder disposes, or is deemed to dispose, of a Share that is, or is deemed to be, taxable Canadian property of that Non-Canadian Holder, and the Non-Canadian Holder is not entitled to an exemption from tax under the Tax Act or pursuant to the terms of an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident, the Non-Canadian Holder generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the

adjusted cost base to the Non-Canadian Holder of such Shares immediately before the disposition or deemed disposition.

A Non-Canadian Holder who disposes of a Share that is taxable Canadian property, and is not exempt from tax under the Tax Act by virtue of an applicable income tax convention between Canada and the country in which the Non-Canadian Holder is resident, will be obligated to comply with the withholding and reporting obligations imposed under section 116 of the Tax Act and to obtain a certificate pursuant to section 116 of the Tax Act.

**Non-Canadian Holders whose Shares may constitute taxable Canadian property should consult their own tax advisors.**

## 6.8 Director indemnification under the BCA and the Articles

The following is a summary of the provisions of the BCA the Company's Articles as it applies to indemnification of the directors of the Company.

### (a) Executive summary

The Company is permitted (under the BCA) and is required (under the Articles) to indemnify its directors against certain judgments, penalties and fines (subject to the prohibitions contained in the Articles and the BCA).

The Company is permitted but is not required to indemnify its officers under the BCA or its Articles.

The Company is required under the Articles and the BCA to reimburse its directors and officers for certain expenses incurred in relation to legal proceedings (subject to the prohibitions contained in the Articles and the BCA).

Under the BCA, the Company is prohibited from indemnifying or paying the expenses of a director or officer in certain circumstances, including if:

- (i) the director/officer did not act honestly and in good faith with a view to the best interests of the Company;
- (ii) the legal proceeding was not a civil proceeding and the director/officer did not have reasonable grounds for believing they were acting lawfully;  
or
- (iii) the legal proceeding was brought against the director/officer by the Company.

### (b) Definitions

The BCA provides the following definitions:

“**eligible party**” means an individual who:

- (i) is or was a director or officer of the Company;

- (ii) is or was a director or officer of another corporation, at a time when the corporation is or was an affiliate of the Company, or at the request of the company; or
- (iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture, or other unincorporated entity;

and includes, except in the definition of “eligible proceeding” and except in sections 163(1)(c), 163(1)(d) and 165 of the BCA, the heirs and personal or other legal representatives of that individual.

“**eligible penalty**” means a judgment, penalty, or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding.

“**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation, is or may be joined as a party, or is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding.

“**expenses**” includes costs, charges, and expenses, including legal and other fees, but does not include judgments, penalties, fines, or amounts paid in settlement of a proceeding.

“**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending, or completed.

“**legal proceeding**” includes a civil, criminal, quasi-criminal, administrative, or regulatory action or proceeding.

The definitions of “eligible penalty”, “eligible proceeding” and “expenses” included in the Articles are substantially similar to the definitions provided in the BCA. However, the definition of “eligible party” in the Articles only includes directors, former directors and alternate directors, and does not include former or current officers.

(c) **Indemnification**

Under the BCA, a company is permitted to indemnify an eligible party against all eligible penalties to which the eligible party is or may be liable.

However pursuant to the Articles, the Company must (subject to the prohibitions of the BCA referred to below) indemnify directors, former directors and alternate directors (and their heirs and legal personal representatives) against all eligible penalties to which such person is or may be liable.

The failure of a director, alternate director or officer to comply with the BCA or the Articles does not invalidate any indemnity to which such individual is entitled to under the Articles.

The Company is permitted (but is not required) to purchase insurance for the benefit of any individual who is or was a director or alternate director of the Company.

(d) **Expenses**

Under the BCA, a company is:

- (i) permitted to pay the expenses actually and reasonably incurred by an eligible party in respect of an eligible proceeding after the final disposition of that proceeding; and
- (ii) required (subject to the prohibitions of the BCA referred to below) to pay the net expenses of an eligible party, after the final disposition of the matter, if the party was substantially successful on the merits, or if he or she was wholly successful on the merits or otherwise .

Pursuant to the Articles, the Company must (subject to the prohibitions of the BCA referred to below) pay the expenses actually and reasonably incurred by a director, former director or alternate director (and their heirs and legal personal representatives) in respect of an eligible proceeding after the final disposition of that proceeding.

A company may also pay the reasonably incurred expenses of an eligible party in advance, provided that the party undertakes to repay the advances if it is later determined that the company is prohibited from paying such expenses.

(e) **Prohibitions**

Under the BCA, a company is prohibited from paying an indemnity or the expenses of an eligible party if:

- (i) the indemnity or payment is made under an earlier indemnity agreement and, at the time the agreement was made, the company was prohibited from paying an indemnity by its memorandum or articles ;
- (ii) the eligible party did not act honestly and in good faith with a view to the best interests of the company or associated corporation ;
- (iii) the proceeding was not a civil proceeding and the eligible party did not have reasonable grounds for believing that his or her conduct was lawful; and
- (iv) the proceeding is brought against the eligible party by the company or an associated corporation . This would likely include a derivative action.

- (f) Notwithstanding any of the above prohibitions, the company or a director or officer may apply to court for an order that the company must indemnify the director or officer for any liability or expenses incurred by the party or for any other related obligations of the company.

## 6.9 Rights attaching to Warrants on issue

A "warrant" issued in Canada is a similar form of security to an option issued in Australia in that it is a right to purchase a Share of the Company at a set price until a particular future date.

As at 26 October 2021, being the latest practicable date prior to the Prospectus Date, the Company had the Warrants on issue as described below. An immaterial number of Warrants may have been exercised since this date.

### Warrant Table

Exercise Price (C\$)	Number	Grant Date	Expiry Date	Escrow Period
0.80	1,630,000 <sup>1</sup>	25 May 2017	24 May 2022	The escrow period of 4 months and 1 day expired on 26 September 2017.
0.80	774,000 <sup>2</sup>	16 June 2017	15 June 2022	The escrow period of 4 months and 1 day expired on 17 October 2017.
0.20	3,481,700 <sup>3</sup>	21 October 2020	21 October 2022	The escrow period of 4 months and 1 day expired on 22 February 2021.
0.30	6,889,376 <sup>4</sup>	14 May 2021	14 May 2023	The escrow period of 4 months and 1 day expired on 15 September 2021.
<b>TOTAL</b>	<b>12,775,076</b>	-	-	-

### Notes:

1. This parcel of Warrants was issued as the first tranche of an equity financing (**2017 Financing**) closing in May 2017 whereby the Company issued 8,150,000 Units at a price of C\$0.12 per Unit (on a pre-Consolidation basis), where each Unit comprises of one Share and one free-attaching Warrant. Post-Consolidation this was adjusted to 1,630,000 Warrants exercisable at C\$0.80 each. No related parties participated in this tranche of 2017 Financing.
2. This parcel of Warrants was issued as the second tranche of the 2017 Financing closing in June 2017 whereby the Company issued 3,870,000 Units at a price of C\$0.12 per Unit (on a pre-Consolidation basis), where each Unit comprises of one Share and one free-attaching Warrant. Post-Consolidation this was adjusted to 774,000 Warrants

exercisable at C\$0.80 each. No related parties participated in this tranche of 2017 Financing.

3. This parcel of Warrants was issued as part of an equity financing closing in October 2020 whereby the Company issued 6,963,400 Units at a price of C\$0.10 per Unit, where each Unit comprises of one Share and one-half free-attaching Warrant (with each whole Warrant exercisable into one Share). Latin Resources (a related party) participated in this financing and subscribed for 1,100,000 Units (comprising 1,100,000 Shares and 550,000 Warrants), with all requirements of MI 61-101 being complied with.
4. This parcel of Warrants was issued as part of an equity financing closing in May 2021 whereby the Company issued 13,778,750 Units at a price of C\$0.20 per Unit, where each Unit comprises of one Share and one-half free-attaching Warrant (with each whole Warrant exercisable into one Share). The following Insiders and related parties participated in the financing, with all regulatory requirements in respect of related party participation (including under MI 61-101) having been complied with:
  - a. Latin Resources subscribed for 2,700,000 Units (comprising 2,700,000 Shares and 1,350,000 Warrants);
  - b. Christopher Gale subscribed for 250,000 Units (comprising 250,000 Shares and 125,000 Warrants);
  - c. Jason Cubitt (via Jason Cubitt Holdings Inc) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants);
  - d. Rod Stevens subscribed for 50,000 Units (comprising 50,000 Shares and 25,000 Warrants);
  - e. Carrie Howes (via Rayleigh Capital Ltd) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants). (Rayleigh Capital's services were terminated by the Company on 30 August 2021).

The key terms of the existing Warrants are as follows:

- (a) All Warrants shall rank *pari passu*, notwithstanding the actual date of issue thereof.
- (b) Warrants are exercisable by completing and lodging the required notice of exercise form, surrender of the relevant Warrant certificate and payment of the Exercise Price with the Company on or before the Expiry Date.
- (c) Upon exercise, the holder will be issued one Share per each whole Warrant exercised.
- (d) At all times before the Expiry Date, the Company will maintain sufficient authorised capital to provide for the full exercise of the Warrants.
- (e) No voting rights or dividend rights attach to the Warrants.

- (f) The Warrants are (or were) subject to the Escrow Period shown in the above Warrant Table, any Shares issued on exercise of a Warrant prior to the end of the Escrow Period shall not be traded until expiry of the Escrow Period.
- (g) The Warrants (and any underlying Shares issued upon exercise) are transferable to any third party subject to the completion of a transfer form and applicable securities laws, and subject to expiry of any Escrow Period.
- (h) The Company may treat each holder of a Warrant Certificate as the absolute owner of the Warrants represented therein, and the Company shall not be affected by any notice or knowledge to the contrary except where it is required to take notice by statute or by order of a court of competent jurisdiction.
- (i) If at any time prior to the expiry of the Warrants, and provided that any Warrants remain unexercised, there is:
  - (i) a reclassification of the Company's common shares, a change in the Company's common shares into other shares or securities, a subdivision or consolidation of the Company's common shares into a greater or lesser number of common shares, or any other capital reorganisation, or
  - (ii) a consolidation, amalgamation or merger of the Company with or into any other corporation other than a consolidation, amalgamation or merger which does not result in any reclassification of the Company's outstanding common shares or a change of the Company's common shares into other shares or securities,

(any of such events being called a "**Capital Reorganisation**") any Warrantholders who shall thereafter acquire Shares pursuant to the Warrants shall be entitled to receive, at no additional cost, and shall accept in lieu of the number of Shares to which such holder was entitled to acquire upon such exercise, the aggregate number of shares, other securities or other property which such holder should have been entitled to receive as a result of such Capital Reorganisation if, on the effective date or record date thereof as the case may be, the holder had been the registered holder of the number of Shares to which such holder was entitled to acquire upon exercise of the Warrants.

- (j) If determined appropriate by the Company acting reasonably, appropriate adjustments shall be made in the application of the Warrant terms with respect to the rights and interests of the Warrantholder relative to a Capital Reorganisation, to the effect that the terms shall correspond as nearly as may be reasonably possible to the effect of the Capital Reorganisation in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Warrants.
- (k) If the Company takes any action affecting any securities of the Company, other than as set out above, which in the opinion of the Directors would materially affect the rights and interests of the Warrantholder, the number of Shares or other securities which are issuable on the exercise of the Warrants shall be adjusted in such manner, if any, and at such time as the Directors, in their sole



discretion, may determine to be equitable in the circumstances, provided that no such adjustment will be made unless all necessary regulatory approvals, if any, have been obtained. In the event of any question arising with respect to any adjustment, such question shall be conclusively determined by a firm of chartered accountants appointed by the Company at its sole discretion (who may be the Company's auditors) and any such determination shall be binding upon the Company and the Warrantholder.

- (l) No adjustment shall be made in respect of any event if the Warrantholder is entitled to participate in such event on the same terms, without amendment, as if the Warrantholder had exercised the Warrants prior to or on the effective date or record date of such event. The adjustments provided for in the Warrant terms are cumulative and such adjustments shall be made successively whenever a relevant event shall occur, subject to the limitations provided for in the Warrant terms. No adjustment shall be made in the number or kind of Shares or other securities which may be acquired on the exercise of a Warrant unless it would result in a change of at least one-hundredth of a Share or other security. Any adjustment which may by reason of this paragraph not be required to be made shall be carried forward and then taken into consideration in any subsequent adjustment.
- (m) Notwithstanding any adjustments provided for in the Warrant terms or otherwise, the Company shall not be required, upon the exercise of any Warrants, to issue fractional Shares or other securities in satisfaction of its obligations and, except as provided for in the Warrant terms, any fractions shall be eliminated. To the extent that the Warrantholder would otherwise be entitled to acquire a fraction of a Share or other security, such right may be exercised in respect of such fraction only in combination with other rights which in the aggregate entitle the Warrantholder to acquire a whole number of Shares or other securities. The Warrantholder shall be entitled, upon the elimination of any fraction of a Share or other security, to be paid in cash for the fair market value for the securities so eliminated, always provided that the Company shall not be required to make any payment if for less than C\$10.

#### 6.10 Rights attaching to Options on issue

The Company has adopted a Stock Option Plan. The terms of all Options presently on issue are governed by that Stock Option Plan, a summary of which is included at Section 6.11 of this Prospectus.

Other key terms and conditions of the Options are summarised in the Option Table below. All Options on issue are fully-vested.

As at 26 October 2021, being the latest practicable date prior to the Prospectus Date, the Company had the following Options on issue under the Stock Option Plan as described below. An immaterial number of Options may have been exercised since this date.

## Option Table

Exercise Price (C\$)	Number	Grant Date	Expiry Date	Escrow Period
0.175	1,650,000	27 October 2020	27 October 2025	The escrow period of 4 months and 1 day expired on 1 March 2021.
0.25	200,000	30 March 2021	30 March 2023	The escrow period of 4 months and 1 day expired on 31 July 2021.
0.25	25,000 <sup>1</sup>	30 March 2021	29 September 2022 <sup>1</sup>	The escrow period of 4 months and 1 day expired on 31 July 2021
0.30	1,025,000	18 June 2021	18 June 2026	The escrow period of 4 months and 1 expired on 19 October 2021.
<b>TOTAL</b>	<b>2,900,000</b>	-	-	-

### Notes:

1. The Company previously issued a parcel of 100,000 Options to Rayleigh Capital Ltd, a consultant engaged in "Investor Relations Activities", vesting as to one-quarter every three months. Rayleigh Capital Ltd. was terminated by the Company on 30 August 2021, at which time only 25,000 of these Options had vested. In accordance with the policies of the TSX-V and the terms of the Stock Option Plan applicable to those engaged in "Investor Relations Activities" the 75,000 unvested Options were cancelled, and the expiry date of the vested Options was adjusted to 29 September 2022.

### 6.11 Stock Option Plan

The Directors have adopted a Stock Option Plan to enable eligible persons to be issued Options, the key terms being:

- the Board may authorise the issue of Options under the plan to employees, consultants or directors;
- the exercise price of an Option cannot be less than the "Discounted Market Price" or any minimum price permitted by the TSX-V;
- The "Discounted Market Price" currently set by the TSX-V can be discounts (to "Market Price") of no more than the following, and always subject to a minimum price per share of C\$0.05:

Closing Price	Discount
Up to \$0.50	25%
\$0.51 to \$2.00	20%
Above \$2.00	15%

- (d) "Market Price" is generally (subject to some specific exceptions) the last closing price of shares before the issue of releases or filings, which (for the purpose of TSX-V rules) has the effect of fixing the price of securities to be issued.
- (e) The Board has power to designate eligible persons to receive Options, who are bona fide employees, consultants, directors or corporations employing or wholly owned by such persons; and to specify their terms of grant (subject to policies of the TSX-V and applicable securities laws).
- (f) The Board must set:
- (i) the number of Shares subject to each Option;
  - (ii) the exercise price to be paid for such Shares;
  - (iii) the period, including any applicable vesting periods, during which such Option may be exercised.
- (g) Options may have a maximum exercise period of 10 years.
- (h) The number of Shares that may be issued under the plan is limited to no more than the following, within a 12-month period (from the date of grant of each Option):
- (i) 5% of the issued Shares of the Company to any one person (and companies wholly owned by that person);
  - (ii) 2% of the issued Shares of the Company to any one Consultant;
  - (iii) an aggregate 2% of issued Shares of the Company to all persons employed to provide investor relations activities (as defined by the policies of the TSX-V).
- (i) The Board:
- (i) may amend or terminate the plan (such amendment is subject to the approval of the shareholders and the TSX-V);
  - (ii) no termination will affect the terms and conditions of Options previously granted under the plan; and

- (iii) any amendment to Options held by "Insiders" which results in a reduction of the exercise price of such Options, is conditional upon obtaining disinterested shareholder approval.
- (j) "Insider" is defined as:
  - (i) a director or senior officer of the Company;
  - (ii) a director or senior officer of another company that is an Insider or subsidiary of the Company;
  - (iii) a person that beneficially owns or controls (directly or indirectly) voting shares carrying more than 10% of the Company's total voting rights;
  - (iv) the Company itself, if it holds any of its own securities.
- (k) Upon cessation of a Director for any reason other than death, that Director has the right to exercise any unexercised Option within a reasonable period of time after termination (not to exceed one year).
- (l) If a Director ceases as a result of failing to meet qualifications in relevant legislation, being removed as a director in accordance with the BCA or an order made by a regulatory authority, the Option expiry date will be the date the Director ceases its role.
- (m) If a non-Director option holder ceases its role for any reason other than death, that person has the right to exercise any unexercised Option within a reasonable period of time after termination (not to exceed one year).
- (n) The Board must reserve a sufficient number of Shares to satisfy the exercise of Options granted under the plan, subject to the following:
  - (i) the aggregate number of shares which may be issued under the plan shall not be greater than 10% of the Shares then on issue at the date of the grant of Options;
  - (ii) unless authorised by the Company's shareholders, the plan shall not, at any time, result in:
    - (A) the number of Shares reserved for issue upon exercise of Options exceeding 10% of the Shares then on issue; and
    - (B) the issue to Insiders, within a one year period, of a number of Shares exceeding 10% of the Shares then on issue.
- (o) The obligation of the Company to issue Shares in accordance with the plan is subject to approval of the TSX-V or other applicable securities regulatory authority. If Shares cannot be issued due to circumstances beyond the Company's control, the obligation to issue those Shares shall terminate, and the Company shall return any exercise price paid.

- (p) Options are non-assignable and non-transferable, except where permitted by the rules and policies of the TSX-V, and the option holder may assign any Option to a trust established by such option holder;
- (q) Subject to policies of the TSX-V as they apply to persons conducting "Investor Relations Activities", Options automatically vest upon a "Change of Control" (as defined by the TSX-V), and may be exercised in whole or in part by the option holder. The proposed listing of the Company on the ASX will not result in a "Change of Control", provided that no new or existing shareholders with holdings of less than 20% of the Company's total share capital increase their holdings to 20% or more as a result of the Offer.

The plan must be approved by shareholders and the TSX-V annually.

### 6.12 Interests of Directors

No Director of the Company (or entity in which they are a partner or director) has, or has had in the two years before the Prospectus Date, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him to become, or to qualify as, a Director; or
- (e) any Director of the Company for services which he (or an entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus and as follows.

### 6.13 Director holdings of Securities

The following table shows the interests in the Company's securities held by the Directors and their related entities as at the Prospectus Date.

Director	Shares	Options	Warrants
Christopher Gale	531,250	450,000 <sup>1</sup>	125,000 <sup>2</sup>
Christopher Gale associates (Latin Resources) <sup>3</sup>	7,938,158 <sup>4</sup>	500,000 <sup>5</sup>	1,900,000 <sup>6</sup>
Jason Cubitt <sup>7</sup>	535,000 <sup>8</sup>	450,000 <sup>9</sup>	400,000 <sup>10</sup>

Director	Shares	Options	Warrants
Fred Tejada (to resign upon Admission)	0	400,000 <sup>11</sup>	0
Kevin Wilson	0	0	0
Michael Parker (Proposed Director)	0	0	0
Chafika Eddine (Proposed Director)	0	0	0
<b>Totals</b>	<b>9,004,408</b>	<b>1,800,000</b>	<b>2,425,000</b>

**Notes:**

1. Comprises 350,000 Options exercisable at C\$0.175 each on or before 27 October 2025 and 100,000 Options exercisable at C\$0.30 each on or before 18 June 2026.
2. All 125,000 Warrants are exercisable at C\$0.30 on or before 18 June 2026.
3. Christopher Gale is an associate of Latin Resources (by virtue of Mr Gale's executive directorship, shareholding and influence over Latin Resources).
4. Latin Resources holds a parcel of 7,938,158 Shares, some of which are owned directly or some of which are held through brokered sponsored holdings on behalf of Latin Resources.
5. All 500,000 Options are held by Latin Resources and are exercisable at C\$0.175 on or before 27 October 2025.
6. Comprises two parcels of Warrants held by Latin Resources, being 550,000 Warrants exercisable at C\$0.20 on or before 21 October 2022 and 1,350,000 Warrants exercisable at C\$0.30 on or before 14 May 2023. Refer to Section 6.9 (Warrant Table, Notes 3 and 4) for circumstances of their issue.
7. All security holdings of Jason Cubitt are held via his entity Jason Cubitt Holdings Inc. (**JCH**) (of which Mr Cubitt is the sole shareholder), either directly or on trust for JCH.
8. Comprises 100,000 Shares registered in the name of JCH and 435,000 Shares registered in the name of CDS & Co.
9. Comprises 350,000 Options held by JCH exercisable at C\$0.175 on or before 27 October 2025 and 100,000 Options held by JCH exercisable at C\$0.30 on or before 18 June 2026.
10. Comprises 350,000 Warrants held by JCH exercisable at C\$0.80 on or before 24 May 2022 and 50,000 Warrants held by JCH exercisable at C\$0.30 on or before 14 May 2023.
11. Comprises 200,000 Options exercisable at C\$0.175 each on or before 27 October 2025, 100,000 Options exercisable at C\$0.25 each on or before 30 March 2023 and 100,000 Options exercisable at C\$0.30 each on or before 18 June 2026.

No Director intends to participate in the Offer and as such the table above which shows the interests in the Company's securities held by the Directors and their related entities as at the Prospectus Date are not expected to change as a result of the Offer.

#### 6.14 Remuneration of Directors

The terms of the remuneration of the Directors is summarised in Section 4.8.

The table below summarises the remuneration provided to the current Directors and their associated companies for the financial year ended 31 May 2021, and the financial

year ending 31 May 2020, inclusive of directors' fees, consultancy fees, share-based payments and superannuation.

Director	Financial year ended 31 May 2021 (C\$)		Financial year ended 31 May 2020 (C\$)	
	Fees & Consultancy	Share based payments	Fees & Consultancy	Share based payments
Christopher Gale <sup>1</sup>	60,000	nil	60,000	57,506
Jason Cubitt <sup>2</sup>	60,000	nil	60,000	57,506
Kevin Wilson <sup>3</sup>	N/A	N/A	N/A	N/A
Fred Tejada <sup>4</sup>	nil	nil	21,000	49,860
Michael Parker <sup>5</sup>	N/A	N/A	N/A	N/A
Chafika Eddine <sup>5</sup>	N/A	N/A	N/A	N/A
Dan Maarsman <sup>6</sup>	nil	nil	nil	nil

**Notes:**

1. Mr Gale was appointed as Director on 17 July 2018.
2. Mr Cubitt was appointed as Director on 29 August 2017.
3. Mr Kevin Wilson was appointed as Director to take effect from the Prospectus Date (being 10 November 2021).
4. Mr Tejada was appointed as a Director on 4 December 2019.
5. The appointment of Mr Parker and Ms Eddine has been approved by Shareholders at the 2021 AGM, subject to and with effect from Admission.
6. Mr Maarsman resigned as a Director on 4 December 2019.

### 6.15 Related party transactions

The Company has entered into engagement agreements and letters of appointment with each of the Directors arms' length terms.

At the Prospectus Date, no other material transactions with related parties or Directors' interests exist that the Directors are aware of, other than those disclosed in the Prospectus, including the below transactions.

(a) **Acquisition of Peruvian Projects (including Ilo Este and Ilo Norte) from Latin Resources**

On 12 September 2017, the Company announced that it had entered into an arms' length agreement with Latin Resources (**LRS**) to acquire a 100% interest in the Peruvian Projects (including the Ilo Este and Ilo Norte Projects). That

agreement provided for the issue of 19,000,000 Shares (being 3,800,000 Shares on a post-Consolidation basis) to LRS as consideration for the acquisition (**LRS Consideration Shares**). That transaction completed on 13 February 2018. The LRS Consideration Shares vested in three tranches over an 18 month period following signing of the sale agreement, and are now fully vested in LRS.

As a result of this transaction, LRS became the Company's largest shareholder (at the time accounting for approximately 42% of the Company's issued capital). Shareholder approval for LRS control position was obtained at the Company's 2018 AGM (held on 31 January 2018). LRS' shareholding has since been diluted, as further discussed at Section 6.15(e) below. Other than LRS' right to appoint a nominee director to the Board for so long as it holds at least a 10% interest in the Company's Shares, the Company has no ongoing obligations to LRS under the relevant acquisition agreement.

(b) **Debt settlement**

On 21 October 2020, the Company entered into debt settlement agreements converting C\$254,540.35 of debt owed by the Company to the related parties set out in the table below, into 2,545,404 Shares. The debt was converted at a deemed price per Share of C\$0.10 (which was determined based on TSX-V Policy 4.3 applicable to the issue of shares for debt).

The related parties involved and Shares received are summarised below:

Person	Relationship	Debt	Shares
Latin Resources	Company's largest shareholder and an Insider (as further described at 6.15(e) below).	C\$33,816 <sup>1</sup>	338,158
Christopher Gale	Executive Chairman of the Company and Managing Director of LRS	C\$28,125	281,250
Jason Cubitt Holdings Inc.	An entity associated with and controlled by Jason Cubitt, the Company's CEO and Executive Director.	C\$38,500	385,000



## Notes:

1. This amount represents the Balance Payment that was due to LRS under the Peruvian Acquisition Agreement as detailed at Section 4.4(b).

The above transactions were related party transactions due to the participation of Insiders; however they were exempt from the valuation and shareholder approval requirements under sections 5.5(1)(b) and 5.7(1)(e) of MI 61-101.

All securities issued under the debt settlement were restricted from trading for a period of four months and one day from closing. This escrow period has now completed meaning the Shares are freely tradeable, subject to normal conditions and restrictions (including those set out in the Company's Security Trading Policy).

### (c) **Consultancy Agreement with Latin Resources**

The Company has entered into a consultancy agreement with Latin Resources which is further described at Section 4.7. As consideration for these services, Latin Resources was issued with 500,000 Options (exercisable at C\$0.175 on or before 27 October 2025) which are governed by the Company's Stock Option Plan.

### (d) **Related party participation in financings**

Certain current related parties of the Company have participated in equity financings undertaken by the Company, as set out below. Each related party subscribed for Units at the same price as all other participants, and otherwise participated on an arms' length basis:

- (i) The Company conducted an equity financing closing in October 2020 whereby it issued 6,963,400 Units at a price of C\$0.10 per Unit, where each Unit comprises of one Share and one-half free-attaching Warrant (with each whole Warrant exercisable into one Share). Latin Resources subscribed for 1,100,000 Units (comprising 1,100,000 Shares and 550,000 Warrants), with all requirements of MI 61-101 being complied with in respect of its participation;

The Company conducted an equity financing closing in May 2021 whereby it issued a total of 13,778,750 Units at a price of C\$0.20 per Unit, where each Unit comprises of one Share and one-half free-attaching Warrant (with each whole Warrant exercisable into one Share). The following Insiders and related parties participated in the financing, with all regulatory requirements in respect of related party participation (including under MI 61-101) having been complied with:

- (A) Latin Resources subscribed for 2,700,000 Units (comprising 2,700,000 Shares and 1,350,000 Warrants);
- (B) Christopher Gale subscribed for 250,000 Units (comprising 250,000 Shares and 125,000 Warrants);

- (C) Jason Cubitt (via Jason Cubitt Holdings Inc) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants);
- (D) Rod Stevens subscribed for 50,000 Units (comprising 50,000 Shares and 25,000 Warrants);
- (E) Carrie Howes (via Rayleigh Capital Ltd) subscribed for 100,000 Units (comprising 100,000 Shares and 50,000 Warrants). (Rayleigh Capital's services were terminated by the Company on August 30, 2021).

As at the date of this Prospectus, the Company has no debt financing with any parties (including related parties).

(e) **Relationship to Latin Resources**

Under Canadian law, Latin Resources is considered to be an Insider and is a Control Person of the Company within the meaning of TSX-V policies. It is also a related party of the Company within the meaning of MI 61-101. The Company must disclose Latin Resources' participation in transactions in news releases and to the TSX-V in filings.

Additionally, the Company is required to disclose holders of 10%+ shares (legal and beneficial) in its information circular for its AGM. Insiders (which includes those with voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company) must also file "insider reports" reporting their ownership, rights and interest in the Company's securities.

At the Company's annual general and special meeting held on 31 January 2018, the Company's shareholders approved the Control Person position of Latin Resources in accordance with TSX-V policies.

For the purposes of the Listing Rules, a "related party" will include an entity that "controls" the Company. In assessing "control" the capacity to determine the outcome of decisions about the Company's financial and operating policies will be considered, having regard to;

- (i) the practical influence the other entity can exert (rather than the rights it can enforce); and
- (ii) any practice or pattern of behaviours affecting the Company's financial or operating policies.

As detailed in Section 4.4, as partial consideration for the sale of the Peruvian Projects to the Company, Latin Resources was granted a right to appoint one director to the Company's Board for so long as it maintains at least a 10% interest in the Company's issued Shares. Latin Resources nominated Mr Christopher Gale who was appointed (and remains) as the Company's Chairman.

Accordingly, Latin Resources is also considered to be a "related party" for the purposes of the Listing Rules.

As at the date of this Prospectus LRS holds 7,938,158 Shares (as detailed in the LRS Shareholdings Table below) representing approximately 24.24% of the current issued Shares. The escrow periods for these Shares has now passed, meaning all securities held by Latin Resources are freely tradeable.

Following the Offer, Latin Resources shareholding will be diluted to approximately 13.75% (assuming the Minimum Subscription) or 12.65% (assuming the Maximum Subscription), and assuming that no other Options or Warrants are exercised.

Accordingly, Latin Resources will remain as an "Insider" for the purposes of the laws of British Columbia, and will retain its right to nominate one director to the Board of the Company.

#### LRS Shareholdings Table

Shares	Acquisition circumstances	Issue date	Escrow
3,800,000	LRS Consideration Shares <sup>1</sup>	15 November 2018 <sup>2</sup>	<p>Nil - freely tradable.</p> <p><i>The LRS Shares were subject to voluntary escrow as follows:</i></p> <ul style="list-style-type: none"> <li>• 200,000 LRS Shares - Nil escrow<sup>3</sup></li> <li>• 600,000 LRS Shares for 12 months from intended issue date<sup>4</sup> (expired 6 February 2019);</li> <li>• 3,000,000 LRS Shares for 18 months from intended issue date<sup>5</sup> (expired 6 August 2019).</li> </ul>
338,158	Settlement of debt <sup>6</sup>	21 October 2020	<p>Nil - freely tradable.</p> <p><i>TSX-V imposed escrow expired 22 February 2021</i></p>
1,100,000	Private placement <sup>7</sup>	21 October 2020	<p>Nil - freely tradable.</p> <p><i>TSX-V imposed escrow expired 22 February 2021</i></p>
2,700,000	Private placement <sup>7</sup>	14 May 2021 30 March 2021	<p>Nil - freely tradable.</p>

			<i>TSX-V imposed escrow expired 15 September 2021</i>
<b>7,938,158</b>	<b>TOTAL</b>		

**Notes:**

1. See Sections 4.4 and 6.15(a).
2. These Shares were due to be issued to LRS in February 2018, but due to an inadvertent delay, were not issued by the registry until 15 November 2018.
3. Under the terms of the Property Purchase Agreement between the Company and LRS, this parcel of Shares was agreed to be escrowed for a period of 6 months, however due to the delay in their issuance (as detailed at note 2 above) the intended period had passed by the actual date of issue. Accordingly, no escrow was imposed by the Treasury Order at the time of issue.
4. See Note 2 above.
5. See Note 2 above.
6. See Section 6.15(b).
7. See Section 6.15(d). LRS' participation in private placements were related party transactions; however were exempt from valuation and shareholder approval requirements under sections 5.5(1)(b) and 5.7(1)(b) of MI 61-101, as the investment made by LRS did not exceed \$2.5 million. The issue price paid by LRS was, on each occasion, equal to the issue price paid by other participants.

Latin Resources also has rights to acquire additional Shares (as set out in the table below) pursuant to the terms of Warrants issued to it as part of the Company's past capital raising activity, and Options issued to LRS (in its capacity as consultant) under the Company's Stock Option Plan.

The issue price paid by Latin Resources for each parcel of Warrants acquired was, on each occasion, equal to the issue price paid by other places participating in the relevant raising. The Company also complied with all statutory and regulatory requirements applicable to the participation of an Insider and related party in the relevant transaction, including MI 61-101, and made all required disclosures in news release for capital raising activity where Latin Resources participated.

The table below summarises the other securities held by LRS.

<b>Exercise Price (C\$)</b>	<b>Number</b>	<b>Grant Date</b>	<b>Expiry Date</b>	<b>Escrow Period</b>
<i>Options</i>				
0.175	500,000 <sup>1</sup>	27 October 2021	27 October 2025	Expired 1 March 2021.
<i>Warrants</i>				

Exercise Price (C\$)	Number	Grant Date	Expiry Date	Escrow Period
0.20	550,000 <sup>2</sup>	21 October 2021	21 October 2022	Expired 22 February 2021.
0.30	1,350,000 <sup>3</sup>	14 May 2021	14 May 2023	Expired on 15 September 2021.
<b>TOTAL</b>	<b>2,400,000</b>		-	-

**Notes:**

1. Issued on 27 October 2020 as consideration for the consultancy services disclosed at Section 4.7, and pursuant to the Company's Stock Option Plan.
2. Issued on 21 October 2020 pursuant to LRS's participation in a private placement (see Section 6.15(d)).
3. Issued on 14 May 2021 pursuant to LRS's participation in a private placement (see Section 6.15(d)).

If all Options and Warrants held by Latin Resources were exercised, it would increase its holding to 10,338,158 Shares, which assuming the maximum number of Shares available under the Offer were issued, would represent 16.5% of the Company's issued Shares. If all of the Company's Options and Warrants were exercised, this would dilute to 10.6% on a fully diluted basis.

The Company understands that Latin Resources will not participate in the Offer.

The Company's Chairman Mr Christopher Gale is also the Managing Director of Latin Resources, and will not be permitted to participate in the Offer.

## 6.16 Expenses of Offer

The total expenses of the Offer (excluding GST) are estimated to be approximately A\$782,391 for Minimum Subscription or A\$867,606 for Maximum Subscription and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Estimated Cost	
	Minimum Subscription (A\$)	Maximum Subscription (A\$)
ASIC and associated registration fees	3,206	3,206
ASX quotation fee (initial and annual pro-rata fees)	59,921 <sup>1</sup>	74,636 <sup>1</sup>
TSXV filing and quotation fees	21,851 <sup>2</sup>	32,351 <sup>2</sup>

Item of Expenditure	Estimated Cost	
	Minimum Subscription (A\$)	Maximum Subscription (A\$)
Lead Manager Fees	335,000 <sup>3</sup>	395,000 <sup>3</sup>
Legal Fees (Australia)	175,000	175,000
Legal Fees (Canada) <sup>4</sup>	50,000	50,000
Legal Fees (Chile) <sup>5</sup>	24,921	24,921
Legal Fees (Peru) <sup>6</sup>	6,922	6,922
Legal Fees (Mexico)	13,820	13,820
Independent Geologist Fees	36,000	36,000
Investigating Accountant Fees	34,000	34,000
Computershare (Australia) Registry Fees	3,750	3,750
Mirador Corporate Pty Ltd	10,000	10,000
Printing, Postage and Administration Fees	8,000	8,000
<b>Total</b>	<b>782,391</b>	<b>867,606</b>

**Notes:**

1. Assumes an issue price of A\$0.20.
2. Filing fee of C\$750 plus 5% GST, and 0.5% of funds raised (being up to A\$25,000).
3. Flat management fee of A\$35,000 and 6% commission on total funds raised. In addition the Lead Manager will be issued 3,400,000 Options (Minimum Subscription) or 4,000,000 Options (Maximum Subscription).
4. C\$75,000 (applying an exchange rate of C\$0.92 published by the Reserve Bank of Australian Limited on 26 October 2021).
5. US\$18,000 (applying an exchange rate of US\$0.722).
6. US\$5,000 (applying an exchange rate of US\$0.722).

### 6.17 Effect of the Offer on control and substantial Shareholders

To the best of the knowledge of the Company based on the available information, as at the Prospectus Date (and prior to the Offer), the following Shareholders hold a voting power of over 5% of the Shares on issue:

Name	Number of Shares	% of Shares
Latin Resource Limited (LRS)	7,938,158	24.24
LRS (when aggregated with Christopher Gale <sup>1</sup> )	8,469,408	25.87

The Company understands that none of Latin Resources, or any Director or officer of the Company (or any of their respective associates) intends to participate in the Offer.

The above table is based upon information provided by Computershare Investor Services Inc. (the Company's transfer agent for the Shares), independent intermediaries that non-registered Shareholders deal with in respect of the Shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs (registered retirement savings plans), RRIFs (registered retirement income funds), RESPs (registered education savings plans) and similar plans) and Insider filings made by Shareholders pursuant to applicable securities laws. The Company has no reason to believe that such information is false or misleading in any material respect. However, the information cannot be verified with complete certainty due to limits on the availability and reliability of information, the voluntary nature of the information gathering process and other limitations and uncertainties. No representation can therefore be given as to the accuracy of any of the information.

### 6.18 Company financial year

The financial year of the Company ends on 31 May annually.

### 6.19 ASX Waivers

ASX has advised the Company that upon receiving an application from the Company for Admission to the Official List that it would be likely to do each of the following:

- (a) Grant a waiver from Listing Rule 1.1 condition 2 to the extent necessary to permit the Company's Articles not to comply with the listing rules insofar as the Articles provide that the Company may do the following:
  - (i) issue non-voting shares;
  - (ii) impose fees for the registration of transfer of securities;
  - (iii) issue preference shares on terms inconsistent with Listing Rules; and

- (iv) permit the Board to determine the remuneration of the Company's Directors and increase directors' fees in a manner inconsistent with Listing Rule 10.17,

on condition that the Company gives to ASX an undertaking (executed in the form of a deed) that it will not do any of these things while it remains listed on ASX and while they remain prohibited by the Listing Rules.

- (b) Grant a waiver from Listing Rule 1.1 condition 6 to the extent necessary to permit the Company to apply for quotation only of those Shares (to be settled on ASX in the form of CDIs) issued into the Australian market, subject to the following conditions:
  - (i) the Company applies for quotation of new Shares issued into the Australian market on a monthly basis and the Company provides an Appendix 4A which provides a monthly update of the net changes in the number of its common shares over which CDIs are issued; and
  - (ii) the Company releases details of the waiver as pre-quotation disclosure.
- (c) Confirm in respect of Listing Rule 1.1 condition 11 that the cash payments comprising the Mostazal Option Payments would be permitted, and that ASX does not require the consideration under the Mostazal Option Agreement to be restricted to escrowed securities only.
- (d) Grant a waiver from Listing Rule 1.1 condition 12 to the extent necessary to permit the Company to have the following Options and Warrants on issue with an exercise price that is (or may be) less than \$0.20:
  - (i) up to 1,650,000 Options with an exercise price of C\$0.175; and
  - (ii) up to 3,481,700 Warrants on issue with an exercise price of C\$0.20 (which, depending on the A\$/C\$ exchange rate, could in future drop below A\$0.20).
- (e) Grant a waiver from Listing Rule 2.4 to the extent necessary to permit the Company to apply for quotation only of those Shares issued into the Australian market (to be settled on ASX in the form of CDIs), subject to the following conditions:
  - (i) the Company applies for quotation of Shares issued into the Australian market on a monthly basis and the Company provides an Appendix 4A which provides a monthly update of the net changes in the number of Shares over which CDIs are issued; and
  - (ii) the Company releases details of the waiver as pre-quotation disclosure.
- (f) Grant a waiver from Listing Rule 2.8 to the extent necessary to allow the Company not to apply for quotation of fully paid common shares or warrants in the Company converted into the form of CDIs held on the Australian subregister as a result of holders wishing to hold their securities in the form of CDIs, within 10 business days of issue of those CDIs, subject to the following conditions:



- (i) the Company applies for quotation of common shares converted into the form of CDIs held on the Australian subregister on a monthly basis, and the Company provides an Appendix 4A which provides a monthly update of the net changes in the number of common shares over which CDIs are issued; and
  - (ii) the Company releases details of the waiver as pre-quotation disclosure.
- (g) Grant a waiver from listing rule 4.2A to the extent necessary to permit the Company not to lodge an Appendix 4D – Half Year Report, on condition that the Company lodges with ASX the half-year financial statements and interim Management’s Discussion and Analysis (**MD&A**) that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with its obligations under the relevant Canadian laws (being on or before the earlier of 45 days after the end of the interim period or the date of filing in a foreign jurisdiction) (**Canadian Reporting Requirements**) at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.
- (h) Grant a waiver from Listing Rule 4.2B to the extent necessary to permit the Company not to lodge an Appendix 4D – Half Year Report, on condition that the Company lodges with ASX the half-year financial statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities in accordance with its obligations under the Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.
- (i) Grant a waiver from Listing Rule 4.10.9 to the extent necessary that the Company not be required to include in its annual report the names of the 20 largest holders of its quoted securities, the number of equity securities each holds, and the percentage of capital each holds.
- (j) Grant a waiver from listing rule 5.3 to the extent necessary to permit the Company not to lodge quarterly activity and expenditure reports as required by the Listing Rules on condition that the Company lodges with ASX the quarterly Financial Statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities (being on or before the earlier of 45 days after the end of the interim period or the date of filing in a foreign jurisdiction) in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.
- (k) Grant a waiver from Listing Rule 5.5 to the extent necessary to permit the Company not to lodge quarterly activity and expenditure reports as required by the Listing Rules on condition that the Company lodges with ASX the quarterly Financial Statements and interim MD&A that the Company is required to lodge with the Canadian securities regulatory authorities being on or before the earlier of 45 days after the end of the interim period or the date of filing in a foreign jurisdiction) in accordance with Canadian Reporting Requirements at the same time that the Company lodges those documents with those Canadian securities regulatory authorities.

- (l) Grant a waiver from Listing Rule 6.10.3 to the extent necessary to permit the Company to set the “specified time” to determine whether a shareholder is entitled to vote at a shareholders meeting in accordance with the requirements of the relevant Canadian legislation.
- (m) Grant a waiver from Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4 to the extent necessary to permit the Company to:
  - (i) have the stock option plan approved by the Company's stock holders on 15 February 2019 (**Stock Option Plan**) that does not comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4;
  - (ii) have Options on issue and Shares issued pursuant to Options issued under the Stock Option Plan that do not specifically comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4; and
  - (iii) have Warrants on issue that do not specifically comply with Listing Rules 6.16, 6.19, 6.21, 6.22, 6.23.3 and 6.23.4,on the following conditions:
  - (iv) that the full terms of the Stock Option Plan are released to the market as pre-quotations disclosure;
  - (v) that the Company undertakes to obtain ASX approval for the implementation of any future employee or director option plans; and
  - (vi) the Company undertakes not to issue any further Options and Warrants under the Stock Option Plan.
- (n) Grant a waiver from Listing Rule 10.18 to the extent necessary to permit the Company upon a change of control to pay termination benefits to existing Company employees or consultants pursuant to the terms of the Company's existing contracts with Mr Jason Cubitt and Mr Garry Stock (see Sections 4.8(b) and 4.9(b) of this Prospectus).
- (o) Grant a waiver from Listing Rule 14.2.1 to the extent necessary to permit the Company not to provide in its proxy form for holders of CDIs to vote against a resolution to elect a director or to appoint an auditor, on the following conditions:
  - (i) the Company complies with the relevant Canadian laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor;
  - (ii) the notice given by the Company to CDI holders under ASX Settlement Operating Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case; and
  - (iii) the Company releases details of the waiver to the market as pre-quotations disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.

Without limiting ASX's right to vary or revoke its decision under listing rule 18.3, the waiver from Listing Rule 14.2.1 will only apply for so long as the relevant Canadian laws prevent the Company from permitting shareholders to vote against a resolution to elect a director or appoint an auditor.

- (p) Grant a waiver from listing rule 14.3 to the extent necessary to permit the Company to accept nominations for the election of directors in accordance with the shareholder proposal provisions of s188 and s189 of the Business Corporations Act of British Columbia, on the following conditions:
  - (i) the Company releases the terms of the waiver to the market as pre-quotations disclosure; and
  - (ii) the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs.
- (q) Grant a waiver from Listing Rule 15.7 to the extent necessary to permit the Company to provide announcements simultaneously to both ASX and TSX-V.
- (r) Form the view that the restrictions in clauses 1, 2, 3, 4, 7, 8 and 9 of Appendix 9B do not apply to the Company.

## 6.20 Continuous disclosure obligations

Following Admission, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made, with the aim of making the information readily accessible to the widest audience.

## 6.21 Litigation and claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

## 6.22 Interests of promoters, experts and advisers

- (a) No interest except as disclosed

Other than as set out below or elsewhere in this Prospectus, no persons or entity named in this Prospectus as performing a function in a professional,

advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the Prospectus Date, or held at any time during the last two years, any interest in:

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

and the Company has not paid any amount or provided any benefit, or agreed to do so, to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(b) Australian Share Registry

Computershare Investor Services Pty Limited has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on industry standard terms and conditions.

(c) Canadian Share Registry

Computershare Investor Services Inc. has acted as the Company's transfer agent since 15 March 2006, and is paid for these services on industry standard terms and conditions.

(d) Auditor

Davidson & Company LLP has been appointed to act as auditor to the Company. The Company will not pay any fees (in addition to usual annual audit fees) to Davidson & Company LLP for these services in connection with this Prospectus. During the 24 months preceding lodgement of this Prospectus with ASIC, Davidson & Company LLP has provided audit services to the Company, the total value of these services was C\$48,913.

(e) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountants Report which is included in Section 7 of this Prospectus. The Company estimates that it will pay BDO Corporate Finance (WA) Pty Ltd A\$34,000 for these services.

During the 24 months preceding lodgement of this Prospectus with ASX, BDO Corporate Finance (WA) Pty Ltd has not provided services to the Company.

(f) Independent Geologist

SRK Consulting (Australasia) Pty Ltd has acted as Independent Geologist and has prepared the Independent Geologist's Report which is included in Section 8

of this Prospectus. The Company estimates it will pay SRK Consulting (Australasia) Pty Ltd a total of approximately A\$36,000 for these services.

SRK Consulting (Australasia) Pty Ltd. has not received fees from the Company for services during the 24 months preceding lodgement of this Prospectus.

(g) Australian Legal Advisers

HWL Ebsworth Lawyers has acted as the Australian solicitors to the Company in relation to the Prospectus and the Offer. The Company estimates it will pay HWL Ebsworth Lawyers A\$175,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

HWL Ebsworth Lawyers has received fees from the Company totalling approximately A\$50,000 for legal services during the 24 months preceding lodgement of this Prospectus.

(h) Canadian Legal Advisers

Miller Thomson has acted as the Canadian solicitors to the Company in relation to the Prospectus and the Offer. The Company estimates it will pay Miller Thomson LLP A\$50,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

Miller Thomson LLP has received fees from the Company totalling C\$37,914 for legal services during the 24 months preceding lodgement of this Prospectus.

(i) Peruvian Legal Advisers

Rodrigo, Elias & Medrano Abogados has acted as the Peruvian solicitors to the Company in relation to the Prospectus and the Offer. The Company estimates it will pay Rodrigo, Elias & Medrano Abogados US\$5,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

Rodrigo, Elias & Medrano Abogados has received fees from the Company totalling C\$1,678 for legal services during the 24 months preceding lodgement of this Prospectus.

(j) Chilean Legal Advisers

Bofill Mir & Alvarez Jana Abogados has acted as the Chilean solicitors to the Company in relation to the Prospectus and the Offer. The Company estimates it will pay Bofill Mir & Alvarez Jana Abogados US\$18,000 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

Bofill Mir & Alvarez Jana Abogados has received fees from the Company totalling C\$36,527 for legal services during the 24 months preceding lodgement of this Prospectus.

(k) Mexican Legal Advisers

RB Abogados has acted as the Mexican solicitors to the Company in relation to divestment of the Company's Mexican assets. The Company estimates it will pay RB Abogados A\$13,820 for these services. Subsequently, fees will be charged in accordance with normal charge out rates.

RB Abogados has received not received fees from the Company for legal services during the 24 months preceding lodgement of this Prospectus.

(l) Lead Manager

Euroz Hartleys Limited have acted a Lead Manager in respect of the Offer and (subject to the Minimum Subscription being achieved) will be paid a flat management fee of A\$35,000 plus GST, a distribution fee of 6% of funds raised (amounting to between A\$300,000 and A\$360,000 plus GST of 10%, depending in the amount of funds raised), and will receive between 3,400,000 and 4,000,000 LM Options (as further described at Section 4.11).

Euroz Hartleys Limited has received fees from the Company totalling A\$24,500 for services during the 24 months preceding lodgement of this Prospectus.

## 6.23 Consents

(a) General

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

In light of the above, each of the parties referred to below:

- (i) does not make the Offer;
- (ii) does not make, or purport to make, any statement that is included in this Prospectus, or a statement on which a statement made in this Prospectus is based, other than as specified below or elsewhere in this Prospectus;
- (iii) only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified below; and
- (iv) has given and has not, prior to the lodgement of this Prospectus with ASIC, withdrawn its consent to the inclusion of the statements in this

Prospectus that are specified below in the form and context in which the statements appear.

(b) Australian Share Registry

Computershare Investor Services Pty Limited has given its written consent to being named in this Prospectus as the Australian Share Registry of the Company in the form and context in which it is named. Computershare Investor Services Pty Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(c) Canadian Share Registry

Computershare Investor Services Inc. has given its written consent to being named in this Prospectus as the Canadian Share Registry of the Company in the form and context in which it is named. Computershare Investor Services Inc. has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(d) Auditor

Davidson & Company LLP has given its written consent to being named in this Prospectus as auditor of the Company and the inclusion of the audited financial information of the Company in Section 7 in the form and context in which it appears. Davidson & Company LLP has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.

(e) Investigating Accountant

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named in this Prospectus as Investigating Accountant of the Company and the inclusion of the Investigating Accountant's Report in Section 7 in the form and context in which the information and report are included. BDO Corporate Finance (WA) Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(f) Independent Geologist

SRK Consulting (Australasia) Pty Ltd has given its prior written consent to being named in this Prospectus as Independent Geologist to the Company and the inclusion of the Independent Geologist's Report in Section 8 in the form and context in which the information and report are included. SRK Consulting (Australasia) Pty Ltd has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(g) Australian Legal Advisers

HWL Ebsworth Lawyers has given its written consent to being named in this Prospectus as the Australian lawyers of the Company in relation to the Offer in the form and context in which it is named. HWL Ebsworth Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

(h) Canadian Legal Advisers

Miller Thomson LLP has given its prior written consent to being named in this Prospectus as the Canadian lawyers of the Company in relation to the Offer in the form and context in which the information and report are included. Miller Thomson LLP has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(i) Peruvian Legal Advisers

Rodrigo, Elias & Medrano Abogados has given its prior written consent to being named in this Prospectus as the Peruvian lawyers of the Company in relation to the Offer and the inclusion of the Solicitor's Report in Section 9 in the form and context in which the information and report are included. Rodrigo, Elias & Medrano Abogados has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(j) Chilean Legal Advisers

Bofill Mir & Alvarez Jana Abogados has given its prior written consent to being named in this Prospectus as the Chilean lawyers of the Company in relation to the Offer and the inclusion of the Solicitor's Report in Section 10 in the form and context in which the information and report are included. Bofill Mir & Alvarez Jana Abogados has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(k) Mexican Legal Advisers

RB Abogados has given its prior written consent to being named in this Prospectus as the Mexican lawyers of the Company in relation to the divestment of the Mexican assets in the form and context in which it is named. RB Abogados has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(l) Lead Manager

Euroz Hartleys Limited has given its prior written consent to being named in this Prospectus as the Lead Manager to the Offer in the form and context in which it is named. Euroz Hartleys Limited has not withdrawn its written consent prior to lodgement of this Prospectus with ASIC.

