

October 29, 2018

Additional information on the alliance project between Auplata and BGPP

As announced in a press release on 15 October 2018, **Auplata (Euronext Growth - FR0010397760 - ALAUP)**, Brexia Gold Plata Peru ("BGPP") and