(m) Mirador

Mirador Corporate Pty Ltd has given its prior written consent to being named in this Prospectus as the Australian Local Agent of the Company in the form and context in which it is named. Mirador Corporate Pty Ltd has not withdrawn its written consent prior to lodgement of the Prospectus with ASIC.

## 6.24 Electronic Prospectus

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic Prospectus on



the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

#### **6.25 Documents available for inspection**

Copies of the following documents are available for inspection during normal business hours at the registered offices of the Company in Australia or Canada.


- (a) this Prospectus;
- (b) the Articles; and
- (c) the consents referred to in Section 6.23.

#### **6.26 Statement of Directors**

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in the Investigating Accountant's Report in Section 7, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

## 7. Investigating Accountant's Report

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**SOLIS MINERALS LIMITED**  
Independent Limited Assurance Report

9 November 2021

9 November 2021

The Directors  
Solis Minerals Limited  
Suite 400, 725 Granville Street  
Vancouver, British Columbia, V7Y 1G5

Dear Directors

## INDEPENDENT LIMITED ASSURANCE REPORT

### 1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by Solis Minerals Limited (**'Solis'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information of Solis, for the Initial Public Offering (**'IPO'**) of CHESD Depository Interests (**'CDIs'**) over fully paid ordinary shares in Solis, for inclusion in the Prospectus. Broadly, the Prospectus will offer up to 30,000,000 CDIs at an issue price of \$0.20 each to raise up to \$6.0 million before costs (**'the Offer'**). The Offer is subject to a minimum subscription level of 25,000,000 CDIs to raise \$5.0 million before costs. The Prospectus also includes the lead manager offer of up to 4,000,000 options to be issued to Euroz Hartleys Limited (**'Euroz'**), exercisable at \$0.28 per option, being a 40% premium to the issue price, within a period of three years from the date of issue (**'Lead Manager Options'**).

Expressions defined in the Prospectus have the same meaning in this Report. BDO holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this Report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

The Company's current reporting currency is Canadian Dollars (**'C\$'**), but will report in Australian Dollars for disclosure on the ASX. Unless otherwise specified, all **'\$'** amounts in this Report are Australian Dollars.

## 2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Prospectus.

The historical and pro forma historical financial information are presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by International Financial Reporting Standards ('IFRS') and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the '**Historical Financial Information**') of Solis included in the Prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 May 2019, 31 May 2020, and 31 May 2021; and
- the audited historical Statement of Financial Position as at 31 May 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in IFRS and the Company's adopted accounting policies. The Historical Financial Information has been extracted from the financial report of Solis for the year ended 31 May 2019, which was audited by Dale Matheson Carr-Hilton Labonte LLP, and the financial reports for the years ended 31 May 2020, and 31 May 2021, which were audited by Davidson & Company LLP ('**Davidson & Co.**') in accordance with Canadian generally accepted auditing standards.

In the audit opinions for the years ended 31 May 2019, 31 May 2020 and 31 May 2021, the Company's auditors included an emphasis of matter relating to the material uncertainty around the ability of Solis to continue as a going concern. However, the audit opinions were not modified in respect of these matters.

Davidson & Co. issued an unmodified audit opinion on the financial report for the year ended 31 May 2021.

### *Pro Forma Historical Financial Information*

You have requested BDO to review the following pro forma historical financial information (the '**Pro Forma Historical Financial Information**') of Solis included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 31 May 2021.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information of Solis, after adjusting for the effects of the subsequent events described in Section 6 of this Report and the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in IFRS applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company's actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by Solis to illustrate the impact of the events or transactions described in Section 6 and Section 7 of the Report on Solis' financial position as at 31 May 2021. As part of this process, information about Solis' financial

position has been extracted by Solis from Solis' financial statements for the year ended 31 May 2021.

### **3. Directors' responsibility**

The directors of Solis are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information that is free from material misstatement, whether due to fraud or error.

### **4. Our responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

### **5. Conclusion**

#### *Historical Financial Information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flows for the years ended 31 May 2019, 31 May 2020, and 31 May 2021; and
- the audited historical Statement of Financial Position as at 31 May 2021.

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

#### *Pro Forma Historical Financial information*

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the pro forma historical Statement of Financial Position of Solis as at 31 May 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

## 6. Subsequent Events

The pro-forma statement of financial position reflects the following events that have occurred subsequent to the period ended 31 May 2021:

- On 18 June 2021, the Company issued 1,025,000 incentive stock options ('**Incentive Stock Options**') to directors, officers and consultants of the Company, exercisable at C\$0.30 per common share within a period of five-years from the date of issue. The Incentive Stock Options have been valued at C\$195,775 (\$210,125) using the Black Scholes option pricing model, with the value of the Incentive Stock Options being reflected as an increase in equity reserves and a corresponding expense through the deficit account;
- The Company made a cash payment of US\$200,000 (\$258,600) under an option agreement to earn-into the Mostazal Copper Project ('**Mostazal Option Agreement**' or the '**Agreement**'). The payment was made to the vendors of the Mostazal Copper Project on 23 June 2021 as part of the expenditure requirements of the Agreement, which has been reflected through an adjustment to the balance of cash and cash equivalents and exploration and evaluation assets. This has been capitalised rather than expensed in accordance with the Company's accounting policy relating to acquisition costs;
- On 9 August 2021, the Company executed a termination agreement with Ore Capital Partners Ltd ('**OCP**') in relation to an option over the Saskatchewan Project, the effect of which resulted in the Company relinquishing its 50% interest. The book value of this project was nil at 31 May 2021, therefore there is no financial adjustment associated with this divestment. Further details on this divestment can be found in section 4.5 of the Prospectus;
- On 30 August 2021, the Company cancelled 75,000 unvested options ('**Unvested Options**') held by Rayleigh Capital Limited ('**Rayleigh**'). Solis issued 100,000 options to Rayleigh on 30 March 2021 as part of a consulting services agreement, exercisable at C\$0.25 per option within a period of two years from the date of issue, in which one quarter of the options would vest every three months following the date of issue. The Unvested Options were valued using the Black Scholes option pricing model at a grant date fair value of C\$8,925 (\$9,600). The cancellation of the Unvested Options has been expensed through the deficit account with a corresponding increase in the Company's reserves;
- On 6 October 2021, the Company entered into an agreement to divest its Mexican exploration assets through the sale of its Mexican subsidiaries, Minera Westminster S.A. de C.V. and Servicios Westminster S.A. de C.V., to 1323760 B.C. Limited. Under the agreement, the subsidiaries were sold for a combined MXN\$99,998 (\$6,479), which has been reflected through an adjustment to cash and cash equivalents and the Company's deficit account, being a gain on divestment; and
- On 29 October 2021, the Company repaid the balance of its two outstanding short-term loan agreements with OCP. The loans had a combined balance of C\$51,016 (\$54,679), in which the repayment has been recognised as a decrease in the Company's cash and cash equivalents and a corresponding decrease in short-term borrowings.

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no other material transaction or event outside of the ordinary business of Solis not described above, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

## 7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 31 May 2021, the subsequent events set out in Section 6, and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 30,000,000 CDIs at an offer price of \$0.20 each to raise \$6.0 million before costs pursuant to the Prospectus, based on the maximum subscription. The minimum subscription is for the issue of 25,000,000 CDIs at an offer price of \$0.20 each to raise \$5.0 million before costs. The Offer includes one free attaching option ('New Option') for every two CDIs subscribed for. The value of the New Options being issued is reflected in the Offer price, therefore no financial adjustment has been made to reflect the issue of the New Options. The value of the New Options using the Black Scholes option pricing model is \$925,000 under the minimum subscription and \$1,100,000 under the maximum subscription;
- Costs of the Offer are estimated to be \$782,391 and \$867,606 for the minimum and maximum raises, respectively. The costs directly attributable to the capital raising being \$555,217 and \$627,825 under the minimum and maximum raise, respectively, are offset against share capital, with the remaining costs of the Offer expensed; and
- The issue of the Lead Manager Options has been treated as a cost of the raising and therefore has been offset against share capital. The Lead Manager Options have been valued using the Black Scholes option pricing model at \$333,200 and \$392,000 under the minimum and maximum raises, respectively, in which 3,400,000 Lead Manager Options are to be issued under the minimum raise, and 4,000,000 Lead Manager Options are to be issued under the maximum raise. The issue of the Lead Manager Options has been reflected as an increase in the Company's reserves and a corresponding decrease in share capital, as these options are considered a cost directly attributable to the capital raising and have therefore been offset against share capital.

## 8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed IPO other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received.

## 9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

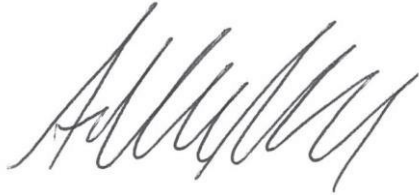
BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation



regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

**BDO Corporate Finance (WA) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Adam Myers', written in a cursive style.

**Adam Myers**

Director

## APPENDIX 1

### SOLIS MINERALS LIMITED

#### PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited as at 31-May-21	Translated as at 31-May-21	Subsequent events	Pro-forma adjustments	Pro-forma adjustments	Pro-forma after issue	Pro-forma after issue
	Notes	C\$	\$	\$	Min \$	Max \$	Min \$	Max \$
<b>CURRENT ASSETS</b>								
Cash and cash equivalents	3	2,548,807	2,731,811	(306,800)	4,217,609	5,132,394	6,642,620	7,557,405
Receivables		66,267	71,025	-	-	-	71,025	71,025
Prepaid expenses		27,985	29,994	-	-	-	29,994	29,994
<b>TOTAL CURRENT ASSETS</b>		<b>2,643,059</b>	<b>2,832,830</b>	<b>(306,800)</b>	<b>4,217,609</b>	<b>5,132,394</b>	<b>6,743,639</b>	<b>7,658,424</b>
<b>NON-CURRENT ASSETS</b>								
Receivables		117,455	125,888	-	-	-	125,888	125,888
Deposits		28,843	30,914	-	-	-	30,914	30,914
Equipment		10,828	11,605	-	-	-	11,605	11,605
Exploration and evaluation assets	4	3,360,003	3,601,251	258,600	-	-	3,859,851	3,859,851
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,517,129</b>	<b>3,769,658</b>	<b>258,600</b>	<b>-</b>	<b>-</b>	<b>4,028,258</b>	<b>4,028,258</b>
<b>TOTAL ASSETS</b>		<b>6,160,188</b>	<b>6,602,488</b>	<b>(48,200)</b>	<b>4,217,609</b>	<b>5,132,394</b>	<b>10,771,897</b>	<b>11,686,682</b>
<b>CURRENT LIABILITIES</b>								
Accounts payable		380,190	407,488	-	-	-	407,488	407,488
Accrued liabilities		104,986	112,524	-	-	-	112,524	112,524
Short-term borrowing	5	51,016	54,679	(54,679)	-	-	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>536,192</b>	<b>574,691</b>	<b>(54,679)</b>	<b>-</b>	<b>-</b>	<b>520,012</b>	<b>520,012</b>
<b>TOTAL LIABILITIES</b>		<b>536,192</b>	<b>574,691</b>	<b>(54,679)</b>	<b>-</b>	<b>-</b>	<b>520,012</b>	<b>520,012</b>
<b>NET ASSETS</b>		<b>5,623,996</b>	<b>6,027,797</b>	<b>6,479</b>	<b>4,217,609</b>	<b>5,132,394</b>	<b>10,251,885</b>	<b>11,166,670</b>
<b>EQUITY</b>								
Share capital	6	26,161,373	28,039,760	-	4,111,583	4,980,175	32,151,343	33,019,935
Reserves	7	2,611,568	2,799,079	219,725	333,200	392,000	3,352,004	3,410,804
Deficit	8	(23,148,945)	(24,811,042)	(213,246)	(227,174)	(239,781)	(25,251,462)	(25,264,069)
<b>TOTAL EQUITY</b>		<b>5,623,996</b>	<b>6,027,797</b>	<b>6,479</b>	<b>4,217,609</b>	<b>5,132,394</b>	<b>10,251,885</b>	<b>11,166,670</b>

The audited balance as at 31 May 2021 has been converted to Australian Dollars using the CAD/AUD exchange rate of 1.0718 at 31 May 2021, sourced from Bloomberg.

The cash and cash equivalents balance above does not account for working capital movements over the period from 31 May 2021 until completion. We have been advised that the operating costs of the Company for the period subsequent to 31 May 2021 was approximately C\$1,160,164.

The consolidated pro-forma statement of financial position after the Offer is as per the statement of financial position before the Offer adjusted for any subsequent events and the transactions relating to the issue of CDIs pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 2

SOLIS MINERALS LIMITED

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 31-May-21 C\$	Audited for the year ended 31-May-20 C\$	Audited for the year ended 31-May-19 C\$
<b>Expenses</b>			
Accounting, audit and legal	(95,838)	(77,535)	(34,074)
Accretion of office lease liability	(7,895)	(22,786)	-
Amortisation of right-of-use asset	(139,850)	(152,564)	-
Amortisation of equipment	(2,512)	(3,332)	(4,559)
Bank charges and interest	(8,723)	(4,302)	(973)
Consulting fees	(200,286)	(261,250)	(622,834)
Foreign exchange gain/(loss)	60,770	(12,002)	(53,414)
Management fees	(57,500)	(30,000)	(120,000)
Office	(78,086)	(30,637)	(107,323)
Other expenses	-	-	(17,078)
Regulatory and filing fees	(28,825)	(22,591)	(17,978)
Share-based compensation	(322,100)	-	-
Sublease office rent income	89,625	125,384	-
<b>Operating loss</b>	<b>(791,220)</b>	<b>(491,615)</b>	<b>(978,233)</b>
<b>Other income (expenses)</b>			
Gain on settlement of accounts payable and accrued liabilities	610,896	-	-
Gain on settlement of short-term borrowing	66,926	-	(1,761,881)
Interest income	-	-	473
Write-off of exploration and evaluation assets	(71,575)	-	-
<b>Total loss and comprehensive loss</b>	<b>(184,973)</b>	<b>(491,615)</b>	<b>(2,739,641)</b>

	Translated for the year ended 31-May-21 \$	Translated for the year ended 31-May-20 \$	Translated for the year ended 31-May-19 \$
<b>Expenses</b>			
Accounting, audit and legal	(100,134)	(86,270)	(35,818)
Accretion of office lease liability	(8,249)	(25,353)	-
Amortisation of right-of-use asset	(146,119)	(169,751)	-
Amortisation of equipment	(2,625)	(3,707)	(4,792)
Bank charges and interest	(9,114)	(4,787)	(1,023)
Consulting fees	(209,264)	(290,681)	(654,715)
Foreign exchange gain/(loss)	63,494	(13,354)	(56,148)
Management fees	(60,077)	(33,380)	(126,142)
Office	(81,586)	(34,088)	(112,816)
Other expenses	-	-	(17,952)
Regulatory and filing fees	(30,117)	(25,136)	(18,898)
Share-based compensation	(336,538)	-	-
Sublease office rent income	93,642	139,509	-
<b>Operating loss</b>	<b>(826,687)</b>	<b>(546,998)</b>	<b>(1,028,304)</b>
<b>Other income (expenses)</b>			
Gain on settlement of accounts payable and accrued liabilities	638,279	-	-
Gain on settlement of short-term borrowing	69,926	-	(1,852,066)
Interest income	-	-	497
Write-off of exploration and evaluation assets	(74,783)	-	-
<b>Total loss and comprehensive loss</b>	<b>(193,265)</b>	<b>(546,998)</b>	<b>(2,879,873)</b>

The audited balances for the years ended 31 May 2021, 31 May 2020 and 31 May 2019 have been converted to Australian Dollars using the average CAD/AUD exchange rates of 1.0448, 1.1127 and 1.0512 for the years ended 31 May 2021, 31 May 2020 and 31 May 2019, respectively. The CAD/AUD exchange rates were sourced from Bloomberg.

These consolidated statements of profit or loss and other comprehensive income show the historical financial performance of Company and are to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

**APPENDIX 3**  
**SOLIS MINERALS LIMITED**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Audited for the year ended 31-May-21 C\$	Audited for the year ended 31-May-20 C\$	Audited for the year ended 31-May-19 C\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the year	(184,973)	(491,615)	(2,739,641)
Items not affecting cash:			
Amortisation of equipment	2,512	3,332	4,559
Amortisation of right-of-use asset	139,850	152,564	-
Accretion of office lease liability	7,895	22,786	-
Accrued interest on short-term borrowing	5,212	3,752	-
Gain on settlement of accounts payable and accrued liabilities	(610,896)	-	-
Gain on settlement of short-term borrowings	(66,926)	-	-
Impairment of exploration and evaluation assets	-	-	1,761,881
Write-off of exploration and evaluation assets	71,575	-	-
Share-based compensation	322,100	-	-
Changes in non-cash working capital items			
Decrease/(increase) in receivables	(55,940)	26,119	62,834
Increase in prepaid expenses and deposits	(26,570)	(665)	34,941
Increase in accounts payable/accrued liabilities/short term borrowings	(29,813)	337,458	643,715
<b>Net cash used in operating activities</b>	<b>(425,974)</b>	<b>53,731</b>	<b>(231,711)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation assets	(200,056)	-	(245,449)
<b>Net cash used in investing activities</b>	<b>(200,056)</b>	<b>-</b>	<b>(245,449)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of share capital	3,452,090	-	-
Share issuance costs	(99,330)	(750)	-
Short-term borrowing	35,500	113,960	-
Repayment of short-term borrowing	(66,988)	-	-
Lease payments	(156,482)	(166,613)	-
<b>Net cash used in financing activities</b>	<b>3,164,790</b>	<b>(53,403)</b>	<b>-</b>
Net change in cash for the year	2,538,760	328	(477,160)
Cash - beginning of the year	10,047	9,719	486,879
<b>Cash - end of the year</b>	<b>2,548,807</b>	<b>10,047</b>	<b>9,719</b>

	Translated for the year ended 31-May-21 \$	Translated for the year ended 31-May-20 \$	Translated for the year ended 31-May-19 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income for the year	(193,264)	(546,998)	(2,879,874)
Items not affecting cash:			
Amortisation of equipment	2,625	3,707	4,792
Amortisation of right-of-use asset	146,119	169,751	-
Accretion of office lease liability	8,249	25,353	-
Accrued interest on short-term borrowing	5,446	4,175	-
Gain on settlement of accounts payable and accrued liabilities	(638,279)	-	-
Gain on settlement of short-term borrowings	(69,926)	-	-
Impairment of exploration and evaluation assets	-	-	1,852,066
Write-off of exploration and evaluation assets	74,783	-	-
Share-based compensation	336,538	-	-
Changes in non-cash working capital items			
Decrease/(increase) in receivables	(58,447)	29,061	66,050
Increase in prepaid expenses and deposits	(27,761)	(740)	36,730
Increase in accounts payable/accrued liabilities/short term borrowings	(31,149)	375,474	676,665
<b>Net cash used in operating activities</b>	<b>(445,066)</b>	<b>59,783</b>	<b>(243,571)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Exploration and evaluation assets	(209,023)	-	(258,013)
<b>Net cash used in investing activities</b>	<b>(209,023)</b>	<b>-</b>	<b>(258,013)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of share capital	3,606,826	-	-
Share issuance costs	(103,782)	(834)	-
Short-term borrowing	37,091	126,798	-
Repayment of short-term borrowing	(69,991)	-	-
Lease payments	(163,496)	(185,383)	-
<b>Net cash used in financing activities</b>	<b>3,306,648</b>	<b>(59,419)</b>	<b>-</b>
<b>Net change in cash for the year</b>	<b>2,652,557</b>	<b>365</b>	<b>(501,584)</b>
Effects of exchange rate changes on cash and cash equivalents	68,307	217	15,430
<b>Cash - beginning of the year</b>	<b>10,947</b>	<b>10,365</b>	<b>496,519</b>
<b>Cash - end of the year</b>	<b>2,731,811</b>	<b>10,947</b>	<b>10,365</b>

The audited balances for the years ended 31 May 2021, 31 May 2020 and 31 May 2019 have been converted to Australian Dollars using the average CAD/AUD exchange rates of 1.0448, 1.1127 and 1.0512 for the years ended 31 May 2021, 31 May 2020 and 31 May 2019, respectively. The audited cash and cash equivalents balance as at 31 May 2021, 31 May 2020 and 31 May 2019 have been converted to Australian Dollars using the CAD/AUD exchange rates of 1.0718, 1.0896 and 1.0665 as at 31 May 2021, 31 May 2020 and 31 May 2019, respectively. The CAD/AUD exchange rates were sourced from Bloomberg.

These consolidated statements of cash flows show the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

**APPENDIX 4**  
**SOLIS MINERALS LIMITED**  
**NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION**

**1. NATURE OF OPERATIONS**

Solis (formerly Westminster Resources Limited) was incorporated under the Business Corporations Act of British Columbia, Canada on December 1, 2005 and maintains its corporate head office at Suite 1100 - 595 Howe Street, Vancouver, British Columbia, V6C 2T5. The Company's common shares are listed on the TSX Venture Exchange in Canada. Solis and its subsidiaries are principally engaged in the acquisition, and exploration of mineral properties as described herein.

**2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

**a) Statement of Compliance**

The historical financial information has been prepared in accordance with IFRS as issued by the International Accounting Standards Board ('IASB').

**b) Basis of Measurement**

The historical financial information is presented in Canadian dollars, which is also the functional currency of the Company, and have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. In addition, the historical financial information has been prepared using the accrual basis of accounting, except for cash flow information.

**c) Principles of Consolidation**

The historical financial information includes the accounts of the Company and its wholly-owned integrated subsidiaries, Minera Westminster, S.A. de C.V., Servicios Westminster, S.A. de C.V., Westminster Peru SAC and Westminster Chile SpA. All significant inter-company balances and transactions have been eliminated upon consolidation.

Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or had rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

**d) Going concern**

The historical financial information has been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. However, there are factors that management has identified that may cast significant doubt on the entity's ability to continue as a going concern. The Directors believe that the Company will continue as a going concern.

The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition and exploration of its exploration and evaluation ('E&E') assets, is dependent on the Company's ability to obtain financing under the Prospectus.

### 3. SIGNIFICANT ACCOUNTING POLICIES, NEW STANDARDS AND INTERPRETATIONS

#### a) Source of Estimation Uncertainty

Significant assumptions about the future and the other sources of estimation uncertainty that management has made at the date of the historical financial information, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from the assumptions made, relate to, but are not limited to, the following:

##### i) Realization of mineral property interests

The Company assesses its E&E assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of assets may not be recoverable, at each reporting period.

The assessment of any impairment of E&E asset is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows and useful lives of assets and their related salvage values.

##### ii) Site restoration obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is possible that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Restoration liabilities include an estimate of the future cost associated with the reclamation of the property, discounted to its present value, and capitalised as part of the cost of exploration assets. The estimated costs are based on the present value of the expenditure expected to be incurred. Changes in the discount rate, estimated timing of reclamation costs, or cost estimates are dealt with prospectively by recording a change in estimate, and corresponding adjustment to the exploration assets. The accretion on the reclamation provision is included in the reclamation liability.

##### iii) Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions could materially affect the fair value estimate and the Company's earnings and equity reserves, and therefore the existing models do not necessarily provide an accurate single measure of the actual fair value of the Company's stock options and warrants.

##### iv) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing losses.

#### b) Critical Accounting Judgements

Significant judgments about the future and other sources of judgment uncertainty that management has made at the date of the historical financial information, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from judgments made, relate to, but are not limited to, the following:



**i) Impairment assessment**

The Company assesses its exploration and evaluation assets for possible impairment if there are events or changes in circumstances that indicate that carrying values of the assets may not be recoverable, at each reporting period. The assessment of any impairment of equipment and exploration and evaluation assets is dependent upon estimates of recoverable amounts that take into account factors such as reserves, economic and market conditions, timing of cash flows, and the useful lives of assets and their related salvage values.

**ii) Recoverability of amounts receivable**

The balance in amounts receivable includes GST and amounts due from a related party for rent and other shared expenses. At each financial reporting date, the carrying amounts of the Company's amounts receivable are reviewed to determine whether there is any indication that those assets are impaired. The Company uses judgment in determining whether there are facts and circumstances suggesting that the carrying amounts of its amounts receivable may exceed the recoverable amount.

**iii) Assessment of going concern**

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

**iv) Assessment of functional currency**

The Company uses judgment in determining its functional currency. International Accounting Standards ("IAS") 21 The Effects of Changes in Foreign Exchange Rates defines the functional currency as the currency of the primary economic environment in which an entity operates. IAS 21 requires the determination of functional currency to be performed on an entity by entity basis, based on various primary and secondary factors. In identifying the functional currency of the parent and of its subsidiaries, management considered the currency that mainly influences the cost of undertaking the business activities in each jurisdiction in which the Company operates.

**c) Financial instruments**

**i) Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

## **ii) Measurement**

### Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognised at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

### Debt investments at FVTOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

### Equity investments at FVTOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

## **iii) Impairment of financial assets at amortized cost**

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognise in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised.

## **iv) De-recognition**

### Financial assets

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Gains and losses on de-recognition are generally recognised in profit or loss.

### Fair value hierarchy

The Company categorizes financial instruments measured at fair value at one of three levels according to the reliability of the inputs used to estimate fair values. The fair value of financial assets and financial liabilities in Level 1 are determined by reference to quoted prices in active markets for identical assets and liabilities. Financial assets and financial liabilities in Level 2 are valued using inputs other than quoted prices for which all significant inputs are based on observable market data. Level 3 valuations are based on inputs that are not based on observable market data.

#### **d) Exploration and Evaluation Assets**

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognised and capitalised, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs and payments made to contractors during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of option agreements. Due to the fact that options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as E&E assets or recoveries when the payments are made or received.

When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to profit or loss. The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

#### **e) Equipment**

Equipment is recorded at cost, less accumulated amortization and accumulated impairment losses. These assets are amortized using the following annual rates:

- Office furniture and equipment - 30% declining-balance
- Computer equipment - 45% declining-balance
- Field equipment - 15% declining-balance

#### **f) Impairment of Non-Financial Assets**

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognised in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognised. A reversal of an impairment loss is recognised in profit or loss.

#### **g) Reclamation Obligations**

The Company recognises the fair value of a legal or constructive liability for a reclamation obligation in the period in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for a reclamation obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognised as an increase in the liability and a financing expense in the statement of comprehensive income/loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognised as an increase or a decrease to the carrying amount of the liability and the related long-lived asset.

#### **h) Share Capital**

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognised as a deduction from equity.

#### **i) Valuation of Equity Units Issued in Private Placements**

Proceeds received on the issuance of units, consisting of common shares and warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in the reserve.

#### **j) Share-based Payments**

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is recognised in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

All equity-settled share-based payments are reflected in share-based reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognises the amount that otherwise would have been recognised for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognised as an expense.

#### **k) Income Taxes**

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in profit or loss in the period that includes the enactment date. Deferred tax assets also result from unused loss carry-forwards, resource related tax pools and other deductions. A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **l) Foreign Currency Translation**

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the financial reporting date. Non-monetary items are translated at the rate of exchange in effect when the amounts were acquired or obligations incurred. Non-monetary items measured at fair value are reported at the exchange rates in effect at the time of the transaction.

Exchange differences arising from the translations are recorded as a gain or loss on foreign currency translation in profit or loss.

#### **m) Provisions**

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the financial reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

## n) Leases

The Company has applied IFRS 16, Leases since January 1, 2019. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at a present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect any lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less amortization and any impairment losses. Right-of-use assets are amortized over the shorter period of the lease term and useful life of the underlying asset.

	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer Min \$	Pro-forma after Offer Max \$
<b>NOTE 3. CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents	2,548,807	2,731,811	6,642,620	7,557,405
Translated balance of Solis as at 31 May 2021			2,731,811	2,731,811
<i>Subsequent events:</i>				
Option payment on signing of the Mostazal Option Agreement			(258,600)	(258,600)
Proceeds from sale of Mexican exploration assets			6,479	6,479
Repayment of OCP loans			(54,679)	(54,679)
			(306,800)	(306,800)
<i>Pro-forma adjustments:</i>				
Proceeds from CDIs issued under this Prospectus			5,000,000	6,000,000
Capital raising costs			(782,391)	(867,606)
			4,217,609	5,132,394
Pro-forma Balance			6,642,620	7,557,405

<b>NOTE 4. EXPLORATION AND EVALUATION ASSETS</b>	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer \$
Exploration and evaluation assets	3,360,003	3,601,251	3,859,851
Translated balance of Solis as at 31 May 2021			3,601,251
<i>Subsequent events:</i>			
Option payment on signing of the Mostazal Option Agreement			258,600
			258,600
Pro-forma Balance			3,859,851

<b>NOTE 5. SHORT-TERM BORROWINGS</b>	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer \$
Short-term borrowings	51,016	54,679	-
Translated balance of Solis as at 31 May 2021			54,679
<i>Subsequent events:</i>			
Repayment of OCP loans			(54,679)
			(54,679)
Pro-forma Balance			-

<b>NOTE 6. SHARE CAPITAL</b>	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer Min \$	Pro-forma after Offer Max \$
Share capital	26,161,373	28,039,760	32,151,343	33,019,935
	<b>Number of shares (min)</b>	<b>Number of shares (max)</b>	<b>\$</b>	<b>\$</b>
Translated balance of Solis as at 31 May 2021	32,741,654	32,741,654	28,039,760	28,039,760
<i>Pro-forma adjustments:</i>				
Proceeds from CDIs issued under this Prospectus	25,000,000	30,000,000	5,000,000	6,000,000
Capital raising costs capitalised	-	-	(555,217)	(627,825)
Issue of Lead Manager Options	-	-	(333,200)	(392,000)
	25,000,000	30,000,000	4,111,583	4,980,175
Pro-forma Balance	57,741,654	62,741,654	32,151,343	33,019,935

NOTE 7. RESERVES	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer Min \$	Pro-forma after Offer Max \$
Reserves	2,611,568	2,799,079	3,352,004	3,410,804
Translated balance of Solis as at 31 May 2021			2,799,079	2,799,079
<i>Subsequent events:</i>				
Cancellation of Unvested Options			9,600	9,600
Issue of the Incentive Stock Options			210,125	210,125
			219,725	219,725
<i>Pro-forma adjustments:</i>				
Issue of Lead Manager Options			333,200	392,000
			333,200	392,000
Pro-forma Balance			3,352,004	3,410,804

NOTE 8. DEFICIT	Audited as at 31-May-21 C\$	Translated as at 31-May-21 \$	Pro-forma after Offer Min \$	Pro-forma after Offer Max \$
Deficit	(23,148,945)	(24,811,042)	(25,251,462)	(25,264,069)
Translated balance of Solis as at 31 May 2021			(24,811,042)	(24,811,042)
<i>Subsequent events:</i>				
Cancellation of Unvested Options			(9,600)	(9,600)
Issue of the Incentive Stock Options			(210,125)	(210,125)
Gain on divestment of exploration assets in Mexico			6,479	6,479
			(213,246)	(213,246)
<i>Pro-forma adjustments:</i>				
Costs of the Offer not directly attributable to the capital raising			(227,174)	(239,781)
			(227,174)	(239,781)
Pro-forma Balance			(25,251,462)	(25,264,069)



The terms of the Lead Manager Options, and the inputs used in determining the value of the Lead Manager Options are set out below.

	Lead Manager Options Min	Lead Manager Options Max
Number of options	3,400,000	4,000,000
Underlying share price (\$)	0.200	0.200
Exercise price (\$)	0.280	0.280
Expected volatility	90%	90%
Life of the options (years)	3.00	3.00
Expected dividends	Nil	Nil
Risk free rate	0.140%	0.140%
Value per option (\$)	0.098	0.098
Value per tranche (\$)	333,200	392,000

The terms of the Unvested Options (which were cancelled subsequent to 31 May 2021), the Incentive Stock Options, the New Options, and the inputs used in determining the value of these options are set out below.

	Unvested Options	Incentive Stock Options	New Options Min	New Options Max
Number of options	75,000	1,025,000	12,500,000	15,000,000
Underlying share price	C\$0.25	C\$0.28	\$0.20	\$0.20
Exercise price	C\$0.25	C\$0.30	\$0.30	\$0.30
Expected volatility	90%	90%	90%	90%
Life of the options (years)	2.00	5.00	2.00	2.00
Expected dividends	Nil	Nil	Nil	Nil
Risk free rate	0.229%	0.956%	0.140%	0.140%
Value per option (C\$)	\$0.119	\$0.191	-	-
Value per option (\$)	\$0.128	\$0.205	\$0.074	\$0.074
Value per tranche (\$)	\$9,600	\$210,125	\$925,000	\$1,110,000

A summary of the terms of the options and warrants on issue are set out below.

#### Options

Exercise Price	Balance at 31-May-21	Granted	Cancelled	Balance at 31-Aug-21	Expiry Date	Number of Options vested
\$0.175	1,650,000	-	-	1,650,000	27-Oct-25	1,650,000
\$0.250	300,000	-	(75,000)	225,000	30-Mar-23	225,000
\$0.300	-	1,025,000	-	1,025,000	18-Jun-26	1,025,000
<b>Total</b>	<b>1,950,000</b>	<b>1,025,000</b>	<b>(75,000)</b>	<b>2,900,000</b>		<b>2,900,000</b>

## Warrants

Exercise Price	Balance at 31-May-21	Granted	Balance at 31-Aug-21	Expiry Date
\$0.800	1,630,000	-	1,630,000	24-May-22
\$0.800	774,000	-	774,000	15-Jun-22
\$0.200	3,481,700	-	3,481,700	21-Oct-22
\$0.300	6,889,376	-	6,889,376	14-May-23
<b>Total</b>	<b>12,775,076</b>	<b>-</b>	<b>12,775,076</b>	

### NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

### NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus. We draw attention to Section 4 of the Prospectus which details the Company's rights and obligations under its material contracts.

**APPENDIX 5**  
**FINANCIAL SERVICES GUIDE**

**9 November 2021**

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Solis Minerals Limited ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report') for inclusion in this Prospectus.

**Financial Services Guide**

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 licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

**Information about us**

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

**Financial services we are licensed to provide**

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

**General Financial Product Advice**

We only provide general financial product advice, not personal financial product advice. Our Report does not take 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.

**Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$34,000 (exclusive of GST).

Except for the fees referred to above, neither BDO, 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. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Solis for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

#### **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.

#### **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 must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When 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.

#### **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 was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website [www.afca.org.au](http://www.afca.org.au) or by contacting it directly via the details set out below:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Toll free: 1300 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)

#### **Contact details**

You may contact us using the details set out on page 1 of our Report.

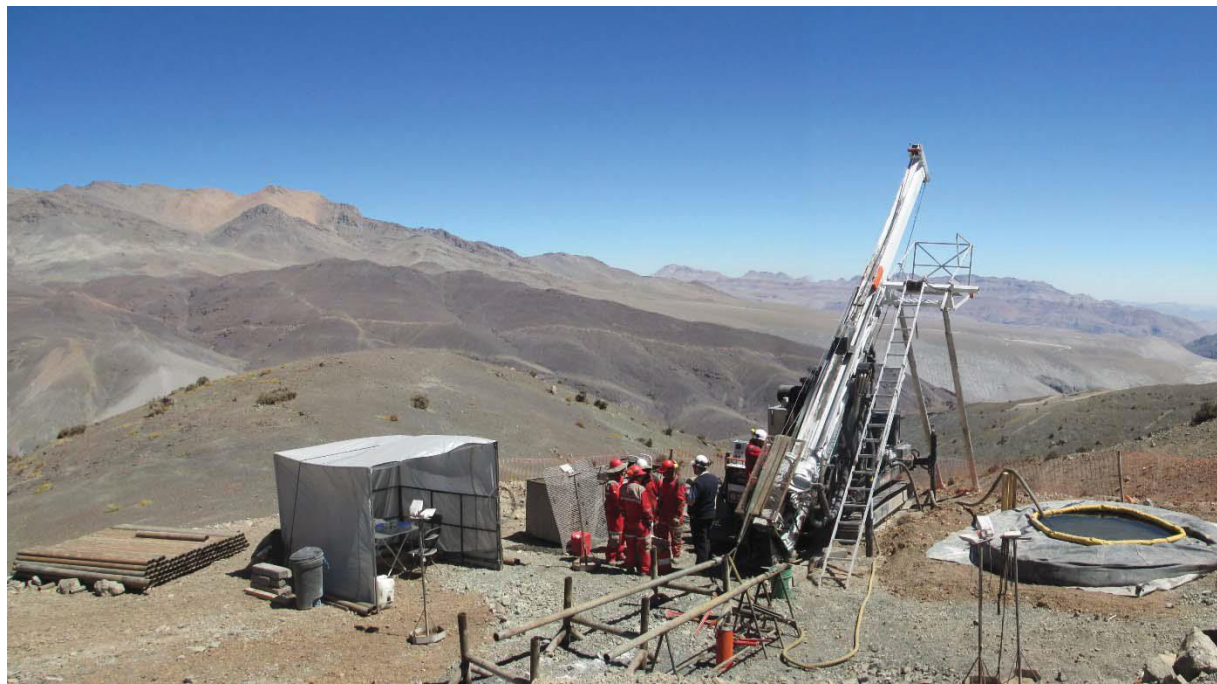
## 8. Independent Geologist's Report

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Final

# An Independent Geologist's Report on the Mostazal, Ilo Este and Ilo Norte Copper Projects

Independent Geologist's Report – Solis Minerals, Chile & Peru, South America  
Solis Minerals Limited



SRK Consulting (Australasia) Pty Ltd ■ WRL001 ■ November 2021

**Final**

## An Independent Geologist's Report on the Mostazal, Ilo Este and Ilo Norte Copper Projects

Independent Geologist's Report – Solis Minerals, Chile & Peru, South America

**Prepared for:**

Solis Minerals Limited  
595 Burrard Street, Suite 3043  
Vancouver, British Columbia, V7X 1L7



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Quality  
ISO 9001

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**Reviewer:** Dr Michael Cunningham **Initials:** MC

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**Cover Image:**

Fujita Plataforma, Mostazal Project

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SRK Consulting (Australasia) Pty Ltd ■ WRL001 ■ November 2021

**Disclaimer:** The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Solis Minerals Limited (Solis). The opinions in this Report are provided in response to a specific request from Solis to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.



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## Useful definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

AIG	Australian Institute of Geoscientists
ASL	above sea level
ASIC	Australian Securities and Investment Commission
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
cm	centimetres
CP	Competent Person
geophysics	the study of the Earth using quantitative physical methods to measure its electrical conductivity, gravitational and magnetic fields
GPS	global positioning system
granite	an acid intrusive rock
granodiorite	a type of granitic rock with abundant feldspar
granulite	an equigranular coarse-grained metamorphic rock
hydrothermal fluid	upward flowing fluids originating from igneous or metamorphic geological events
igneous	an igneous rock formed entirely within the Earth's crust
IGR	Independent Geologist's Report
IPO	initial public offering
JORC Code	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	joint venture
kg	kilograms
km	kilometres
km <sup>2</sup>	square kilometres
m	metres
magmatic	formed from molten rock
meta-	a prefix used to indicate the precursor rock type of a metamorphic rock
metamorphic rock	a rock altered by temperature and pressure within the earth
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge including sampling. Mineral Resources are sub-divided in order of increasing geological confidence into Inferred, Indicated and Measured categories.
mineralisation	Geological occurrence of mineral of potential economic interest
ppb	parts per billion by mass
ppm	parts per million
QA/QC	Quality Assurance/Quality Control samples for evaluating accuracy and precision of exploration geochemical data
quartz	a silicon mineral (SiO <sub>2</sub> )
sample	the removal of a small amount of rock pertaining to the deposit which is used to estimate the grade of the deposit and other geological parameters

siltstone	a fine-grained granular sedimentary rock
Solis	Solis Minerals Limited (formally Westminster Resources Limited)
SRK	SRK Consulting (Australasia) Pty Ltd
Subscribers	Subscribers to whom New Shares are issued pursuant to the Subscription
Subscription	the Subscription by certain investors, details of which are set out in the Prospectus
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets
volcanic	formed by or associated with a volcano
volcaniclastic	debris or rock formed from volcanic eruptions

## Executive summary

Solis Minerals Limited (Solis or the Company) is proposing to list its securities on the Australian Securities Exchange (ASX) (Proposed Listing).

SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Solis to prepare an Independent Geologist's Report (IGR or Report) on the Mostazal, Ilo Norte and Ilo Este projects, which are in South America. The Report will be included in the Prospectus relating to the Proposed Listing. SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between Solis and any other parties

The Report has been prepared under the guidelines of the 2015 edition of the *Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code). The VALMIN Code incorporates the 2012 edition of the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code). In addition, the Report has been prepared in accordance with the relevant requirements of the Listing Rules of the ASX and relevant Australian Securities and Investment Commission (ASIC) Regulatory Guidelines.

No Exploration Target, Mineral Resource or Ore Reserve estimates have been prepared or reported for the Project.

## Tenure

The projects comprise the following tenure:

- Mostazal Project, located in Chile, comprising eight Exploitation Mining Concessions covering a total area of 1,317 hectares (ha)
- Ilo Norte Project, located in Peru, comprising eight granted Mining Concessions covering a total area of 7,700 ha
- Ilo Este Project, located in Peru, comprising four granted Mining Concessions covering a total area of 3,200 ha.

The eight Mining Concessions covering the Mostazal Project are currently owned by a series of Legal Mining companies (Sociedad legal minera) each of which are owned by two shareholders; Mr Walter Enrique Viteri Aldunate and Mr Lucas Benito Ledezma Ocares, who are also the owners of Sociedad Legal Minera Mostazal.

The twelve Mining Concessions covering Ilo Norte and Ilo Este projects (total area of 11,900 ha) are 100 percent owned by Westminster Peru S.A.C., a subsidiary of Solis.

## Geological and mineralisation setting

The Mostazal Copper Project is described as a volcanic hosted manto-type copper-silver deposit located to the west of the Andes mountain range in the Atacama Desert. Mineralisation is thought to have occurred during late Eocene to early Oligocene time, and is associated with high potassium calc-alkaline intrusions emplaced during periods of compressive tectonic activity

The Ilo Norte and Ilo Este project areas are composed of mostly interlayered andesite volcanic rocks and volcanoclastic sedimentary rocks of the Lower Jurassic Chocolate Formation, the Upper Jurassic Guaneros Formation and the Lower to Middle Cretaceous Toquepala Group. Intruded into



the Chocolate and Guaneros formations is the Cretaceous age Ilo Batholith, which comprises gabbros, gabrodiorites and diorites. It is these intrusives that have driven the regional metamorphism and mineralisation.

The mineralisation at Ilo Norte is interpreted to be an iron oxide copper gold (IOCG) type deposit that is contained within the highly altered andesitic volcanoclastics of the Chocolate Formation.

The mineralisation at Ilo Este is interpreted to be a Cu-Au porphyry system. Mineralisation is differentiated into two types:

1. oxide zone
2. hypogene mineralisation.

It is thought that the Ilo Este deposit has been deeply eroded down to the potassic zone within mid-level of the porphyry system.

The historical studies at each of the three projects have contributed to the local interpretation of the geological framework and mineralisation endowments.

In SRK's opinion, Solis has a good understanding of the regional geological setting and the local mineralisation styles.

## Use of funds – technical budget

Solis has developed a technical budget that relies on monies raised from the Proposed Listing. The summary use of exploration funds for the minimum subscription of the technical budget is summarised in Table ES.1. Additional details relating to the sources and uses of funds including tenement costs and costs of the offer are presented in Section 4 of the IGR and in the Prospectus relating to the Proposed Offer.

**Table ES.1: Technical Budget summary**

Project	Minimum (A\$)	%	Maximum (A\$)	%
<b>Exploration program – Mostazal (Chile)</b>	1,445,510	22.2	2,359,732	31.4
<b>Exploration program – Ilo Este and Ilo Norte (Peru)</b>	235,600	3.6	235,600	3.1
<b>Mostazal option payments</b>	1,662,050	25.5	1,662,050	22.1
<b>Working capital</b>	2,381,245	36.6	2,381,245	31.7
<b>Expenses of IPO</b>	782,391	12.0	867,606	11.6
<b>Total</b>	<b>6,506,796</b>	<b>100</b>	<b>7,506,233</b>	<b>100</b>

SRK has reviewed the planned work programs and the amounts allocated to each of the three projects. Based on its review, SRK is of the opinion that the programs are reasonable for the purpose of advancing the study status of each project. The funds allocated by Solis for the technical assessment of the Project should be sufficient to sustain the planned work programs over a 24-month budget period.

Progressive expenditure will depend on the success of the proposed drilling and technical studies. Solis may require additional funds should the outcome of the drilling necessitate modifications to the work program.

SRK notes that mineral assets at a similar stage of study to the Project are inherently speculative in nature given the low level of technical confidence. The potential quantity and grade given in the Exploration Target estimate is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The facts, opinions and assessments presented in this Report are current at the Report's Effective Date of 2 November 2021.

# 1 Introduction

Solis Minerals Limited (Solis or the Company) is proposing to list its securities on the Australian Securities Exchange (ASX) (Proposed Listing).

SRK Consulting (Australasia) Pty Ltd (SRK) has been appointed by Solis to prepare an Independent Geologist's Report (IGR or Report) in accordance with the Listing Rules of the ASX and the Australian Securities and Investment Commission (ASIC) Regulatory Guidelines. The IGR will be included in the Company's Prospectus relating to the Proposed Listing.

For the purposes of the ASX Listing Rules, SRK is responsible for this IGR as part of the Prospectus and declares that it has taken all reasonable care to ensure that the information contained in this IGR is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import and no material change has occurred from 28 September 2021 that would require any amendment to the IGR.

The Mostazal, Ilo Este and Ilo Norte copper projects (the Projects) considered in the IGR are located in Chile and Peru (Figure 1.1). For each project, tenure comprises the following:

- Mostazal Project, located in Chile, comprising eight Exploitation Mining Concessions covering a total area of 1,317 hectares (ha)
- Ilo Norte Project, located in Peru, comprising eight granted Mining Concessions covering a total area of 7,700 ha
- Ilo Este Project, located in Peru, comprising four granted Mining Concessions covering a total area of 3,200 ha.

This comprises a total area of 12,217 ha.

Figure 1.1: Location map – Solis's projects



Sources: SRK and Solis Management

Note: Coordinates: decimal degrees (WGS84).

This IGR presents the following Technical Assessment as at the Effective Date (defined below):

- an overview of the geological setting of the Projects and the associated mineralisation
- an outline of the historical and recent exploration work undertaken at the Projects
- SRK's opinion on the exploration and development potential for each prospect within the Projects
- a summary of the key technical risks and opportunities
- SRK's opinion on the reasonableness of Solis's budgeted work programs.

This IGR is intended to properly inform readers of SOLIS's Prospectus about the status and exploration potential of SOLIS's projects and to provide commentary on the Company's proposed future exploration and development programs.

Certain units of measurements, abbreviations and technical terms are defined in the Useful definitions of this IGR. Unless otherwise explicitly stated, all quantitative data as reported in this IGR are reported on a 100 per cent basis.

Unless otherwise stated, all grid coordinates are in metres PSAD 1956 UTM Zone 19S.

## 1.1 Reporting standard

The Report has been prepared to the standard of, and is considered by SRK to be, a technical assessment under the guidelines of the VALMIN Code (2015). The Report was prepared by Dr Michael Cunningham and Mr Michael Lowry, with peer review undertaken by Dr Karen Lloyd (Authors).

The Authors are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN Code and the JORC Code. For the avoidance of doubt, this report has been prepared according to:

- the 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Details of the qualifications of Dr Cunningham and Mr Lowry, who both have extensive experience in the mining industry, are set out below.

### **Michael Cunningham, Associate Principal Consultant (Geology), BSc (Hons) Geoscience, PhD (Geology), MAusIMM, MAIG, MGSA, FGSL, MMGEI**

Dr Cunningham has over 15 years' experience as a geologist. His post-doctoral research involved evaluation and modelling of active oceanic slope processes and related hazards. Mike has worked in the Irish and British civil services. He has consulted on projects in Australia and overseas (Indonesia, Lao, Sri Lanka, Kyrgyzstan, Mongolia, Tanzania, Congo, Liberia and Malaysia), and on a variety of commodities including gold, iron, graphite, lead–zinc, antimony and coal. His expertise covers 3D modelling of vein, epithermal and banded iron formation (BIF) styles of mineralisation, drill targeting, modelling, Mineral Resource estimation, and modelling and evaluation of Exploration Targets. Mike has also been involved in the preparation of IGRs, due diligence and valuation studies, and is a well accomplished project manager. He is a Member of the AIG and the AusIMM and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN Code (2015) and JORC Code (2012), respectively.

### **Michael Lowry, BSC Hons (Geology), GradCert (Geostatistics), MAusIMM – Principal Consultant**

Michael is a Geologist with more than 25 years mining industry experience in roles that have varied from mine operations, brownfields exploration, Mineral Resource estimation and technical auditing. He has worked on projects throughout Australia, Africa and South America and has experience with several commodities across varied geological environments. Michael has worked on projects for various gold systems, nickel, iron ore, polymetallic VMS and IOCG deposits. Michael has sound technical experience in and grade control and reconciliation systems for both open cut and underground mines and Mineral Resource estimation as well as conducting technical assurance reviews of proposed or operating mining operations. Michael has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Competent Person' under the JORC Code (2012).

As per the VALMIN Code (2015), a first draft of the Report was supplied to Solis to check for material error, factual accuracy and omissions before the final Report was issued. The final Report was issued following review of any comments made by Solis.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals relating to that tenure.

For this Report, the mineral assets were classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- Early Stage Exploration Projects – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- Advanced Exploration Projects – tenure holdings where considerable exploration has been undertaken and specific targets have been 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.
- 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.
- 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 (PFS).
- Production Projects – tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

## SRK has classified the Projects as Pre-development.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given the low level of technical confidence.

### 1.2 Forward-looking statement

Mineral exploration is a high-risk process, particularly during the early phases. It is possible that no significant mineralisation exists. Project success can also be impacted by uncertainty in the market, including volatility and variations in commodity prices, which may have either positive or negative impacts.

### 1.3 Work program

SRK's work program commenced in August 2021, with a technical assessment of material data, including reports sourced from Solis's data room and subscription databases such as S&P Capital IQ services. Further to this review and assessment, the Report was prepared by SRK.

A site inspection to the Project was not undertaken by SRK as, in SRK's opinion, a site inspection was unlikely to reveal additional current information that was material to the Report, over and above that supplied by Solis. SRK has previously inspected adjacent third-party projects and therefore has a reasonable understanding of the Project setting that informs this technical assessment report.

### 1.4 Effective Date

The Effective Date of this Report is 2 November 2021. The technical information contained in this IGR has been prepared as at the Effective Date.

### 1.5 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has relied on the accuracy and completeness of the documentation supplied to it by Solis. SRK has made all reasonable enquiries into this status as at the Effective Date.

This Report concerns a technical assessment and is not financial product advice and, in preparing this Report, SRK is not operating under an Australian Financial Services Licence.

## 1.6 Limitations

SRK's opinion contained herein is based on information provided to SRK by Solis throughout the course of SRK's assessment as described in the Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Solis was taken in good faith by SRK. This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages, and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider it to be material.

As far as SRK has been able to ascertain, the information provided by Solis was complete and not incorrect, misleading or irrelevant in any material aspect.

Solis has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Solis was complete, accurate and true; and not incorrect, misleading or irrelevant in any material aspect.

## 1.7 Statement of SRK independence

Neither SRK nor the authors of this Report have any material present or contingent interest in the outcome of the Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK.

## 1.8 Indemnities

As recommended by the VALMIN Code (2015), Solis has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Solis or not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from the Report.

## 1.9 Competent Person and Practitioner consent

The Competent Person who has reviewed the exploration results as reported by Solis and the information in this Report that relates to the technical assessment the Project is based on, and fairly reflects, information compiled, and conclusions derived by Dr Michael Cunningham and Mr Michael Lowry.

Dr Cunningham and Mr Lowry are Members of the AusIMM. Dr Cunningham is an Independent Principal Consultant employed by SRK, an independent mining consultancy, and Mr Lowry is a full-time Principal Consultant with SRK.

Dr Cunningham and Mr Lowry have sufficient experience that is relevant to the technical assessment of the mineral assets under consideration, the style of mineralisation and the type of deposit under consideration, and the activity being undertaken to qualify as a Practitioner as defined in the 2015 edition of the *Australasian Code for the Public Reporting of Technical*



*Assessments and Valuations of Mineral Assets*, and as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves*.

Dr Cunningham and Mr Lowry give their consents to the inclusion in the Report of the matters based on this information in the form and context in which it appears.

## **1.10 Consulting fees**

SRK's estimated fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$30,000. The payment of this professional fee is not contingent upon the outcome of this Report.

## 2 Mostazal Copper Project

### 2.1 Introduction

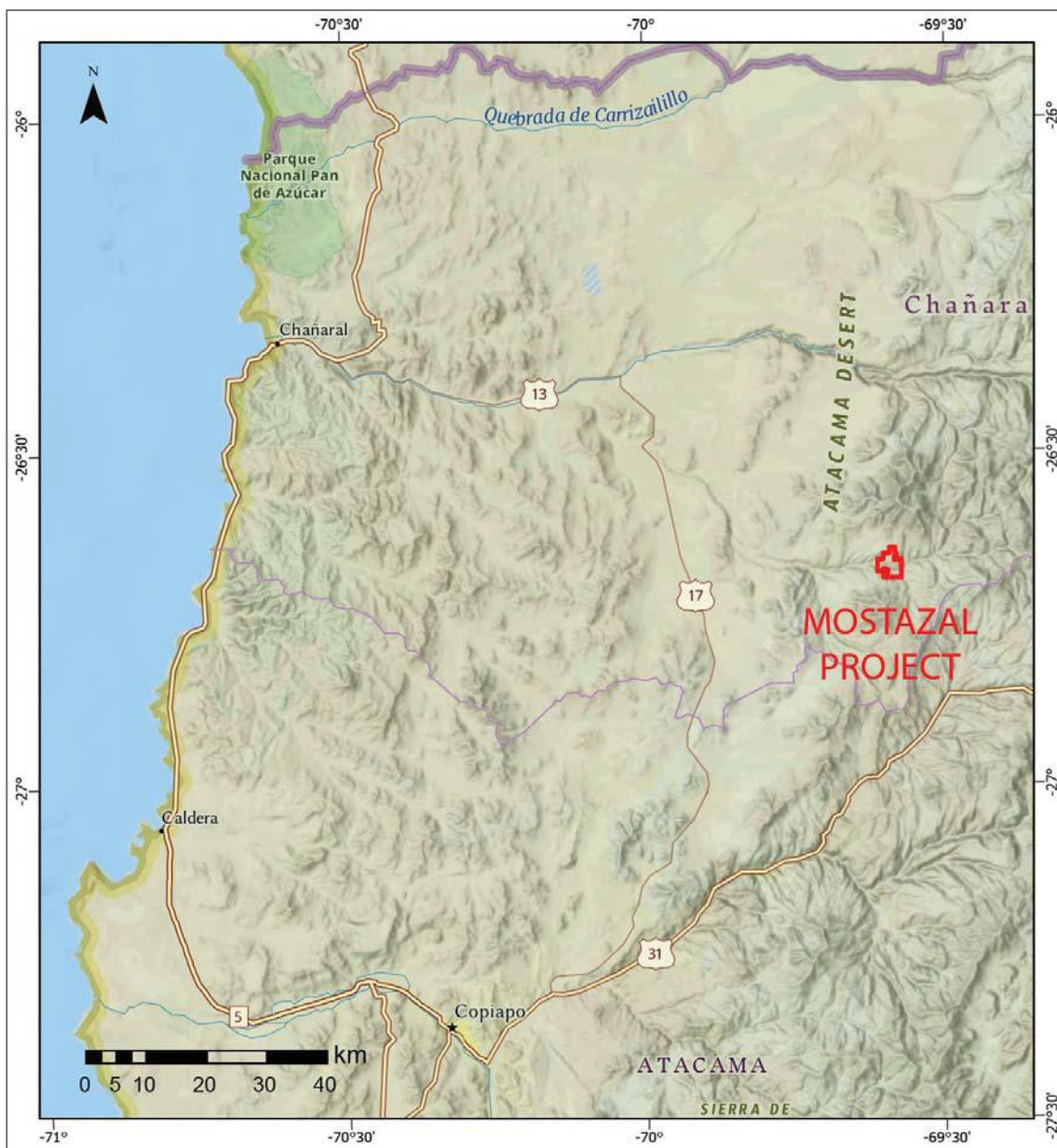
The Mostazal Project covers an area of approximately 1,328 ha and is centred on latitude 26°40'00" S and longitude 69°35'25" W. The Project comprises eight granted Exploitation Licences held by Solis. The project is prospective for structurally controlled copper–silver mineralisation.

### 2.2 Access and location

The Mostazal Copper Project is in the commune of Diego de Almagro, in the Chañaral Province of the Third Atacama Region, Chile (Figure 2.1). Locally, the project area is located approximately 80 km northeast of the city of Copiapó and 30 km east of the village of Inca de Oro. The port of Chañaral is located approximately 105 km to the west-northwest.

The Project is accessed from Copiapó by paved roads to Inca de Oro village. The road east towards the project then consists of a gravel road (C-257) covered with bischofite (magnesium chlorite) for improved stabilisation to within 15 km of the Project. The final 15 km of C-257 is an unsealed gravel road.

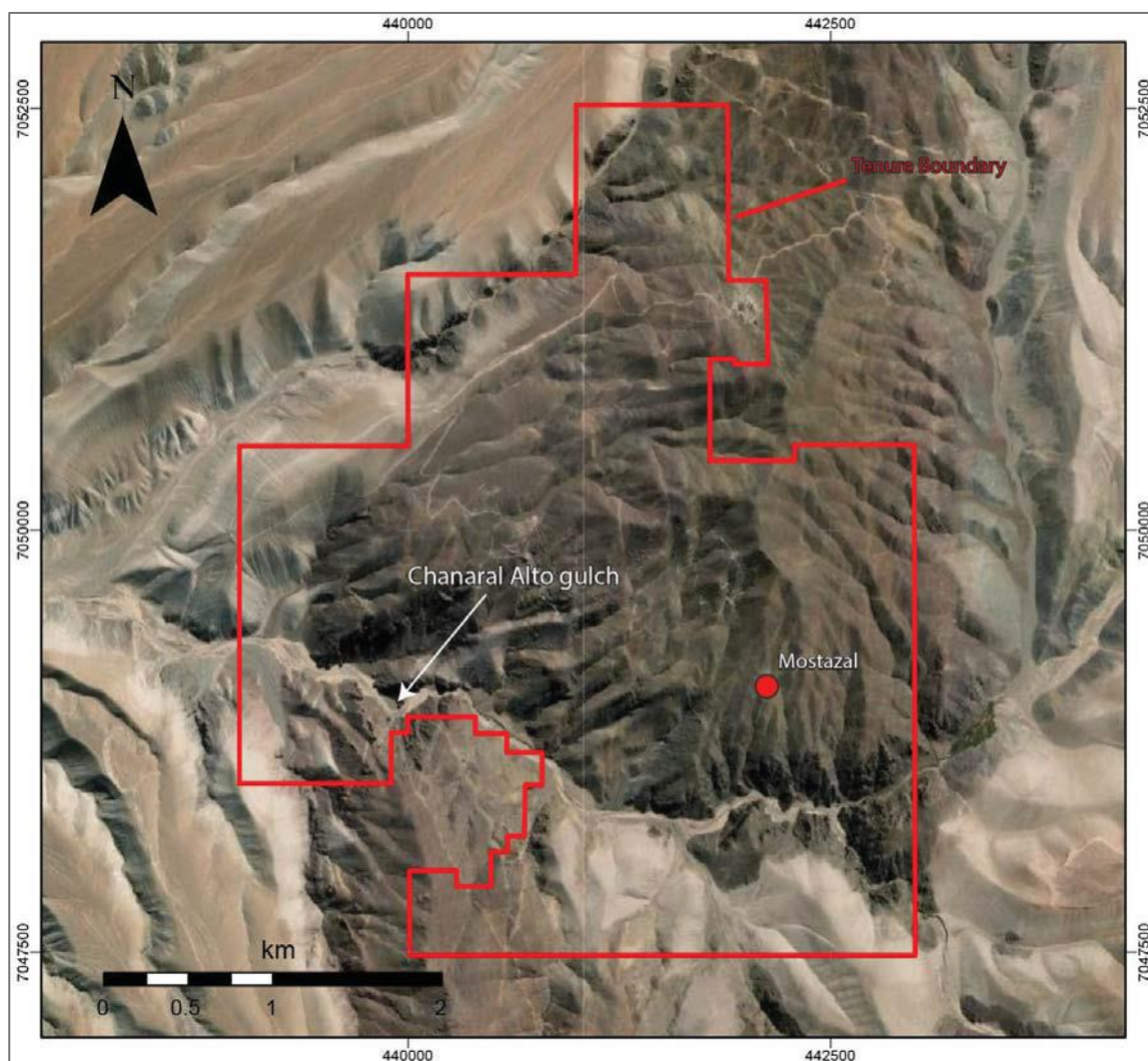
Figure 2.1: Location of the Mostazal Copper Project



Source: ESRI base map imagery (National Geographic) – physiography and climate

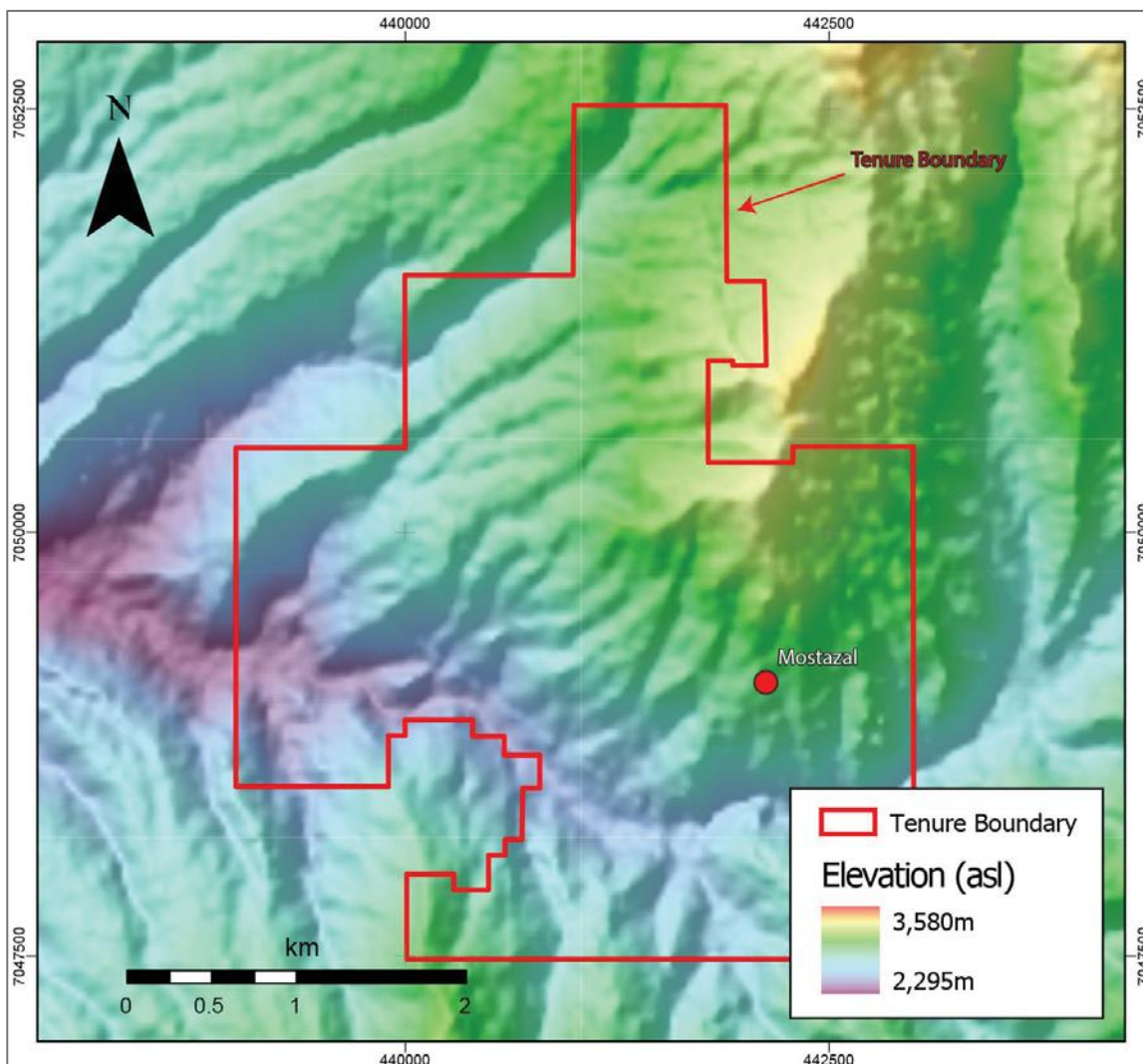
The Mostazal Copper Project is approximately 2,450 m to 3,000 m above mean sea level (asl) on the western side of the Andes mountain range (Figure 2.2 and Figure 2.3). The Project area is centred around the Chañaral Alto gulch, an incised drainage channel, rising in elevation to the north and south.

Figure 2.2: Mostazal Copper Project



Source: ESRI base map imagery (satellite)

Figure 2.3: Topography of the Mostazal Copper Project

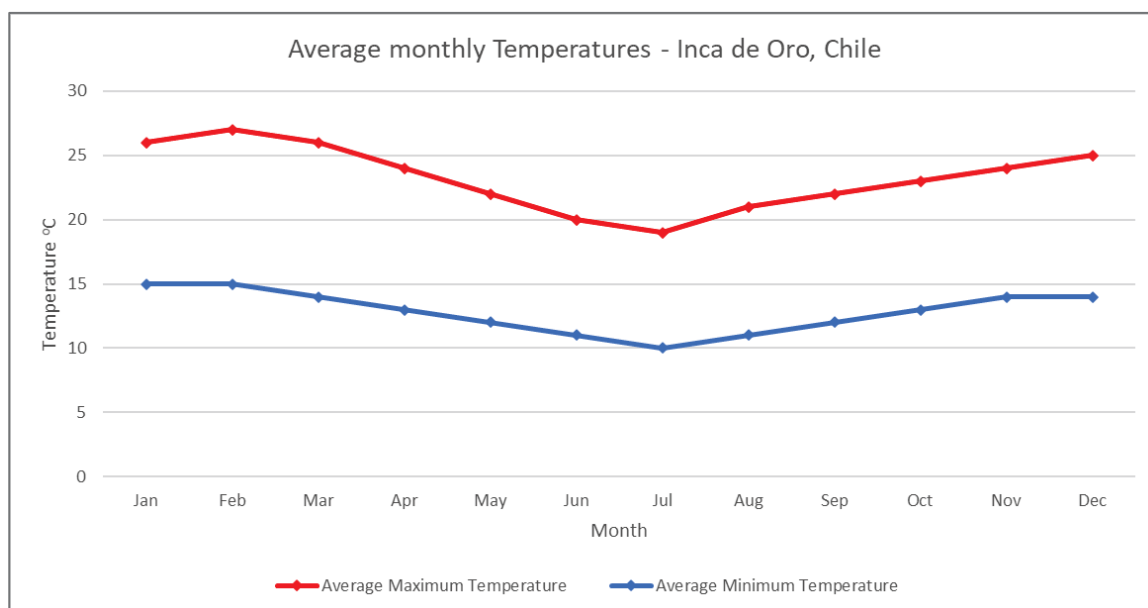


Source: Shuttle Radar Topography Model (NW Illumination)

The local climate is extremely dry with cool temperatures in winter months and warm temperatures during the rest of the year. The nearby village of Inca de Oro (at an elevation of 1,600 m asl) has average high temperatures ranging from 26°C in January to 19°C in July (Figure 2.4) although temperatures at the Project area can be as low as 0°C in the winter.

Typical of the rest of the Atacama region, rainfall is extremely rare, occurring mostly in the winter months, although snow can cover the higher elevations >4,000 m. A small water source can be found approximately 1 km east of the project along the gulch.

**Figure 2.4: Climatic statistics for Inca de Ore, Atacama, Chile**



Source: climate-data.org

## 2.3 Status of tenure and agreements

### 2.3.1 Tenure

The Mostazal Project consists of eight Exploitation Mining Concessions covering a total area of 1,317 ha that were constituted in accordance with the Mining Code 1983 (Table 2.1 and Figure 2.5). The eight concessions are currently owned by a series of Legal Mining Companies (Sociedad legal minera) each of which are owned by two shareholders; Mr Walter Enrique Viteri Aldunate and Mr Reinaldo Nicanor Leiva Seaz, who are also the owners of Sociedad Legal Minera Mostazal.

Exploitation Mining Concessions in Chile have an indefinite duration, subject to the payment of an annual fee of US\$6.50 per hectare paid directly to General Treasury of the Republic ('Tesorería General de la República') in Chile. The Mostazal tenements have an annual fee of US\$8,560.

SRK notes that Sociedad Legal Minera Mostazal did not pay the annual fees for Mostazal Dos 1–20, Mostazal Tres 1–20, Mostazal Cuatro 1–20, Mostazal Ocho 1–20 and Placeres 1–20 during 2017 nor the annual fees for Mostazal Seis 1–30 between 2017 and 2019. There is a risk that the General Treasury of the Republic may take the Mining Concessions into a public auction and the owners may lose the Mining Concessions property unless the owner pays two times the amount owed, as provided in Article 149 of the Mining Code. This back payment is worth approximately US\$33,319.

In accordance with Chilean mining legislation, the titleholder of exploitation mining concessions is granted the right to explore and exploit the minerals located within the area of the concession and to take ownership of the minerals that are extracted. The eight exploitation mining concessions also have preferential rights over the area where they are located though there are three more recent

exploration concessions (two have been constituted and one is in the process of being constituted) and two more recent mining exploitation concessions that overlap the Mostazal concessions (both are in the process of being constituted) (Table 2.2). Additionally, the owner(s) of exploitation mining concessions must apply annually or cancel any subsequent exploitation mining concessions that overlap the area covered by its exploitation concession within the 4-year term from the date upon which the decision creating the subsequent exploitation concession is published in the Mining Gazette. If the owner(s) fail to annul the later exploitation mining concession, then the judicial decision that declares the statute of limitations to have elapsed will also extinguish the earliest mining concession in the overlapped surface.

**Table 2.1: Mostazal project tenure**

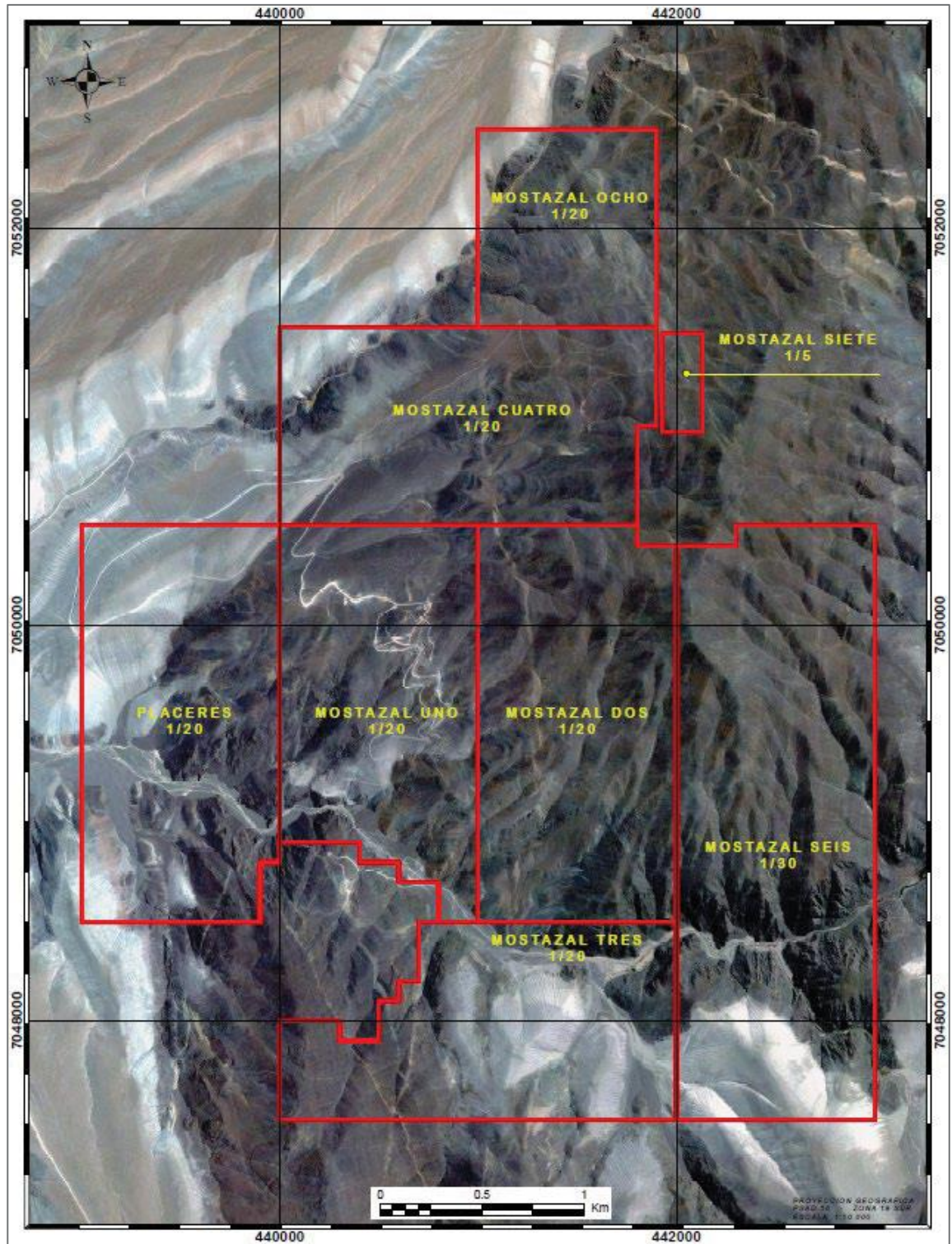
Concession Name	Area (ha)	Date Granted	Owner	Annual Licence Fee (\$US)
Mostazal 1–20	174	17 Nov 2009	SLM Mostazal Uno de Diego de Almagro	1,131.00
Mostazal Dos 1–20	198	26 May 2009	SLM Mostazal Dos de Diego de Almagro	1,287.00
Mostazal Tres 1–20	166	06 Jul 2011	SLM Mostazal Tres de Diego de Almagro	1,079.00
Mostazal Cuatro 1–20	185	15 Dec 2009	SLM Mostazal Cuatro de Diego de Almagro	1,202.50
Mostazal Seis 1–30	297	01 Aug 2011	SLM Mostazal Seis de Diego de Almagro	1,930.50
Mostazal Siete 1–5	10	26 May 2009	SLM Mostazal Siete 1 de Diego de Almagro	65.00
Mostazal Ocho 1–20	90	24 Jan 2013	SLM Mostazal Ocho de Diego de Almagro	585.00
Placeres 1–20	197	06 Jul 2011	SLM Placeres 1 de Diego de Almagro	1,280.50
<b>Total</b>	<b>1,317</b>			<b>8,560.50</b>

**Table 2.2: Mostazal project other tenure overlaps**

Concession Name	Overlap	Overlap Type	Overlap Name	Constituted
Mostazal Tres 1–20	Yes	Mining exploration concession	Alegria 15	Yes
Mostazal Cuatro 1–20	Yes	Mining exploitation concession	Paloma Uno 1–20	In progress
Mostazal Ocho 1–20	Yes	Mining exploration concession	Esperanza 10	In progress
		Mining exploitation concession	Paloma Uno 1–20	In progress
		Mining exploitation concession	Paloma Dos 1–40	In progress
Placeres 1–20	Yes	Mining exploration concession	Esperanza 3	Yes



Figure 2.5: Mostazal Copper Project tenure map



Source: Solis management

## 2.3.2 Agreements

Solis completed a definitive option agreement with Sociedad Legal Minera Mostazal, a private vendor from Chile, to acquire a 100% interest in the Mostazal Copper Project over a 4-year period on 24 June 2021. The acquisition terms include:

- US\$40,000 Initial Exclusivity Fee (90-day due diligence period)
- cumulative US\$2.9 M payment and US\$2.6 M expenditure to earn 49% by third anniversary
- cumulative US\$5 M payment and US\$5 M expenditure to earn 100% by fourth anniversary (subject to 2% NSR retained by the vendor).

**Table 2.3: Solis – Mostazal Copper Project acquisition costs**

Year	Payment to Vendor (US\$)	Minimum Work Expenditure (US\$)	Annual Total (US\$)	Cumulative Total (US\$)
0	200,000		200,000	200,000
1	300,000		300,000	500,000
2	800,000	1,200,000	2,000,000	2,500,000
3	1,600,000	1,400,000	3,000,000	5,500,000
4	2,100,000	2,400,000	4,500,000	10,000,000

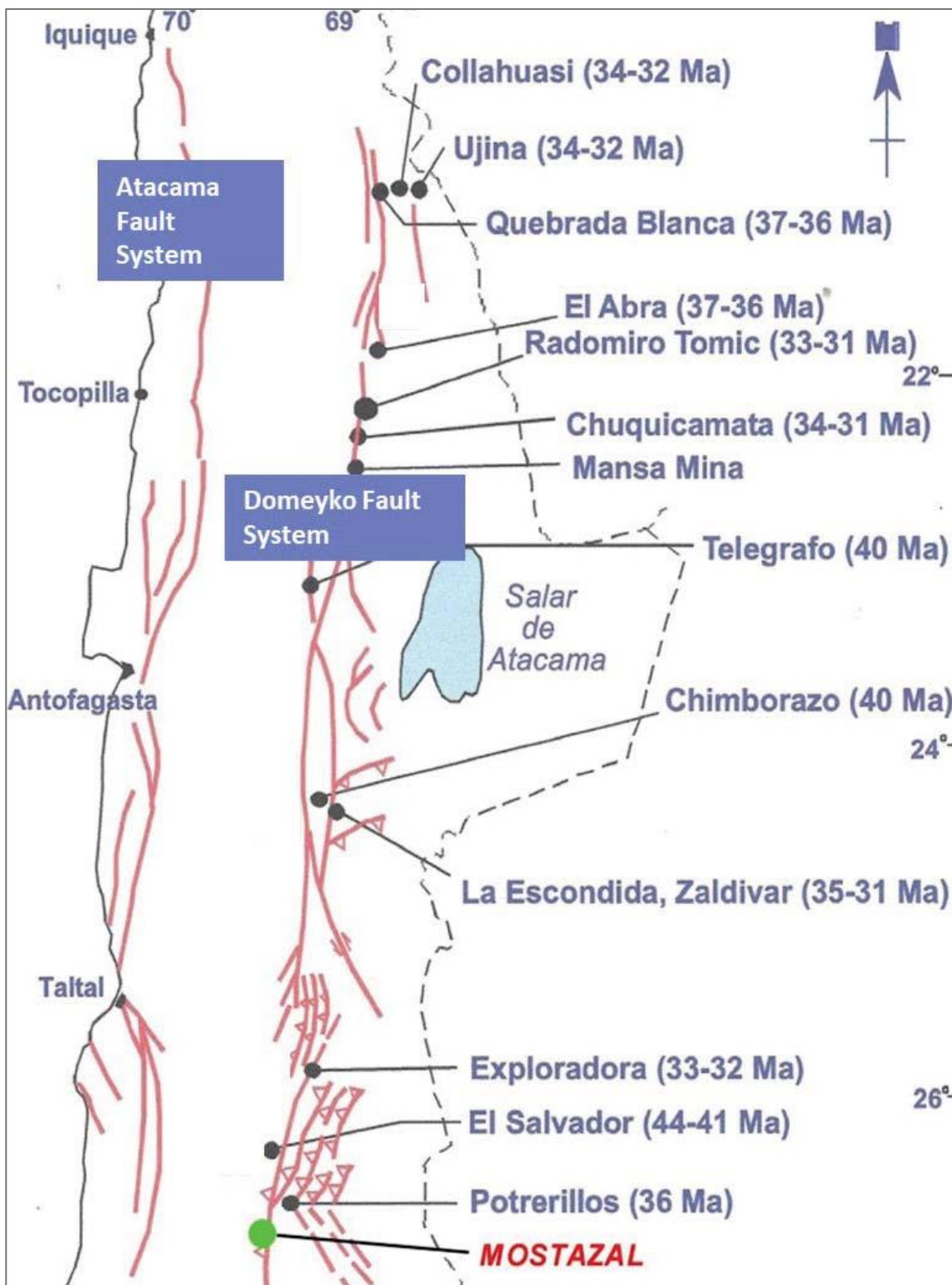
Source: Westminster Resources Ltd New Release, 11 March 2021: Westminster Reaches Terms on Mostazal Copper Project in Chile's Atacama

## 2.4 Geological setting

### 2.4.1 Regional geology

The Mostazal Copper Project is described as a volcanic hosted manto-type copper–silver deposit located to the west of the Andes mountain range in the Atacama Desert. The geology and physiography of the region have been largely shaped by the convergent margin between the Nazca and South America plates. The Project lies within the 500-kilometre long, north–south trending Domeyko Fault System, the major structural control for most of Chile's largest copper-porphyry deposits and runs parallel to the Andes (Figure 2.6). Mineralisation is thought to have occurred during late Eocene to early Oligocene time, and is associated with high potassium calc-alkaline intrusions emplaced during periods of compressive tectonic activity.

Figure 2.6: Northern Chile copper porphyry deposits



Source: Modified from base map supplied by Sociedad Legal Minera Mostazal

## 2.4.2 Project geology

The project area consists of fine-grained to porphyritic andesite lava flows and breccias of the Jurassic–Lower Cretaceous age Sierra Fraga Formation that are locally interbedded with volcanoclastic sediments (Figure 2.6). The volcanics typically dip 30–50° to the west-southwest.

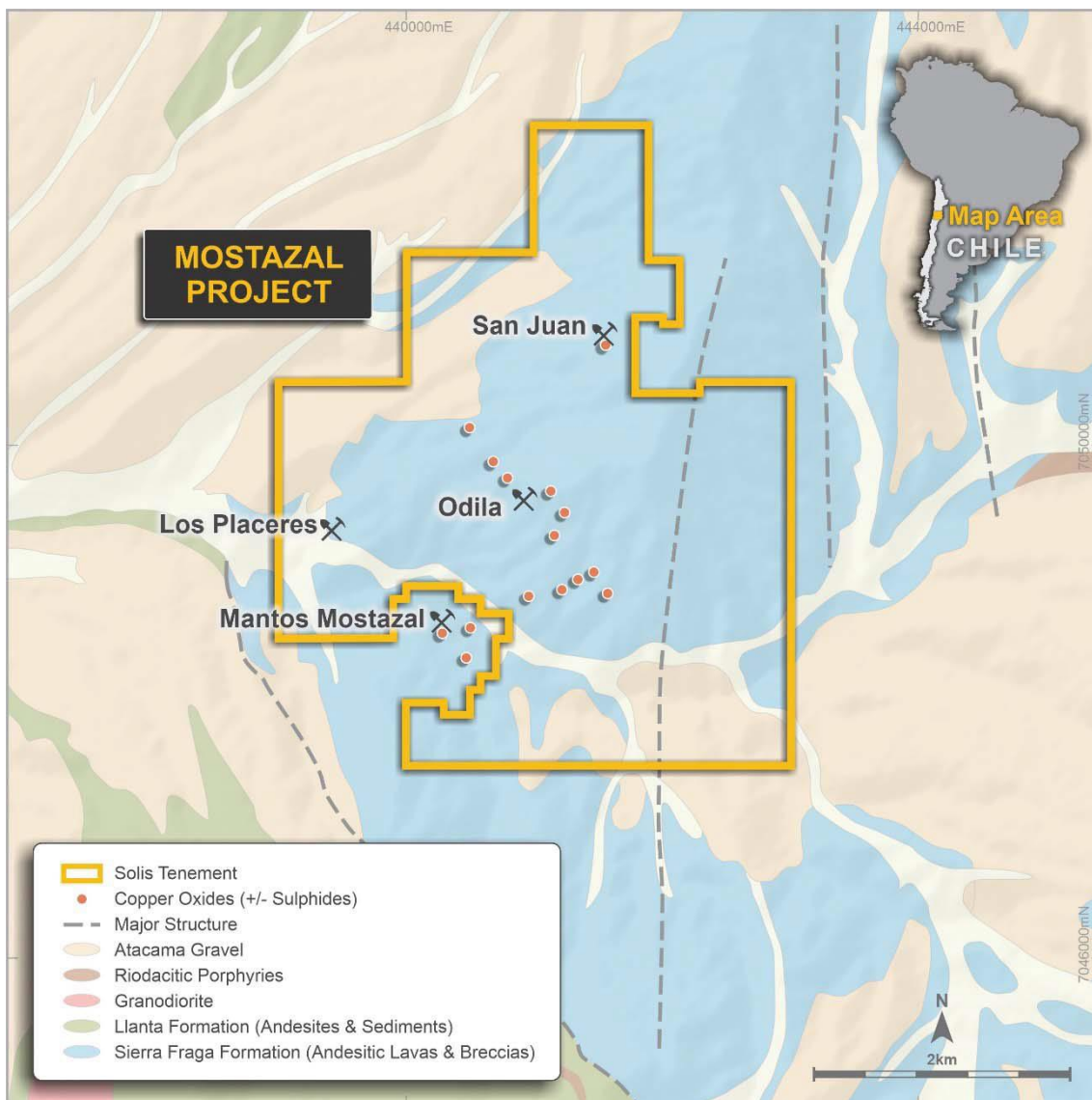
The andesites are intruded by a series of dacitic porphyry dykes of Palaeocene to Eocene age that typically trend north-northwest–south-southeast.

The western and southeastern portions of the Project are covered by late-stage Tertiary Atacama gravel with thicknesses ranging from a few metres to a few tens of metres. More recent Quaternary age sediments including sand, gravels, colluvium, and silt occur throughout the project area including along the Chañaral Alto gully.

Mineralisation is thought to be controlled by a series of north-northwest to south-southeast striking fault zones that crosscut the andesitic stratigraphic layers and dip 40–45° to the west. A series of post mineralisation faults striking northeast–southwest appear to truncate and offset (minor displacement in the order of a few metres) the north–south mineralised fault zones.

Oxide, transitional weathering horns and fresh rocks with sulfides have been observed in geological mapping of outcrops, trenches and open pit and underground mining exposures as well as in the diamond drilling using geological logging and the ratio of soluble copper to insoluble or total copper.

Figure 2.7: Regional geology map of Mostazal including tenure boundary

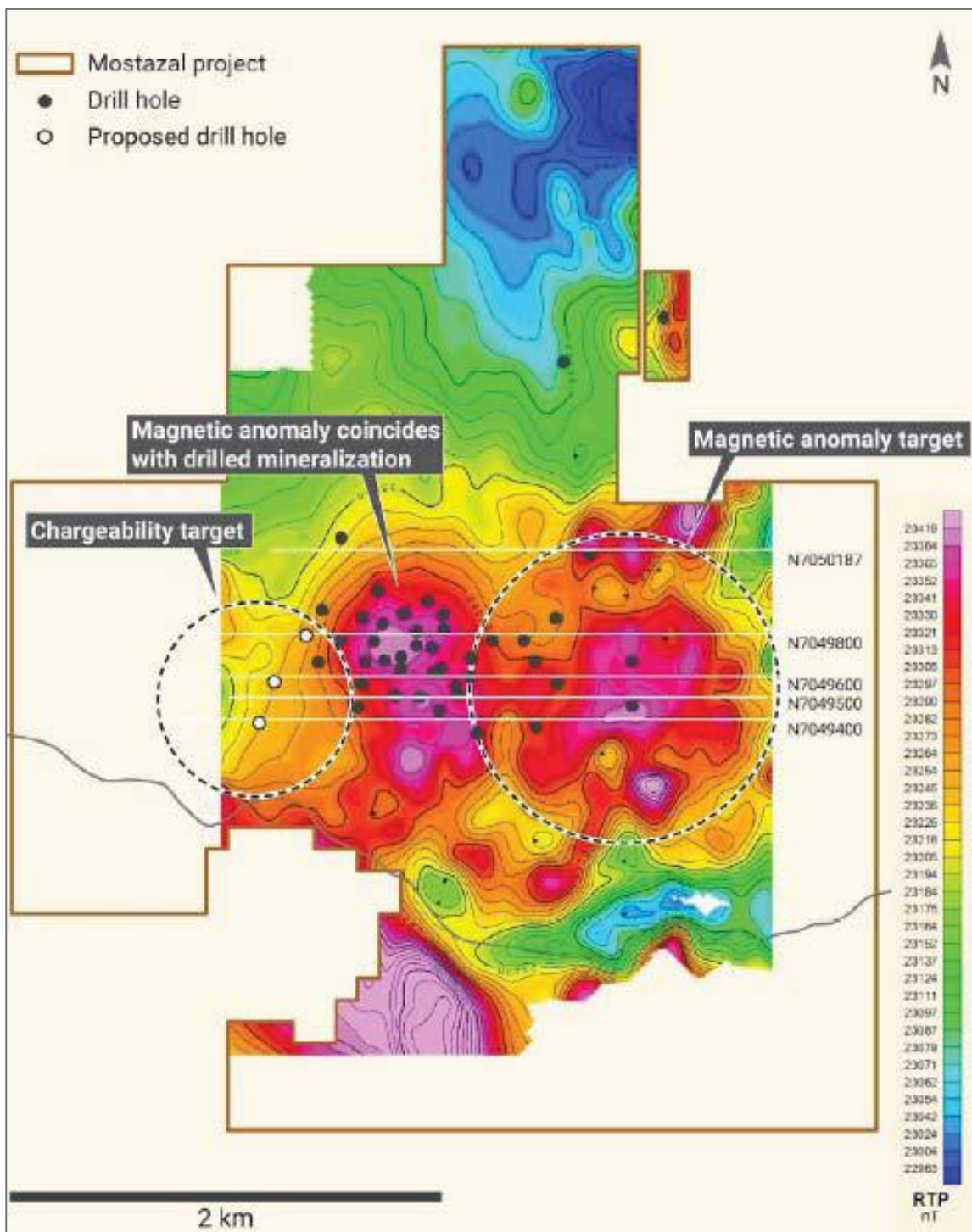


Source: Solis Mineral Ltd

Mineralisation identified at the project consists of several stratified, stacked, and discontinuous copper–silver (Cu-Ag) mineralised lens or ‘mantos’ within the andesite volcanic rocks that strike to the north-northwest and dip to the west sub-parallel to host andesite flow banding. Mineralisation of copper oxides mixed with chalcocite is observed from the surface down to approximately 40–50 m depth below which is a zone consisting of mainly chalcocite and locally bornite, and chalcopyrite. Copper minerals consist of an oxide phase (malachite, chrysocolla, and minor atacamite and azurite) and a sulphide phase (chalcocite, minor bornite). Whitish-grey coloured chalcocite is the dominant copper sulfide mineral.

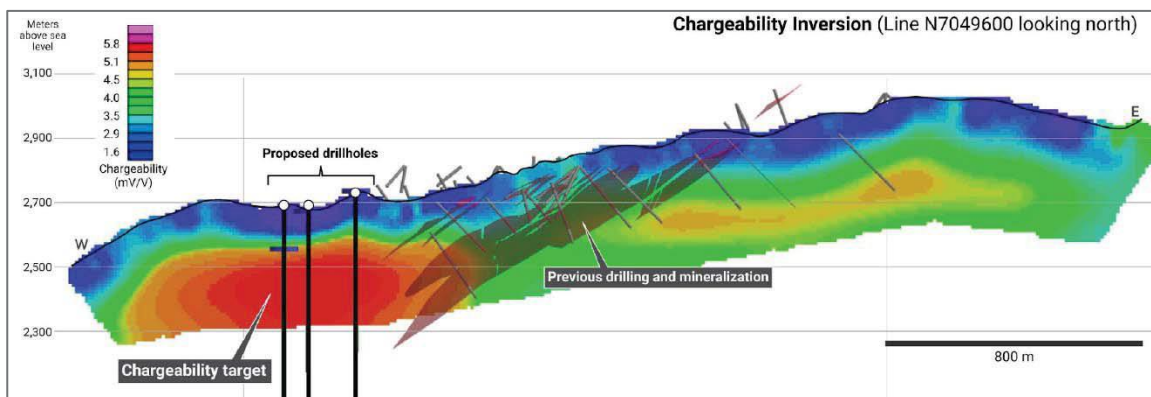
Mineralisation has been identified over an area approximately 2.5 km long, 2 km wide and up to 300 m depth. The mineralisation however remains open along strike and at depth. Interpretations of the Project's geophysical data including induced polarisation (IP) and magnetic surveys has led to an interpretation whereby the mantos mineralisation is thought to be the shallow expression of a hidden, deep-seated copper porphyry system. The system appears to be coincident with an IP chargeability-high and a magnetic-low (e.g. Figure 2.8 and Figure 2.9).

Figure 2.8: Plan view showing 2013 magnetic geophysical data



Source: Solis Minerals Ltd, Exploring Copper in Latin America investor presentation, Q3, 2021

**Figure 2.9: West–east cross section line 7,049,600mN showing 2013 induced polarisation**



Source: Solis Minerals Ltd, Exploring Copper in Latin America investor presentation, Q3, 2021geophysical data and chargeability target

The main mineralised manto M-01 has a strike length of approximately 1,700 m and a thickness that varies between 8–15 m at surface to 1–2 m at depths of 30–50 m. M-01 appears to be controlled by a fault zone that dips 40–45° to the east, which is thought to be the main conduit for the mineralising fluids (Figure 2.10).

**Figure 2.10: Mineralised manto M-01**





## **2.5 Historical exploration and mining**

The property contains several historical artisanal workings exploiting near surface, high-grade copper mineralisation. Historically, only the oxidised and transitional portions of the mineralisation were exploited in small, localised mining areas. Historical production is reported to be approximately 120,000 tons processed with average grades of 1.8% Cu.

### **2.5.1 Historic mining**

There are number of extensive, mostly underground, old mine workings within the Project area, as well as several old sampling trenches. There are no known public records of the mining operations, but they are thought to have been carried out by small-scale mining companies including Minas San Juan, Ada Odilia, Los Placeres and Mantos Mostazal from the 1950s onwards.

### **2.5.2 Sociedad Legal Minera Mostazal – 2005–08**

Sociedad Legal Minera Mostazal acquired the exploration concessions through staking in 2005 and 2006. Some local miners were still actively working at the San Juan mine that is located inside the Project area though the concession they were working on had expired and they had left by the end of 2006.

Sociedad Legal Minera Mostazal completed a reconnaissance survey in 2005 that led to the discovery of oxide copper showings at the surface in exploration concession Mostazal Uno 1/20. Minera Mostazal then built approximately 5 km of gravel roads throughout Mostazal Uno 1/20 which connected through to the local road C-257 and built a small base camp.

Sociedad Legal Minera Mostazal then proceeded to strip the main mineralised area using a mechanical shovel and a bulldozer and quickly realised that the main structure, M-01, extended for at least 450 m and had thicknesses up to 15 m. Minera Mostazal then commenced a small-scale open pit and room and pillar underground mining operation in December 2006 centred on M-01. Oxide and transitional (sulphide) ore was mined and shipped to Empresa Nacional Minera's processing plants in Copiapò. It is estimated that Minera Mostazal shipped approximately 80,000 tonnes of ore between 2006 and 2008 (Merino, 2008).

Apart from trenching, bulk sampling and sporadic and localised geological mapping and geochemical sampling, Minera Mostazal did not carry out any additional exploration activities.

### **2.5.3 Galileo Minerals – 2008**

Galileo Minerals (Galileo) entered into an agreement with Sociedad Legal Minera Mostazal in April 2008 to earn a 51% interest in the project by spending US\$3.5 Million on exploration over three years.

Galileo carried out due diligence work in April 2008 including a site visit and grab sampling (136 samples sent to Vigalab laboratory in Copiapò, Chile) from the main mineralised structure (M-01) in exposed open pits and outcrops. The samples were assayed for copper (Cu), soluble copper (Cu Sol), solvent copper extraction from pregnant leach solution (Cu Lix), gold (Au), silver (Ag), lead (Pb), zinc (Zn), molybdenum (Mo), arsenic (As) and iron (Fe).

Geological mapping (1:10,00 scale), topographic surveys (1 m contours covering 200 ha over Mostazal Uno 1/20) and further trench and outcrop sampling was carried out from July to September 2008.

Galileo produced an exploration target for the M-01 structure to assess the mineralised potential of the project. The exploration target included two cases:

- Case 1 (low) – dimensions were calculated from the known exposure of the M-01 structure at surface projected to a down dip 300 m.
- Case 2 (high) – extended the strike length of M-01 approximately 500 m along strike and projected down dip 500 m.

**Table 2.4: Mostazal Project, M-01 exploration target, October 2008**

<b>Model Parameters</b>	<b>Case 1 – Low Case</b>	<b>Case 2 – High Case</b>
<b>Average Thickness</b>	12 m	12 m
<b>Strike Length</b>	500 m	1,000 m
<b>Dip Length</b>	300 m	500 m
<b>Estimated Volume</b>	1,800,000 m <sup>3</sup>	6,000,000 m <sup>3</sup>
<b>Specific Gravity</b>	2.5 g/cc	2.5 g/cc
<b>Estimated Tonnage</b>	4,500,000 t	15,000,000 t
<b>Average Copper Grade</b>	1.5% Cu	1.5% Cu
<b>Estimated Copper Metal</b>	67,500 t	225,000 t

Source: Modified from Due Diligence Report on the Geology and Mineralized Potential for the Mostazal Project, Atacama Region, Chile, J. Merino, October 2008

Galileo abandoned the project in late 2008 due to the subprime mortgage crisis.

#### **2.5.4 IMT Exploraciones – 2011–13**

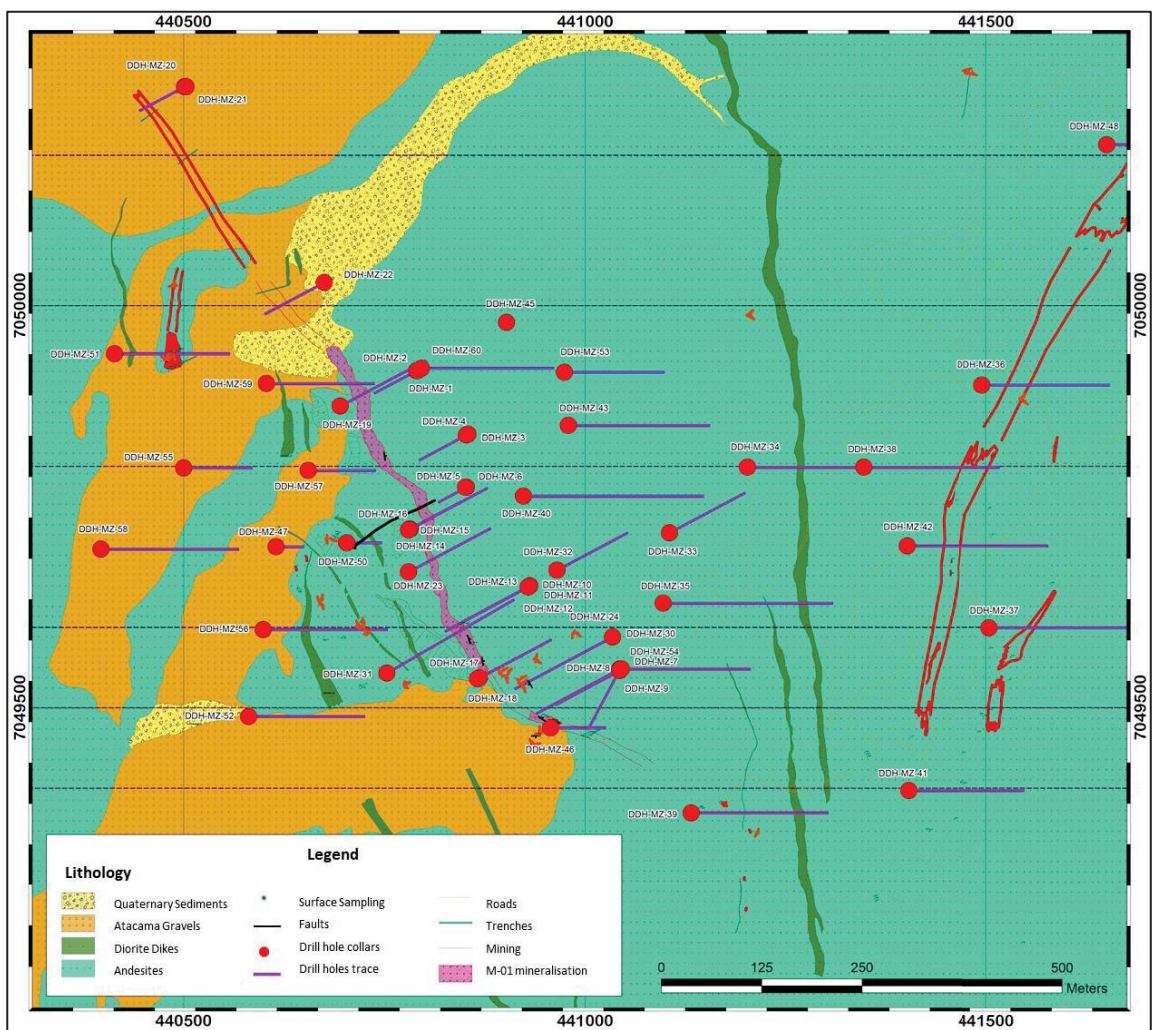
IMT Exploraciones (IMT), a subsidiary of Chilean IMT Trust Investments group, entered into an exploration agreement with Sociedad Legal Minera Mostazal in 2011. IMT completed three phases of exploration work between December 2011 and August 2013 (Table 2.5).

**Table 2.5: IMT exploration activities**

Exploration Phase	Activities	Conclusions and Observations
<b>Phase 1 – Dec 2011 to May 2012</b>	<ul style="list-style-type: none"> <li>■ Detailed geological mapping (1:10,00 scale) and trenching.</li> <li>■ Sampling of trenches and outcrops with evidence of mineralisation.</li> <li>■ Phase 1 diamond drilling program that included 13 diamond drill holes for a total of 1,729 m. 648 samples were taken from the diamond holes and sent for analysis.</li> </ul>	<ul style="list-style-type: none"> <li>■ The M-01 structure was seen to thin out to 1–2 m thickness between depths of 30–50 m.</li> <li>■ The occurrence of sulfides at depth was interpreted as additional mineralised lenses interspersed between the andesite layers.</li> <li>■ The sulfide mineralisation was postulated as a feeder for the supergene oxide mineralisation.</li> </ul>
<b>Phase 2 – May 2012 to Feb 2013</b>	<ul style="list-style-type: none"> <li>■ Updated topographic 1–5 m contour survey covering the entire Project area (1,400 ha).</li> <li>■ Ground magnetic survey completed along east-west lines spaced 50 m apart covering an area approximately 2.5 km × 5 km. The magnetic readings were taken as a continuous profile with recordings every 1 second or a spacing from the station of approximately 0.5 to 1.5 m.</li> <li>■ Induced Polarisation (IP) survey completed along twelve east-west lines covering 30 km. Pole-dipole and dipole were taken every 50 m along each line across seven separations.</li> <li>■ Selective outcrop sampling – 123 samples</li> <li>■ Phase 2 diamond drill program – 23 diamond drill holes for a total of 3,627 m. 1,820 samples were sent for analysis.</li> </ul>	<ul style="list-style-type: none"> <li>■ Phase 1 and 2 drilling result support the predicted geological model of a stratified deposit with irregular mineralised lenses coinciding with the andesite banding.</li> <li>■ The ground magnetic and IP geophysical surveys and the outcrop sampling have identified additional exploration targets outside of the drilling area.</li> </ul>
<b>Phase 3 – Feb 2013 to Aug 2013</b>	<ul style="list-style-type: none"> <li>■ Phase 3 diamond drill program – 24 diamond drill holes for a total of 6,023 m. 3,815 samples were sent for analysis.</li> <li>■ Systematic geochemical sampling program covering most of the Project area over a 200 m × 200 m grid covering an approximate area of 2,500 ha. Rock chip samples weighing approximately 4 kg were taken from rocky outcrops. 363 samples were taken from 550 planned locations. Locations that consisted of Quaternary rocks or Atacama Formation gravels were not sampled.</li> </ul>	<ul style="list-style-type: none"> <li>■ The exploration targets identified during the previous exploration phases have continuity at depth.</li> <li>■ The phase 3 geochemical sampling has identified numerous additional exploration targets throughout the Project area.</li> </ul>

Over the three exploration phases IMT completed a total of 60 diamond drill holes for a total of 11,381 m (Figure 2.11). The initial drilling program included a series of drill holes angled to the southwest that were fanned off drilling platforms spaced approximately 100 m apart on a northwest–southeast line. The subsequent drilling programs were drilled steeply towards the east or northeast to intersect the mantos structure more perpendicularly. The later drilling was not completed on a nominal grid but approximates a 150 mE × 100 mN spacing. A total of 6,061 samples were collected from 8,991 m of diamond core over either 1 m, 2 m or 3 m intervals, the remainder of the diamond core was not sampled. Additionally, 6,830 diamond core samples ranging in length from 0.04 m to 20 m were submitted for specific gravity determinations using the Archimedes method (weight in air – weight in water).

**Figure 2.11: Surface geology and drill hole locations**



Source: Modified from base map supplied by Sociedad Legal Minera Mostazal

There are no supporting quality assurance/quality control (QA/QC) reports for any of the drilling campaigns. However, it appears that a blank sample and six different standard samples (CDN-BL-10, CM-5, CU-146, CU-167, CU-169 and CU-192) were inserted into the sample batches. Additionally, fifteen ¼ core duplicates were submitted by IMT for analysis. There is no documentation summarising if the blanks and standards were inserted by IMT or Vigalab and who produced and certified the standard samples.

The historical diamond core is stored at Sociedad Legal Minera Mostazal's property in Copiapò in wooden boxes (Figure 2.12). The boxes are not properly protected from the elements but are in a good enough condition to allow for re-logging if required. The boxes are organised by drill hole but are not stacked in any logical order, though the boxes are marked with both ink pen (although the ink has faded to varying degrees) and a metallic label (Figure 2.13). The boxes are marked with sample intervals and sample numbers as well as some intervals that are marked as "empty" which could correspond to where drill holes intersected historical mine workings although this has not been recorded in the drilling logs.

**Figure 2.12: Diamond core storage at Copiapò**



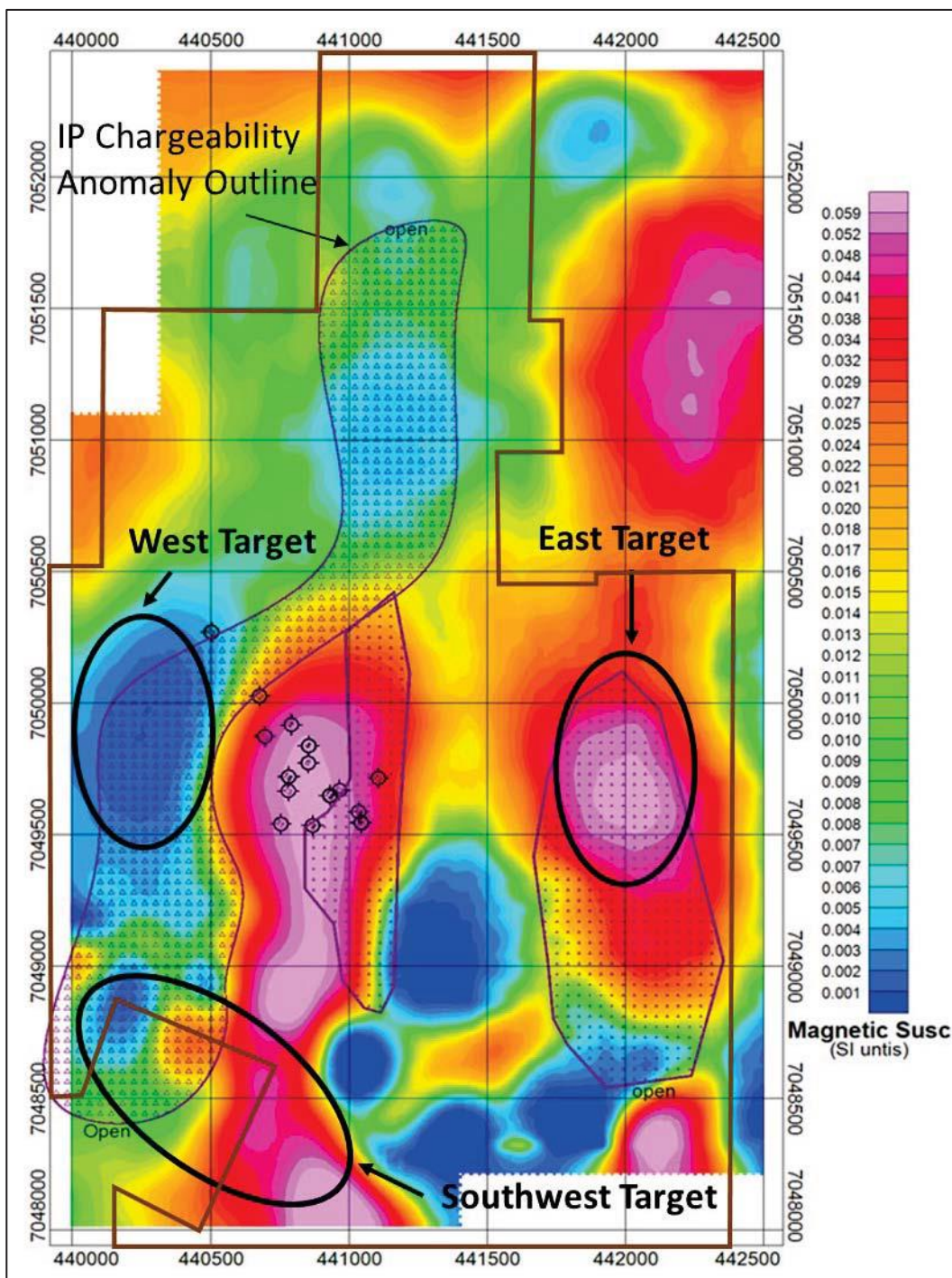
Source: Technical Review of the Mostazal Project Data, Solis Minerals Limited, May 2021

**Figure 2.13: Core boxes showing metallic labels, core blocks and sampling intervals (red pen)**



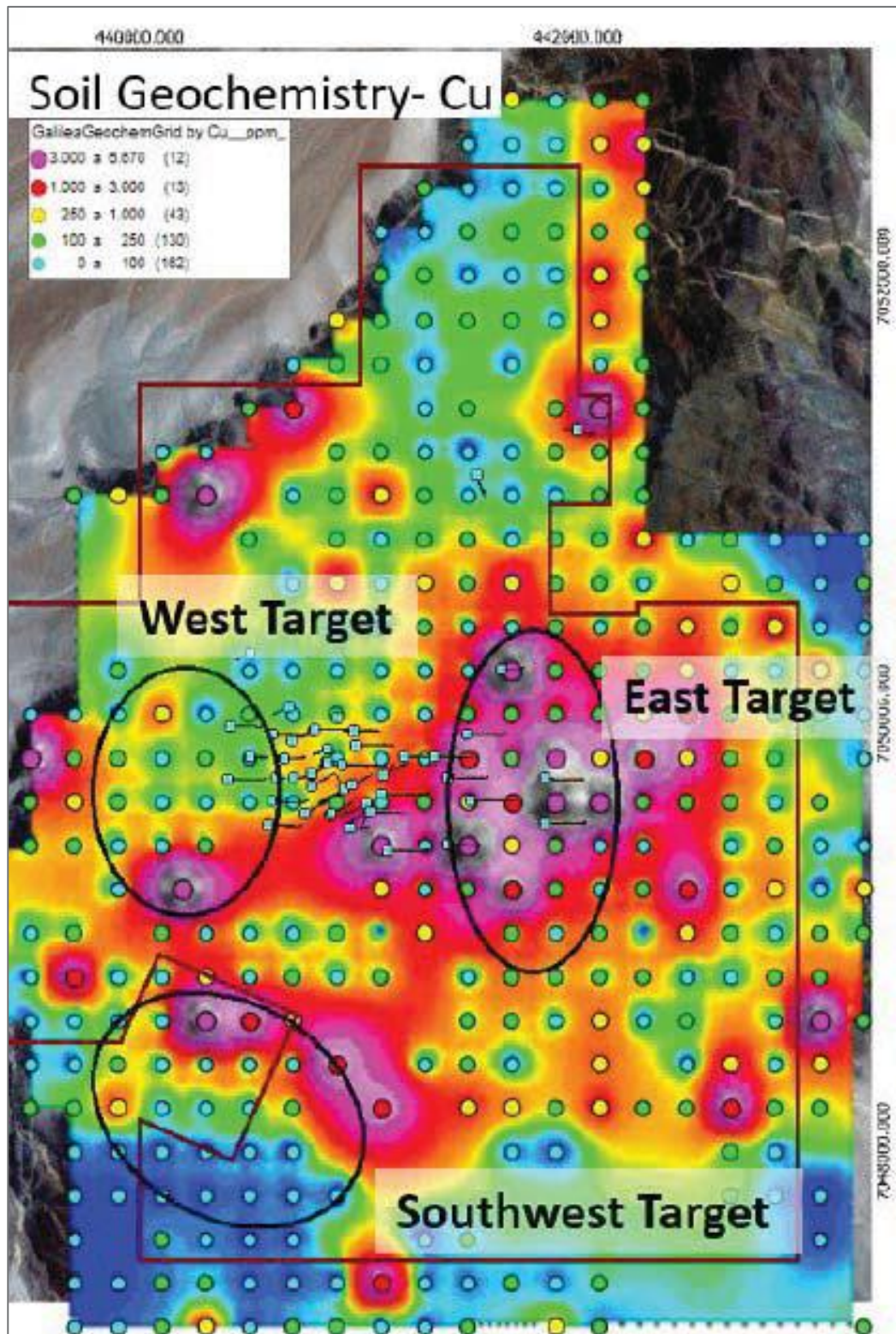
Source: Technical Review of the Mostazal Project Data, Solis Minerals Limited, May 2021

Figure 2.14: Magnetic susceptibility at 2,337 m asl



Note: IP anomalies (cross hatched zones) and identified exploration targets.

Figure 2.15: Geochemical sampling program – 2013





Following the third phase of exploration, IMT tried to renegotiate the terms of the exploration agreement with Sociedad Legal Minera Mostazal but could not reach an agreement and subsequently abandoned the project.

### **2.5.5 APGC Corp Chile SpA – 2015**

In 2015, APGC Corp Chile SpA of Chile generated a 'foreign estimate' for the Mostazal Copper Project using the 60-hole diamond drill hole database and related geological information such as surface mapping and geochemical sampling.

Six west–east cross sectional interpretations were completed every 100 m from 7,049,400 mN through to 7,049,900 mN corresponding to the drilled-out parts of the project. Grade shells were interpreted for three total copper grade ranges on each cross section.

- 0.1 to 0.3% Cu
- 0.3 to 0.7% Cu
- >0.7% Cu.

The grade shell interpretations for each cross section were projected 50 m to the north and south and then used to calculate a volume and tonnage (by multiplying the volume by a default in situ density of 2.6 t/m<sup>3</sup>) for each grade shell on each cross section (Figure 2.16 and Figure 2.17). Copper grades were then calculated by averaging the total copper, soluble copper and non-soluble copper assay grades from the drill hole samples on each cross section.

Figure 2.16: Plan view of 2015 Mostazal cross sectional interpretations

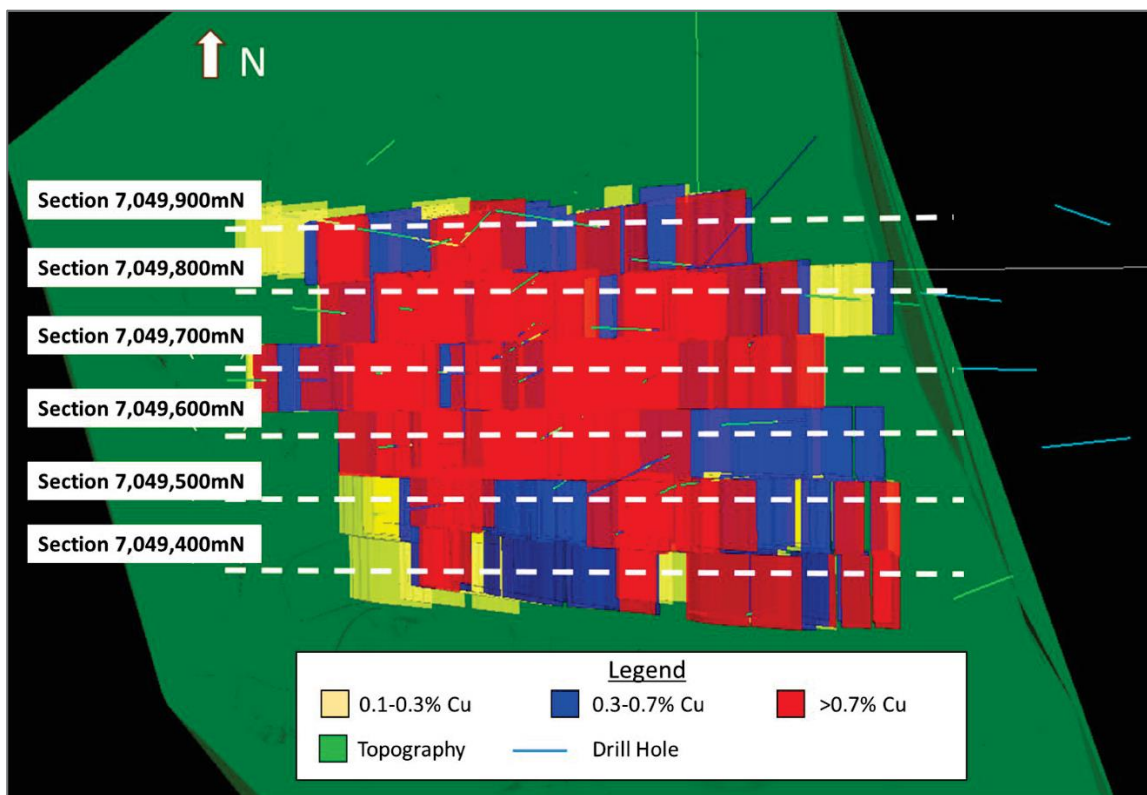
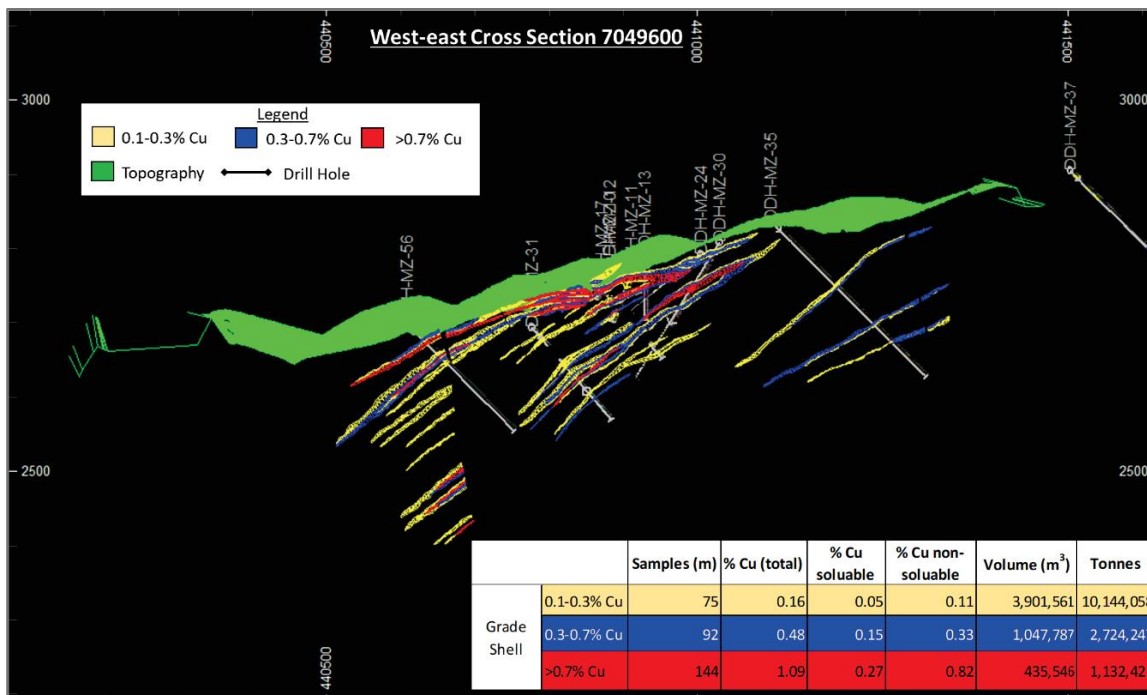


Figure 2.17: Mostazal west-east section 7,049,600 mN – 2015



The foreign estimate totalled 10 million tonnes @ 0.95% Cu and 8 g/t Ag, above a cut-off grade of 0.5% Cu which was constrained to lenses more than 2 metres thick and occurring less than 150 m depth from surface. The foreign estimate was classified as an Indicated resource.

The relevance of the foreign estimate is that it represents the first attempt to model the lateral and depth extents and the average grade of the manto style mineralisation within the project area. However, it is unknown if APGC's foreign estimate was completed and reported using any of the known international reporting guidelines and definitions (e.g. the Comision Minera (Qualifying Commission of Competences in Mineral Resources and Reserves) in Chile, the Canadian Institute of Mining (CIM) or the Joint Ore Reserves Committee (JORC) in Australia). Neither Solis nor SRK have done sufficient work to verify and report the foreign estimate as a Mineral Resource as outlined in the various codes.

The exploration work program proposed by Solis includes some verification drill holes that are designed to test the grade tenor and spatial continuity of the manto style mineralisation. It is uncertain that following further evaluation and/or exploration work that the foreign estimate will be able to be reported as Mineral Resources in accordance with the Comision Minera, CIM or JORC reporting codes.

## 2.5.6 Santiago Metals Limitada – 2016

Santiago Metals Limitada completed 1:20,000 scale geological mapping over the Project area in 2016 to characterise the lithology, alteration, mineralisation and structure to evaluate the Project's potential to feed ore to its Delirio leach plant located near Inca de Oro. Santiago Metals Limitada concluded that the sulphide potential was large but the oxide potential (the company's main interest) was low and so they decided not to pursue the project.

## 2.6 Exploration by Solis

Prior to finalising the acquisition agreement with Sociedad Legal Minera Mostazal, Solis's technical team conducted a due diligence review of the project in May 2021 that included:

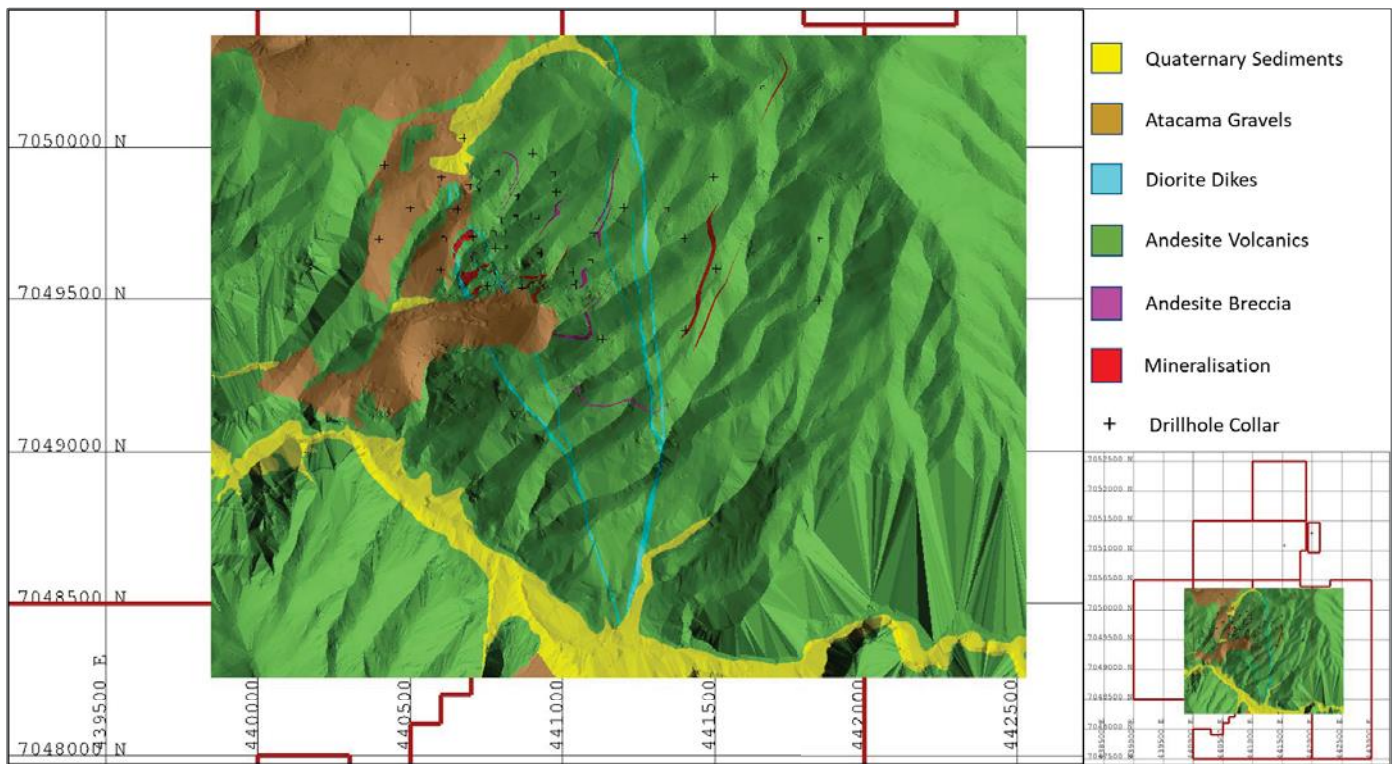
- a review of all the available Project data
- a site visit to the Project area
- an inspection of historical diamond core stored in Copiapò.

The due diligence review highlighted a lack of quality assurance/quality control (QA/QC) sampling and analysis during the surface sampling and drilling exploration phases outside of standard laboratory checks.

Solis then engaged the services of Campbell & Walker Geophysics Ltd to review the Project's existing geophysical data together with the historic drill hole database. This was then used to help produce an updated 3D geology model for the Project, that was completed by Caracle Creek International Consulting Inc using Leapfrog© software, that could be used for drill targeting (Figure 2.18).

Solis is currently in the process of planning and scheduling a drilling program to be completed in the second half of 2021 that will test geophysical targets up to a depth of 500 m that underly the near-surface mantos copper mineralisation.

Figure 2.18: Plan view of the 2021 Mostazal geological model



## 2.7 Prospectivity and targeting – Mostazal

### 2.7.1 Rationale

Mostazal presents at surface as a copper and silver stratified system in porphyritic andesites with lenses of mineralisation or mantos. The mantos mineralisation is interpreted to be the shallow expression of a hidden, deeper porphyry system interpreted by geophysics with a characteristic chargeability-high coincident with a magnetic-low.

Mineralisation occurs in an area of stacked and discontinuous stratified lenses measuring 2.5 km long by 2 km wide and up to 300 m deep. The supergene mineralization is malachite, azurite, chrysocolla, atacamite, hematite and limonite. The principal copper sulphide observed is chalcocite, disseminated in the rock matrix and as fine veinlets. Bornite, chalcopyrite and native copper have been identified

### 2.7.2 Proposed exploration work program

The Company has allocated an amount of A\$1,445,510 (in the case that Minimum Subscription funds are raised) to the planned exploration activities on the Mostazal Project over the next 2 years. For further details of how the Company plans to use the funds raised by this Offer, see Section 1.11 of this Prospectus.

Solis's proposed work for the Mostazal Project includes diamond drill testing of four separate target areas (Figure 2.19) including: Target Area 1 – the interpreted porphyry target; Target Area 2 – the main area of manto mineralisation; Target Area 3 – the eastern soil/magnetic anomaly; and Target Area 4 – the northern soil/magnetic anomaly. Other planned activities include review of historical data and drill cores, detailed geological re-logging and sampling of the available drill core, litho-geochemical alteration mapping, and down-hole geophysical surveys.

The purpose of this program is to drill test a 'high chargeability' and 'low magnetic' geophysical anomaly to locate the source of copper, silver and gold mineralisation encountered at surface, which may be a distal expression of a much larger porphyry system at depth; near surface Manto style mineralisation; and coincident copper-in-soil and magnetic anomalies.

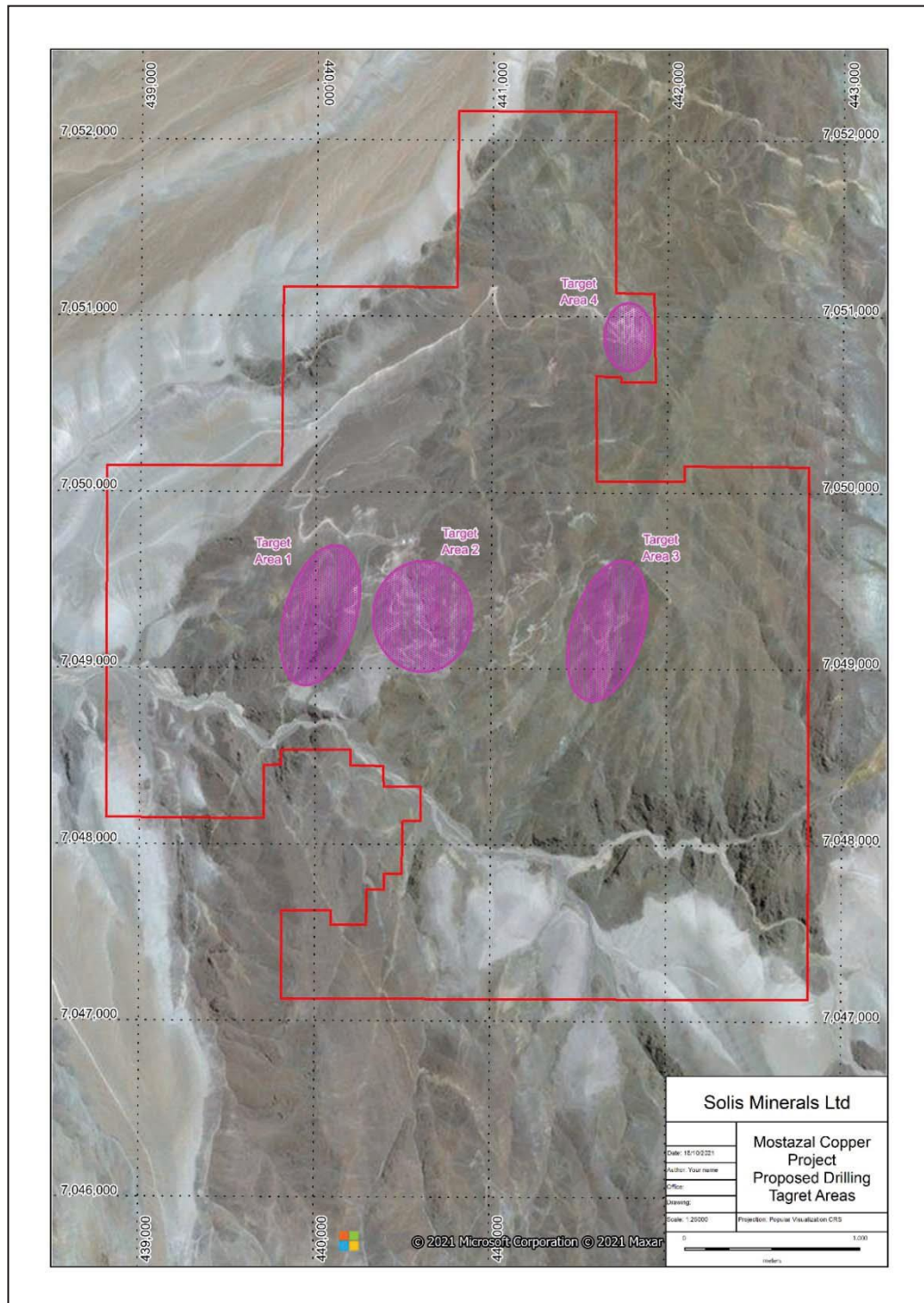
Details of the planned exploration activities include:

- Phase I: An estimated 1,950 m of diamond drilling in an estimated four holes to an average depth of 450–500 m. Phase I drilling will target priority target areas including both porphyry and manto mineralisation targets (Figure 2.19) and is funded under the Minimum Subscription.
- Phase II: An additional estimated 1,850 m of HQ diamond drilling to follow-up results from the Phase I drill holes. Phase II drilling is contingent on observations and assay results from the Phase I drilling and is also contingent on raising the Maximum Subscription amount.
- Drill core samples are to be collected as 2 m composite samples and submitted for detailed multi-element analysis including for base and precious metals.
- Post drilling, a downhole geophysical survey will be undertaken to assist in further drill targeting.

- All drill cores will be photographed, logged in detail for geological and structural information, along with basic geotechnical data including rock quality designation (RQD) and drill core recovery information.
- All samples will be sent to an independent laboratory for analysis, with residual core retained on site for future reference.
- Selected samples will be sent for detailed petrological analysis including spectral analysis to assist in alteration mapping.

Drilling at the Mostazal Project is scheduled to commence as soon as practicable following completion of the ASX IPO and is anticipated to be completed over a 6-month period based on a 24-hour shift involving 40 personnel on a 7-day on/7-day off working roster. The Company anticipates drill testing two of the four identified targets in Phase I but reserves the right to adjust the work program, depending on results and observations obtained as the drill program progresses. The Company has an existing contract for up to 3,000m of drilling and intends to seek an extension to this contract to 3,850 m, assuming commitment to Phase II of the program.

**Figure 2.19: Mostazal Copper Project area indicating proposed Phase I and Phase II diamond drill hole target area locations**



Source: Solis management, October 2021

## 2.8 Comment by SRK

There have been several phases of exploration and small-scale mining activities completed throughout the Project area by several parties since 2005 with most of the work focused on the oxide-transitional manto-style mineralisation in the central parts of the Project.

In SRK's opinion, the previous exploration work has resulted in a good understanding of the local geology and the near-surface manto-style mineralisation. It has also identified several more deep-seated copper porphyry style exploration targets.

SRK recommends that the following issues be addressed in future work programs:

- Review all the available QA/QC data for the diamond drilling dataset for any potential precision or accuracy errors. Re-sample a selection of the mineralised intervals of the historical diamond core to confirm the previous assay values.
- Investigate surveying the extents of the historical mining throughout the project area.

SRK is of the opinion that the prospects of finding additional economic manto and copper porphyry-style mineralisation is reasonable. SRK believes that, aside from the geophysical survey data, the bulk of the exploration data collected to date is restricted to surface mapping and sampling and drilling in and around the manto mineralisation. SRK is of the opinion that the proposed exploration work program proposed by Solis is reasonable and warranted.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature, given geological uncertainty, and it is uncertain if further exploration will result in the discovery of additional mineralisation that can be estimated as a Mineral Resource.



## 3 Ilo Este and Ilo Norte Copper Projects

### 3.1 Introduction

The Ilo Este (east) and Ilo Norte (north) projects cover an area of approximately 3,200 ha and 7,700 ha respectively. They are located about 110 km northwest of the town of Tacna and approximately 100 km southeast of Mollendo.

The Ilo Este Project is centred on latitude 17°33'15" S and longitude 71°10'15" W and the Ilo Norte Project is centred on latitude 17°18'20" S and longitude 71°81'00" W. The projects are approximately 20 km apart.

The Ilo Norte Project comprises eight granted Exploration Licences, and the Ilo Este project is covered by four granted Exploration Licences. All licences are held by Solis and Ilo Norte and Ilo Este projects are prospective for iron oxide copper gold (IOCG), and copper–gold porphyry type mineralisation respectively.

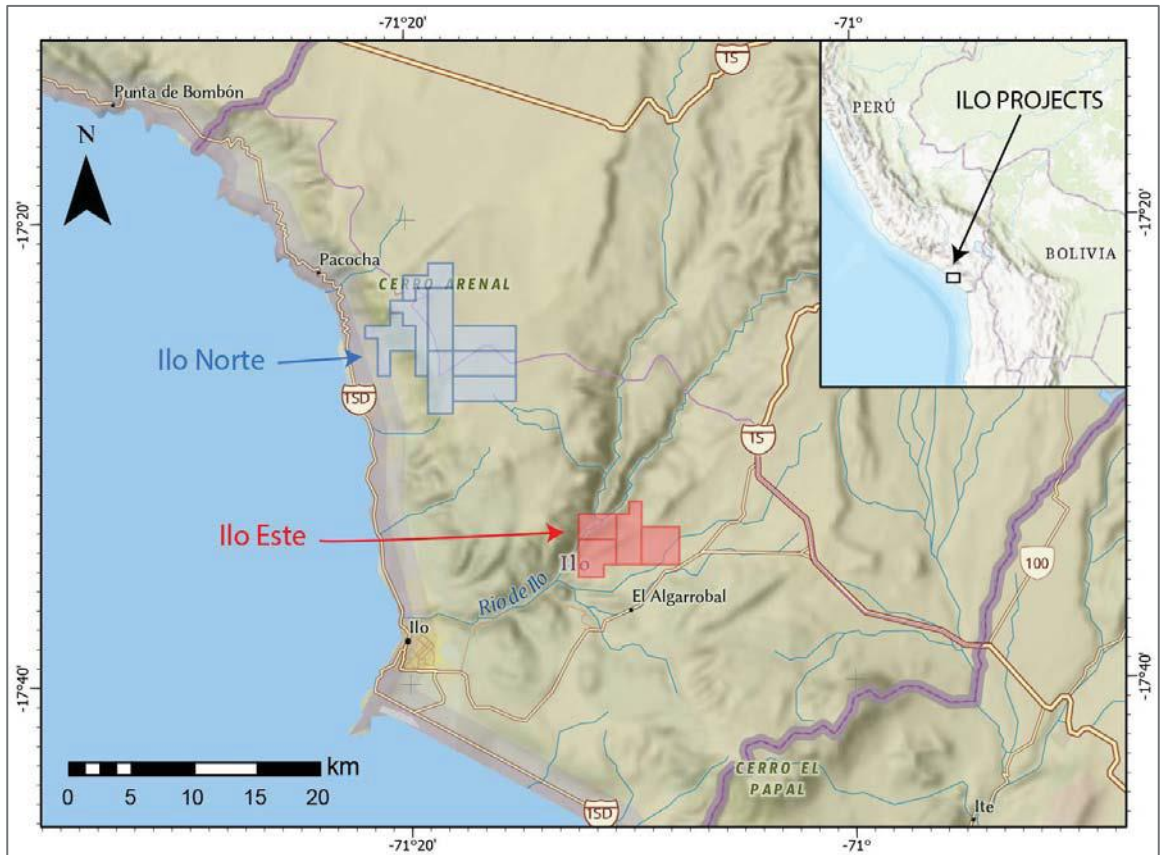
### 3.2 Access and location

The Ilo Norte and Ilo Este Copper Projects are located approximately 22 km north-northeast and 20 km northeast respectively from the Pacific coastal town of Ilo, in the Ilo Province, Department of Moquegua of Sothern Peru.

Although the Ilo Norte mining concessions are approximately 22 km north of Ilo along the coastal highway, there is no direct access to the higher and most prospective parts of the Project from the highway. It is therefore necessary to travel 78 km northeast from Ilo to the Department capital of Moquegua along the Pan-American Highway (1S) and then continue along the Pan-American Highway 32 km west-southwest to the village of Cruz Misionera. The Project is then accessed by travelling approximately 26 km to the southwest along gravel tracks to the project site.

Access to the Ilo Este project involves travelling 34 km northeast along the Pan-American Highway to the Southern Peru Copper substation, then turn left onto a gravel track and follow it for approximately 6 km to the project site.

Figure 3.1: Location of Ilo Norte and Ilo Este Copper Projects



Source: Latin Resources Ltd website

### 3.3 Physiography and climate

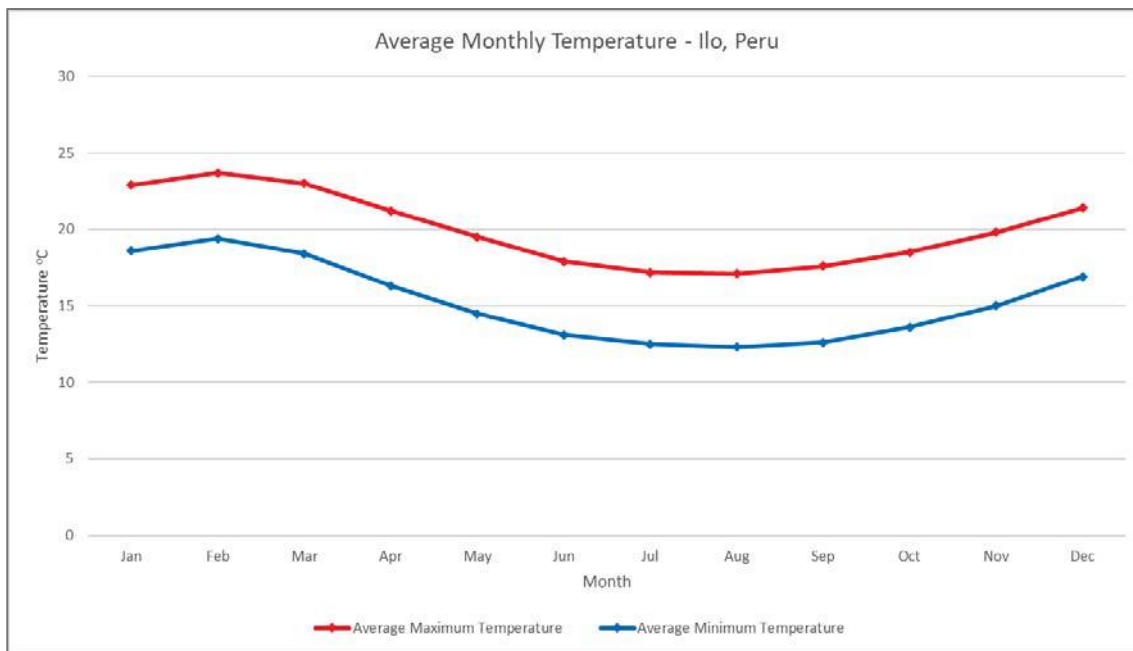
The southern part of Peru is a coastal desert that transitions into the Atacama Desert further to the south in Chile. The Department of Moquegua has four broad physiographic features that run sub-parallel to the Pacific coastline

- a narrow coastal strip that comprises the lowlands
- a string of hills with altitudes over 1,000 metres asl that form the Cordillera de la Costa (Coastal Range)
- a pampa/plain that is dissected by steep ravines/valleys – where there are rivers in the valleys there is intense agriculture along the alluvial terraces
- the beginnings of the Western Andes foothills.

Both Project areas are located within the Cordillera de la Costa at elevations ranging from 200 m to 1,600 m asl and topographic relief ranging from quite rugged to gently rolling hills.

The climate is described as a subtropical desert climate with overcast skies and occasional fog in the winter and sunny skies with occasional haze in the summer. Typically the only precipitation is an occasional fog/drizzle that is known as 'noblina' (or 'garua' in Peru) that falls between December and April and averages 60 mm annually.

**Figure 3.2: Climatic statistics – Ilo Este Copper Project**



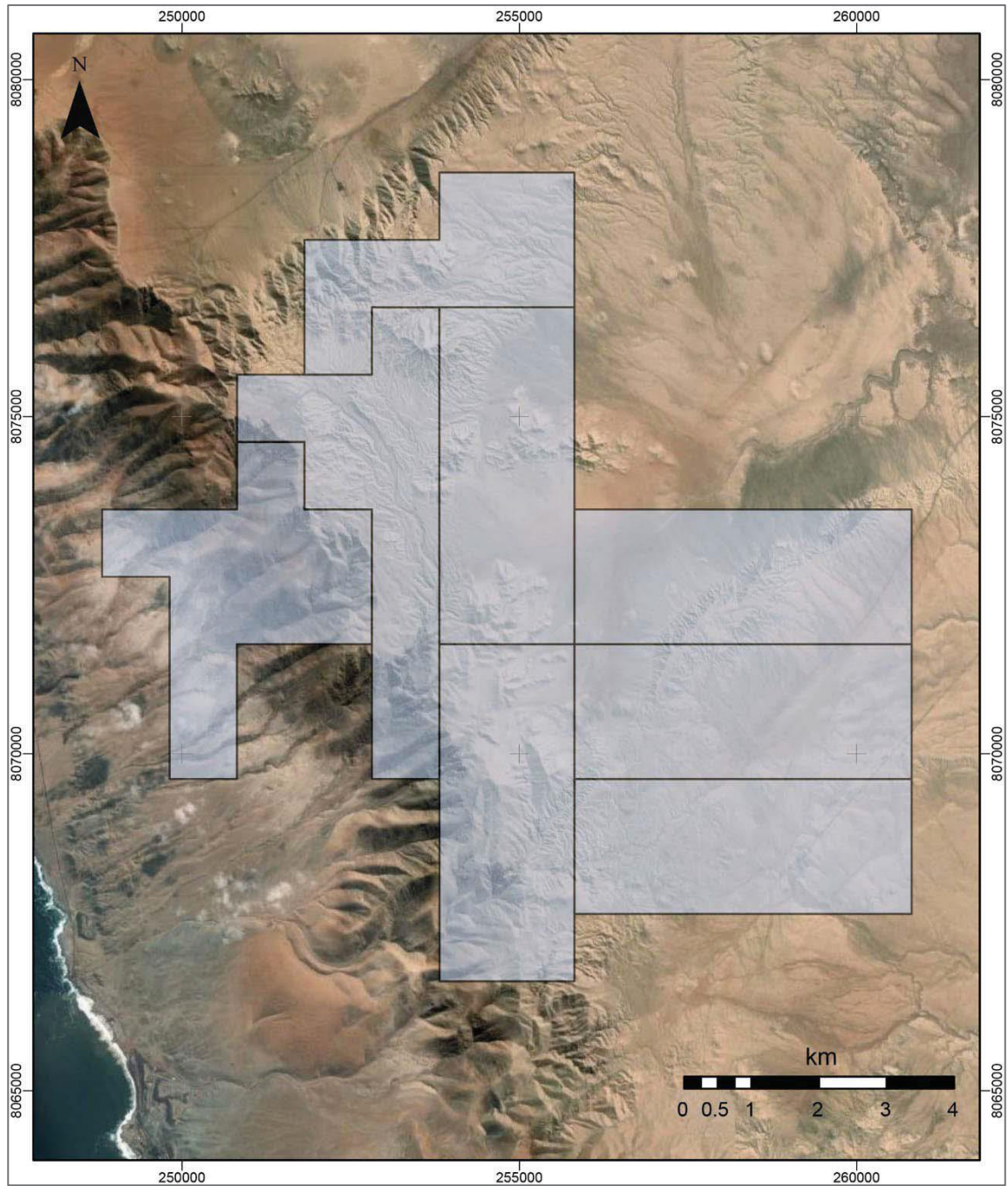
Source: climate-data.org

### 3.3.1 Tenure

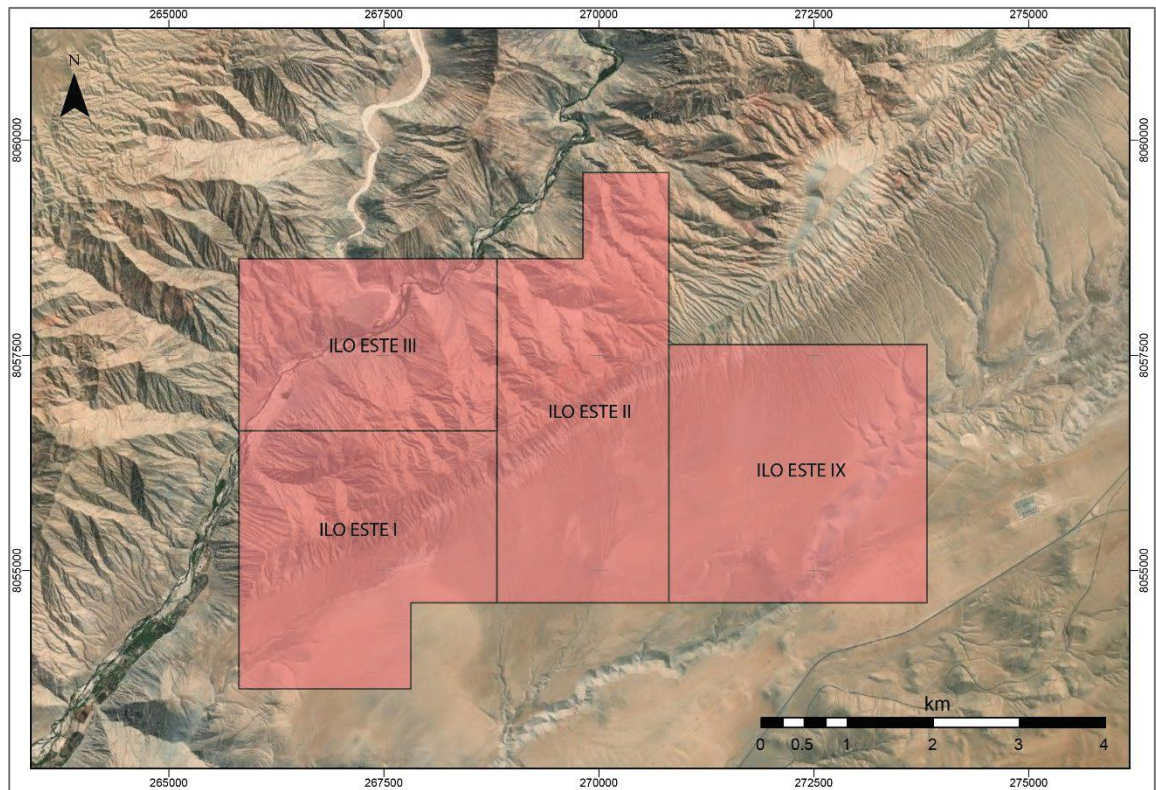
The Ilo Norte Project area (Figure 3.3) consists of eight Mining Concessions covering a total area of 7,700 ha and the Ilo Este Project (Figure 3.4) area consists of four Mining Concessions covering a total area of 3,200 ha. The twelve Mining Concessions are 100% owned by Westminister Peru S.A.C.(Table 3.1).

The General Mining Law of Peru was changed in the mid-1990s to foster the development of the country's mineral resources. The law defines and regulates different categories of mining activities according to the stage of development (prospecting, exploitation, processing, and marketing). Titles over mineral claims are controlled by INGEMMET (Geological, Mineral and Metallurgical Survey of Peru). Mining Concessions allow for exploration and exploitation activities of metallic or non-metallic minerals. Mining Concessions must be between a minimum of 100 ha and a maximum of 1,000 ha in size. Payment of an annual validity fee of US\$3 per hectare is due on 30 June each year and a failure to pay the licence fees or penalty for two consecutive years will result in a forfeiture of the concession.

**Figure 3.3: Tenure of the Ilo Norte Copper Project**



**Figure 3.4: Tenure of the Ilo Este Copper Project**



**Table 3.1: Tenement schedule of the Ilo Norte and Ilo Este Copper Projects**

Project	Mining Registry Code	Concession Name	Title Holder	Area (ha)	Title Date	Expiry Date	Annual Validity Fee (\$US)	Penalties 2021 (\$S/)	Status
<b>Ilo Norte</b>	10083009	Latin Ilo Norte 3	Westminster Peru SAC	1,000	28-Sep-09	27-Sep-29	3,000	86,000	Valid
	10083109	Latin Ilo Norte 4	Westminster Peru SAC	1,000	28-Sep-09	27-Sep-29	3,000	86,000	Valid
	10251109	Latin Ilo Norte 6	Westminster Peru SAC	700	22-Jan-10	21-Jan-30	2,100	62,000	Valid
	10251209	Latin Ilo Norte 7	Westminster Peru SAC	1,000	13-Oct-09	12-Oct-29	3,000	86,000	Valid
	10251309	Latin Ilo Norte 8	Westminster Peru SAC	1,000	13-Oct-09	12-Oct-29	3,000	86,000	Valid
	10184411	Bridgette 1	Westminster Peru SAC	1,000	01-Mar-11	28-Feb-31	3,000	0	Valid
	10184511	Maddison 1	Westminster Peru SAC	1,000	01-Mar-11	28-Feb-31	3,000	0	Valid
	10184911	Essendon 26	Westminster Peru SAC	1,000	01-Mar-11	28-Feb-31	3,000	0	Valid
<b>Ilo Este</b>	10500508	Latin Ilo Este I	Westminster Peru SAC	800	26-Feb-09	25-Feb-29	2,400	68,800	Valid
	10500308	Latin Ilo Este II	Westminster Peru SAC	900	25-Feb-09	24-Feb-29	2,700	77,400	Valid
	10500108	Latin Ilo Este III	Westminster Peru SAC	600	18-Feb-09	17-Feb-29	1,800	51,600	Valid
	10195214	Latin Ilo Este IX	Westminster Peru SAC	900	20-Jun-14	19-Jun-34	2,700	0	Valid
	<b>Total</b>				<b>10,900</b>			<b>32,700</b>	<b>603,800</b>

### 3.3.2 Agreements

Solis finalised the 100% acquisition of the Ilo Norte and Ilo Este Copper Projects from Latin Resources Limited of Australia on 08 February 2018. The acquisition terms included:

- Solis would acquire 44 concessions including the Ilo Norte and Ilo Este projects spread over 36,000 ha that were held by Latin Resources Limited's 100% owned subsidiary, Peruvian Latin Resources SAC.
- US\$250,000 in cash including a lump sum of US\$150,000 on the signing of the sale agreement and then a final payment of US\$100,000 on the 12-month anniversary of the signing of the sale agreement

## 3.4 Geological setting

The following geological descriptions are modified from Griffin (2017).

### 3.4.1 Regional geology

The southern Peruvian coastal geology has been affected by tectonic events since the Precambrian. The oldest rocks in the region are accreted crystalline basement rocks of the Complejo Basal de la Costa (Basal Complex of The Coast) Formation comprising mostly pegmatitic granitoids, diorites, and gneiss, which are part of the South American craton. Sitting unconformably above the Basal Complex are small remnants of the Pocoma conglomerate.

Commencing in the early Mesozoic, Mariana-type subduction was developed, with repeated cycles of compression and extension through the Mesozoic. This Mesozoic tectonism is considered the beginning of the Andean Cycle. Jurassic and Triassic subduction-related volcanism and sedimentation were extensive during this period. The Cainozoic tectonic evolution of the Peruvian Andes marks a change to the currently active continental Andean-type margin. Complex cycles of compression and extension continued through the Cenozoic, producing terrestrial volcanism and sedimentation, which filled fore-arc basins along the present southern Peruvian coast. Ash from recent volcanism, along with alluvial-fluvial sediments and windblown sand, cover large areas of the region.

The Ilo Norte and Ilo Este project areas are composed of mostly interlayered andesite volcanic rocks and volcanoclastic sedimentary rocks of the Lower Jurassic Chocolate Formation, the Upper Jurassic Guaneros Formation and the Lower to Middle Cretaceous Toquepala Group. The andesitic rocks are fine to medium-grained lavas and subvolcanic intrusives and the volcanoclastic rocks are typically fine to medium grained sandstones and coarser conglomerates.

Intruded into the Chocolate and Guaneros formations is the Cretaceous age Ilo Batholith which comprises gabbros, gabrodiorites and diorites. It is these intrusives that have driven the regional metamorphism and mineralisation.

### 3.4.2 Ilo Norte local geology

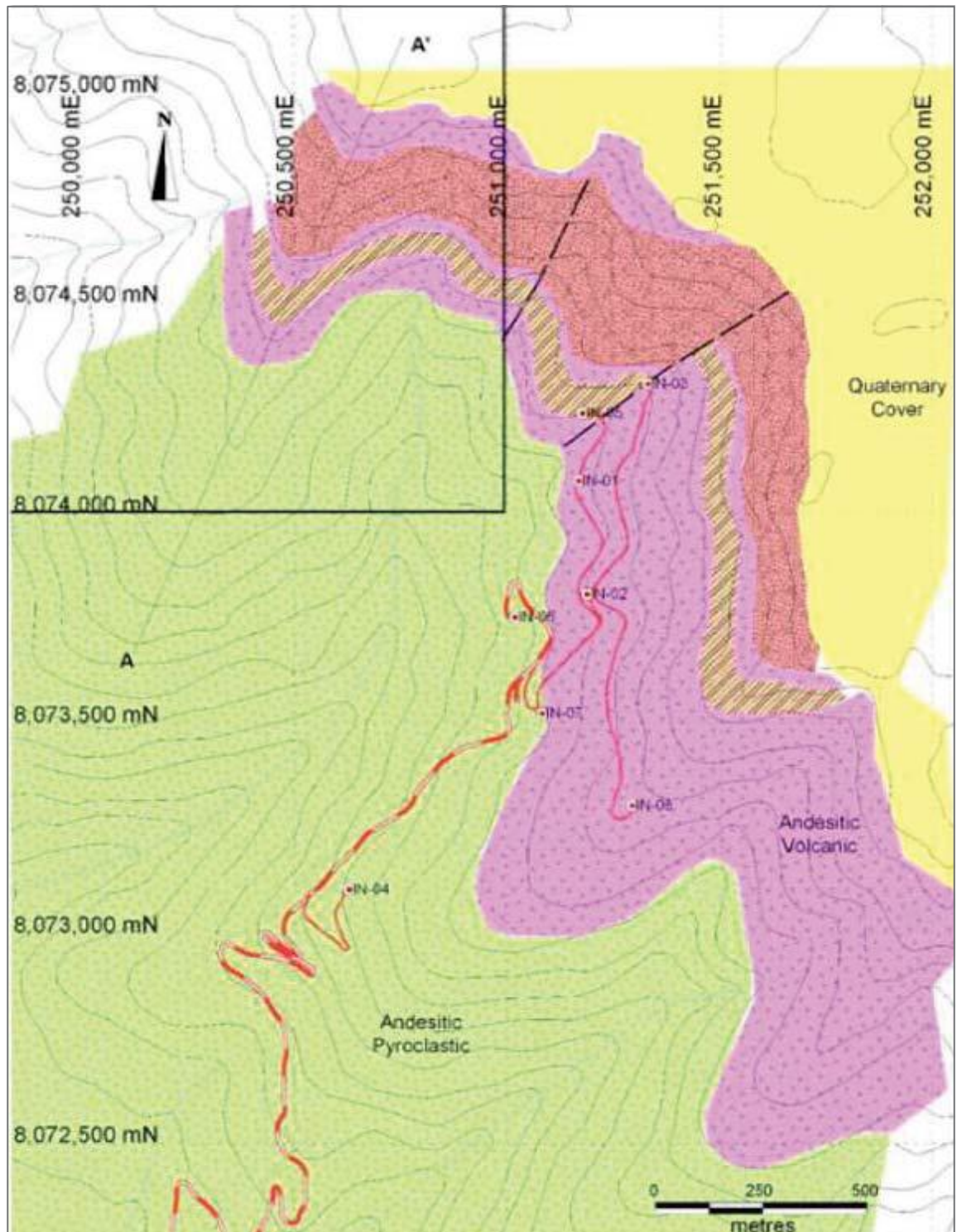
The geology of the Ilo Norte project area consists of andesitic pyroclastics, andesitic volcanics belonging to the Chocolate Formation and younger Quaternary cover sediments (Figure 3.5 and Figure 3.6).

The andesitic pyroclastics are characterised by a distinctive blocky fabric comprising crowded sub-angular blocks and pebbles of andesite within an andesitic matrix mixed in with andesitic lavas showing distinct flow banding. The pyroclastic units have experienced strong chloritic alteration with weak to moderate and variable overprinting of potassium feldspar and magnetite alteration. The base of the unit is characterised by distinctive magnetite veining and skarn replacement.

The andesitic pyroclastic unit is overlain by a chloritic altered andesitic lava that typically outcrops as a weathered, purplish coloured (after chlorite) shaley textured rock. The shaley weathered texture of the rock in outcrop is potentially due to carbonate alteration that has subsequently been leached from the rock. Within the andesitic volcanic unit there are two distinct bands of alteration: a lower horizon of thinly laminated calc-silicate + magnetite skarn alteration up to 20-40 m thick and an upper horizon of intense silica-albite alteration. The skarn alteration is thought to represent prograde metamorphism of thinly laminated calcareous sedimentary units within the andesitic volcanics and appears to be more strongly developed towards the northwest of the project.



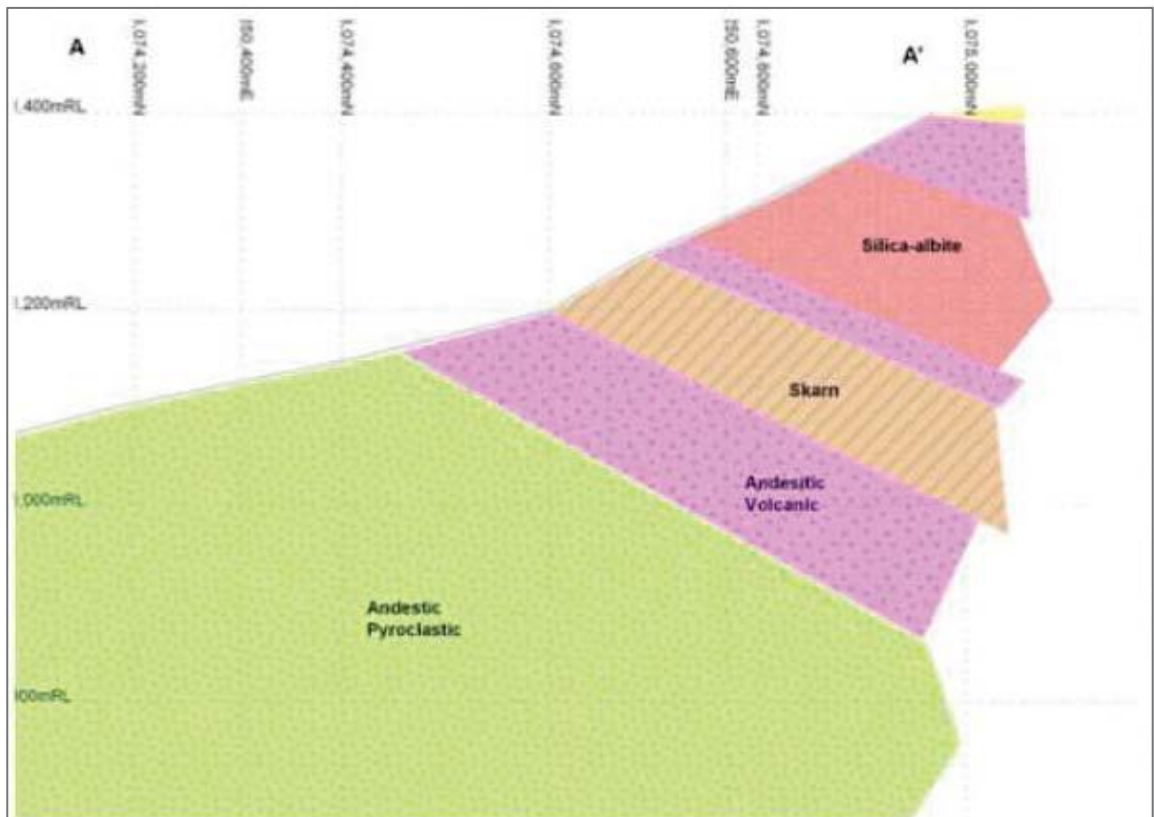
Figure 3.5: Geology of Ilo Norte Project



Source: NI43-101 Technical Report: Ilo Norte and Ilo Este projects, Griffin 2017

Notes: Orange hashed area indicates potential skarn alteration zone. Red stippled area represents silica-albite alteration.

**Figure 3.6: Interpreted geology type-section through the section line A–A'**



Source: NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

There is a broad tectonic structure that is pervasive across the region and is linked to the depression between the Cordillera de la Costa and the Andes that locally produces a series of northwest-oriented faults.

To date there has been little detailed structural investigation over the Ilo Norte project area.

### 3.4.3 Ilo Este local geology

The geology of the Ilo Este project consists of porphyritic andesites, porphyritic micro-diorite sills, andesitic tuff and sandstones of the Chocolate Formation that outcrop on the northern and southern flanks of two major belts of felsic igneous intrusions of the Cretaceous aged Coastal Batholith which includes porphyritic diorite and micro-diorite, dioritic quartz, tonalitic porphyry and porphyritic granodiorite. The felsic intrusion belts strike east-southeast and occur as either elongate stocks or more discrete dykes with variable orientation and broader extents.

In the northeast of the project the Chocolate Formation is overlain by up to 150 m of the Upper Tertiary Moquegua Formation which comprises poorly consolidated boulder beds and conglomerates, dominated by granitic boulders. The boulders, which reach several metres in diameter, resemble the Coastal Batholith and are frequently epidote-rich however they do not appear locally derived.

In the south of the project Quaternary aged alluvial sediments made up of fragments of granodiorites, andesites, diorites, interspersed with sand, silts, clays, carbonaceous material and evaporites cover the bedrock.

The Chocolate Formation and porphyry systems are bound on the southeast side by the low angle, southeast-dipping Chololo Fault system that extends from Ilo to the Moquegua valley and has been described as a significant normal fault with a maximum offset of approximately 350 m and a more recent component of sinistral (left-lateral) movement in the order of 10–20 m.

## 3.5 Mineralisation

The following descriptions of mineralisation is modified from Griffin's (2017) NI 43-101 report.

### 3.5.1 Ilo Norte

The mineralisation at Ilo Norte is interpreted to be an IOCG-type deposit that is contained within the highly altered andesitic volcanoclastics of the Chocolate Formation. Contact metamorphism and metasomatism have produced at least five phases of widespread development of mostly lenticular economic mineral assemblages including copper, gold, silver, zinc and minor cobalt.

Copper has a strong positive correlation with iron and gold. Oxide mineralisation of iron and copper and fresh mineralisation of copper and minor cobalt occur as erratic veins and lenticular mantles. Gold mineralisation occurs in thin veins associated with magnetite and pyrite. Zinc mineralisation has been interpreted as being related to the final metasomatic event and appears to be strongest at the periphery of the other mineralisation.

**Table 3.2: Mineralisation phases at Ilo Norte**

Mineralisation Stage	Elements	Minerals	Type	Alteration	Host Rock
1	Fe - Co - S	Magnetite, pyrite, pyrrhotite.	Mantles of fine-grained magnetite	Calcosodic (chlorite, epidote, albite, actinolite, clays - sericite) and sodium (albite): amphibole skarn	Volcanic and volcanoclastic composition - andesite basalt and basalts
2	Oxide Fe - Cu - Au - Co	Magnetite, chalcopyrite, actinolite, tremolite and pseudomorphs or actinolite	Erratic veins and lenticular mantles	Calcosodic (amphibole skarn)	
3	Fe - Au	Magnetite, pyrite, pyrrhotite	Veins and veinlets	Calcosodic, incidental clays, sericite and at other times not visible	All lithologies
4	Carbonate Zn - Fe	Calcite, sphalerite, pyrite	Veins and veinlets - spread	not visible	
5	exotic Cu	Malachite, neotocite	Spots on reactive rocks	Exotic mineralisation	reactive rocks

Source: Modified from NI43-101 Technical Report: Ilo Norte and Ilo Este projects, Griffin 2017

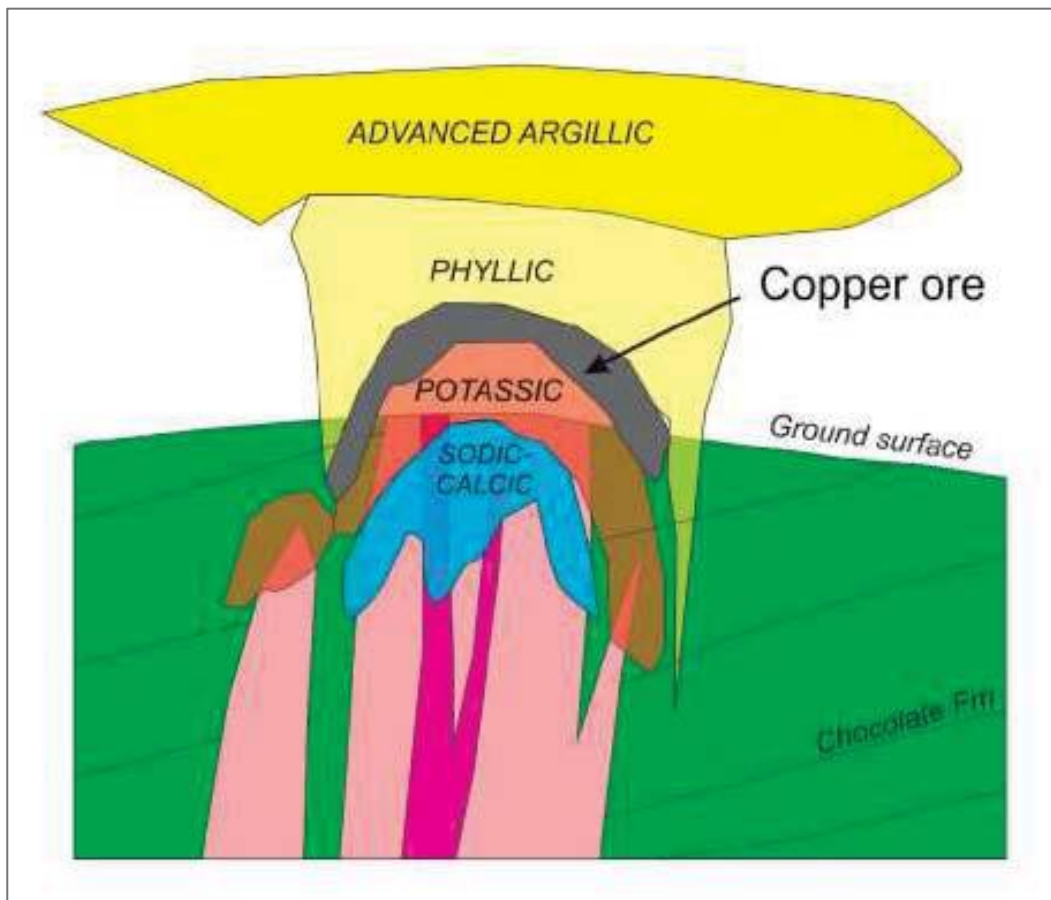
### 3.5.2 Ilo Este

The mineralisation at Ilo Este is interpreted to be a Cu-Au porphyry system. Mineralisation is differentiated into two types:

1. Oxide zone – green copper oxides (brochantite, atacamite, malachite, neocite, hematite and manganese oxides) with carbonate staining that occurs across both the southern and northern intrusion belts and occurring to depths of approximately 80 m.
2. Hypogene mineralisation – copper sulphides (chalcopyrite-bornite-pyrite) occur as disseminations, in fractures and within quartz veins that occur as a random stockwork within porphyritic granodiorite and porphyritic quartz diorite of the northern intrusive belt.

It is thought that the Ilo Este deposit has been deeply eroded down to the potassic zone within mid-level of the porphyry system (Figure 3.7). There remains the potential to discover a low-grade orebody within the remnants of the porphyry. There is also potential for the intrusive belts to continue under cover to the east and to have been offset by a major, apparently low angle listric fault striking to the northeast that could have offset the upper portion of the porphyry. This upper part could potentially host a higher grade phyllic zone of mineralisation.

**Figure 3.7: Schematic of erosion level cutting the Ilo Este porphyry system**



Source: NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

### 3.6 Historical exploration – Ilo Norte

#### 3.6.1 Southern Peru Copper Company – 2000

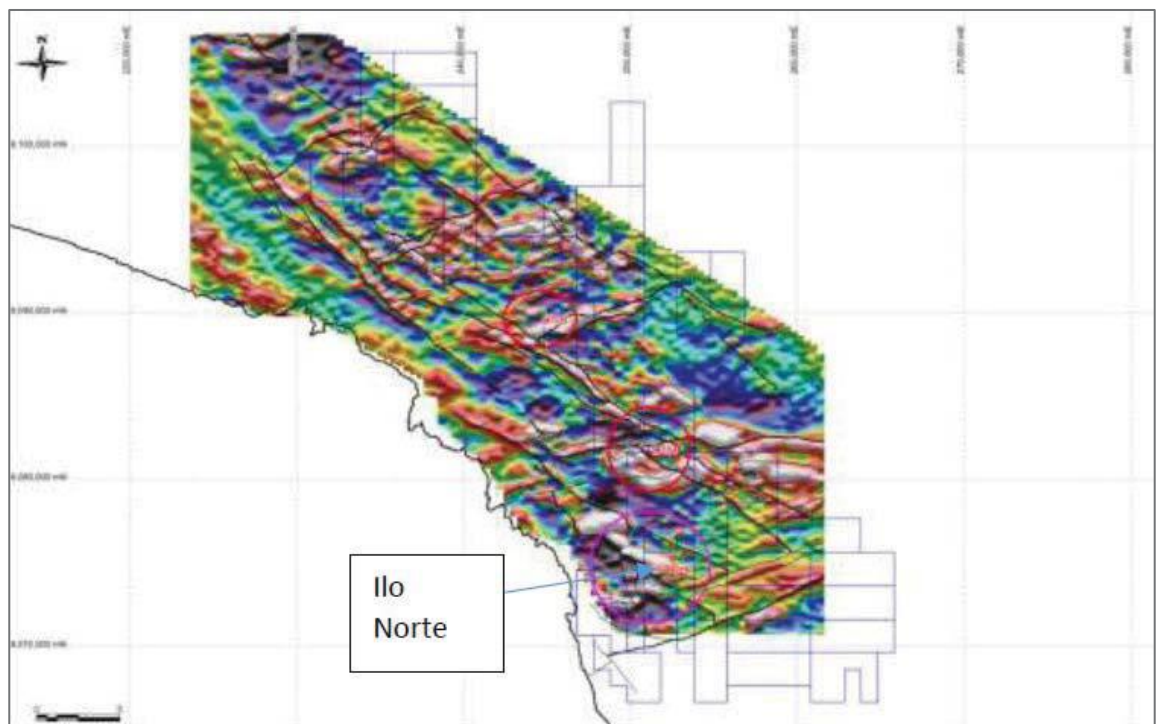
The Southern Peru Copper Company carried out mapping and sampling of the broad Ilo area between the Ilo copper smelter, located on the coast 16 km north of the town of Ilo, and the town of Cerrillos approximate 175 km northwest of Ilo. The results from this exploration are unknown as there are no reports or data available.

#### 3.6.2 Teck Resources Limited – May 2003

Teck Resources Limited flew airborne magnetic and radiometric surveys and completed stream and rock chip sampling surveys (11,395 samples) over the broad Ilo area.

The aeromagnetic survey was conducted by Fugro Airborne Surveys between May and July 2003. The survey was flown on 400 m spaced survey lines with 4,000 m tie lines from an average height of 120 m. Over the Ilo Norte area the survey delineated several magnetic anomalies that could be related to magnetite mineralisation and or structures that maybe prospective for mineralisation of interest (Figure 3.8).

**Figure 3.8: Teck Resources aeromagnetic survey with total magnetic field**



### 3.6.3 Peruvian Latin Resources Limited – 2009–18

Peruvian Latin Resources conducted several exploration programs between 2009 and 2018.

In 2009 a ground magnetic survey was carried out over Ilo Norte by Fugro Ground Geophysics between April and July. Approximately 300 km of survey lines were completed with magnetic readings taken every 50 m along each survey line, which were spaced 200 m apart. In some places the survey was infilled so that the line spacing was 100 m. The magnetic survey data indicated an anomaly similar in size to the surface geology anomaly with possible deep extensions to the east. Additionally, the survey indicated potential northwest and northeast fault offsets (Figure 3.9).

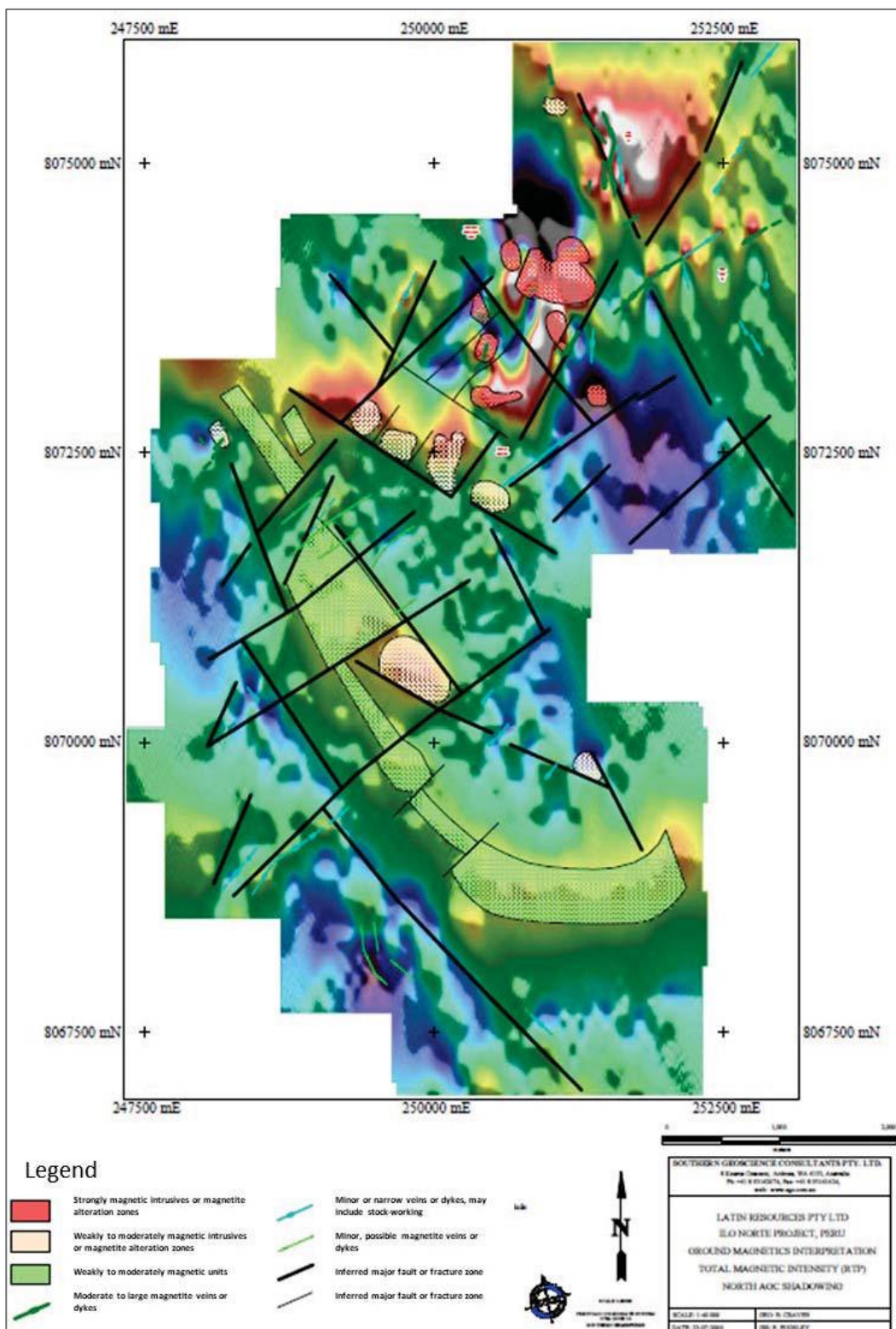
In 2010 a ground gravimetric survey was carried out over Ilo Norte by Fugro Ground Geophysics. The surveying was difficult to correct due to the steep terrain throughout the project and was subsequently abandoned. However, the small area surveyed did produce a separate anomaly approximately 400 m to the west of the primary surface geology and magnetic anomaly.

Detailed 1:5000 scale geological mapping was conducted in 2011 and 2012 with a particular focus on identifying the alteration. Access to outcrop throughout the Project area was limited due to steep terrain. Additionally, a lot of the Project area was covered by scree or eluvial sand cover.

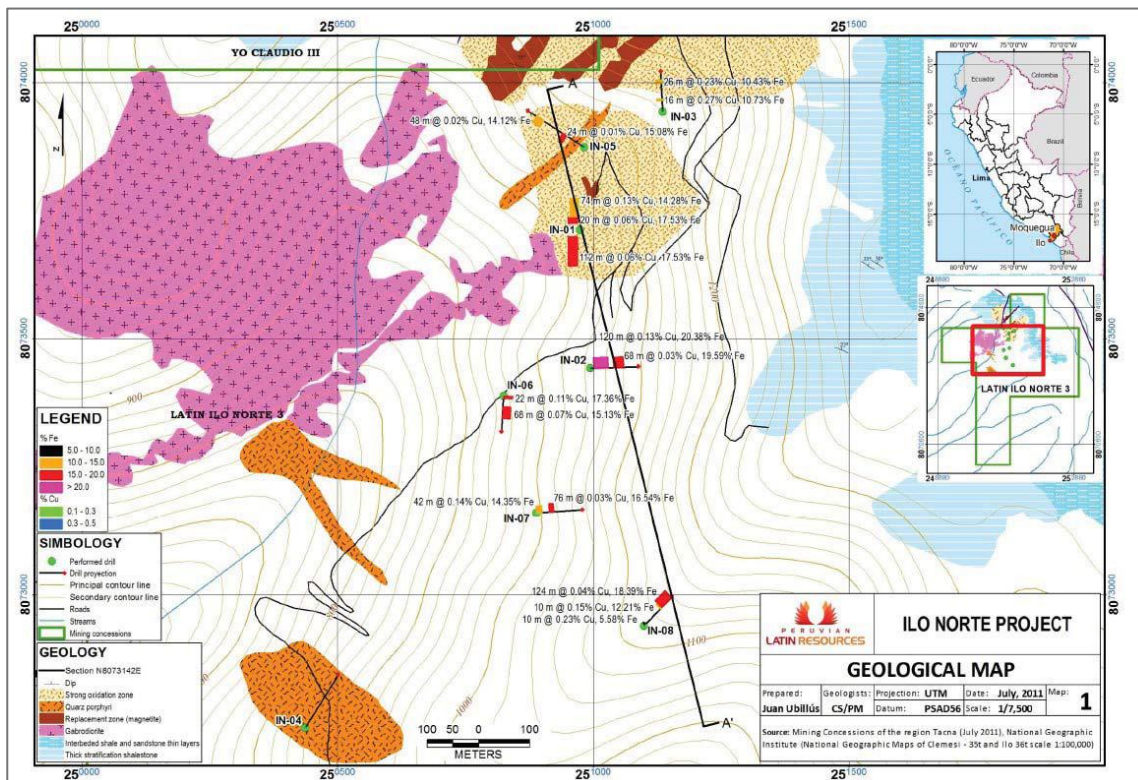
During the mapping programs, 235 rock chip samples and 137 soil samples were collected across the Project area. Rock chip samples were collected from outcrops using a geological hammer and weighed approximately 2 kg. Soil samples were collected using a small shovel and were sieved to 1 mm size to produce a 1 kg sample. All the samples were sent to SGS laboratory in Lima for analysis.

A reverse circulation (RC) drilling program was completed in April 2011 targeting Fe-Cu +/- Au mineralisation within the magnetic anomaly targets identified during the 2009 geophysical survey (Figure 3.13). A total of eight RC holes (IN-01 to IN-08) varying in depth between 312 m and 350 m was drilled for a total of 2,690 m. The RC holes were sampled on 2 m intervals producing 1,431 samples. Seven of eight drill holes intercepted low grade Cu-Au mineralisation with the best intercepts coinciding with volcanoclastic units of the Chocolate Formation that had been metamorphosed to hornfels and in skarns that contain magnetite mineralisation as replacement disseminations, veins, and veinlets (Table 3.3).

Figure 3.9: Fugro Ground Magnetics – Ilo Norte – Interpretation of RTP



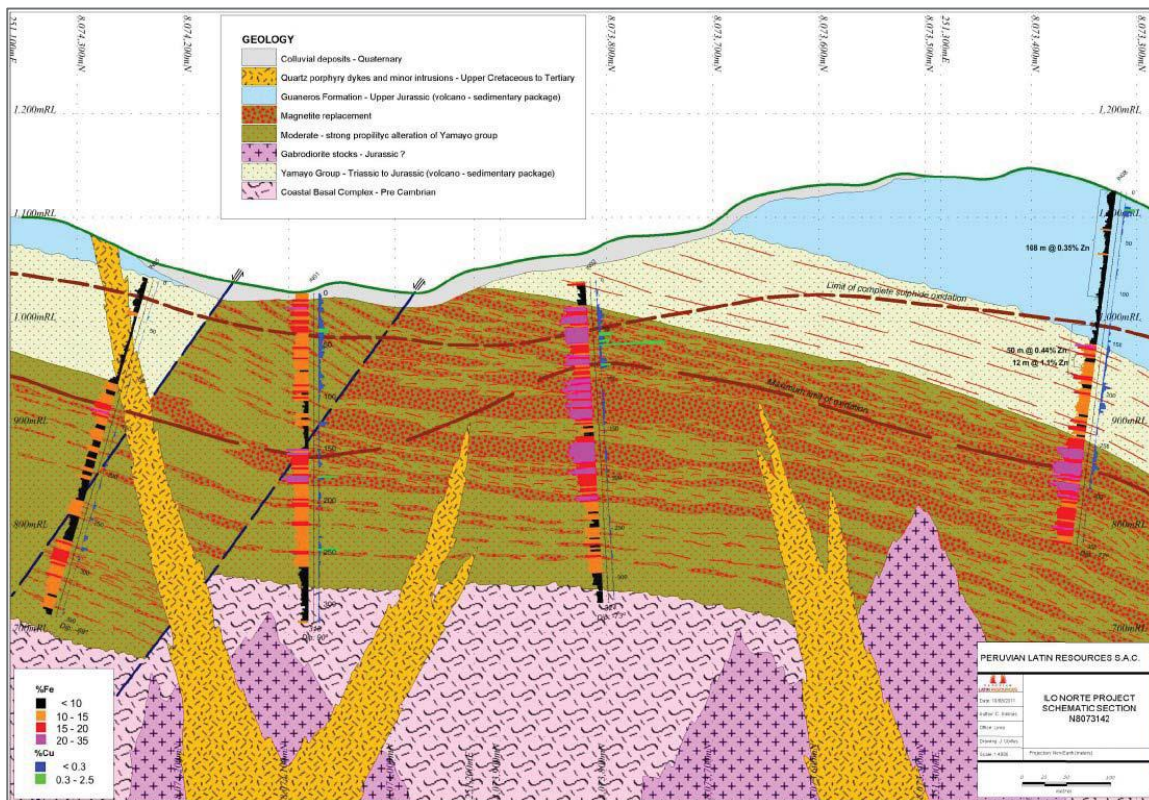
**Figure 3.10: Geological map of the Ilo Norte Copper Project showing interpreted geology and the 2011 RC drill hole locations and %Fe and %Cu assay results**



Source: Latin Resources Limited ASX release dated 15 August 2011: Positive Drill Results from Ilo Norte Project, Southern Peru



**Figure 3.11: North–south cross section A–A' showing interpreted geology and the 2011 RC drill hole locations and %Fe and %Cu assay results**



Source: Latin Resources Limited ASX release dated 15 August 2011: Positive Drill Results from Ilo Norte Project, Southern Peru

**Table 3.3: Mineralised intersections from the 2011 Ilo Norte RC drilling program**

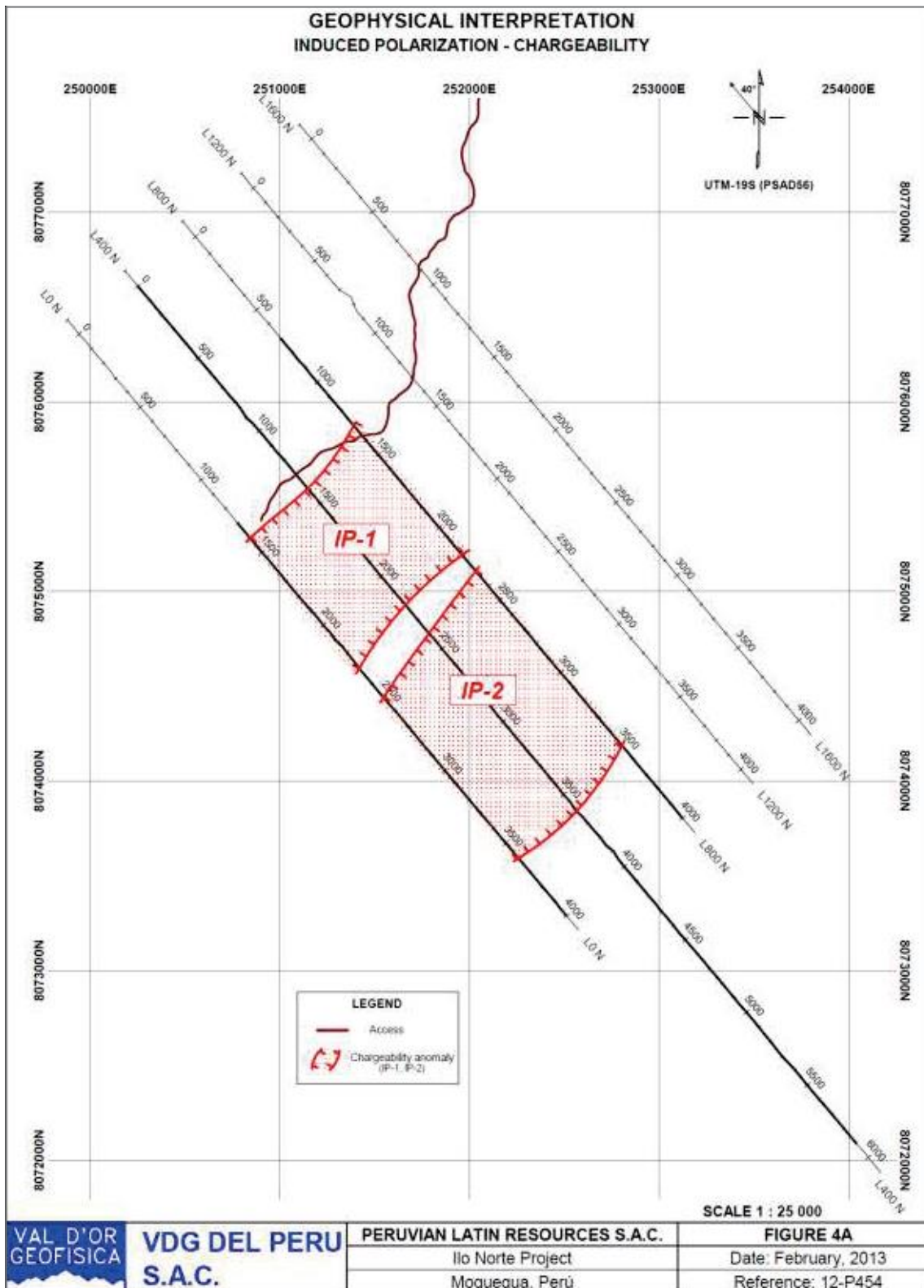
Hole ID	From (m)	To (m)	Interval* (m)	Cu (%)	Au (g/t)	Base of Oxidation
IN-01	8	18	10	0.13	0.10	26 m
	24	62	38	0.17	0.05	
	74	76	2	0.05	0.48	
	88	92	4	0.18	0.06	
	176	180	4	0.38	0.19	
	244	248	4	0.36	0.13	
IN-02	30	66	36	0.29	0.09	44 m
	80	88	8	0.24	0.10	
IN-03	98	112	14	0.29	0.09	126 m
	158	160	2	0.45	0.07	
	254	276	22	0.25	0.09	
IN-05	276	278	2	0.22	0.08	20 m
IN-06	0	12	12	0.05	0.06	34 m
	98	128	30	0.11	0.14	
IN-07	0	30	30	0.11	0.05	36 m
IN-08	14	24	10	0.23	0.01	134 m
	208	218	10	0.15	0.07	
	256	266	10	0.12	0.07	
	270	276	6	0.17	0.10	

Source: modified from NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

Note: \* Intersections are downhole depths, the true width is not known.

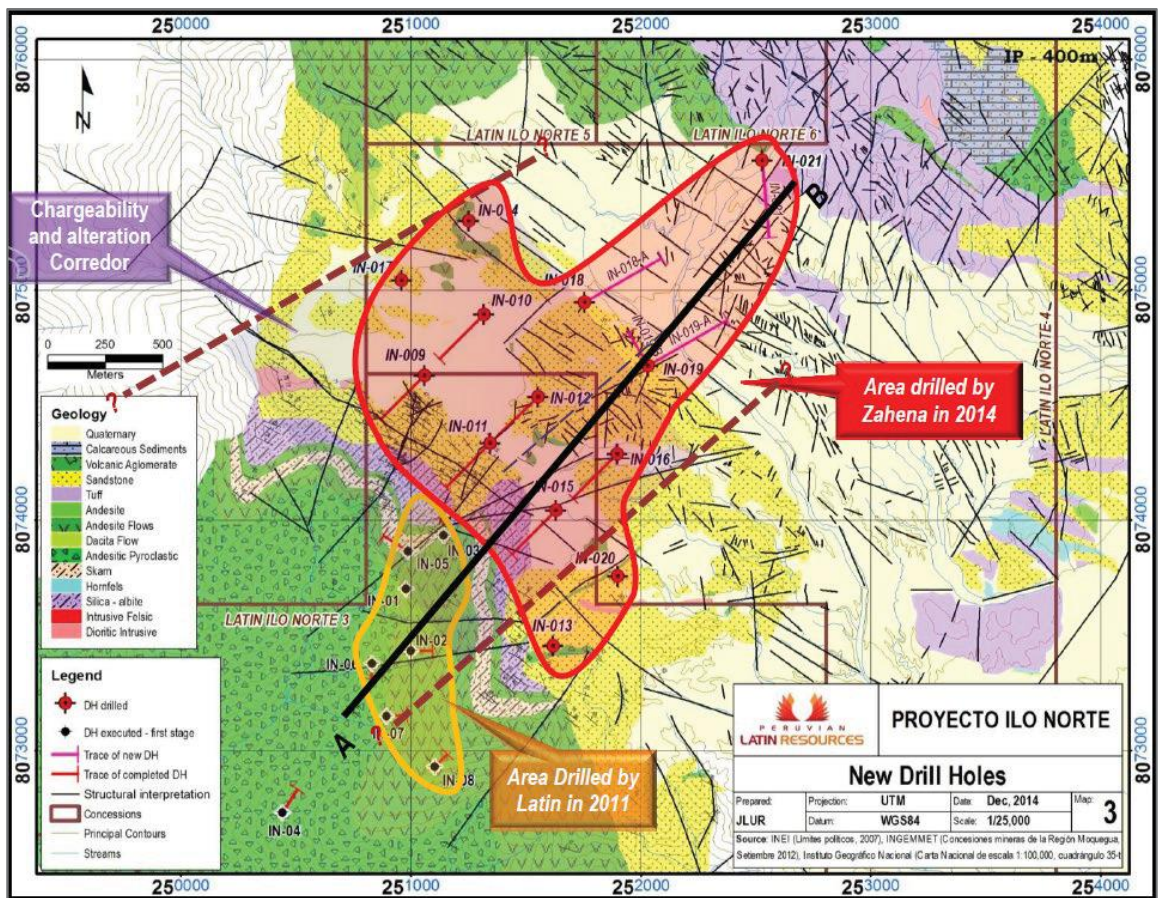
Between December 2012 and January 2013 an Induced Polarisation survey was completed by Val D'or Geofisica S.A.C. over the Ilo Norte Project. The survey consisted of three parallel survey lines at a spacing of 400 m, for a total of 11.9 line-km. The IP survey consisted of a pole-dipole configuration using an expanding potential dipole from 100 to 400 m allowing a maximum depth of detection of >600 m below the surface. The inversion model identified a deep chargeability anomaly that splits into northern and southern anomalies at approximately 200–300 m (Figure 3.12).

**Figure 3.12: Norte Induced Polarisation Survey – Interpretation of Chargeability – Chargeability anomalies IP1 (north) and IP2 (south)**



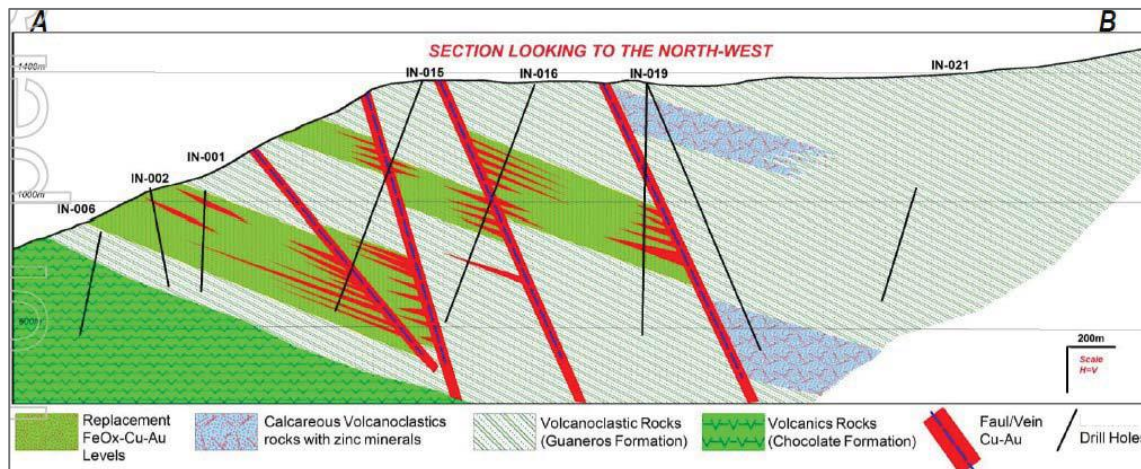
In January 2014, Peruvian Latin Resources signed an earn-in agreement with Compania Minera Zahena S.A.C. (Zahena), which was later dissolved. Zahena drilled 16 diamond holes between April and December 2014 for a total of 12,658 m on a nominal 400 m drilling grid (Figure 3.13). The drilling intersected the altered and mineralised volcanoclastic sequences of the Chocolate Formation and encountered erratically distributed low-grade Cu-Au-Ag mineralisation that appeared to be dipping approximately 30° to the northeast (Figure 3.14 and Table 3.4). The best intersections were associated with structural zones.

**Figure 3.13: Map of the Ilo Norte Copper project showing geological mapping, structural geology interpretation from imagery and drill hole collars and traces**



Source: Latin Resources Limited ASX release dated 03 March 2015: Ilo Norte Copper-Gold Project now 100% owned by Latin Resources

**Figure 3.14: Southwest–northeast cross section line A–B**



Source: Latin Resources Limited ASX release dated 3 March 2015: Ilo Norte Copper-Gold Project now 100% owned by Latin Resources

Notes: Section showing Cu/Au mineralisation interpretation (marked in red) associated with steep structures and as replacement style mineralisation in selective lithologies.

**Table 3.4: Mineralised intersections from the 2014 Ilo Norte diamond drilling program**

Hole ID	From (m)	To (m)	Interval* (m)	Cu (%)	Au (g/t)	Ag (g/t)
IN-09	24	48	24	0.11	0.02	1.51
	423	429	6	2.60	0.25	5.95
	471	495	24	0.17	0.08	0.45
	765	792	27	0.17	0.06	0.38
	381	399	18	0.66	0.09	0.55
IN-10	60	132	72	0.12	0.03	0.28
	144	165	21	0.15	0.16	0.71
	300	321	21	0.11	0.02	1.80
	468	471	3	0.53	0.08	0.10
	741	753	12	0.22	0.07	0.10
786	800	14	0.15	0.08	0.10	
IN-11	138	162	24	0.15	0.04	0.53
	348	360	12	0.39	0.06	0.03
	666	675	9	0.17	0.09	0.33
	723	735	12	0.11	0.06	0.35
IN-12	168	183	15	0.14	0.06	0.02
	195	201	6	0.32	0.12	0.10
	222	234	12	0.27	0.07	0.20
	249	261	12	0.59	0.26	0.10
	294	306	12	0.24	0.20	5.76
	393	399	6	0.11	0.01	0.10
	411	426	15	0.23	0.05	0.10
	459	501	42	0.18	0.05	0.27
	510	522	12	0.14	0.03	0.33
	735	756	21	0.12	0.07	0.15

Hole ID	From (m)	To (m)	Interval* (m)	Cu (%)	Au (g/t)	Ag (g/t)
IN-13	240	258	18	0.13	0.06	0.20
	333	342	9	0.16	0.13	0.05
	417	423	6	0.19	0.02	0.10
	486	498	12	0.13	0.03	0.70
	522	537	15	0.14	0.06	0.20
	696	702	6	0.13	0.04	0.20
IN-14	357	363	6	0.12	0.09	0.09
IN-15	276	285	9	0.20	0.05	0.33
	288	309	21	0.24	0.08	0.25
	336	351	15	0.11	0.01	0.30
	480	489	9	0.12	0.03	0.20
	570	579	9	0.11	0.05	0.10
	609	645	36	0.25	0.16	0.35
	750	768	18	0.27	0.15	0.30
	783	800	17	0.13	0.10	0.20
IN-16	120	153	33	0.14	0.01	0.26
	228	234	6	0.29	0.18	0.10
	258	267	9	0.17	0.01	0.23
	381	399	18	0.66	0.09	0.55
	435	447	12	0.17	0.01	0.85
	474	477	3	0.51	0.13	0.20
IN-17	6	27	21	0.20	0.03	1.17
	150	174	24	0.12	0.04	1.73
	195	207	12	0.11	0.22	2.98
	345	360	15	0.11	0.01	1.24
	543	555	12	0.14	0.04	0.20
	609	702	93	0.11	0.03	0.36
	726	732	6	0.11	0.07	0.25
	762	768	6	0.12	0.07	0.20
IN-18	216	231	15	0.25	0.05	0.76
	240	243	3	0.22	0.13	0.02
	426	429	3	0.34	0.01	2.40
	630	639	9	0.26	0.03	0.60
	681	690	9	0.12	0.05	0.19
	768	783	15	0.10	0.02	1.04
IN-18A	579	585	6	0.12	0.07	0.10
	639	651	12	0.26	0.14	0.57
	726	732	6	0.14	0.07	0.95
IN-19	282	318	36	0.78	0.10	0.50
	351	360	9	0.14	0.11	0.40

Hole ID	From (m)	To (m)	Interval* (m)	Cu (%)	Au (g/t)	Ag (g/t)
IN-19A	387	396	9	0.19	0.01	2.80
	546	558	12	0.26	0.01	3.18
	681	687	6	0.15	0.13	1.10
	768	780	12	0.16	0.10	1.40
IN-20	291	303	12	0.33	0.05	0.75
	333	339	6	0.14	0.02	1.20
	438	450	12	0.20	0.06	0.27
	468	480	12	0.11	0.01	0.10
	669	678	9	0.10	0.02	2.16

Source: modified from NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

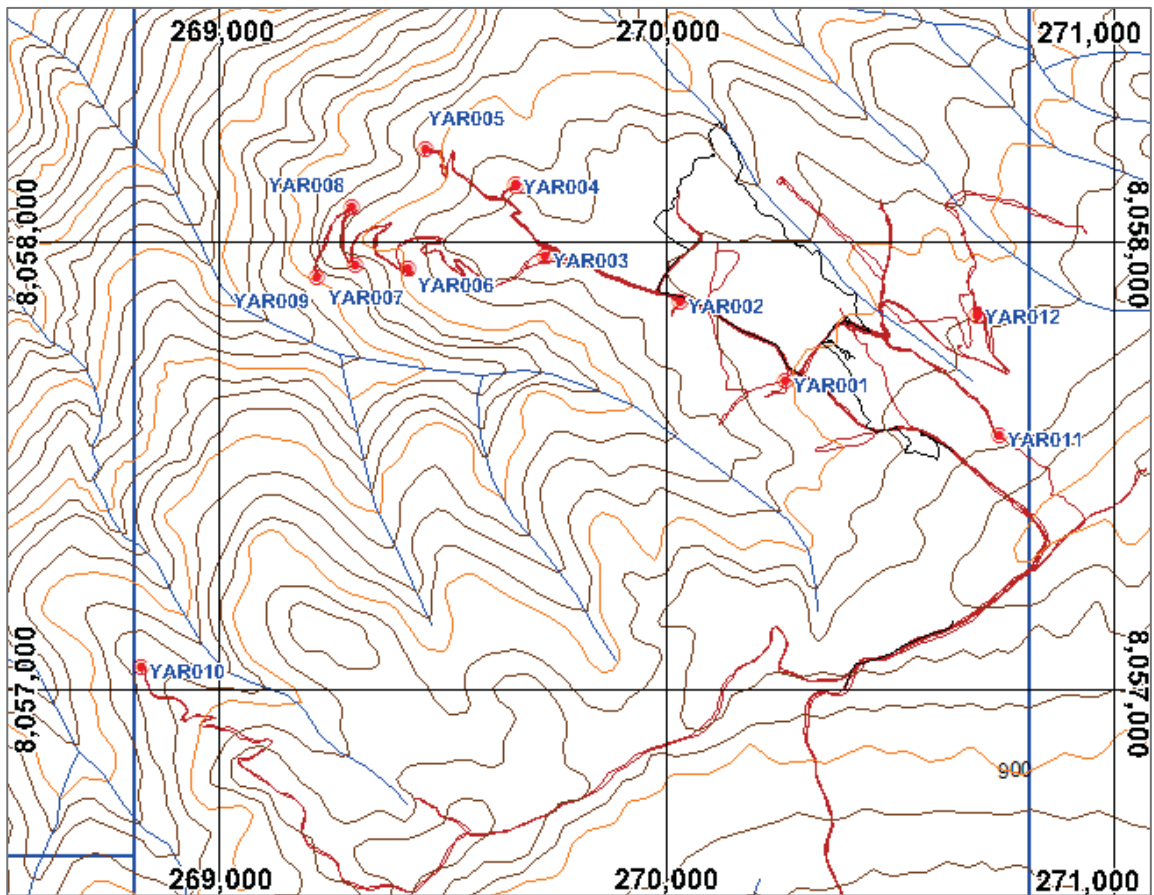
**Note:** Intersections are downhole depths, the true width is not known. Intersections  $\geq 0.5\%$  Cu, 0.20g/t Au or 1.00g/t Ag are highlighted in yellow.

## 3.7 Historical exploration – Ilo Este

### 3.7.1 Rio Tinto – 1999 to 2000

In 1999 Rio Tinto undertook preliminary reconnaissance work over the Ilo Este Project (which Rio Tinto referred to as the Yaral Project). This was followed up by an exploration program in 2000 that involved mapping 9 km<sup>2</sup> of the northern intrusive units followed up by 15 trenches across which were geochemically sampled. Rio Tinto then drilled 12 RC holes for a total of 2,128 m with depths varying between 78 m and 228 m. The RC were sampled on 2 m intervals for 1,064 samples. While the location and orientation data of the drill holes is known (Figure 3.15 - but cannot be independently verified) there is no down hole survey, assay, or geological logging data available in the public domain.

Figure 3.15: Collar locations of the 2000 Rio Tinto RC drill holes (unverified source)



Source: NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

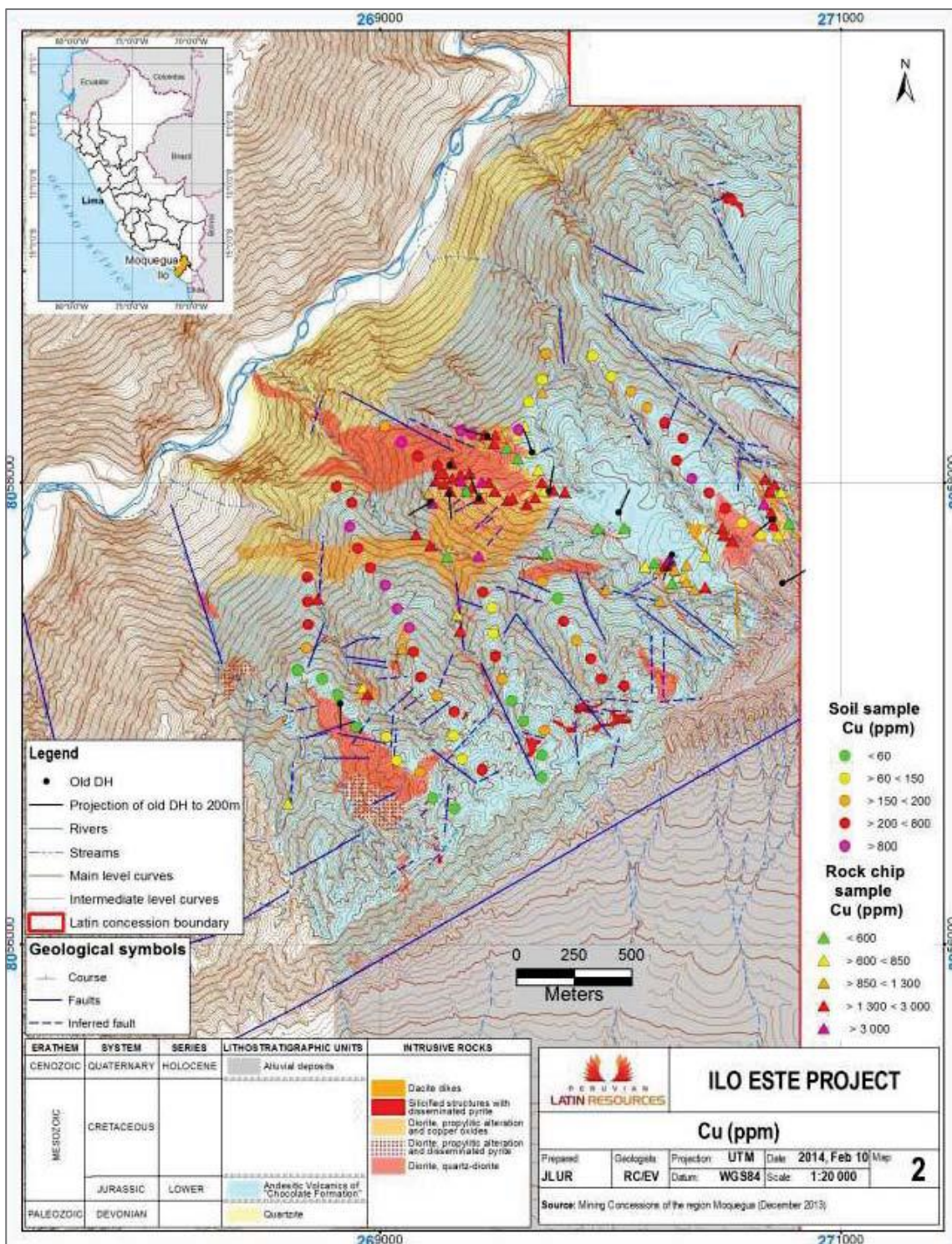
### 3.7.2 Peruvian Latin Resources 2009–16

Peruvian Latin Resources has carried out several phases of geological mapping over the Project with each subsequent phase building on the previous work. The most comprehensive phase was completed by consultant porphyry geologist Dr Warren Pratt in 2014 that defined the two, roughly parallel, east-southeasterly trending intrusive belts, each measuring approximately 1 km in length and 0.5 km in width.

Soil and rock chip geochemical sampling programs were typically included as part of the mapping projects (Figure 3.16). Approximately 2 kg was taken for each rock chip sample and 1 kg was taken for soil samples. A total of 81 rock chip and 67 soil samples were sent to SGS laboratory in Lima for analysis together with quality control (QC) samples. The rock chip samples typically returned copper grades between 0.002% Cu and 0.37% Cu but also included three high grade results of 0.82% Cu, 1.1% Cu and 8.4% Cu. The soil samples returned copper grades of 0.001% Cu and 0.31% Cu.



Figure 3.16: Ilo Este geological map with soil and rock chip geochemical results – copper

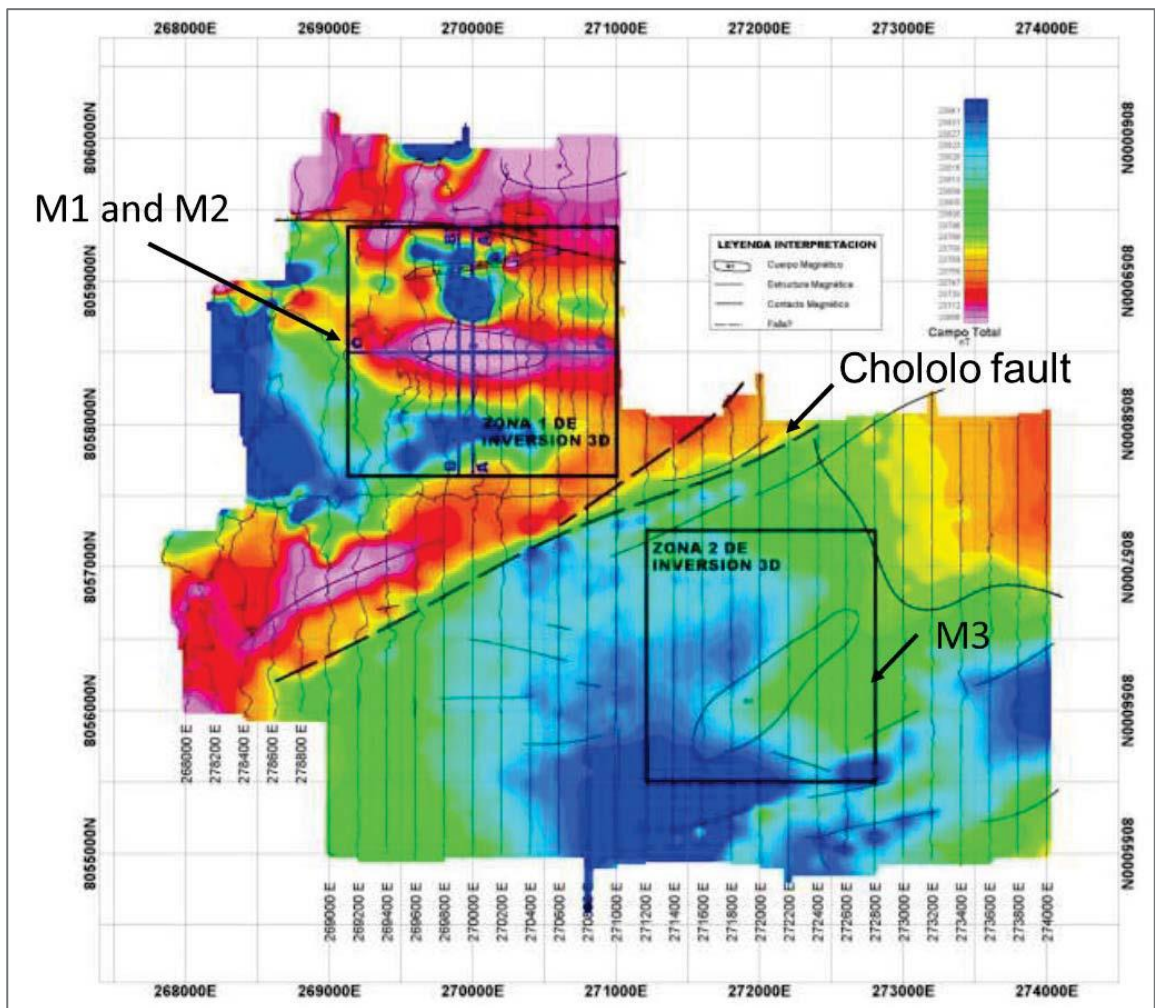


Source: NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

In 2014, a ground magnetic survey was completed by Real Eagle Exploration covering 119 km of magnetic survey lines between January and August. The survey identified three main anomalies (Figure 3.17):

- anomalies M1 and M2 (corresponding with an intrusive of the same type of rock as M1 or a structure with magnetite)
- anomaly M3 with very low magnetism (0.0001 cgs) to the southeast of the Chololo fault that could represent the continuation the same type of rock located towards the northeastern end of the survey but with some degree of alteration.

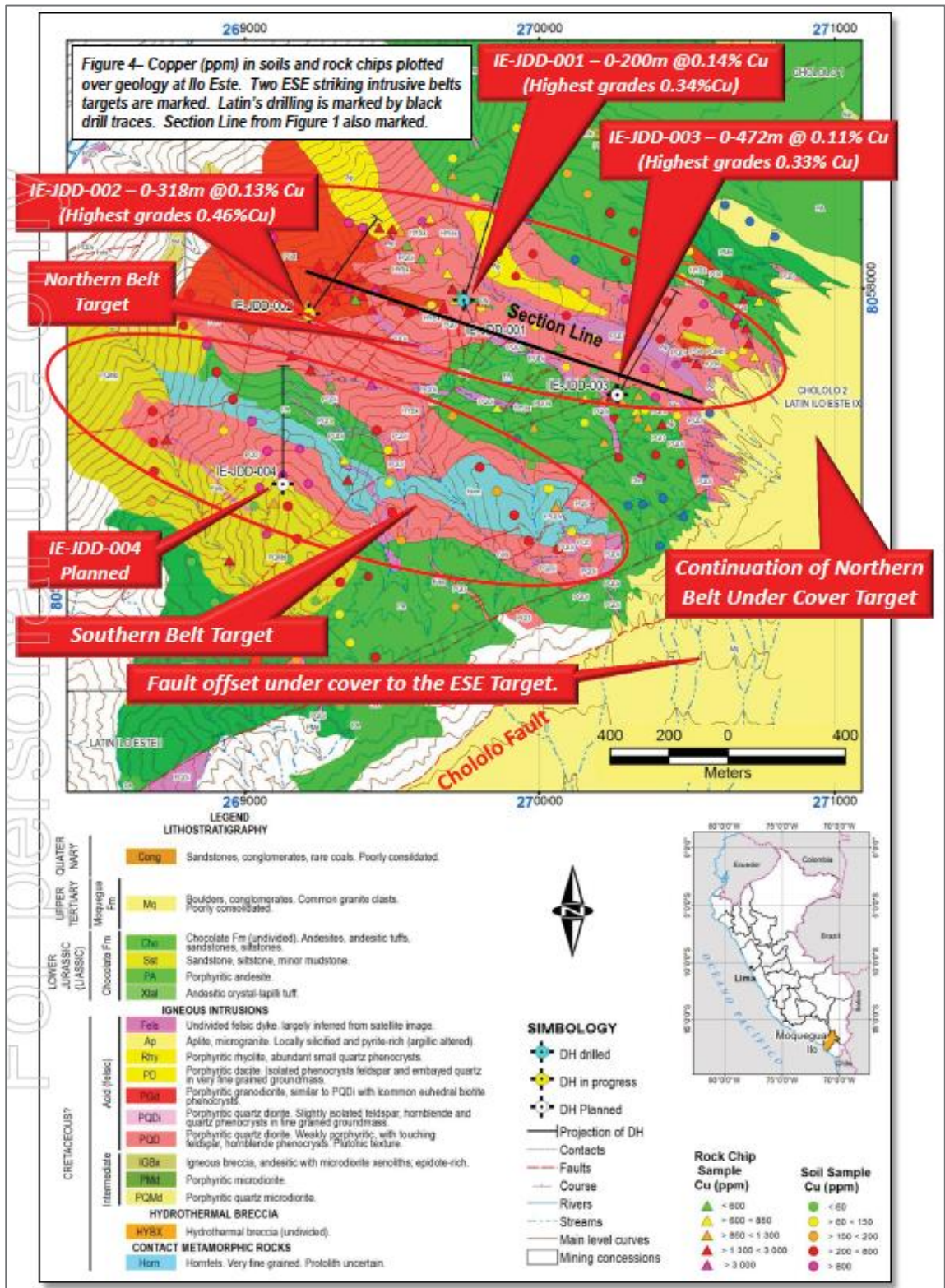
Figure 3.17: Total magnetic field with 3D inversion areas – 2014 magnetic survey



Source: NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

Following the magnetic survey, Peruvian Latin Resources conducted a drilling program between August 2014 and January 2015, completing three diamond holes for a total of 2,073 m. The diamond holes were designed to test the prospective areas of the intrusive belts identified through mapping surface geochemical sampling and were oriented to target the major structures identified in the 3D inversion of the magnetic survey data. The drill holes intersected zones of low-grade Cu-Au-Ag mineralisation (Table 3.5).

Figure 3.18: Map of the Ilo Este Copper Project showing geological mapping, geochemical surface sampling and drill hole collars and traces



Source: Latin Resources Limited ASX release dated 3 February 2015; Copper Mineralisation Confirmed over 1.1km of Strike at Ilo Este Copper Porphyry

**Table 3.5: Mineralised intersections from the 2014–15 Ilo Este diamond drilling program**

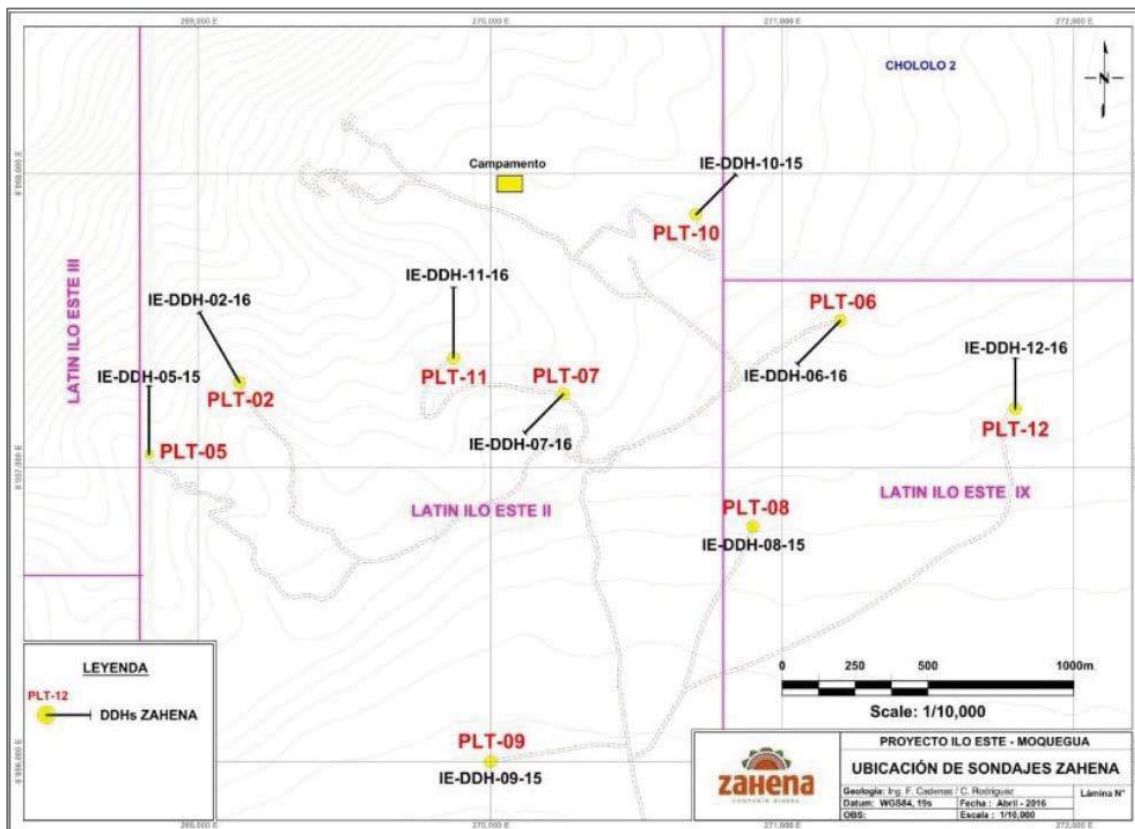
Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)
IE-JDD-001	0	10	10	0.15	0.11	0.2
	36	72	36	0.15	0.09	0.6
	78	96	18	0.20	0.12	<b>2.1</b>
	104	142	38	0.14	0.09	0.7
	148	200	52	0.19	0.15	<b>1.1</b>
IE-JDD-002	0	110	110	0.21	0.11	<b>1.00</b>
	134	144	10	0.19	<b>0.71</b>	<b>1.00</b>
	236	250	14	0.19	0.07	0.60
	276	292	16	0.22	0.07	<b>1.10</b>
	296	302	6	0.15	0.04	0.60
IE-JDD-003	6	64	60	0.11	0.08	<b>1.3</b>
	84	178	94	0.15	0.15	<b>2.4</b>
	188	284	96	0.12	0.11	<b>2.4</b>
	292	298	6	0.12	0.05	<b>1.4</b>
	306	310	4	0.13	0.07	0.9
	316	322	6	0.12	0.06	<b>1.2</b>
	334	342	8	0.12	<b>0.25</b>	<b>2.6</b>
	360	364	4	0.17	0.12	<b>1.7</b>
384	472	88	0.12	0.07	0.8	

Source: modified from NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

**Note:** \* Intersections are downhole depths, the true width is not known. Intersections  $\geq 0.5\%$  Cu, 0.2 0g/t Au or 1.00 g/t Ag are highlighted in yellow.

In mid-2015 Peruvian Latin Resources signed an earn-in agreement with Compañía Minera Zahena S.A.C. (Zahena), which was later dissolved. Zahena completed 9 diamond holes between November 2015 and April 2016 for a total of 5,322m on an irregular drilling grid (Figure 3.19). Three of the diamond drill holes (IE-DDH-008-15, IE-DDH-009-15 and IE-DDH-012-16) were not sampled as no obvious mineralisation was observed in the holes and they intersected extensive sedimentary cover, whereas the rest of the drill holes intersected low-grade Cu-Au-Ag mineralisation (Table 3.6).

Figure 3.19: Collar location map of the Compañía Minera Zahena S.A.C. 2015–16 diamond drill holes



**Table 3.6: Mineralised intersections from the 2015–16 Ilo Este diamond drilling program**

Hole ID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)
IE-DDH-02-16	0	162	162	0.07	0.08	0.6
	306	459	153	0.09	0.16	0.6
	585	645	60	0.12	0.07	0.4
IE-DDH-005-15	6	27	21	0.14	0.23	0.4
	48	57	9	0.13	0.12	0.6
	72	285	213	0.13	0.13	1.4
	291	321	30	0.10	0.02	0.5
	342	354	12	0.12	0.01	0.6
	471	522	51	0.05	0.07	0.3
IE-DDH-06-16	570	594	24	0.19	0.11	1.6
	612	633	21	0.28	0.17	1.4
IE-DDH-007-16	105	144	39	0.13	0.18	1.0
	333	360	27	0.15	0.42	2.5
IE-DDH-011-16	354	402	48	0.07	0.02	1.0
	486	507	21	0.09	0.02	1.4

Source: modified from NI43-101 Technical Report: Ilo Norte and Ilo Este Projects, Griffin 2017

**Note:** Intersections are downhole depths, the true width is not known. Intersections  $\geq 0.5\%$  Cu, 0.20 g/t Au or 1.00 g/t Ag are highlighted in yellow.

### 3.8 Exploration by Solis

No exploration has been completed by Solis at either of the projects.

### 3.9 Prospectivity and targeting

Based on the independent review of the existing geophysical data by Southern Geoscience Consulting, a program of follow-up geophysics has been proposed for both the Ilo Norte and Ilo Este Projects.

#### 3.9.1 Proposed exploration work program – Ilo Norte and Ilo Este

The Company has allocated an amount of A\$235,600 to the planned exploration activities including geophysical surveys on the Ilo Este and Ilo Norte Projects over the next 2 years, under the Minimum and Maximum Subscription amounts. The aim of the work is to define potential future drilling targets.

For further details of how the Company plans to use the funds raised by this Offer, see Section 1.11 of this Prospectus.

The planned exploration activities include geophysical surveys to define drill targets, as described below:

## Ilo Norte Project

Proposed work for the Ilo Norte Project includes additional IP survey line data and an extension of the magnetic survey data via an additional ground/drone survey. The aim of the work is to define potential target areas for future drill testing.

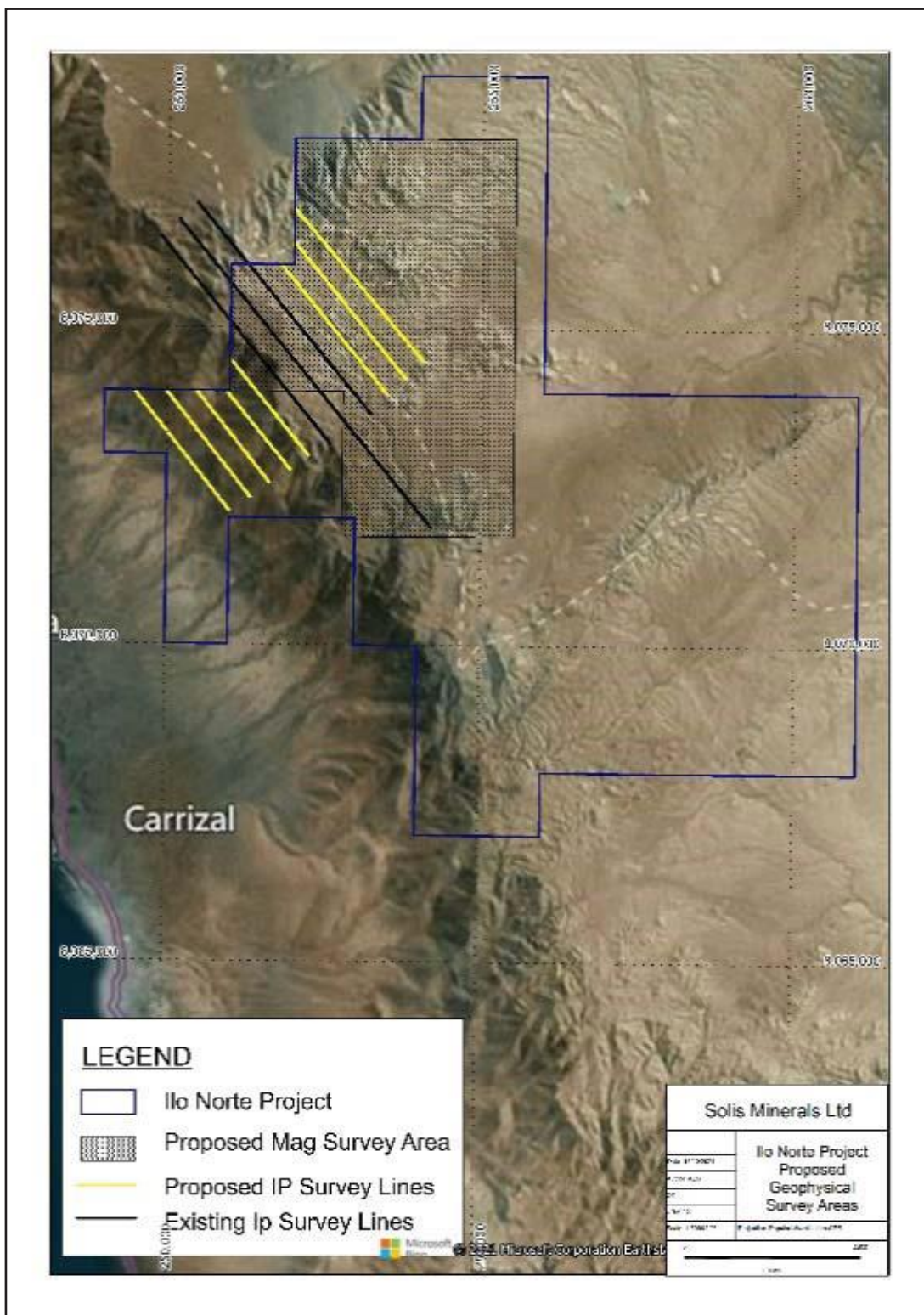
Details of the proposed work are as follows:

- An extension of the 2012 IP survey will be completed to extend the survey coverage to the east and west. A chargeable zone is interpreted to extend east and west beyond the 2012 survey coverage and coincides with a magnetic anomaly with a NE–SW strike. An additional five 400 m spaced transects will be completed continuing westward from the 2012 survey and another three transects to the east.

*Note: Due to the steep terrain to the west of the existing IP traverses, data acquisition is expected to be difficult with slow production. Results may also be compromised depending on the ground conditions and ability to make good electrical contact through transmitter and receiver points.*

- Re-processing of the 2012 IP data together with the new survey data will be undertaken as it may be possible to get better inversion models from the combined dataset.
- Additional drone or ground magnetic survey will be undertaken, to extend coverage to the north and east to allow for a 3D inversion model block to be generated over the area, and allow interpretation based on 3D models from IP and magnetic data.

Figure 3.20: Ilo Norte project showing proposed exploration work program



Source: Solis management, October 2021

Notes: Image shows 2009 GMAG data, 2013 IP transects (black), proposed new IP transects (yellow) and proposed extension area of the ground/drone magnetic data (hatched area).

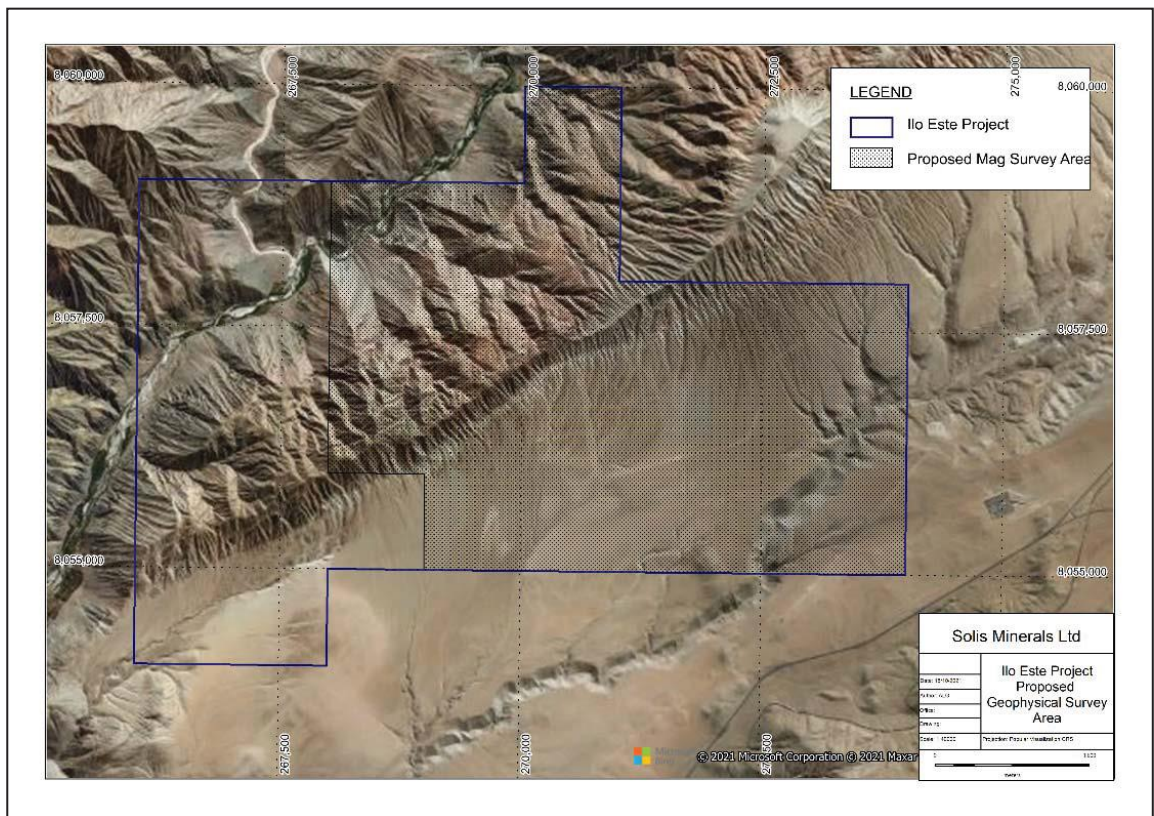


### Ilo Este

Additional information is required to define drill targets at Ilo Este. The original 2014 ground magnetic (GMAG) survey raw data covering the Ilo Este Project area has not been located, and as such no re-processing of the data has been undertaken. Further attempts to recover this data will be made.

- In the absence of the raw data, additional ground mag or drone surveys have been proposed to re-capture the anomalies noted in the Griffin (2017) report.
- Further analysis in the form of 3D inversions will be undertaken on the new survey data (or the original data if it can be sourced), with the aim of planning any additional geophysical surveys and or defining potential target areas for future drill testing.

**Figure 3.21: Ilo Este Project showing proposed exploration work program**



Source: Solis management, October 2021

Note: Image shows the area (hatched area) for GMAG re-acquisition.

### 3.10 Comment by SRK

The Ilo Norte and Ilo Este projects are prospective for IOCG and copper–gold porphyry type mineralisation respectively. For Ilo Norte, the work to date has concentrated on a relatively small portion of the prospective part of the lease holding. Remote sensing and in-field mapping have demonstrated that the silica and potassic alteration halo that exists at the known mineralisation extends across the entire property. For the Ilo Este Project, there is potential to discover significant

mineralisation within the remnants of the porphyry that has been the focus of the majority of the work thus far.

The drill hole spacing for the diamond drilling program has generally been completed on a 400 m grid. Given the mineralisation is structurally controlled and discrete, this spacing may be too wide to provide data that can be interpreted between holes.

Both projects are in an area that has a high frequency of large earthquakes. These may affect the ability to operate and/or interrupt access or ability to gain access to supplies. Also, both projects have had limited work and are not well understood. There is no guarantee that continued exploration will produce positive results.

SRK recommends that the following issues be addressed in future work programs:

- Review all the available QA/QC data for the diamond drilling dataset for any potential precision or accuracy errors. Re-sample a selection of the mineralised intervals of the historical diamond core to confirm the previous assay values.

SRK is of the opinion that the proposed exploration work program proposed by Solis is reasonable and warranted.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given geological uncertainty and it is uncertain if further exploration will result in the discovery of additional mineralisation that can be estimated as a Mineral Resource.

## 4 Sources and uses of funds

Based on the exploration results and prospectivity work undertaken to date, Solis has developed a budget for ongoing technical assessment activities that relies on funds raised via the Proposed Listing as detailed in the Prospectus (Table 4.1, Table 4.2 and Table 4.3).

**Table 4.1: Budget from initial public offering (IPO)**

Use of funds	Minimum Subscription (A\$)		Maximum Subscription (A\$)	
Exploration program – Ilo Este and Ilo Norte (Peru)	235,600	3.6%	235,600	3.1%
Exploration programs – Mostazal (Chile)	1,445,510	22.2%	2,359,732	31.4%
Mostazal Option Payments	1,662,050	25.5%	1,662,050	22.1%
Costs of the Offer	782,391	12.0%	867,606	11.6%
Corporate Costs and general Working Capital	2,381,245	36.6%	2,381,245	31.7%
<b>TOTAL</b>	<b>6,506,796</b>	<b>100%</b>	<b>7,506,233</b>	<b>100%</b>

**Table 4.2: Technical budget summary based on minimum subscription**

Project	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)
Exploration program – Mostazal (Chile)	1,415,839	943,893	2,359,732
Exploration program – Ilo Norte (Peru)	113,040	75,360	188,400
Exploration program – Ilo Este (Peru)	28,320	18,880	47,200
<b>Total</b>	<b>1,557,199</b>	<b>1,038,133</b>	<b>2,595,332</b>

**Table 4.3: Technical use of funds for minimum subscription**

Project	Proposed Workings	Item	Year 1 (A\$)	Year 2 (A\$)	Total (A\$)	
Mostazal	Field Staff		228,000	152,000	380,000	
		Drilling (inc. DHS)	501,600	334,400	836,000	
		Geophysics – DHEM	60,000	40,000	100,000	
		Earthworks	10,500	7,000	17,500	
		Assays	156,454	104,302	260,756	
	Field Work	Materials and supplies	21,000	14,000	35,000	
		Vehicles (rent, fuel, maintenance)	16,800	11,200	28,000	
		Surveying	3,000	2,000	5,000	
		Petrology (including PIMA)	4,800	3,200	8,000	
		Other	1,800	1,200	3,000	
	Travel and Accommodation		42,000	28,000	70,000	
	Property Maintenance		183,000	122,000	305,000	
	Environmental, Health & Safety		12,000	8,000	20,000	
	Contingency		104,595	69,730	174,326	
		Office – Country Manager (50%)	29,400	19,600	49,000	
		Office – Administration Manager	8,400	5,600	14,000	
		Office – rent	0	0	0	
		Office – Communications	4,200	2,800	7,000	
		G & A Costs	Office – Supplies	2,100	1,400	3,500
			Legal	8,400	5,600	14,000
Accounting			8,400	5,600	14,000	
Other			3,000	2,000	5,000	
Contingency			6,390	4,260	10,650	
<b>TOTAL (A\$):</b>			<b>1,415,839</b>	<b>943,893</b>	<b>2,359,732</b>	
Ilo Norte	Survey Planning, QAQC (GMAG or DMAG)		600	400	1,000	
	Survey planning, QAQC (IP)		2,400	1,600	4,000	
	Data Collection:	GMAG/ DMAG 100m line spacing – 330 line km	30,000	20,000	50,000	
		Pole-dipole IP 100m dipole, 8 x 4000m transects	72,000	48,000	120,000	
		Processing and image generation (GMAG/DMAG)	1,920	1,280	3,200	
	Data Processing:	3D inversion modelling (GMAG/DMAG)	1,800	1,200	3,000	
		Processing and image generation (IP)	720	480	1,200	
		2D and 3D inversion modelling (IP)	3,600	2,400	6,000	
	<b>TOTAL (A\$):</b>			<b>113,040</b>	<b>75,360</b>	<b>188,400</b>
	Ilo Este	Survey Planning, QAQC (GMAG or DMAG)		600	400	1,000
Data Collection:		GMAG/ DMAG 100m line spacing – 240 line km	24,000	16,000	40,000	
		Processing and image generation (GMAG/DMAG)	1,920	1,280	3,200	
Data Processing:		3D inversion modelling (GMAG/DMAG)	1,800	1,200	3,000	
<b>TOTAL (A\$):</b>			<b>28,320</b>	<b>18,880</b>	<b>47,200</b>	
<b>GRAND TOTAL (A\$):</b>			<b>1,557,199</b>	<b>1,038,133</b>	<b>2,595,332</b>	

Solis's program in the future will mainly focus on drilling at Mostazal and geophysical surveys at Ilo Norte and Ilo Este projects of identified prospects within each of the main Target Areas identified within the Project tenure. After the results are interpreted and modelled, and a critical reassessment of the geology and historical exploration data is undertaken, the primary activity in Year 2 will be further drilling and geophysical surveys, with the objective of defining reportable Mineral Resources.

Progressive expenditure will depend on the success of the proposed drilling and technical studies. Solis may require additional funds should the outcome of the drilling necessitate modifications to the work program.

In SRK's opinion, Solis 's understanding of the local geology and the mineralisation generated through extensive studies and exploration programs is reasonable and further assessment works are warranted.

SRK notes that mineral assets at a similar stage of study are inherently speculative in nature given the low level of technical confidence. The potential quantity and grade given in the Exploration Target estimate is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The facts, opinions and assessments presented in this Report are current at the Effective Date of 2 November 2021.

## Closure

This report, An Independent Geologist's Report on the Mostazal, Ilo Este and Ilo Norte Copper Projects, was prepared by



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Michael Lowry  
Principal Consultant

and reviewed by



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Dr Michael Cunningham  
Associate Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

## References

Griffin, K, 2017. NI 43-101 Technical Report on the Ilo Este and Ilo Norte Projects, District of Ilo, Department of Moquegua, Southern Peru.

Merino, J, 2008. Galileo Minerals Ltd, Due Diligence Report on the Geology and Mineralized Potential for the Mostazal Project, Atacama Region, Chile.

Peri, A, 2021. Solis Minerals Ltd, Technical Review of Mostazal Project Data

The JORC Code 2012 Edition, Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, ([http://jorc.org/docs/JORC\\_code\\_2012.pdf](http://jorc.org/docs/JORC_code_2012.pdf)).

The VALMIN Code 2015 Edition, Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets. Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists ([http://valmin.org/docs/VALMIN\\_Code\\_2015\\_final.pdf](http://valmin.org/docs/VALMIN_Code_2015_final.pdf)).

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## **Appendix A      Mostazal drilling data summary**



Hole ID	Hole Type	Easting	Northing	Elevation	Dip	Azimuth	Depth
DDH-MZ-1	Diamond	440790.40	7049919.37	2819.48	-60	242	120.25
DDH-MZ-2	Diamond	440791.39	7049919.91	2819.58	-90	242	120.00
DDH-MZ-3	Diamond	440854.43	7049839.98	2795.00	-45	242	98.12
DDH-MZ-4	Diamond	440852.90	7049839.20	2794.96	-80	242	111.60
DDH-MZ-5	Diamond	440852.39	7049774.71	2789.90	-65	242	95.00
DDH-MZ-6	Diamond	440851.67	7049774.31	2789.89	-90	242	141.42
DDH-MZ-7	Diamond	441043.87	7049548.01	2819.38	-45	242	166.60
DDH-MZ-8	Diamond	441042.00	7049547.38	2819.32	-64	242	182.60
DDH-MZ-9	Diamond	441043.48	7049546.16	2819.35	-45	208	129.20
DDH-MZ-10	Diamond	440931.35	7049651.52	2810.53	-45	242	144.24
DDH-MZ-11	Diamond	440930.74	7049651.10	2810.51	-65	242	127.60
DDH-MZ-12	Diamond	440929.89	7049650.65	2810.75	-36	242	159.62
DDH-MZ-13	Diamond	440929.38	7049650.33	2810.74	-90	242	132.45
DDH-MZ-14	Diamond	440782.02	7049722.79	2764.68	-36	62	135.18
DDH-MZ-15	Diamond	440781.04	7049722.22	2764.61	-58	62	139.42
DDH-MZ-16	Diamond	440780.48	7049721.91	2764.47	-80	62	140.00
DDH-MZ-17	Diamond	440868.09	7049537.34	2747.68	-45	62	144.10
DDH-MZ-18	Diamond	440866.99	7049536.76	2747.68	-75	62	110.38
DDH-MZ-19	Diamond	440695.36	7049875.38	2787.02	-45	62	171.00
DDH-MZ-20	Diamond	440501.00	7050272.23	2820.25	-45	242	90.70
DDH-MZ-21	Diamond	440503.00	7050272.00	2819.16	-80	242	83.70
DDH-MZ-22	Diamond	440675.75	7050028.70	2816.99	-35	242	102.76
DDH-MZ-23	Diamond	440779.97	7049668.71	2768.01	-35	62	141.78
DDH-MZ-24	Diamond	441034.27	7049588.84	2813.96	-35	242	170.15
DDH-MZ-25	Diamond	441532.82	7051088.34	3011.72	-35	160	130.33
DDH-MZ-26	Diamond	441533.40	7051086.96	3011.71	-50	160	131.00
DDH-MZ-27	Diamond	441995.00	7051291.00	3045.32	-55	270	110.00
DDH-MZ-28	Diamond	441997.00	7051291.00	3045.32	-90	270	115.00
DDH-MZ-29	Diamond	441997.00	7051291.00	3045.32	-40	106	82.93
DDH-MZ-30	Diamond	441034.27	7049588.84	2813.96	-55	242	230.09
DDH-MZ-31	Diamond	440753.00	7049543.00	2721.00	-45	60	259.12
DDH-MZ-32	Diamond	440965.00	7049671.00	2814.00	-45	62	141.00
DDH-MZ-33	Diamond	441105.00	7049717.32	2836.50	-45	62	150.79
DDH-MZ-34	Diamond	441202.00	7049799.00	2878.00	-45	90	301.48
DDH-MZ-35	Diamond	441097.00	7049630.00	2838.00	-45	90	299.50
DDH-MZ-36	Diamond	441495.00	7049901.00	2956.00	-50	90	247.30
DDH-MZ-37	Diamond	441504.00	7049599.00	2904.00	-45	90	300.75
DDH-MZ-38	Diamond	441347.00	7049799.00	2898.00	-45	90	240.60
DDH-MZ-39	Diamond	441132.00	7049369.00	2814.00	-45	90	241.45

Hole ID	Hole Type	Easting	Northing	Elevation	Dip	Azimuth	Depth
DDH-MZ-40	Diamond	440923.00	7049763.00	2819.00	-45	90	318.00
DDH-MZ-41	Diamond	441403.00	7049397.00	2858.00	-50	90	225.20
DDH-MZ-42	Diamond	441401.00	7049701.00	2879.00	-45	90	249.60
DDH-MZ-43	Diamond	440979.00	7049851.00	2848.00	-45	90	249.74
DDH-MZ-44	Diamond	441850.00	7049495.00	2921.00	-45	90	250.64
DDH-MZ-45	Diamond	440902.00	7049979.00	2850.00	-90	0	250.68
DDH-MZ-46	Diamond	440957.00	7049475.00	2768.00	-70	90	200.94
DDH-MZ-47	Diamond	440616.00	7049705.00	2755.00	-80	90	202.06
DDH-MZ-48	Diamond	441650.00	7050200.00	3058.00	-70	90	250.70
DDH-MZ-49	Diamond	441850.00	7049700.00	2980.00	-45	90	250.72
DDH-MZ-50	Diamond	440704.00	7049705.00	2751.00	-80	90	252.21
DDH-MZ-51	Diamond	440414.00	7049940.00	2761.00	-55	90	250.04
DDH-MZ-52	Diamond	440581.00	7049489.00	2615.00	-55	90	252.00
DDH-MZ-53	Diamond	440974.00	7049917.00	2845.00	-60	90	249.56
DDH-MZ-54	Diamond	441045.00	7049548.00	2819.00	-50	90	250.27
DDH-MZ-55	Diamond	440500.00	7049798.00	2759.00	-70	90	249.00
DDH-MZ-56	Diamond	440599.00	7049597.00	2708.00	-45	90	219.00
DDH-MZ-57	Diamond	440655.00	7049795.00	2775.00	-70	90	246.18
DDH-MZ-58	Diamond	440397.00	7049697.00	2732.00	-55	90	299.00
DDH-MZ-59	Diamond	440603.00	7049903.00	2796.00	-60	90	269.00
DDH-MZ-60	Diamond	440796.00	7049922.00	2818.00	-50	90	256.92

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## **Appendix B      Ilo Norte and Ilo Este drilling data summary**

Project	Hole ID	Hole Type	Easting	Northing	Elevation	Dip	Azimuth	Depth
Ilo Norte	IN-01	RC	250964.9	8073714	1027	-90	0	318.0
	IN-02	RC	250984.9	8073444	1039	-73	88	324.0
	IN-03	RC	251126.9	8073945	1095	-77	357	350.0
	IN-04	RC	250427.9	8072742	841	-67	32	312.0
	IN-05	RC	250973.9	8073875	1040	-68	303	350.0
	IN-06	RC	250815.9	8073390	904	-78	183	336.0
	IN-07	RC	250879.9	8073161	988	-75	86	350.0
	IN-08	RC	251089.9	8072941	1125	-77	44	350.0
	IN-009	Diamond	251059	8074629	1388	-70	225	800.0
	IN-010	Diamond	251317	8074893	1386	-70	225	800.0
	IN-011	Diamond	251344	8074336	1388	-70	225	800.0
	IN-012	Diamond	251553	8074537	1406	-70	227	800.0
	IN-013	Diamond	251617	8073456	1373	-90	145	800.0
	IN-014	Diamond	251252	8075300	1403	-90	300	800.0
	IN-015	Diamond	251631	8074044	1395	-70	222	800.0
	IN-016	Diamond	251897	8074288	1369	-70	224	800.0
	IN-017	Diamond	250957	8075047	1405	-90	358	800.0
	IN-018	Diamond	251756	8074946	1384	-89	59	800.0
	IN-018A	Diamond	251751	8074946	1384	-65	59	917.0
	IN-019	Diamond	252031	8074671	1375	-90	194	800.0
	IN-019A	Diamond	252030	8074670	1375	-65	58	940.9
IN-019B	Diamond	252030	8074670	1375	-65	329	400.0	
IN-020	Diamond	251907	8073749	1362	-90	241	800.0	
IN-021	Diamond	252528	8075563	1410	-65	170	800.0	
Ilo Este	IE_JDD_001	Diamond	269745	8057960	870.8	-60	17	800.0
	IE_JDD_002	Diamond	269218	8057913	726.2	-60	205	1000.0
	IE_JDD_003	Diamond	270259	8057656	892	-65	30	697.9
	IE-DDH-002-16	Diamond	269140	8057290	912	-65	330	650.0
	IE-DDH-005-15	Diamond	268831	8057041	864	-70	0	679.5
	IE-DDH-006-16	Diamond	271200	8057500	1000	-70	225	610.5
	IE-DDH-007-16	Diamond	270250	8057250	915	-70	225	544.9
	IE-DDH-008-15	Diamond	270899	8056796	883	-90	0	512.8
	IE-DDH-009-15	Diamond	269993	8055994	796	-90	0	560.0
	IE-DDH-010-15	Diamond	270705	8057861	902	-70	45	561.8
	IE-DDH-011-16	Diamond	269874	8057373	870	-70	0	701.6
	IE-DDH-012-16	Diamond	271800	8057200	935	-70	0	501.0

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## **Appendix C      Mostazal Copper Project – JORC table**

Solis has compiled a database of past exploration work for the Mostazal Project. Past reports and digital data (where available) have been added to the project database. The exploration program and budgets are based on target identification mainly compiled from historical data and reports.

The primary objective in compiling this data was to collect evidence that supported the underlying exploration rationale for potential mineralisation prospectivity and proposed funds and budgets for two years post-listing. In this instance, the presence of copper mineralisation, in a permissive interpreted geological setting, is considered more important than the exact value of the assay for the individual results.

It is assumed that the results have been generated from exploration programs (that followed best industry practices at the time they were collected) and analysed at commercial laboratories that serviced the mineral exploration industry. However, for much of the work in the historical reports there is only limited information to address specific Table 1 criteria.

In the professional opinion of the Competent Person, Solis has performed proper due diligence and sufficiently verified the data to provide enough confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for further investigation. The Competent Person has completed checks of the original reports and found Solis's compilation to be a reasonable and accurate capture of the available information.

Given the large number of individual reports (referenced herein), the following Table 1 sections provide overview comments based on the information provided to SRK by Solis. It is considered impractical and unnecessary to attempt a detailed Table 1 disclosure for every past exploration result presented in the IGR, bearing in mind that the objective of the Report is to provide a high-level summary of the key features of the projects and to comment on the use of funds being contemplated. The discussion and illustrations provided in the IGR address Clause 19 of the JORC Code, while the following Table 1 provides a high-level response that covers all the exploration results discussed in the body of the report.

Additional detail of the activities of past explorers for the projects has been provided where available.

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>■ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>■ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>■ Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>■ In cases where 'industry standard' work has been done; this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sampling across the project has included rock chip sampling of open pit exposure, trenches, and rock outcrops, soil sampling and diamond drilling.</li> <li>■ Soil, trenching and outcrop sampling was undertaken by Sociedad Legal Minera Mostazal between 2005 and 2008, Galileo Minerals Ltd in 2008 and IMT Exploraciones between 2011 and 2013.</li> <li>■ Diamond drilling was undertaken by IMT Exploraciones between 2012 and 2013.</li> <li>■ Soil sampling and rock chip sampling was used to identify zones of potential mineralisation.</li> <li>■ There is no detailed record of how outcrop chip sampling or soil sampling was completed or the size of the samples.</li> <li>■ Trenches were sampled on 1 m intervals, but the size of the samples is not recorded.</li> <li>■ Diamond drill holes were sampled on either 1 m, 2 m and 3 m intervals as half core or quarter core (when including quality control samples).</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>■ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>■ All the drilling at the Mostazal Copper Project has been completed using diamond drilling.</li> <li>■ 60 diamond drill holes were completed for a total of 11,381 m.</li> <li>■ Diamond holes were drilled with using a Boart Longyear LF-900 drill rig.</li> <li>■ Drill holes were completed as HQ size (63.5 mm core diameter).</li> <li>■ There is no record of the tube type used during drilling, i.e. triple or standard tube.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>■ Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>■ Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>■ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>■ Diamond core recovery was recorded for each sampling interval by measuring the recovered core against the drill hole depth.</li> <li>■ Diamond core recovery varies between 0.25% and 100% but is typically high, averaging 95%.</li> <li>■ There is no apparent relationship between core recovery and copper or gold grade.</li> <li>■ There is no apparent sample bias due to preferential loss/gain of fine/coarse material.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>■ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>■ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>■ The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>■ Rock chip and soil sampling was usually completed as part of a geological mapping campaign.</li> <li>■ Diamond drill holes were geologically logged at varying intervals based upon lithology. Logging included lithology, colour, mineralogy, texture, alteration, structure, mineralisation and RQD. All the diamond core has been logged.</li> </ul>

Criteria	JORC Code explanation	Commentary
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>■ If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>■ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>■ For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>■ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>■ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>■ Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>■ Diamond core was cut using a core saw and sampled as either half core or quarter core.</li> <li>■ Soil and rock chips samples collected by Galileo Minerals Ltd were sent to Vigalab laboratory in Copiapò, whereas sample collected by IMT Exploraciones were sent to Andes Analytical Assay Ltda, in Santiago for sample preparation and analysis. There are no records for rock chip and soil samples collected by Sociedad Legal Minera Mostazal.</li> <li>■ There is no detailed description of the sample preparation methods used for the soil and rock samples.</li> <li>■ Diamond drill core was sent to Andes Analytical Assay Ltda, in Santiago for sample preparation and analysis.</li> <li>■ There is no detailed description of the sample preparation methods used for the diamond core.</li> <li>■ Quality control samples were inserted into each of the soil, chip and diamond drilling sample batches and included field duplicates (quarter core), blanks and certified reference material samples. There is no record or any internal laboratory quality control sampling.</li> <li>■ Sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>■ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>■ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>■ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>■ There are no assay records for rock chip and soil samples collected by Sociedad Legal Minera Mostazal.</li> <li>■ Rock chip and soil samples collected by Galileo Minerals Ltd were assayed for copper, soluble copper, solvent copper extraction from pregnant leach solution, gold, silver, lead, zinc, molybdenum, arsenic, and iron. The analytical method was not recorded.</li> <li>■ Rock chip and soil samples collected by IMT Exploraciones assayed for 39 elements using Inductively coupled plasma mass spectrometry (ICP-MS).</li> <li>■ Diamond core samples collected by IMT Exploraciones was assayed for 39 elements using Inductively coupled plasma mass spectrometry (ICP-MS).</li> <li>■ Quality control samples were inserted into each of the soil, chip and diamond drilling sample batches and included field duplicates (quarter core), blanks and certified reference material samples. There is no record of any internal laboratory quality control sampling.</li> <li>■ ICP-MS is considered to be a total assay method.</li> <li>■ 6,830 diamond core samples ranging in length from 0.04 m to 20 m were submitted for specific gravity determinations using the Archimedes method (weight in air – weight in water).</li> </ul>



Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>■ The verification of significant intersections by either independent or alternative company personnel.</li> <li>■ The use of twinned holes.</li> <li>■ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>■ Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>■ There are no records of any verification of significant intersections by either independent or alternative company personnel.</li> <li>■ There have been no twin drill holes completed.</li> <li>■ There have been no adjustments made to the assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>■ Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>■ Specification of the grid system used.</li> <li>■ Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>■ Drill hole collars were surveyed using a handheld GPS tool (model unknown).</li> <li>■ Down hole surveys were conducted for each hole on 50 m intervals but there is no description of the survey tool used.</li> <li>■ All data has been collected in UTM zone 19S coordinates.</li> <li>■ The topography was surveyed on 1–5 m contour intervals in 2012 over the entire project area by contract surveyors (method unknown).</li> <li>■ Artisanal open cut and underground mining occurred through the project area between the 1950s and 2006. Sociedad Legal Minera Mostazal then conducted small scale open pit and room and pillar underground mining between 2006 and 2008. The surface mining has been surveyed during the topographic surveying in 2012 but the underground workings have not been surveyed.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>■ Data spacing for reporting of Exploration Results.</li> <li>■ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>■ Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>■ Geochemical sampling (soil and rock chip) has been completed over the entire project area on a nominal 200 m × 200 m grid.</li> <li>■ The diamond drilling was completed over the central parts of the project area on a nominal 150 mE × 100mN grid.</li> <li>■ The sampling data is sufficient to establish the general extents and orientation of the near surface manto style copper-silver mineralisation however mineralisation remains open along strike and at depth.</li> <li>■ Sample compositing has not been applied.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>■ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>■ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>■ The diamond drilling was completed in three phases. In the initial phase drill holes were angled to the southwest that were fanned off drilling platforms spaced approximately 100 m apart on a northwest–southeast line. The subsequent drilling programs were drilled steeply towards the east or northeast to intersect the mantos structure more perpendicularly.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>■ The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>■ There is no detail record of the sample chain of custody between the project site and the assay laboratories.</li> <li>■ Remnant diamond drill core is securely stored at Sociedad Legal Minera Mostazal's property in Copiapò in wooden boxes.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>■ The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>■ There have been no detailed audits or reviews of the sampling techniques.</li> <li>■ Solis Minerals Ltd has conducted an internal Technical Review of the Mostazal project data.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>■ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>■ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Mostazal Copper Project is located in the commune of Diego de Almagro, in the Chañaral Province of the Third Atacama Region, Chile approximately 80km northeast of the city of Copiapó.</li> <li>■ The Mostazal Project consists of eight Exploitation Mining Concessions covering a total area of 1,317 ha that were constituted in accordance with the Chilean Mining Code 1983.</li> <li>■ The eight concessions are currently 100% owned by a series of Legal Mining Companies (Sociedad legal minera) each of which are owned by two shareholders; Mr Walter Enrique Viteri Aldunate and Mr Lucas Benito Ledezma Ocares, who are also the owners of Sociedad Legal Minera Mostazal.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>■ Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sociedad Legal Minera Mostazal conducted reconnaissance sampling and mining activities at the project between 2005 and 2008.</li> <li>■ Galileo Minerals conducted trench and outcrop sampling in 2008 and produced an exploration target for the M-01 mineralised lens based upon previous geological mapping and surface sampling.</li> <li>■ IMT Exploraciones completed soil trench and outcrop sampling, diamond drilling and ground magnetic and induced polarisation geophysical surveys between 2011 and 2013.</li> <li>■ APGC Corp Chile SpA produced a foreign estimate for the Mostazal Copper Project in 2015 using the diamond drilling data and surface sampling and mapping.</li> <li>■ Santiago Metals Limitada completed geological mapping over the Project area in 2016.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>■ Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>■ The project area consists of fine-grained to porphyritic andesite lava flows and breccias of the Jurassic-Lower Cretaceous age Sierra Fraga Formation that are locally interbedded with volcanoclastic sediments. The andesites are intruded by a series of dacitic porphyry dykes of Palaeocene to Eocene age that typically trend north-northwest–south-southeast. The western and south-eastern portions of the Project are covered by late-stage Tertiary Atacama gravel with thicknesses ranging from a few metres to a few tens of metres. More recent Quaternary age sediments including sand, gravels, colluvium, and silt occur throughout the project area.</li> <li>■ Mineralisation identified at the Project consists of several stratified, stacked, and discontinuous copper-silver (Cu-Ag) mineralised lens or ‘mantos’ within the andesite volcanic rocks that strike to the north-northwest and dip to the west sub-parallel to host andesite flow banding.</li> </ul>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> <li>■ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>– easting and northing of the drill hole collar</li> <li>– elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>– dip and azimuth of the hole</li> <li>– downhole length and interception depth</li> <li>– hole length.</li> </ul> </li> <li>■ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>■ A summary of the Mostazal drill hole data can be found in Appendix A.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>■ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>■ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>■ The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>■ No exploration results have been publicly reported for the Mostazal Copper Project.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>■ These relationships are particularly important in the reporting of Exploration Results.</li> <li>■ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>■ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>■ No exploration results have been publicly reported for the Mostazal Copper Project.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>■ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>■ No exploration results have been publicly reported for the Mostazal Copper Project.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>■ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>■ No exploration results have been publicly reported for the Mostazal Copper Project.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>■ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>■ IMT Exploraciones completed ground magnetic and induced polarisation geophysical surveys over the project area.</li> </ul>

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> <li>■ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>■ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>■ Solis will undertake extensive validation and field confirmation of various targets identified from historical results at the Mostazal project</li> <li>■ A comprehensive work program for the Mostazal project has been proposed and will primarily focus on diamond hole drilling followed up by geophysical surveys.</li> </ul>

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**Appendix D      Ilo Norte and Ilo Este Copper Projects –  
JORC Table 1**

Solis has compiled a database of past exploration work for the Ilo Norte and Ilo Este Projects. Past reports and digital data (where available) have been added to the project database. The exploration program and budgets are based on target identification mainly compiled from historical data and reports.

The primary objective in compiling this data was to collect evidence that supported the underlying exploration rationale for potential mineralisation prospectivity and proposed funds and budgets for two years post-listing. In this instance the presence of IOCG and Cu-Au porphyry mineralisation, in a permissive interpreted geological setting, is considered more important than the exact value of the assay for the individual results.

It is assumed that the results have been generated from exploration programs (that followed best industry practices at the time they were collected) and analysed at commercial laboratories that serviced the mineral exploration industry. However, for much of the work in the historical reports there is only limited information to address specific Table 1 criteria.

In the professional opinion of the Competent Person, Solis has performed proper due diligence and sufficiently verified the data to provide enough confidence that sampling was performed to adequate industry standards and is fit for the purpose of planning exploration programs and generating targets for further investigation. The Competent Person has completed checks of the original reports and found Solis's compilation to be a reasonable and accurate capture of the available information.

Given the large number of individual reports (referenced herein), the following Table 1 sections provide overview comments based on the information provided to SRK by Solis. It is considered impractical and unnecessary to attempt a detailed Table 1 disclosure for every past exploration result presented in the IGR, bearing in mind that the objective of the Report is to provide a high-level summary of the key features of the projects and to comment on the use of funds being contemplated. The discussion and illustrations provided in the IGR address Clause 19 of the JORC Code, while the following Table 1 provides a high-level response that covers all of the exploration results discussed in the body of the report.

Additional detail of the activities of past explorers for the projects has been provided where available.

# JORC Code, 2012 Edition – Table 1

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>■ Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>■ Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>■ Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>■ In cases where 'industry standard' work has been done; this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>■ Sampling across the project has included rock chip sampling from trenches, and rock outcrops, and reverse circulation (RC) and diamond drilling.</li> <li>■ There is no detailed record of how outcrop or trench chip sampling was completed or the size of the samples.</li> <li>■ Reverse circulation drilling was completed by Peruvian Latin Resources at Ilo Norte (8 holes for 2,690 m completed in 2011) and Rio Tinto at Ilo Este (12 holes for 2,128 m completed in 2000).</li> <li>■ Apart from collar locations there are no other records available for the Rio Tinto drilling.</li> <li>■ The RC holes completed by Peruvian Latin Resources had 1,345 samples collected over 2 m intervals.</li> <li>■ Diamond drilling was completed by Peruvian Latin Resources at Ilo Este (3 holes for 2,073 m completed in 2014–15) and Compania Minera Zahena SAC at both Ilo Norte (16 holes for 12,658 m completed in 2014) and Ilo Este (9 holes for 5,322 m completed in 2015–16).</li> <li>■ Diamond core was sampled nominally on 2 m (Peruvian Latin Resources) or 3 m (Compania Minera Zahena SAC) intervals.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>■ Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>■ Reverse circulation samples were collected from a rig-mounted cyclone in large plastic bags before being split down to a 4–5 kg sample using a 2-tier riffle splitter and then placed into calico bags for despatch to the lab. There is no record of the bit type used for either of the RC drilling programs but the hole completed by Peruvian Latin Resources used 5½ inch bit.</li> <li>■ Diamond drill holes completed by Peruvian Latin Resources at Ilo Este were initially drilled as PQ size (85 mm core diameter) to depths varying between 87–109 m and were then drilled at HQ size (63.5 mm core diameter) until the end of hole. All the holes were completed using a standard tube.</li> <li>■ Diamond drill holes completed by Compania Minera Zahena SAC at Ilo Este were drilled as HQ size (63.5 mm core diameter) until the end of hole. All the holes were completed using a standard tube.</li> <li>■ Diamond drill holes completed by Compania Minera Zahena SAC at Ilo Norte were drilled using a combination of HQ size (63.5 mm core diameter), NQ (core diameter 47.6 mm) and in one drill hole BQ (core diameter 36.5 mm) for the last 88 m. All the holes were completed using a standard tube.</li> </ul>

Criteria	JORC Code explanation	Commentary
Drill sample recovery	<ul style="list-style-type: none"> <li>■ Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>■ Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>■ Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>■ RC sample recovery was assessed visually and from sample weights recorded at the laboratory.</li> <li>■ Core barrel length and core length measurements were made so that core recoveries could be estimated. Recoveries were good and no significant core loss was experienced.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>■ Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>■ Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>■ The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>■ The RC drill holes completed by Peruvian Latin Resources were qualitatively logged for lithology, alteration, and mineralisation.</li> <li>■ All of the diamond drill core was qualitatively logged for lithology, alteration and mineralisation which has been inspected qualitatively. No geotechnical logging was performed. Photographs were taken of all the core in sample boxes.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>■ If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>■ If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>■ For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>■ Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>■ Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>■ Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>■ Reverse circulation samples were collected from a rig-mounted cyclone in large plastic bags before being split down to a 4–5 kg sample using a 2-tier riffle splitter. The splitter was cleaned with compressed air between each sample. All the samples were recorded as dry.</li> <li>■ Diamond core was sampled by company technicians under supervision of company geologists using a diamond saw to cut along the axis of the core taking care to representively split any visible mineralisation. Half core samples over two or three-metre intervals were bagged for dispatch to SGS laboratories in Peru. (SGS del Peru S.A.C laboratory in Arequipa for sample preparation and then to the SGS laboratory in Lima for analysis).</li> <li>■ Laboratory sample preparation consisted of weighing the samples upon receipt, crushing the samples so 70% &lt;2 mm, splitting off approximately 1,000 g of sample and then pulverising the coarse split to 85% passing 75µ.</li> <li>■ Laboratory sample preparation for diamond drill samples consisted of jaw crushing the samples to a 1/4 inch and then riffle split to obtain 200–250 g for pulverising.</li> <li>■ Blanks and field duplicates were inserted at a rate of approximately 1 in 40 to 1 in 50 samples each and certified reference standards were inserted approximately 1 in 20. Laboratory duplicates were also undertaken approximately 1 in 40 samples.</li> </ul>



Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>■ The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>■ For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>■ Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>■ RC samples were assayed for 22 elements using an X-ray fluorescence assay technique (ME-XRF).</li> <li>■ Gold was assayed in diamond drill holes using a 30 g fire assay, which is considered a total assay technique.</li> <li>■ Copper and 35 other elements were assayed in diamond drill holes using ICP-AES following a 4-acid digest and is considered total for Cu and Zn. This method is considered suitable for Cu and other base metals considering the matrix minerals present in the deposit.</li> <li>■ Analytical techniques and procedures are appropriate for the style of mineralisation.</li> <li>■ Blanks and field duplicates were inserted at a rate of approximately 1 in 40 samples each and certified reference standards were inserted approximately 1 in 20. Laboratory duplicates were also undertaken approximately 1 in 40 samples.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>■ The verification of significant intersections by either independent or alternative company personnel.</li> <li>■ The use of twinned holes.</li> <li>■ Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>■ Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>■ There has been no verification of significant intersections by either independent or alternative company personnel.</li> <li>■ There have been no twin drill holes completed.</li> <li>■ There have been no adjustments made to the assay data.</li> <li>■ Sample data recorded in the field was entered into Excel spreadsheets and verified and cross checked against assay reports from the laboratory.</li> <li>■ Logging data was entered into Excel spreadsheets and subsequently cross checked against hand drawn summary logs.</li> <li>■ All data is stored electronically in a company server-based file system with regular offsite back-ups.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>■ Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>■ Specification of the grid system used.</li> <li>■ Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>■ Drill holes completed by Peruvian Latin Resources had collar surveys completed using a hand help GPS unit. Down hole surveys were not undertaken.</li> <li>■ The diamond drill holes completed by Compañía Minera Zahena S.A.C. had drill hole collars surveyed with a handheld GARMIN GPS (Model GPSMAP 64s) and downhole surveys completed every 50–100 m with a Ranger Survey Systems FlexIT survey tool.</li> <li>■ Data has been collected in UTM zone 19S coordinates.</li> <li>■ The Ilo topography is a 1:5,000 scale Digital Terrain Model generated from digital restitution of orthorectified 1:20,000 scale aerial photography and associated ground controls. The accuracy is considered adequate for the current early phase of exploration at each project.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>■ Data spacing for reporting of Exploration Results.</li> <li>■ Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>■ Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>■ Drilling at both deposits has been completed on an irregular grid and at varying orientations.</li> <li>■ Given the mineralisation is structurally controlled and/or discrete this current drill spacing is too wide to interpret continuity between drill holes.</li> <li>■ Sample compositing has not been applied.</li> </ul>

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>■ Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>■ If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>■ Due to the wide spaced drilling and variable nature of the mineralisation at each deposit the relationship between the sample length and the true thicknesses of the mineralisation is currently unknown.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>■ The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>■ Company representatives completed the despatch and transport of samples to Lima in numbered and locked containers. At no time were the samples accessed by third party personnel.</li> <li>■ Diamond drill core is stored in a warehouse at the Ilo East project. Coarse rejects and sample pulps were initially stored at the SGS Laboratory warehouse before being returned to Peruvian Latin Resources</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>■ The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>■ There have been no detailed audits or reviews of the sampling techniques.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>■ Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>■ The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<ul style="list-style-type: none"> <li>■ The Ilo Norte and Ilo Este Copper Projects are located approximately 22 km north-northeast and 20 km northeast respectively from the Pacific coastal town of Ilo, in the Ilo Province, Department of Moquegua of Sothern Peru.</li> <li>■ The Ilo Norte Project area consists of eight Mining Concessions covering a total area of 7,700 ha and the Ilo Este Project area consists of four Mining Concessions covering a total area of 3,200 ha. The twelve Mining Concessions are 100% owned by Westminster Peru S.A.C, a subsidiary pf Solis Minerals Ltd.</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>■ Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<p><b>Ilo Norte</b></p> <ul style="list-style-type: none"> <li>■ Southern Peru Copper Company carried out mapping and sampling of the broad Ilo area in 2000.</li> <li>■ Teck Resources Ltd flew airborne magnetic and radiometric surveys and completed stream and rock chip sampling surveys (11,395 samples) over the broad Ilo area in 2003.</li> <li>■ Peruvian Latin Resources completed a ground magnetic survey over Ilo Norte in 2009, a ground gravimetric survey over Ilo Norte in 2010, geological mapping and rock chip sampling in 2011 to 2012, RC drilling in 2011 and completed an Induced Polarisation survey in 2012/2013</li> <li>■ Compania Minera Zahena S.A.C. completed 16 diamond drill holes in 2014.</li> </ul> <p><b>Ilo Este</b></p> <ul style="list-style-type: none"> <li>■ Rio Tinto completed preliminary reconnaissance work including mapping and trench sampling over the project in 1999 followed by 12 RC holes in 2000.</li> <li>■ Peruvian Latin Resources completed several phases of geological mapping and soil and rock chip sampling between 2009 and 2013, then a ground magnetic survey and three diamond drill holes in 2014/2015.</li> <li>■ Compania Minera Zahena S.A.C. completed 9 diamond drill holes in 2015/2016.</li> </ul>
Geology	<ul style="list-style-type: none"> <li>■ Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>■ The geology of the Ilo Norte project area consists of andesitic pyroclastics, andesitic volcanics belonging to the Chocolate Formation and younger Quaternary cover sediments. The mineralisation is interpreted to be an iron oxide copper gold (IOCG) type deposit that is contained within highly altered andesitic volcanoclastics. Contact metamorphism and metasomatism have produced at least five phases of widespread development of mostly lentiform economic mineral assemblages including copper, gold, silver, zinc and minor cobalt.</li> <li>■ The geology of the Ilo Este project consists of porphyritic andesites, porphyritic micro-diorite sills, andesitic tuff and sandstones of the Chocolate Formation that outcrop on the northern and southern flanks of two major belts of felsic igneous intrusions of the Cretaceous age. The mineralisation at Ilo Este is interpreted to be a Cu-Au porphyry system.</li> </ul>

Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> <li>■ A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>– easting and northing of the drill hole collar</li> <li>– elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>– dip and azimuth of the hole</li> <li>– downhole length and interception depth</li> <li>– hole length.</li> </ul> </li> <li>■ If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>■ A summary of the Mostazal drill hole data can be found in Appendix B.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>■ In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>■ Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>■ The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>■ No cut-offs have been applied when reporting of mineralised intersections.</li> <li>■ The average copper, gold and silver grades reported for each mineralised intersection include both mineralised and non-mineralised samples.</li> <li>■ No metal equivalents have been used.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>■ These relationships are particularly important in the reporting of Exploration Results.</li> <li>■ If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>■ If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>■ The mineralised intervals were intersected by inclined drill holes. The true orientation of the mineralised zones is not yet known therefore the mineralised intersections reported may possibly be longer than the true width of the mineralisation.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>■ Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>■ Appropriate maps and sections are included in the body of this report.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>■ Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>■ The reporting of the mineralised intersections is consistent between each of the drill holes and drilling programs and is considered balanced.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>■ Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>■ The mineralised intersections are reported in context with supporting geological, geochemical and geophysical data at each deposit.</li> </ul>

Criteria	JORC Code explanation	Commentary
Further work	<ul style="list-style-type: none"> <li>■ The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>■ Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>■ Solis will undertake extensive validation and field confirmation of various targets identified from historical results within both Ilo Norte and Ilo Este projects.</li> <li>■ A comprehensive work program for Ilo Norte and Ilo Este projects has been proposed and will primarily focus on geophysical surveys to define future drill targets.</li> </ul>

## 9. Peruvian Solicitor's Report

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October 28, 2021

**SOLIS MINERALS INC.** (formerly, WESTMINSTER RESOURCES LTD.)

Attention: Mr. Garry Stock  
Mr. Jason Cubitt

Canada.-

Via e-mail: [gstock@seedrock.com](mailto:gstock@seedrock.com)  
[jcubitt@solisminerals.com](mailto:jcubitt@solisminerals.com)

Dear Sirs,

As instructed, we have conducted a legal title due diligence review related to (i) the 13 mining concessions (the "Concessions") and four mining pediments (the "Pediments") listed in Exhibit A, which has been provided to us by SOLIS MINERALS INC. ("SOLIS"), (ii) the Peruvian company called WESTMINSTER PERU S.A.C. ("WESTMINSTER") the holder of the Concessions and Pediments and SOLIS' Peruvian subsidiary; and, (iii) the existence, validity and good standing of any permits and authorizations obtained by WESTMINSTER for conducting mining activities in the Concessions.

This report covers the matters specifically instructed to us by SOLIS. Therefore, we have not conducted any further investigation or research in connection to any additional mining concessions, mining pediments companies or the mining activities conducted by WESTMINSTER in the Concessions.

For the purposes hereof, we have reviewed the following records and documents, which genuineness and authenticity we have assumed:

- (i) The computerized system made available to the public by the Mining and Metallurgic Geology Institute ("INGEMMET"<sup>1</sup>), in which the status of payment of the validity fees and the penalties for not reaching the minimum production levels set forth by law, when applicable, is evidenced.
- (ii) The files available at the Peruvian Public Registry, for determining if the Concessions or Pediments have already been recorded and, if that were the case, for determining its current registered holder and whether any encumbrances or agreements have been recorded with respect to it.
- (iii) The Electronic Informal Mining Registry made available by the Ministry of Energy and Mines ("MEM").
- (iv) The Database of Indigenous and Tribal Peoples made available by the Ministry of Culture.

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<sup>1</sup> INGEMMET is the Peruvian governmental agency in charge of granting mining concession titles, collecting validity fees and production penalties, among others.

- (v) The information provided to us via email<sup>2</sup> by Mrs. Victoria Mogollon, WESTMINSTER's general manager.

The opinions issued herein have been prepared based exclusively on the abovementioned information. Thus, it does not contain any opinion on any contingencies that could affect the holders of the Concessions. This document neither includes any opinion related to environmental, archaeological, surface rights or an analysis of the specific permits and authorizations that are required to perform mining activities in the Concessions.

For the purposes hereof, we have not requested from the Public Registry, INGEMMET, the MEM or any other entity, the issuance of certificates officially confirming the results of our review, but we may do so if required.

\* \* \* \* \*

## I. GENERAL REMARKS OF PERUVIAN LAW

- 1.1. **Mining concessions:** Under Peru's Mining Act, the right to explore for and exploit minerals is granted by the Peruvian Government by way of mining concessions, which grants a property right, independent from the ownership of surface land on which it is located. Note, however, that pursuant to Peru's Mining Act, surveying (*cateo*) and prospecting (*prospección*) are free and, thus, do not require the granting of a mining concession title for conducting them, provided that such activities are not conducted in areas where third-parties' mining concessions are owned, fenced or cultivated areas, urban or urban expansion areas, reserved areas, archaeological areas and over goods of public use.

There are no restrictions or special requirements applicable to foreign companies or individuals regarding the holding of mining concessions in Peru, save those mining concessions located within 50 kilometers of Peru's borders, in which case it will need a specific governmental approval for doing so (as explained in section 1.2. below).

Mining concessions are located within a solid of indefinite depth, limited by vertical plains corresponding to the sides of a square, rectangle or close polygonal, whose vertexes are set in Universal Transversal Mercator - UTM coordinates. They must have a minimum area of 100 hectares and a maximum area of 1,000 hectares (or 10,000 hectares in maritime domains). They are granted by the INGEMMET after an application, called a "mining pediment", is filed and certain administrative proceedings are followed. Mining pediments do not grant themselves a right to their holders to conduct any kind of activities. As further explained below, the right to conduct mining activities is subject to completing the administrative proceeding initiated by filing a "mining pediment" -that is to say, to obtain a mining concession title-, as well as the other applicable administrative authorizations.

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<sup>2</sup> Emails sent on September 2, 2021 and September 10, 2021.



A mining concession allows its holder to carry out exploration and exploitation activities within the area established in the respective concession title, provided that prior to the beginning of any mining activity, other applicable administrative authorizations need to be obtained (e.g. environmental, use of water, use of explosives, etc.).

Obtaining title to a concession is based on rights of preference. The first party to apply for a concession will have the first preference to obtain it if it fulfills all the applicable requirements. INGEMMET has no discretionary power to grant (or not) a mining concession title. The latter has to be granted if the petitioner has complied with the requirements specifically provided for in the Peruvian Mining Law for those effects.

- 1.2. **Border zone concessions:** As per Article 71 of the Peruvian Constitution, foreigners may not acquire or possess, directly or indirectly, individually or through a company, mines, lands, forests, fuels or sources of energy located within 50 kilometers of any of the country's borders. Only through the issuance of a Supreme Decree declaring the public need of the acquisition or possession by a foreigner, it is possible to avoid the enforceability of this prohibition.

Accordingly, an entity that is not 100% controlled by Peruvian shareholders (directly and indirectly) will not be able to acquire or be granted mining concessions in the Peruvian border, nor be entitled to perform any mining activities thereof. Note that Article 71 of the Peruvian Constitution sets forth that the breach of the prohibition contained therein, will result in the Peruvian State acquiring any rights obtained as a result of such breach.

For obtaining the authoritative Supreme Decree, the interested party should follow an administrative procedure which used to last between 9 and 12 months. The Peruvian Government has issued Supreme Decrees authorizing the acquisition of mining related assets in the border area with Ecuador in the last years. However, the latter has not happened regarding the acquisition of mining related assets located in the border area with Chile. Further note that, in the last few years, the Peruvian Government has issued very few of these authorizations and is taking long periods of time for evaluating and deciding on each application.

- 1.3. **Surface lands:** To conduct any exploration or mining activities, the holder of a concession must separately secure access rights to the surface land. This can be done by purchasing the surface land required for the project or reaching an agreement with the owner for its temporary use. If any of this is not possible, a legal easement may be requested from the mining authorities (these easements are rarely granted). Should the owner of the lands be the Peruvian Government, there are legal proceedings (which have proved to work quite well in the past years) that could be followed for obtaining the right to use those lands.
- 1.4. **Environmental remarks:** As a general rule, Peruvian environmental regulations provide that holders of mining concessions are obliged to preserve the environment in a sustainable way in the time they are carried out. If any damage is caused while conducting mining activities, the respective party will be held liable.

Peruvian law further sets forth that all constructions, works, services and other activities that may potentially cause environmental damages, must be carried out under an adequate environmental certification, which should describe the most relevant environmental aspects of the activity, the expected environmental impacts that might arise therefrom and the implementation of the necessary measures to avoid or reduce the possible damages to acceptable standards.

Under this context, (e.g.) each stage of exploration or mining requires some type of environmental authorization or permit, beginning with an application for an environmental permit for initial exploration and continuing with an Environmental Impact Assessment for mining, for which approval process public hearings must be conducted.

- 1.5. **Water use rights**: Save for the use of water to meet primary human needs, the use of water for any purpose, including mining, needs to be authorized by the relevant office of the National Water Authority ("ANA", for its acronym in Spanish).

The following are the types of water use rights established by law:

- **License**: Granted for using water for a permanent activity and valid during the whole term of the activity.
- **Permit**: Granted for an indefinite term but for occasional use of water from a variable source, and to be exercised either during periods of water surplus or over treated wastewater or leakages from other users.
- **Authorization**: Granted for using water conducting studies, executing works (commissioning) or soil washing, during a 2-year period (renewable for the same term).

Note that for mining exploration activities it is required to obtain water use authorization, and for mining exploitation and processing a water use license should be obtained.

An annual monetary compensation must be paid to the ANA for using water. Non-compliance with this obligation for two consecutive years entails the cancellation of the relevant water use right.

- 1.6. **Reuse of water**: The holder of a water use right is allowed to use the wastewater (residual water resulting from human activities) produced by it, if such wastewater is previously treated to meet the relevant quality standards. The reuse may be done with no need for an authorization granted by the ANA, if the purpose of the reuse is the same as that of the original use. For example, if a license has been granted for using water for mining purposes, the resulting wastewater may be freely used for mining purposes. For a different purpose, a wastewater use authorization needs to be granted.
- 1.7. **Discharge of wastewater**: The discharge of wastewater into a natural water source needs to be authorized by the ANA and may be done only if the wastewater is previously treated to meet the relevant quality standards. For discharging wastewater, an annual

monetary compensation must be paid to the ANA. Non-compliance with this obligation for two consecutive years entails the cancellation of the relevant discharge authorization.

**1.8. Other permits:** Under Peruvian law, there are a number of permits that need to be obtained for the execution of mining activities. The exact number and definition of those permits, depends on the specific characteristics of each project, the impact that it will cause and the phase in which it is. Following a brief reference is made to the most common permits that a mining project needs to obtain in Peru:

(a) Authorization for the commencement of activities (exploration or mining): The commencement and re-commencement of exploration or exploitation mining activities are subject to a specific authorization granted by the DGM.

This authorization is granted, generally speaking, after the mining titleholder has obtained the most relevant authorizations and consents required for performing its activities (e.g. certificate of non-existence of archaeological remains, surface land access authorizations, environmental approvals, etc.).

As explained in section 1.9 below, if applicable, prior consultation will be carried out before the issuance of these authorizations.

(b) Use of explosives: Production, purchase, use, transport, storage and handling of explosives for civilian purposes are highly regulated by Peruvian law. For purchasing and using explosives, an authorization is required. Specific authorizations must also be obtained to be allowed to transport, store and handle explosives.

(c) Controlled goods and chemical inputs: The commercialization, transportation and use of controlled goods and chemical inputs ("IQBF" for its acronym in Spanish) is restricted, because of their potential, direct or indirect, use for the production of illegal drugs or in the execution of illegal mining activities. Titleholders of mining activities that require the use of IQBF for the execution of their activities must be registered in the Controlled Goods Registry, managed by the Tax Authority.

(d) Fuel storage: Any company that purchases fuels for its own consumption or that has facilities to receive and store fuel with a minimum capacity of 1 cubic meter (264.170 gallons), is required to: (i) obtain a prior permission to build and operate those facilities; and, (ii) must be registered with the Registry of Direct Fuel Consumers, in order to obtain the so-called "SCOP Code", which is necessary to purchase fuel.

(e) Cultural heritage protection: A "Certificate of Non-Existence of Archaeological Remains" ("CIRA", for its acronym in Spanish), is a document by means of which the Peruvian Ministry of Culture certifies that there are no archaeological remains on the surface of a specific area. The CIRA must be obtained prior to the execution of any investment project, including mining related ones.

The CIRA is valid for an unlimited period, but will become void should any archaeological artifacts or site be discovered during any work performed or due to any other cause, in which event the mining titleholder must immediately stop its activities within the area in which the artifact or site has been discovered and notify the Ministry of Culture. Failure to stop works will cause civil and criminal liability. Under certain exceptional circumstances, Peruvian legislation allows the removal of archaeological sites or features, should the area required for the development of projects, be deemed of “national interest”.

In addition to the CIRA, the titleholder must obtain the approval of an Archaeological Monitoring Plan, which contains the actions that shall be implemented to prevent, avoid, control, reduce and mitigate the possible negative impacts on the National Cultural Heritage that could arise from the execution of works.

- 1.9. Prior consultation:** Under the Law on the Prior Consultation Right of Indigenous Peoples (Law 29785) and its regulations (Supreme Decree 001-2012-MC), indigenous and natives peoples have the right to be consulted prior to the issuance of any legislative or administrative measure that may directly affect their collective rights, physical existence, cultural identity or development.

By means of a prior consultation procedure, the Peruvian State is obliged to provide information about the motives, implications, impacts and consequences of the corresponding administrative (e.g. concessions, authorizations, permits and licenses that allow the execution of a specific activity or project) or legislative measures that it intends to pass or enact.

Indigenous and native peoples do not have the right to veto or stop a mining project. Upon completion of the prior consultation procedure, it is the Peruvian government who can discretionarily approve or reject the corresponding legislative or administrative measure.

According to the INGEMMET, the granting of mining concessions does not qualify as an “administrative measure” that potentially affect the rights of indigenous and native peoples, because it does not grant, per se, a right to initiate the exploration and exploiting of a mineral deposit (additional permits, such as those described in this Section I, are required for those effects). Accordingly, the granting of mining concessions has not been included among the measures that require consultation procedures with indigenous peoples.

Pursuant to Ministerial Resolution No. 003-2013- MEM-DM, the MEM has established that consultation procedure is enforceable, if and when applicable, prior to the commencement of: (i) exploration activities; (ii) exploitation activities; and, (iii) beneficiation activities.

Refer to our findings at section 2.9.

## II. THE CONCESSIONS AND PEDIMENTS

### 2.1. General:

- (a) **Concessions:** The Concessions have achieved the granting of a mining concession title that is firm and definitive. Such firm and definitive title allows the Concessions' holder to carry out exploration and exploitation activities of metallic substances (as opposed to non-metallic concessions) within its area, as established in such title, though subject to obtaining other complementary required permits and authorizations.
- (b) **Pediments:** We have confirmed that applications have been filed before the INGEMMET by WESTMINSTER to achieve the granting of a mining concession title in connection to the Pediments.

In respect to the latter, we have identified that the "Pallagua1", "Uchusuma A" and "Uchusuma B" Pediments are located within 50 kilometers of the borders with Chile. This means that, as long as WESTMINSTER is owned by foreigners, the granting of the relevant mining concession titles will be subject to WESTMINSTER's shareholders obtaining the Supreme Decree to which section 1.2. herein refers to.

We have confirmed that WESTMINSTER has filed the relevant applications for obtaining the aforementioned Supreme Decree (but not had access to their contents). These applications were filed on July 2, 2021 (for "Pallagua 1" and "Uchusuma A") and September 8, 2021. As per the information provided to us, the Ministry of Energy and Mines has not yet issued any response related to these filings.

Obtaining the authoritative Supreme Decree, used to take between 9 and 12 months. However, the Peruvian Government has not issued Supreme Decrees authorizing the acquisition of mining related assets in the border area with Chile in the last years (which is WESTMINSTER's case). Therefore, we are not currently in position to provide an estimate timing for obtaining a response in connection to the Supreme Decree application filed by WESTMINSTER.

If the Supreme Decree application were rejected, then the granting of a mining connection title in respect of the "Pallagua1", "Uchusuma A" and "Uchusuma B" shall also be rejected.

2.2. **Good standing:** The Concessions and the Pediments are currently valid and in good standing.

2.3. **Ownership:** WESTMINSTER is the registered owner of the Concessions. As per the information obtained from INGEMMET, WESTMINSTER is also the holder of the Pediments.

**2.4. Recording with the Public Registry:** All the Concessions are recorded with the Peruvian Public Registry. The Pediments are not recorded with such entity (mining pediments are not usually recorded in the Public Registry — nor is a legal requirement to do so —, unless they are subject to an agreement). Once a mining pediment is titled as a mining concession, then such concession must be recorded with the Public Registry.

Under Peruvian law, registration of the mining concession title is the last step that has to be fulfilled to assure that such title is enforceable before the State and third parties.

Furthermore, for any act or contract related to mining concessions to have enforceability before the State and third parties, it should be formalized in a public deed and recorded with the Public Registry. For instance, to determine which encumbrances or contracts may have been executed in connection with it, the relevant mining concessions' file at the Peruvian Public Registry should be reviewed (the findings of our review are reported at section 2.5 below). If the concession (or an agreement) is not registered, then any agreement executed with respect to it shall not be formally enforceable before the Peruvian Government and third parties, but will remain valid between its parties, as from its execution.

**2.5. Registered Encumbrances and Contracts:** In our review of the Concession's files with the Public Registry, we have identified that the following encumbrance is recorded therein:

(a) A legal mortgage in favor of SOLIS (under the name of WESTMINSTER RESOURCES LTD) is recorded in the files of the Concessions. Such mortgage was granted to secure the payment of the purchase price paid by SOLIS on behalf of WESTMINSTER under the Mining Concessions' Transfer Agreement formalized by public deed dated December 20, 2018, before the Notary of Lima, Luis Dannon Brender, between WESTMINSTER and PERUVIAN LATIAN RESOURCES S.A.C., by means of which the former acquired from the latter title over the Concessions.

Under Article 1118 of the Peruvian Civil Code, a legal mortgage is granted, among others, when a real state<sup>3</sup> is transferred without its purchase price being fully paid or when paid by a third-party. Unless an express waiver is made by the secured creditor, legal mortgages are automatically recorded by means of the agreement under which they are granted.

In this case, pursuant to the instructions contained in Section 4 of the Mining Concessions' Transfer Agreement formalized between WESTMINSTER and PERUVIAN LATIN RESOURCES S.A.C. by public deed dated December 20, 2018, the purchase price of the Concessions was paid by SOLIS to (i) LATIN RESOURCES LIMITED (through the issuance of 19,000,000 of SOLIS' shares to its name) (**Consideration Shares**), and (ii) PERUVIAN LATIN RESOURCES S.A.C. (cash payments of US\$ 250,000, in two installments).

<sup>3</sup> A mining concession is deemed a real-estate asset under Peruvian law.

According to the referred Section 4, SOLIS should have already issued the Consideration Shares and paid the purchase price for the Concessions. If that has not occurred (or otherwise been released), these obligations are secured by the legal mortgage described herein.

Further note that the legal mortgage can be waived at any time by SOLIS, for which purpose SOLIS will need to execute a public deed in Peru, which shall be then recorded with the files of the Concessions. Pursuant to the information provided to us, SOLIS has not yet executed this latter public deed.

If there were non-registered encumbrances or contracts, they will be binding between the parties that executed them, but not enforceable before the Peruvian government or third parties. None have been brought to our attention.

**2.6. Validity fees and production penalties:** In principle, a mining concession is granted for an indefinite term. However, the latter is dependent on the fulfillment of certain legal obligations, such as the payment of validity fees and production penalties, which non-compliance for two consecutive years entails the cancellation of the relevant mining concession. As per the information obtained from INGEMMET:

- (a) Validity fees: The validity fee is a US\$ 3 per hectare per year payment that holders of mining pediments or mining concessions are obliged to make each year.

All the validity fees have been paid with respect to the Concessions, save for those corresponding to 2021 (due on June 30, 2021), as shown in Exhibit A. On the other hand, all validity fees have been paid with respect to the Pediments, as shown in Exhibit A.

If all outstanding payments are not made by June 30, 2022, the Concessions with respect to which said validity fees remain unpaid will be cancelled.

- (b) Production penalties: Where applicable, all the production penalties for not reaching minimum production have been paid with respect to the Concessions, save for those payable on 2021 (for not reaching minimum production in 2020).

If all outstanding payments are not made by June 30, 2022, the Concessions with respect to which said production penalties remain unpaid will be cancelled.

In connection to production penalties, holders (or assignees) of mining concessions are obliged to reach in their concessions, within an overall 30-year term, the minimum production (equivalent to one Tax Unit, equivalent to PEN 4,300 – or, approximately, US\$ 1,220 at current applicable exchange rates -- per hectare and per year) set forth by law. If minimum production is not reached within the overall 30-year term (counted as from the year following the issuance of the mining concession title or as from 2009 for mining concessions granted up to December 31, 2008), the relevant mining concession will be unavoidably cancelled.

If minimum production is not reached by the tenth year following the issuance of the mining concession title (or by December 2018, for mining concessions granted up to December 31, 2008) “production penalties” will accrue. These penalties are equivalent to: (i) 2% of the minimum production (between years 11 and 15); (ii) 5% of the minimum production (between years 16 and 20); and, (iii) 10% of the minimum production (between years 21 and 30). Note, however, that payment of production penalties may be avoided if evidence is submitted to the mining authorities that an amount at least 10 times the applicable penalty was invested in the relevant concession.

The maximum term in which the Concessions must reach minimum production in connection to the “Bridgette 1”, “Essendon 26”, “Maddison 1” and “Kelly 00” Concessions elapses in December 2021 (therefore, if minimum production is not reached by December 31, 2021, production penalties will be payable as from 2022); while the one of the “Latin Ilo Este IX” elapses on December 2024.

These production penalties are deemed “*an overpayment or an increased payment of the validity fee*”. Therefore, their payment is not a separate obligation from the payment of the validity fee (explained above). In other words, the mining concessions’ holders shall only pay the validity fees, which amount will vary depending on whether production penalties have accrued or not in respect to each concession (e.g. validity fee = validity fee + applicable production penalty).

- 2.7. Overlapping:** Pursuant to the information obtained from INGEMMET, we have identified that the “Uchusuma A” and “Uchusuma B” Pediments partially overlap the area of the (priority) “Calzrock II 2015” mining pediment, filed by YURA S.A.

Under Peruvian law, in the situation in which two mining concessions (or mining pediments) overlap because they have been granted covering partially the same area, the titleholder of the concession which title was issued first will have a priority right over the overlapped area, being entitled to conduct mining activities within it. Thus, the authorization of the titleholder with “priority”, will be required for the holder of the other overlapped concessions to conduct activities within said area.

Therefore, if a mining concession title is obtained in connection to the “Uchusuma A” and “Uchusuma B” Pediments, unless authorized, WESTMINSTER will have to refrain from conducting activities within the overlapped area.

- 2.8. Informal mining:** In the context of the process initiated by the Peruvian government for formalizing informal mining, we have not identified (from our independent research of the MEM’s database) any applications filed by informal miners regarding the area covered by the Concessions of the Pediments. Nonetheless, this does not necessarily mean that there are no illegal mining activities being performed within such area.

- 2.9. Prior consultation:** From our independent research of the information available in the “Database of Indigenous and Tribal Peoples”, we have identified that there are no



peasant communities located in the district where the Concession is located that have been referentially identified as “Indigenous” by the Ministry of Culture.

Nevertheless, it is important to mention that the information contained in the “Database of Indigenous and Tribal Peoples” is merely referential. To that extent, it is only a guide and it is not enough to confirm or rule out the presence of indigenous or tribal peoples in a given area.

### III. PERMITTING MATTERS APPLICABLE TO SOLIS' PLANNED ACTIVITIES

3.1. As per the information provided to us by WESTMINSTER, no proceedings have been initiated by the latter to obtain the permits, licenses or authorizations required for conducting exploration activities in the Concessions. Furthermore, no permits, licenses or authorizations have been obtained by WESTMINSTER in the past.

3.2. **Exploration activities:** In our experience, for conducting mining exploration activities, at least the following permits, licenses or authorizations are required:

- Mining concessions.
- Surface lands access<sup>4</sup> (*i.e.* if the surface lands under which WESTMINSTER's concessions are located are owned by a private party, then an agreement allowing WESTMINSTER to conduct mining activities will need to be reached with said owner).
- Environmental certification (*i.e.* the approval of the applicable environmental management instrument, which shall depend on the type, size and impacts of the relevant project).
- Water use authorization.
- Certificate of Non-Existence of Archaeological Remains.
- Authorization for the commencement of exploration activities.

Further details on the costs and proceedings that need to be followed for obtaining these permits is provided in Exhibit B hereto.

3.3. **Geophysical surveys:** We have been informed that WESTMINSTER's initial work program in the Concessions would entail only geophysical surveying (*prospección*).

As mentioned in Section 1.1., the latter activity is “free” in Peru. Therefore, no permits, authorizations or licenses<sup>5</sup> must be obtained prior to initiating geophysical surveying. Nevertheless, surveying (*cateo*) and prospecting (*prospección*) is not allowed in areas

<sup>4</sup> This is a requirement also for surveying (*cateo*) and prospecting (*prospección*).

<sup>5</sup> For example, a mining concession, environmental certification, Certificate of Non-Existence of Archaeological Remains or the Authorization for the commencement of exploration activities.

where third-parties' mining concessions are owned, fenced or cultivated areas, urban or urban expansion areas, reserved areas, archaeological areas and over goods of public use.

However, if the lands over which the geological surveying is being conducted are private-owned, then, under Peruvian Civil Law, an agreement with need to be reached with its owner in order to perform such activities.

On the other hand, in our opinion, save for the case in which the installation of temporary works (camps or accesses, for example) may be required or in which the surveying entails an altering of the landscape, no authorization should be obtained from the Superintendency of State Goods, as the Peruvian Mining Act clearly establishes that surveying (*cateo*) and prospecting (*prospección*) are "free" thought the country. Notwithstanding, in practice, the Superintendency of State Goods has been recently restricting their interpretation regarding the cases in which their authorization is required to access State-owned barren lands. In view of this situation, we suggest confirming with the Superintendency of State Goods, if WESTMINSTER will be required to follow this procedure before initiating the geophysical surveying.

As per the review of the information made available to us, we have verified that the surface lands located over the Concessions are owned by SOUTHERN PERU COPPER CORPORATION, Sucursal del Peru (a private land owner) and the Peruvian State.

Therefore, if the geophysical surveying is conducted over lands owned by SOUTHERN PERU COPPER CORPORATION, Sucursal del Peru, then an agreement shall be reached with this latter company to obtain access to their lands.

#### IV. LEGAL PROCEEDINGS AND SEARCHES

No legal proceedings related to WESTMINSTER's activities or its assets have been identified in the databases<sup>6</sup> of: the National Water Authority, INGEMMET, the Environmental Enforcement and Surveillance Agency, the Mining Safety Enforcement and Surveillance Agency and the Labor Inspection Agency.

Furthermore, we have not identified the existence of any recorded liens in the Agreement's Registry (*Registro Mobiliario de Contratos*) of the Public Registry, regarding WESTMINSTER's shares or any of its assets.

The above information has been confirmed by the information provided to us by WESTMINSTER.

On the other side, the granting of a mining concession title in respect to the "Pallagua1", "Uchusuma A" and "Uchusuma B" Pediments is subject to SOLIS obtaining a Supreme Decree authorizing it to indirectly own through WESTMINSTER mining concessions located within 50 kilometers of the Peruvian border with Chile.<sup>7</sup>

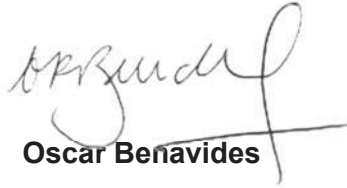
<sup>6</sup> These searches have been conducted in the online databases of this entities.

<sup>7</sup> Refer to Section 1.2. of this report.

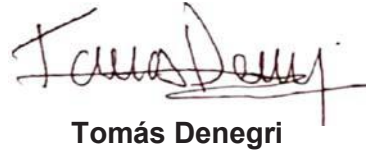
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Should you require any further information or clarification on any of the above, please let us know at your convenience.

Sincerely yours,



Oscar Benavides



Tomás Denegri

**EXHIBIT A**  
**Concessions**

<u>Concession / Pediment</u>		<u>Code (Project)</u>	<u>Effective Area (Ha.)</u>	<u>Location District / Province / Department</u>	<u>Registered Titleholder</u>	<u>Registry file (Arequipa)</u>	<u>Outstanding validity fees (US\$)</u>		<u>Outstanding production penalties (PEN)</u>	
							<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
1.	Latin Ilo Este I	010500508 (Ilo Este)	800	El Algarrobal / Ilo / Moquegua	WESTMINSTER	11145683	---	2,400	---	68,800
2.	Latin Ilo Este II	010500308 (Ilo Este)	900	El Algarrobal / Ilo / Moquegua	WESTMINSTER	11140898	---	2,700	---	77,400
3.	Latin Ilo Este III	010500108 (Ilo Este)	600	El Algarrobal / Ilo / Moquegua	WESTMINSTER	11140902	---	1,800	---	51,600
4.	Latin Ilo Este IX	010195214 (Ilo Este)	900	El Algarrobal / Ilo / Moquegua	WESTMINSTER	11283475	---	2,700	Not applicable	Not applicable
5.	Latin Ilo Norte 3	010083009 (Ilo Norte)	1,000	Pacocha / Ilo / Moquegua	WESTMINSTER	11153927	---	3,000	---	86,000

Concession / Pediment		Code (Project)	Effective Area (Ha.)	Location District / Province / Department	Registered Titleholder	Registry file (Arequipa)	Outstanding validity fees (US\$)		Outstanding production penalties (PEN)	
							2020	2021	2020	2021
6.	Latin Ilo Norte 4	010083109 (Ilo Norte)	1,000	Pacocha, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11153928	---	3,000	---	86,000
7.	Latin Ilo Norte 6	010251109 (Ilo Norte)	700	Pacocha, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11166774	---	2,100	---	60,200
8.	Bridgette 1	010184411 (Galle)	1,000	El Algarrobal, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11210297	---	3,000	Not applicable	Not applicable
9.	Essendon 26	010184911 (Galle)	1,000	El Algarrobal / Ilo / Moquegua	WESTMINSTER	11203012	---	3,000	Not applicable	Not applicable
10.	Latin Ilo Norte 8	010251309 (Galle)	1,000	El Algarrobal, Pacocha, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11166877	---	3,000	Not applicable	86,000
11.	Maddison 1	010184511 (Galle)	1,000	El Algarrobal, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11202798	---	3,000	Not applicable	Not applicable
12.	Latin Ilo Norte 7	010251209 (Costeña)	1,000	Pacocha, Moquegua / Ilo, Mariscal Nieto / Moquegua	WESTMINSTER	11166778	---	3,000	Not applicable	86,000



Concession / Pediment		Code (Project)	Effective Area (Ha.)	Location District / Province / Department	Registered Titleholder	Registry file (Arequipa)	Outstanding validity fees (US\$)		Outstanding production penalties (PEN)	
							2020	2021	2020	2021
13.	Kelly 00	010184011 (Chapollita)	700	El Algarrobal, Ite / Ilo, Jorge Basadre / Moquegua, Tacna	WESTMINSTER	11210063	---	2,100	Not applicable	Not applicable
14.	Caruca (mining pediment)	010012521	600	Inclan / Tacna / Tacna	WESTMINSTER	Not recorded	Not applicable	---	Not applicable	Not applicable
15.	Pallagua1 (mining pediment)	010012421	600	Estique / Tarata / Tacna	WESTMINSTER	Not recorded	Not applicable	---	Not applicable	Not applicable
16.	Uchusuma A (mining pediment)	010012221	1,000	Pachia / Tacna / Tacna	WESTMINSTER	Not recorded	Not applicable	---	Not applicable	Not applicable
17.	Uchusuma B (mining pediment)	010012321	400	Pachia / Tacna / Tacna	WESTMINSTER	Not recorded	Not applicable	---	Not applicable	Not applicable
<b>TOTAL</b>							---	US\$ 34,800	---	PEN 602,000

EXHIBIT B

Permits

Permit / License / Auhorization		Term		Steps	Cost
		Legal	Estimated		
Mining Concession	Mining Concession	120 business days	4 to 7 months	<ol style="list-style-type: none"> <li>1. Filing of mining pediment before INGEMMET (as per the form approved by INGEMMET).</li> <li>2. Issuance of Legal and Technical Report by INGEMMET.</li> <li>3. Delivery of publications to applicant.</li> <li>4. Publishing of publications in "El Peruano" Official Gazette and another local newspaper by the applicant (within 30 business days of receipt of the publications).</li> <li>5. Delivery to INGEMMET of newspaper publications (within 60 calendar days of it being done).</li> <li>6. Issuance of new Legal and Technical Report by INGEMMET.</li> <li>7. Issuance of resolution granting of mining concession title.</li> </ol>	US\$ 3.00 per hectare claimed
Surface Rights	Easement over State Owned Barren Lands <sup>8</sup>	Not regulated	1 to 2 years	<ol style="list-style-type: none"> <li>1. Filing to the Subdirector of State Property Management, through the Ministry of Energy and Mines' online system, of the request, along with, among others: a formal statement, a certificate of cadastral search, a descriptive report, a map of the project.</li> <li>2. If applicable, objections by the authority.</li> <li>3. Answering of objections.</li> <li>4. Issuance of Legal and Technical Report by the Ministry of Energy and Mines.</li> <li>5. Issuance of the Administrative Resolution and signing of the contract.</li> </ol>	Shall depend on valuation of the land made during the proceeding.

<sup>8</sup> Exploration activities can be conducted within the land since the "provisional delivery" of the land. The "provisional delivery" usually is granted within 40 business days as from the date the application is filed.

Permit / License / Authorization		Term		Steps	Cost
		Legal	Estimated		
	Surface Rights Agreement with private owner	---	Depends on the negotiation	If the surface rights agreement is signed with a Peasant Community located in the Mountains or Jungle, then the latter will require the approval of no less than 2/3 of its members in a general assembly duly and specifically called for these purposes.	---
<b>Water Use Rights</b>	Water Use Authorization	30 business days	3 months	<ol style="list-style-type: none"> <li>1. Filing of application before Administrative Water Authority (as per the approved form), along with, among others: a descriptive report and the relevant sectors' authorization to proceed with the project.</li> <li>2. If applicable, objections by the authority.</li> <li>3. Answering of objections.</li> <li>4. Approval of the Water Use Authorization.</li> </ol>	PEN 194.78 (US\$ 47.11)
<b>Environmental Certification</b>	Technical Environmental Report	10 business days	10 business days	<ol style="list-style-type: none"> <li>1. Citizenship participation mechanism (workshops)</li> <li>2. Filing of the FTA pursuant to the form approved by the Ministry of Energy and Mines.</li> <li>3. If applicable, objections by the authority.</li> <li>4. Answering of objections.</li> <li>5. Approval of FTA.</li> </ol>	---
	Environmental Impact Statement (or "DIA")	46 business days	60 to 70 business days	<ol style="list-style-type: none"> <li>1. The DIA must be prepared as per the applicable guidelines.</li> <li>2. The DIA is filed through the Ministry of Energy and Mines' online system.</li> <li>3. If applicable, the authority requests the opinion of other competent authorities for the DIA</li> <li>4. If applicable, objections by the environmental and other competent authorities.</li> <li>5. Answering of objections.</li> <li>6. Issuance of opinions of other entities.</li> </ol>	PEN 1,495.80 (US\$ 361.74)
	Semidetailed Environmental	96 business days	140 business days	<ol style="list-style-type: none"> <li>1. The EIAs must be prepared as per the applicable guidelines.</li> </ol>	PEN 3,597.50 (US\$ 870.01)



Permit / License / Auhorization		Term		Steps	Cost
		Legal	Estimated		
	Impact Assessment (or "EIAsd")			<ol style="list-style-type: none"> <li>The EIAsd is filed through the Ministry of Energy and Mines' online system.</li> <li>If applicable, the authority requests the opinion of other competent authorities for the EIAsd.</li> <li>If applicable, objections by the environmental and other competent authorities.</li> <li>Answering of objections.</li> <li>Issuance of opinions of other entities.</li> </ol>	
	Mine Closure Plan <sup>9</sup>	160 business days	1 year	<ol style="list-style-type: none"> <li>The Mine Closure Plan must be prepared as per the applicable guidelines.</li> <li>The Mine Closure Plan is filed through the Ministry of Energy and Mines' online system.</li> <li>If applicable, the authority requests the opinion of other competent authorities for the Mine Closure Plan</li> <li>If applicable, objections by the authority.</li> <li>Answering of objections.</li> <li>Issuance of final resolution.</li> </ol>	PEN 3,664.50 (US\$ 886.22)
<b>Cultural Heritage</b>	Certificate of Non-Existence of Archaeological Remains	20 business days	40 business days	<ol style="list-style-type: none"> <li>Filing to the Ministry of Culture or Regional Culture Office of the request, along with, among others: a map of the project, a map of the area to be covered by the CIRA, a descriptive report (<i>memoria descriptiva</i>) of the area to be covered by the CIRA.</li> <li>If objections are made, the applicant will have 10 business days to rectify them.</li> <li>A site visit is made to verify the inexistence of archaeological remains.</li> </ol>	0 to 10 ha or km, PEN 1,240.70 (US\$ 300.05) over 10 to 25 ha or km PEN 1,651.90 (US\$ 399.49) over 25 to 50 ha or km PEN 2,068.90 (US\$ 500.34)

<sup>9</sup> For exploration activities is only applicable if the titleholder conducts underground works that entail the removal of more than 10,000 tonnes of material or more than 2,500 tonnes of material with a neutralization potential (PN) over acidity potential (PA) relation lesser than three (PN/PA < 3) in representative samples of the removed material.

Permit / License / Auhorization		Term		Steps	Cost
		Legal	Estimated		
				4. Preparation of technical report. 5. Issuance of CIRA	over 50 to 100 ha or km PEN 2,183.10 (US\$ 527.96)  over 100 to 200 ha or km PEN 2,741.20 (US\$ 662.93)  over 200 ha or km PEN 3,250.60 (US\$ 786.12)
	Authorization of Archaeological Monitoring Plan	10 business days	10 business days	1. Filing to the Ministry of Culture or Regional Culture Office of the request, along with, among others: a map of the project, a map of the supervision area, commitment letters. 2. If applicable, objections by the authority. 3. Answering of objections. 4. Issuance of PMA	PMA without previous infrastructure: PEN 926.80 (US\$ 224.14) PMA with previous infrastructure: PEN 1,932.60 (US\$ 467.38)
	Final Report of Archaeological Monitoring Plan	30 business days	70 business days	1. Filing to the Ministry of Culture or Regional Culture Office of the request. 2. Issuance of Final Report of Archaeological Monitoring Plan 3. If it is denied, a reconsideration or an appeal can be provided.	PEN 1,071.20 (US\$ 259.06)
Mining	Prior Evaluation	10 business days	1 month	1. Filing to the General Mining Bureau of a request indicating the UTM WGS84 coordinates of the direct influence area of the mining project, as per its approved environmental management instrument. 2. Based on the area, the authority shall determine the existence, or not, of tribal or native peoples	---
	Authorization For Exploration Activities	5 business days	10 business days	1. Filing of request via the web page of the Ministry of Energy and Mines (which includes, among others, mining concession, certificate of non-existence of archaeological remains or	S/ 554.50 (US\$ 134.01)



Permit / License / Auhorization		Term		Steps	Cost
		Legal	Estimated		
	(automatic approval) <sup>10</sup>			archaeological monitoring plan, surface rights and work program). 2. Issuance of certification of automatic approval.	
	Authorization For Exploration Activities (prior evaluation) <sup>11</sup>	30 business days (+ 120 calendar days, if prior consultation is applicable)	45 business days (+ 200 calendar days, if prior consultation is applicable)	1. Filing of request via the web page of the Ministry of Energy and Mines (which includes, among others, mining concession, certificate of non-existence of archaeological remains or archaeological monitoring plan, surface rights and work program). 2. Prior consultation proceeding. 3. Issuance of Legal and Technical Report. 4. Issuance of Authorization for Exploration.	S/ 554.50 (US\$ 134.01)

<sup>10</sup> Applicable if prior consultation is not required.

<sup>11</sup> Applicable if prior consultation is required.

## 10. Chilean Solicitor's Report

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CO-COUNSEL COMMUNICATION

## **DUE DILIGENCE REPORT**

### **MOSTAZAL MINING PROPERTIES**

Prepared by:

Bofill Mir & Álvarez Jana Abogados

For:

Westminster Chile SpA

Santiago, Chile, October 18th, 2021



**B OFILL MIR & ALVAREZ JANA**  
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- B. Legal Mining Companies

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**B OF ILL M I R & A LV A R E Z J A N A**  
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## **PART I. INTRODUCTION**

Bofill Mir & Álvarez Jana attorneys (hereinafter “BMAJ”) performed a Due Diligence Report (hereinafter the “Report”) of certain documents and information related to a group of eight mining exploitation concessions (hereinafter the “Mining Concessions”) located in the Diego de Almagro commune, Chañaral district, Atacama Region, and their current owners (the “Legal Mining Companies”).

This Report has been performed over certain and specific matters and has been prepared according to the information provided by Westminster Chile SpA (hereinafter the “Client”), the information obtained directly by BMAJ by analyzing public sources and registries<sup>1</sup>, and through BMAJ’s commissioning of cadasters and mining property reports.

We have not made an investigation to ensure the validity, integrity or authenticity of the complete documentation and information provided by the Client in this matter. We have assumed that any document provided is a true copy of its original.

BMAJ attorneys can practice law in Chile exclusively. Therefore, the opinions and conclusions expressed in this due diligence report shall be only limited to legal matters and the laws of the Republic of Chile, that are in force up to this date.

We request all questions, comments or requirements related to this due diligence report shall be directed to Senior Partner, Mr. Pablo Mir, Tel: (56 2) 27577600, e-mail: [pmir@bmaj.cl](mailto:pmir@bmaj.cl).

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<sup>1</sup> This Report was prepared with the information provided by the Client and available in public sites and registries as of October 10th, 2021.

## **PART II. BACKGROUND INFORMATION**

In accordance with Chilean mining legislation, there are two types of mining concessions in Chile: (i) exploration concessions; and (ii) exploitation concessions. The main characteristics of each are the following:

### **A. Exploration Mining Concessions**

The titleholder of an exploration concession has the right to carry out all types of mining exploration activities within the area of the concession. Exploration concessions can overlap or be granted over the same area of land; however, the rights granted by an exploration concession can only be exercised by the titleholder with the earliest dated exploration concession over a particular area.

As a rule, exploration mining concessions remain effective for a term of 2 years from its constitution date. However, at the end of the exploration mining concession's term, the concessionaire has the option to (a) renew its concession for an additional 2-year period. As a requisite for the extra 2-year extension, the concessionaire must give up at least half of the mining concessions' total surface<sup>2</sup>, or (b) convert the concession, totally or partially, into exploitation mining concessions.

The titleholder with the earliest dated exploration concession has a preferential right<sup>3</sup> to claim for an exploitation concession in the area covered by the exploration concession. This preference pre-empts the rights of third parties with a later dated explorations concessions for the same area, or of third parties without an exploration concession at all and must be enforced in exploitation mining granting proceedings. Similarly, a pre-existing exploration concession with an earlier dated claim for a mining exploration concession (*pedimento*) can void subsequent overlapping mining exploration concessions.

Nonetheless, for the exploration concession's preemptive rights to remain valid, the titleholder of an exploration concession must oppose to any exploitation concessions applications from third parties within

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<sup>2</sup> In this regard, please note that Chilean Law does not limit or restrict the number of times a person may apply for a new concession in an area where no other concessions exist. For this reason, where an exploration mining concession has expired, the owner is able to apply for new exploration mining concessions instead of applying for a renewal of those expired (which would require the owner to renounce at least half the surface of each mining concession).

<sup>3</sup> Preferential Rights: According to the Chilean mining legislation, the preferential right over exploration and exploitation mining concessions shall be granted to the concessionaire who first issued the judicial request of the concession's constitution. This preference pre-empts the rights of third parties with a later dated mining concession for the same area, or of third parties without a mining concession at all.





the same area. This opposition must be filed within 30 days from the date upon which the survey request<sup>4</sup> for any overlapping exploitation concession in process of being granted is published in the Mining Gazette. The opposition will suspend the exploitation mining concession granting process until the decision on the opposition –either rejecting the opposition or determining where the survey cannot take place given the exploration concession’s existence and preferred rights– is final.

If the opposition is not filed in a timely manner, then: **(a)** the exploration mining concession will lose its rights to the overlapped area where the subsequent exploitation mining concession is granted; or **(b)** the subsequent exploration concession cannot be voided based on the overlap. Therefore, the owner of a mining concession must be permanently monitoring the publications in the Mining Gazette.

## **B. Exploitation Mining Concessions**

The titleholder of an exploitation concession is granted the right to explore and exploit the minerals, located within the area of the concession and to take ownership of the minerals that are extracted. Exploitation concessions cannot overlap or be granted over the same area of land. Unlike exploration mining concessions, exploitation mining concessions have an indefinite duration.

Where a titleholder of an exploration concession has applied to convert the exploration concession into an exploitation concession, the application for the exploitation concession and the exploitation concession itself relate back to the date of the exploration concession.

A titleholder to an exploitation concession must apply to annul or cancel any subsequent exploitation concessions which overlap the area covered by its exploitation concession within the 4-year term from the date upon which the decision creating the subsequent exploitation concession is published in the Mining Gazette. If the holder of the earliest exploitation concession fails to annul the later exploitation concession, then the judicial decision that declares the statute of limitations to have elapsed will also extinguish the earliest mining concession in the overlapped surface.

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<sup>4</sup> In broad terms, survey requests constitute a step within the exploitation mining concession granting process and they consist in the measuring by an expert of the surface requested for the exploitation concession.

### **C. Mining License Fee**

Both, exploration and exploitation mining concessions are subject to a license system (“*regimen de amparo*”) by which the effectiveness of all mining concessions’ is conditioned to the payment of an annual mining license fee, which must be paid in March of every year.

The annual fee is paid directly to the General Treasury of the Republic (“*Tesorería General de la República*”), its amount will depend on the type of the mining concession (exploration or exploitation) and on the number of hectares that it covers. On that regard, each exploitation concession shall pay an annual fee of approximately US\$6.5 per hectare and each exploration concession shall pay an annual fee of approximately US\$1.3 per hectare.

If the owner of a mining concession does not pay the fee in time, the respective concession will be auctioned. If no third parties appear to the auction, the area covered by the respective concession will be declared free land.

### **D. Legal Mining Companies**

Any person or entity can own mining concessions, private or public. In the case that two or more persons or entities request the constitution of one mining concession, or jointly acquire a mining concession in process or already constituted, a legal mining company (*Sociedad legal minera*, hereinafter as “Legal Mining Company” or “Legal Mining Companies”) will be constituted by the sole effect of the law. The Legal Mining Company will take the name of the mining concession that generated its constitution, plus a mention to the place in which such concession is located.

The Legal Mining Company’s equity is divided by shares that can be transferred freely by its shareholders. The original shareholders of the Legal Mining Company will be the persons or entities that jointly requested or acquired the original mining concession. If one person or entity acquires all the shares of a Legal Mining Company, such Legal Mining Company will be liquidated and its assets will be acquired by such person or entity.

Once the mining concession claim (*pedimento* or *manifestación*) is registered in the corresponding Mining Registrar, such entity will proceed *ex officio* with the constitute registration of the Legal Mining Company in the Shareholders Registry.

The relevant decisions for the governance management of a Legal Mining Company, such as the transfer of mining concessions owned by such entity -of the signing of agreements to that effect-, must be agreed in a shareholders meeting by at least two thirds of the Legal Mining Company’s shares.

## **E. Surface Rights**

In Chile, a mining concession is a real right on real property, separate and independent from the ownership of surface rights, even if they have the same owner. There is an absolute separation of the ownership of the mining concession (that gives the right to explore and/or exploit mineral substances) and the ownership of the surface land therein. Consequently, there is no requirement for a mining concession to have surface rights nor a specific associated water right.

Moreover, in order to perform works over its mining concession, the titleholder must attempt to have a title sufficient for accessing the surface land where the mining concession is located, whether the land is private or State owned. This title may be the ownership of surface land, an authorization granted by the landowner, a lease or an easement.

In accordance with the Chilean Mining Code, every titleholder of a mining concession, whether exploitation or exploration has the right to establish an occupation easement over the surface properties required for the comfortable exploration or exploitation of its concession, with the duty to pay the landowner a just compensation for the land use. In the event that the landowner does not voluntarily agree to the granting of the easement, the titleholder of the mining concession may request such easement before the Courts of Justice, who shall grant the same upon determination of due compensation for losses.

Notwithstanding the aforementioned, pursuant to articles 14 and 15 of the Chilean Mining Code, preliminary exploration works, including drilling, may be done in open and uncultivated lands, whoever the owner may be, without the need of an authorization. Therefore, in this case no separate access agreement is required by the Client, as the work plan occurs on open and uncultivated state lands.

## **F. Environmental Obligations and Permits.**

Environmental Chilean Legislation (contained in Law No. 19,300 and its amendments) created a special procedure before the environmental authorities named “EIAS”, which is mandatory prior to the execution or modification of a public or private project or activity. According to this regulation, any project or activity capable to cause environmental impact must be submitted to the EIAS in order to be environmentally evaluated.

Under the regulations, depending on the extension or scale of the environmental impact, there are two types of environmental examinations: an Environmental Impact Statement (*Declaración de Impacto Ambiental* or “DIA”), and an Environmental Impact Study (*Estudio de Impacto Ambiental* or “EIA”).



In accordance with Chilean mining legislation, as well as environmental regulations, the application and granting of both exploration and exploitation concessions do not require previous environmental assessment. Nevertheless, mining projects or activities capable of producing environmental impacts must be previously submitted to the EIAS in order to be environmentally evaluated before their initiation.

Article three of the EIAS Regulations (*Reglamento del Sistema de Evaluación de Impacto Ambiental*, hereinafter as the “EIAS Regulations”) indicates the projects or activities that may cause environmental damage and that, therefore, must be submitted to the EIAS. Such Article indicates that mining development projects, including prospecting, are a type of project that must be submitted to the EIAS. In particular, paragraph i.2 of said article specifies that, for these purposes, prospecting shall mean the set of works and actions to be developed after mining exploration, leading to minimize geological uncertainties associated with the concentrations of mineral substances in a mining development project, necessary for the required characterization and in order to establish the mining plans on which the programmed exploitation of a deposit is based, which consider 40 or more platforms, including their respective drillings. Therefore, for purposes of the EIAS Regulations, a mining exploration activity including less than 40 platforms, including their respective drill holes, will not be considered a mining development project of those that must necessarily be submitted to the EIAS. On the other hand, all mining exploration projects that consider 40 or more platforms must necessarily be submitted to the EIAS.

The abovementioned Article three of the EIAS Regulations also considers that mining development projects must be submitted to the EIAS. Such provision defines *mining development projects* as actions or works whose purpose is the extraction or benefit of one or more mining deposits and whose deposits and mineral extraction capacity is greater than five thousand tons per month (5,000 t/month). Therefore, mining development projects with a mineral extraction capacity lesser than five thousand tons per month will be not considered to cause environmental impact, and they shall not be submitted to the EIAS.

However, even if a project is not submitted to the EIAS, according to the Chilean Mining Safety Regulations, all mining companies must notify the National Service of Geology and Mining (the “SERNAGEOMIN”<sup>5</sup>) within 15 days of anticipation to the commencement of any mining exploration or exploitation activities. Mining companies shall issue such notification in the online system provided by SERNAGEOMIN to this effect. Also, mining companies developing exploitation projects shall inform SERNAGEOMIN their exploitation method and a plan for the closing of their operations.

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<sup>5</sup> The SERNAGEOMIN or *Servicio Nacional de Geología y Minería* is a public entity whose duty is to serve as an specialized technical advisor of the Chilean Mining Minister in matters related to geology and mining, and to perform all the duties commanded in the law.

On 18 August 2021 the Chilean subsidiary of the Client notified SERNAGEOMIN of their Mostazal Project exploration drilling program<sup>6</sup>. Pursuant to the referred notification, the Client intends to drill from less than 40 platforms in its proposed work programs for 2022 and therefore is not required to submit its work programs to the EIAs. There are no more permits required by the Client to commence its drilling program.

### PART III. DUE DILIGENCE REPORT

#### A. Mining Concessions.

##### a. General Overview

This Report analyzes a group of eight mining exploitation concessions (hereinafter the “Mining Concessions”), all of which are owned by Legal Mining Companies, all of them already constituted, located in the Diego de Almagro commune, Chañaral Province, Atacama Region. The Mining Concessions are the following:

Concession Name	Hectares	Date of Granting	Current Owner
Mostazal 1-20	174	November 17, 2009	SLM Mostazal Uno de Diego de Almagro
Mostazal Dos 1-20	198	May 26, 2009	SLM Mostazal Dos de Diego de Almagro
Mostazal Tres 1-20	166	July 6, 2011	SLM Mostazal Tres de Diego de Almagro
Mostazal Cuatro 1-20	185	December 15, 2009	SLM Mostazal Cuatro de Diego de Almagro
Mostazal Seis 1-30	297	August 1, 2011	SLM Mostazal Seis de Diego de Almagro
Mostazal Siete 1-5	10	May 26, 2009	SLM Mostazal Siete 1 de Diego de Almagro
Mostazal Ocho 1-20	90	January 24, 2013	SLM Mostazal Ocho de Diego de Almagro
Placeres 1-20	197	July 6, 2011	SLM Placeres 1 de Diego de Almagro

The Final Rulings of the Mining Concessions are all duly registered within the timings according to law in the Diego de Almagro Mine Registrar as detailed herein:

Concession Name	Page	Number	Year	Registry	Mining Registrar
Mostazal 1-20	8v	4	2010	Mining Property	Diego de Almagro
Mostazal Dos 1-20	147	62	2009	Mining Property	Diego de Almagro
Mostazal Tres 1-20	644	156	2011	Mining Property	Diego de Almagro
Mostazal Cuatro 1-20	51	13	2010	Mining Property	Diego de Almagro
Mostazal Seis 1-30	657v	158	2011	Mining Property	Diego de Almagro
Mostazal Siete 1-5	151v	63	2009	Mining Property	Diego de Almagro
Mostazal Ocho 1-20	919	206	2013	Mining Property	Diego de Almagro
Placeres 1-20	653	157	2011	Mining Property	Diego de Almagro

<sup>6</sup> The referred notification has been supplemented by means of letter dated October 1, 2021.

A map of the Mining Concessions Area is included in this Report as Annex A.

The ownership of the mining concessions is currently in force, free of mortgages, liens, prohibitions, interdictions and litigation of any kind, according to the information available in the records of the Diego de Almagro’s Mining Registrar.

**b. Mining License Fees**

The Mining Concessions license fees are currently unpaid as to this date, according to the public information available in the General Treasury of the Republic’s website reviewed by BMAJ. The years of non-compliance with the license payment duty are summarized in the following table:

Concession Name	2016	2017	2018	2019	2020	2021
Mostazal 1-20	Paid	Paid	Paid	Paid	Paid	Paid
Mostazal Dos 1-20	Paid	Unpaid	Unpaid	Paid	Paid	Paid
Mostazal Tres 1-20	Paid	Unpaid	Unpaid	Paid	Paid	Paid
Mostazal Cuatro 1-20	Paid	Unpaid	Unpaid	Paid	Paid	Paid
Mostazal Seis 1-30	Paid	Unpaid	Unpaid	Paid	Paid	Paid
Mostazal Siete 1-5	Paid	Paid	Paid	Paid	Paid	Paid
Mostazal Ocho 1-20	Paid	Unpaid	Unpaid	Paid	Paid	Paid
Placeres 1-20	Paid	Unpaid	Unpaid	Paid	Paid	Paid

The mentioned situation is critical to any project development pursued in the Mining Concessions because the General Treasury of the Republic may take the Mining Concessions into a public auction and the owners may lose the Mining Concessions property.

This back payment is worth approximately US\$33,319. In accordance with Chilean mining legislation, the relevant court will twice advertise the time and date of the public auction and the auction cannot occur until 30 days following the last relevant advertisement. The title owner may avoid the license being auctioned by making the back payment before the said auction date. As at the date of this report, no court date has been set or advertised.

The public auctions for years 2017 and 2018 are currently suspended by the General Treasury of the Republic, due to the COVID-19 pandemic. Civil cases will restart on 30 November. However, there is no certainty as to the dates on which the auctions will be rescheduled.

According to section 4.1 of the purchase option agreement entered into between the owners of the Legal Mining Companies’ shares and the Client by means of Chilean public deed granted before the Notary Public of Copiapó Mrs. Gaby Soledad Hernandez Soto, dated June 30, 2021 (hereinafter the “Option Agreement”), if the pending licenses fee are not duly paid by the Legal Mining Companies at June 30, 2022, the Client can directly pay the pending amount and deduct such amount of the purchase option price second instalment.



### **c. Overlapping**

According to the cadaster commissioned by BMAJ, there are the following overlaps<sup>7</sup> to the Mining Concessions:

- i. Mining exploration concessions overlapping mining concessions “Mostazal 3 1-20”, “Mostazal 8 1-20”, and “Placeres 1/20”:

The Mining Concessions are overlapped by the following mining exploration concessions: (1) mining exploration concession “Alegria 15” overlaps mining exploitation concession “Mostazal 3 1-20”; (2) mining exploration concession “Esperanza 10”, which is still in process of being constituted, overlaps mining exploitation concession “Mostazal 8 1-20”; and (3) mining exploration concession “Esperanza 3”, partially overlaps mining concession “Placeres 1-20”.

We have not been able to confirm the current ownership of the overlapping mining exploration concessions.

Pursuant to the Chilean Mining Code, this type of overlapping (exploration mining concession over exploitation mining concession) is permitted since the owner of the exploitation mining concession with preferential rights has no judicial action to oppose or annul the constitution of the overlapping exploration mining concession.

However, in accordance with the provisions of Article 108 of the Mining Code, the owner of the mining exploitation concession with preferential rights over the area will have the right to oppose to works that the owner of the overlapping mining concessions may wish to execute within the overlapped area.

Additionally, if the owner of the overlapping mining concession in the future intends to constitute exploitation mining concessions by using the existing exploration mining concessions’ preference, said exploitation mining concessions may not cover the area of the preferred exploitation mining concessions. If they do, the owners of the overlapped mining concessions could request the nullity of the overlapping concessions, in accordance with the provisions of Article 95 N° 7 of the Mining Code.

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<sup>7</sup> A map of the overlapping areas is included as Annex B of this Report.



ii. Mining exploitation concessions claims (*manifestaciones*) overlapping mining concessions “Mostazal 4 1-20”, “Mostazal 7 1-5”, and “Mostazal 8 1-20”:

The Mining Concessions are overlapped by the following mining exploitation concessions claims: (1) mining exploitation concession “Paloma Uno 1-20”, which is still in process of being constituted, overlaps mining concessions “Mostazal 4 1-20”, “Mostazal 7 1-5”, and “Mostazal 8, 1-20”; (2) mining exploitation concessions “Paloma Dos 1-40 overlaps, which is still in process of being constituted, overlaps Mining Concession “Mostazal 8, 1-20”.

This kind of overlapping gives to the owners of the overlapped mining concessions the right to request of the annulment of the overlapping mining exploitation concessions resulting of the claims of *manifestaciones*, according to provisions included in Article 95 N° 7 of the Mining Code.

The judicial claim for requesting the annulment must be filled in the term of four years as from the publication of the overlapping exploitation concessions final judgement abstract in the Mining Bulletin, as provided in Article 96 of the Mining Code. If no annulment is required the statute of limitations shall apply in favor of the overlapping concessions.

Pursuant to clause 19 of the Option Agreement, the Legal Mining Companies granted a special power of attorney to the Client to act on behalf of the Legal Mining Companies in matters related to defense and protection of the Mining Concessions as long as the Option Agreement is in force.

Therefore, for the owners of the overlapped Mining Concessions not losing their preferences of the overlapped areas, the Legal Mining Companies (or the Client acting in their behalf) **must request** the annulment of the mining concessions resulting of the judicial claims or *manifestaciones* “Paloma Uno 1-20”, and “Paloma Dos 1-40”, within a term of four years from the date of publication of their final judgement abstract in the Mining Bulletin.

As at the date of this report the Legal Mining Companies (or the Client) have not requested the annulment of the overlapping mining concessions because the relevant overlapping mining concessions have not yet been constituted and, consequently, the publication of the abstracts that start the above-mentioned period has not yet taken place. .

**B. Legal Mining Companies.**

Each of the Mining Concessions is owned by a different Legal Mining Companies, all of which were constituted by the registration of the mining exploration whose preferential rights gave origin to the Mining Concessions, by the registration of such mining exploration claims on the name of Mr. Walter Enrique Viteri Aldunate and Mr. Lucas Benito Ledezma Ocares.



The Legal Mining Companies and their registration is summarized in the following table:

Legal Mining Company Name	Page	Number	Year	Registry	Mining Registrar
SLM Mostazal Uno de Diego de Almagro	10	3	2005	Shareholders	Diego de Almagro
SLM Mostazal Dos de Diego de Almagro	11	4	2005	Shareholders	Diego de Almagro
SLM Mostazal Tres de Diego de Almagro	32	25	2005	Shareholders	Diego de Almagro
SLM Mostazal Cuatro de Diego de Almagro	33	26	2005	Shareholders	Diego de Almagro
SLM Mostazal Seis de Diego de Almagro	34	27	2005	Shareholders	Diego de Almagro
SLM Mostazal Siete 1 de Diego de Almagro	13	7	2007	Shareholders	Diego de Almagro
SLM Mostazal Ocho de Diego de Almagro	74	54	2007	Shareholders	Diego de Almagro
SLM Placeres 1 de Diego de Almagro	80	57	2007	Shareholders	Diego de Almagro

According to the information provided as to the date of this Report, the current shareholders of each Legal Mining Company will be the following:

Legal Mining Company Name	Total Shares	Shareholder	Shares
SLM Mostazal Uno de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Dos de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Tres de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Cuatro de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Seis de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Siete 1 de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Mostazal Ocho de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50
SLM Placeres 1 de Diego de Almagro	100	Walter Enrique Viteri Aldunate	50
		Reinaldo Nicanor Leiva Saez	50

The Legal Mining Companies are in good standing and there have not been any shares transferred to third parties by the abovementioned shareholders.

### **C. Environmental and land use permits.**

According to the information provided by the Client regarding the intended exploration activities in the Project's area, the project shall obtain the following permits/land use rights:

- Notification to the SERNAGEOMIN of the commencement of exploration activities: The notification obligation has been fulfilled. Notification was issued by the Client on August 18,



2021 and complemented on October 1, 2021. SERNAGEOMIN acknowledged receipt of the notification by means of resolution N°6071, dated October 4, 2021.

It should be noted that there is not any other permit or land use right necessary for this stage of the exploration works in the Project.

#### **PART IV. CONCLUSIONS**

1. The Mining Concessions subject of this Report are duly constituted and registered under the name of the SLM mentioned in this report. In addition, the Mining Concessions have preferential rights over the area.
2. The Mining Concessions are free of any mortgages, liens, prohibitions, interdictions and litigation of any kind, according to the information available in the records of the Diego de Almagro' Mining Registrar.
3. The Legal Mining Companies are in good standing and their shares are free of any mortgages, liens, prohibitions, interdictions and litigation of any kind, according to the information available in the records of the Diego de Almagro' Mining Registrar.
4. The pending payments for the Mining Concessions' license fees shall be issued before each year's auction process is re-scheduled, and, ultimately, before the start of each public auction's audiences.
5. If the owners of mining exploration concessions "Alegria 15", "Esperanza 3", and "Esperanza 10" execute works in the area overlapping area, the Legal Mining Companies owning the overlapped Mining Concessions have the right to oppose to the development of such works.
6. If the owners of mining exploration concessions "Alegria 15", "Esperanza 3", and "Esperanza 10" request the constitution of mining exploitation concessions covering the overlapping area, the Legal Mining Companies owning the overlapped Mining Concessions have the right to request the annulment of the resulting exploitation concessions once its judicial award is registered at the corresponding Mining Registrar.
7. If mining exploitation concessions requests "Paloma Uno 1-20" and "Paloma Dos 1-40" are awarded to its current owners, the Legal Mining Companies owning the overlapped Mining Concessions have



**B O F I L L M I R & A L V A R E Z J A N A**  
Abogados

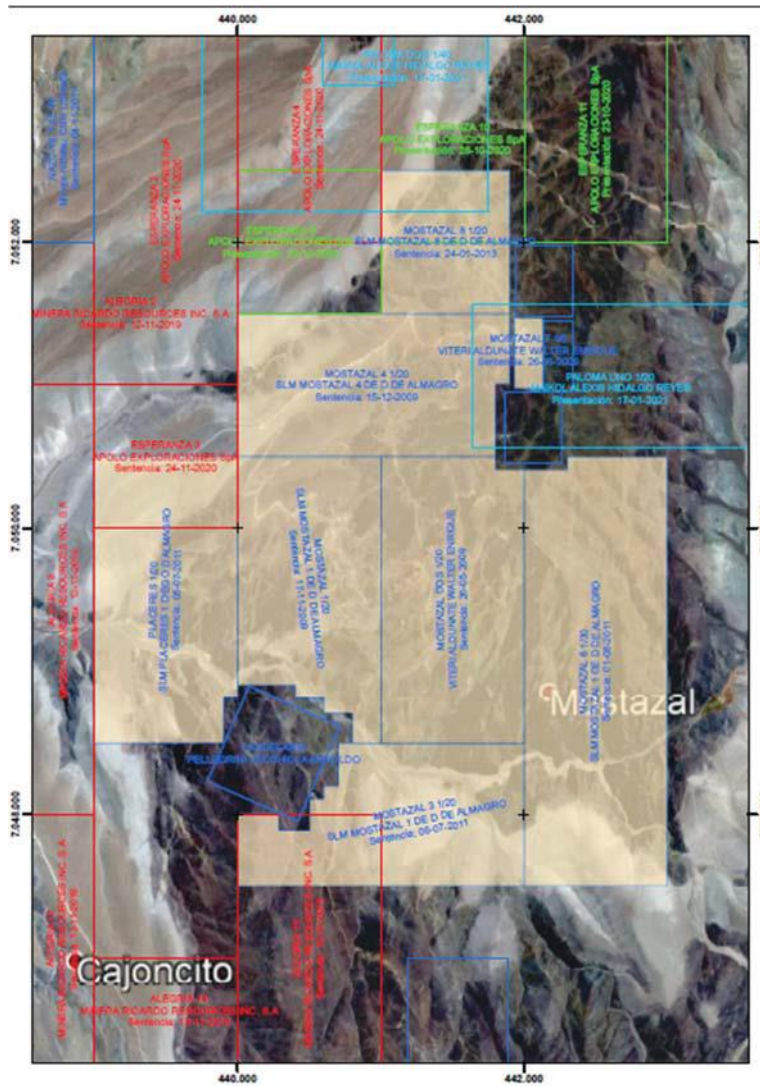
PRODUCTO DEL TRABAJO DEL ABOGADO  
PROTEGIDO POR EL SECRETO PROFESIONAL  
COMUNICACIÓN CLIENTE-ABOGADO  
COMUNICACIÓN ENTRE ABOGADOS

ATTORNEY WORK PRODUCT  
PRIVILEGED  
CLIENT-ATTORNEY COMMUNICATION  
CO-COUNSEL COMMUNICATION

the right to request the annulment of the resulting exploitation concessions, once its judicial award is registered at the corresponding Mining Registrar.

**BOFILL MIR & ÁLVAREZ JANA ABOGADOS**

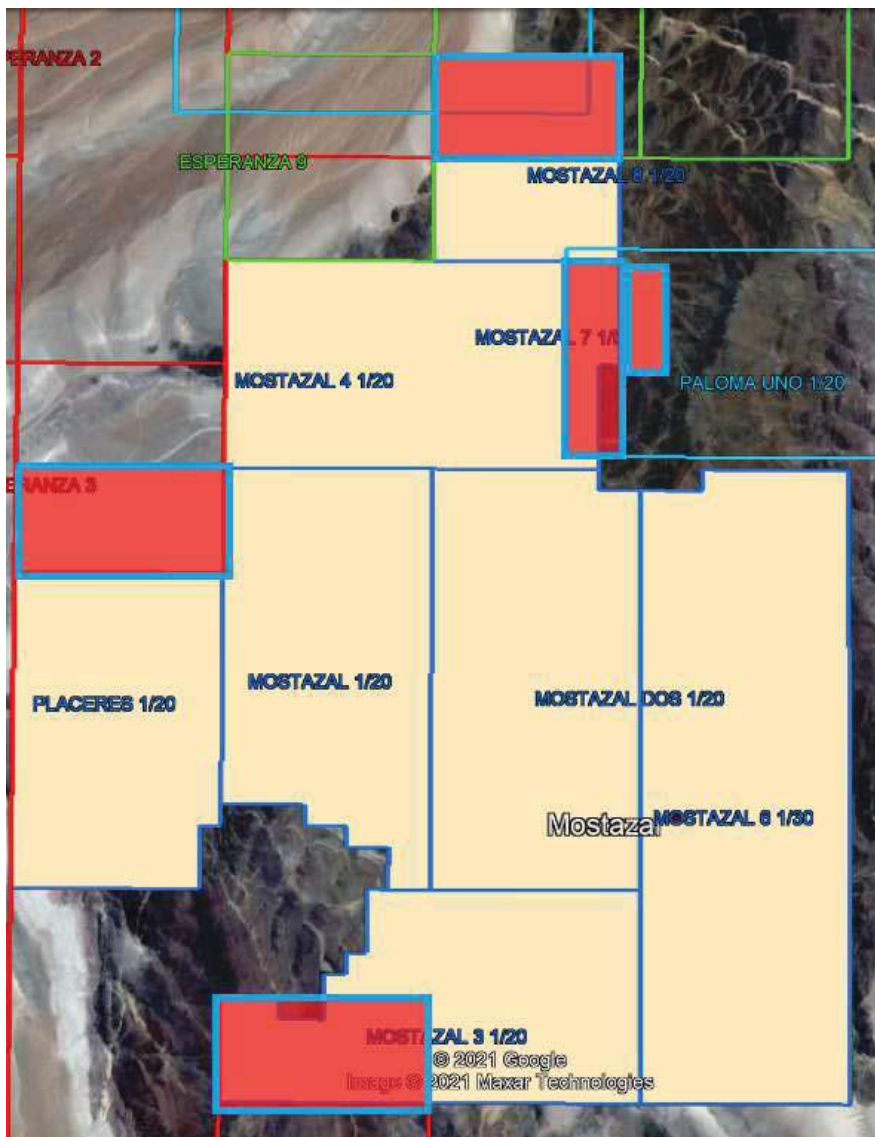
**ANNEX A – MINING CONCESSIONS AREA**



PRODUCTO DEL TRABAJO DEL ABOGADO  
PROTEGIDO POR EL SECRETO PROFESIONAL  
COMUNICACIÓN CLIENTE-ABOGADO  
COMUNICACIÓN ENTRE ABOGADOS

ATTORNEY WORK PRODUCT  
PRIVILEGED  
CLIENT-ATTORNEY COMMUNICATION  
CO-COUNSEL COMMUNICATION

### ANNEX B – MINING CONCESSIONS OVERLAPPING AREAS



## 11. Authorisation

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This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act, and has not withdrawn that consent.

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

A handwritten signature in black ink, appearing to be "Christopher Gale".

**Christopher Gale**  
**Chairman**

## 12. Glossary of Terms

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

<b>2021 AGM</b>	means the annual general meeting of the Company which occurred on 4 October 2021, at which Shareholders approved (amongst other things) the appointment of the Proposed Directors, subject to and with effect from Admission.
<b>A\$</b>	means Australian dollars.
<b>Admission</b>	means admission of the Company to the Official List.
<b>Applicant</b>	means a person who submits an Application Form.
<b>Application</b>	means a valid application under the Offer made pursuant to an Application Form.
<b>Application Form</b>	means the Priority Application Form and the General Offer Application Form (as applicable) each in the form attached to this Prospectus.
<b>Application Monies</b>	means application monies for CDIs under the Offer received and banked by the Company.
<b>Articles</b>	means the articles of association of the Company as at the date of Admission and as may be amended from time to time.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Associate</b>	has the meaning given in the <i>Securities Act</i> (British Columbia).
<b>ASX</b>	means Australian Securities Exchange Limited (ACN 008 624 691) or, where the context requires, the financial market operated by it.
<b>ASX Settlement Rules</b>	means ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ACN 008 504 532).
<b>Australian Share Registry</b>	means Computershare Investor Services Pty Limited (ABN 48 078 279 277).
<b>BBSW</b>	means the Bank Bill Swap Rate, being a short-term money market benchmark interest rate, calculated as the average mid-rate at approximately 10.00am for AFMA

	Prime Bank eligible securities with tenors of 1 to 6 months on a Sydney business day.
<b>BCA</b>	means the Business Corporations Act [SBC 2002] Chapter 57 (British Columbia).
<b>Board</b>	means the board of Directors of the Company as constituted from time to time.
<b>Broker Firm Application Form</b>	means the application form supplied by a broker pursuant to a Broker Firm Offer, to an Applicant.
<b>Broker Firm Offer</b>	means an offer open to persons who have received a firm allocation from their broker or the Lead Manager, as further described at Section 1.5
<b>C\$</b>	means Canadian dollars.
<b>Canadian Share Registry</b>	means Computershare Investor Services Inc.
<b>Capital Reorganisation</b>	means a reclassification or redesignation of Shares, a consolidation, amalgamation, plan of arrangement or merger which results in a reclassification or redesignation of Shares, the transfer of the undertaking or assets of the Company as an entirety to another corporation or entity that is not a Common Share Reorganisation.
<b>CDI Holder</b>	means a holder of CDIs.
<b>CDIs</b>	means CHESS Depository Interests issued by CDN, where each CDI represents a beneficial interest in one Share, as detailed in Section 1.18.
<b>CDN</b>	means CHESS Depository Nominees Pty Ltd (ACN 071 346 506) (AFSL 254514), in its capacity as depository of the CDIs under the ASX Settlement Rules.
<b>CDS &amp; Co</b>	means CDS Clearing and Depository Services Inc., which acts as a nominee for many Canadian brokerage firms.
<b>Change of Control</b>	means, for the purpose of each of agreements with Mr Jason Cubitt (see Section 4.8(b)) and Mr Garry Stock (see Section 4.9(b)): <ul style="list-style-type: none"> <li>(a) the acquisition, directly or indirectly, by any entity, person or group of persons acting jointly or in concert, of the Company's Shares which, when added to all other Shares at the time held directly or indirectly by such entity, person or group of persons acting jointly or in concert, constitutes for the first time in aggregate</li> </ul>



40% or more of the outstanding Shares of the Company;

- (b) the consummation of a sale of all or substantially all of the assets of the Company; or
- (c) the consummation of a reorganisation, plan or arrangement, merger or other transaction which has substantially the same effect as the matters set out above.

**CHESS** means the Clearing House Electronic Subregister System.

**Chilean Subsidiary** means Westminster Chile SpA, being the Company's wholly owned subsidiary incorporated in Chile and the beneficiary of the Mostazal Option Agreement.

**CLP** is the currency code used for the Chilean 'Peso' which is the currency of Chile. Over the approximate two week period prior to the Prospectus Date, 1 CLP was roughly equivalent to A\$0.0017.

**Closing Date** means the date specified as the closing date of the Offer in the Indicative Timetable (as varied by the Company).

**Company** means Solis Minerals Ltd. (ARBN 653 083 026), incorporated in British Columbia under the BCA, with incorporation number BC0742068.

**Consolidation** means the consolidation of the Company's share capital on 29 August 2019, on the basis of one post-consolidated share for every five pre-consolidated shares whereby the Shares were reduced from 47,270,495 Shares to 9,454,099 Shares (with a corresponding consolidation being made to the Company's other classes of Securities then on issue).

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

**CSA** means the Canadian securities regulatory authorities.

**Directors** means the directors of the Company.

**Eligible Persons** means directors, officers, employees or consultants of the Company or of any of its subsidiaries or an individual employed by a person which is providing management services to the Company, as determined in accordance with the applicable policies, or rules of the TSX-V.

**Exploration Results** has the meaning given to that term in the JORC Code.

<b>Exposure Period</b>	means, in accordance with section 727(3) of the Corporations Act, the period ending seven days after the Prospectus Date during which the Company must not process Applications.
<b>General Offer</b>	means the offer referred to in Section 1.4.
<b>General Offer Application Form</b>	means the Application Form to be used to participate in the General Offer.
<b>GST</b>	means goods and services tax payable in Canada at the rate of 5%, or Australia at the rate of 10%.
<b>Ilo Este or Ilo Este Project</b>	has the meaning given in Section 2.4.
<b>Ilo Norte or Ilo Norte Project</b>	has the meaning given in Section 2.4.
<b>Indicative Timetable</b>	means the indicative timetable for the Offer on page viii of this Prospectus.
<b>Insider</b>	means (for the purposes of the policies of the TSX-V) a Director or senior officer of the Company, a director or senior officer of a company that is an Insider or subsidiary of the Company, or a person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Company.
<b>Investigating Accountant</b>	means BDO Corporate Finance (WA) Pty Ltd (ACN 124 031 045).
<b>Investigating Accountant's Report</b>	means the report in Section 7.
<b>JORC Code</b>	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, effective December 2012.
<b>Latin Resources or LRS</b>	means Latin Resources Limited ACN 131 405 144, which as at the Prospectus Date is the Company's largest Shareholder. Refer to Section 6.15(e) for further information.
<b>Lead Manager</b>	means the lead manager to the Offer, being Euroz Hartleys Limited.

<b>LIBOR</b>	means the London Interbank Offered Rate, being the benchmark interest rate at which major global banks lend to one another.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>Maximum Subscription</b>	means A\$6,000,000 (being 30,000,000 CDIs).
<b>MI 61-101</b>	means Multilateral Instrument 61-101 – Protection of <i>Minority Security Holders in Special Transactions</i> , being a legislative instrument under Alberta securities law (applicable to the Company and adopted into TSXV policy under TSXV Policy 5.9) which imposes valuation, minority approval and disclosure requirements of entities involved in certain related party transactions. Refer to Section 6.6(h) for further information.
<b>Mineral Resource</b>	has the meaning given to that term in the JORC Code.
<b>Minimum Subscription</b>	means A\$5,000,000 (being 25,000,000 CDIs).
<b>Mostazal Companies</b>	means the current registered owners of the Mostazal Properties, being those Chilean corporations listed at Section 4.2(b).
<b>Mostazal Option</b>	means the Stage One Options to acquire a 49% interest in the Mostazal Project, and the residual 51%, as full described in Section 4.2.
<b>Mostazal Option Payments</b>	has the meaning given in Section 4.2, and includes the Stage One Mostazal Option Payment and the Stage Two Mostazal Option Payment.
<b>Mostazal Option Period</b>	has the meaning given in Section 4.2(c).
<b>Mostazal Project</b>	means the Company's Chilean copper project comprised of the Mostazal Properties and further described at Section 2.3.
<b>Mostazal Property</b>	means the 8 granted mineral claims comprising the Mostazal Property and subject to the Mostazal Option Agreement (and further described in the Chilean Solicitors Report at Section 10), and all mineral rights derived from any such claims, together with any renewed or replacement tenure or rights pertaining to the same ground.
<b>Mostazal NSR Royalty</b>	has the meaning given in Section 4.3.
<b>New Option</b>	means up to 12,500,000 New Options, to be issued under the Offer on the basis of one (1) New Option for every two

	(2) CDIs issued, and having the terms contained in Section 6.4.
<b>NI-54-101</b>	has the meaning given in Section 6.1(a).
<b>Offer</b>	means the offer pursuant to this Prospectus of up to 30,000,000 CDIs at the Offer Price to raise up to A\$6,000,000 (before costs), and includes the Priority Offer, the General Offer and the Broker Firm Offer.
<b>Offer Information Line</b>	means the dedicated information line for queries in respect of the Offer, being: <ul style="list-style-type: none"> <li>• 1300 850 505 (within Australia);</li> <li>• +61 3 9415 4000 (Outside Australia).</li> </ul>
<b>Offer Price</b>	means the price at which each CDI is offered under the Offer, of A\$0.20.
<b>Official List</b>	means the official list of ASX.
<b>Official Quotation</b>	means official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	means the date specified as the opening date of the Offer in the Indicative Timetable (as varied by the Company).
<b>Option</b>	means an option to acquire a Share.
<b>Option Holder</b>	means a current or former director, employee or consultant of the Company who holds an unexercised and unexpired Option issued under a stock option plan of the Company, or where applicable, the personal representative of such person.
<b>PEN</b>	is the currency code used for the Peruvian 'Sol' which is the currency of Peru. Over the approximate two week period prior to the Prospectus Date, 1 PEN was approximately equivalent to A\$0.34.
<b>Peruvian Subsidiary</b>	means Westminster Peru SAC, being the Company's wholly owned subsidiary incorporated in Peru and the owner of the Ilo Este and Ilo Norte Projects.
<b>Priority Offer</b>	means the allocation of up to A\$1,250,000 of the A\$5 million Maximum Subscription proceeds from the Offer to participants on the terms set out in Section 1.3.
<b>Priority Application Form</b>	means the personalised Application Form to be used to participate in the Priority Offer.

<b>Proposed Directors</b>	means each of Mr Parker and Ms Eddine whose appointments as additional Directors have been approved by Shareholders at the 2021 AGM, subject to, and take effect from, the Company's Admission.
<b>Prospectus</b>	means this prospectus dated the Prospectus Date.
<b>Prospectus Date</b>	means 10 November 2021.
<b>Relevant Interest</b>	has the meaning given in the Corporations Act.
<b>Rights Offering</b>	means where the Company issues or distributes rights, options or warrants to Shareholders who subscribe for these securities.
<b>Saskatchewan or Saskatchewan Project</b>	has the meaning given in Section 4.5.
<b>Section</b>	means a section of this Prospectus.
<b>Securities</b>	means CDIs, Shares, Options or Warrants, as the context requires.
<b>SEDAR</b>	means the System for Electronic Document Analysis and Review in Canada, which can be found at <a href="http://www.sedar.com">www.sedar.com</a> .
<b>SERNAGEOMIN</b>	means the National Geology and Mining Service of Chile, being a Chilean government agency charged with regulating the mining industry in Chile.
<b>Share</b>	means an ordinary fully paid voting share in the capital of the Company, or a CDI in respect of a share, as the context requires.
<b>Share Registry</b>	means Computershare Investor Services Pty Limited (ABN 48 078 279 277) or Computershare Investor Services Inc., as the context requires.
<b>Shareholder</b>	means any person holding Shares.
<b>Shareholder Proposal</b>	means, under Canadian law, a document setting out a matter that the submitter proposes to have considered at the next annual general meeting of the Company.
<b>Stock Option Plan</b>	means the Company's stock option plan summarised in Section 6.11.
<b>Tax Act</b>	means collectively the <i>Income Tax Act (Canada)</i> and the <i>Income Tax Regulations</i> .

<b>TSXV or TSX-V</b>	means the TSX Venture Exchange, Inc.
<b>US\$</b>	means American dollars.
<b>Unit</b>	means a unit offered by the Company to conduct equity financings, comprising that number of Shares and free-attaching Warrants as stated by the Company pursuant to the terms of the particular offer, in each case with each whole Warrant exercisable into one Shares described in, and on the terms and conditions summarised in Section 6.9.
<b>VWAP</b>	means volume weighted average price.
<b>Warrant</b>	means a warrant to acquire a Share.
<b>WST</b>	means Western Standard Time, being the time in Perth, Western Australia.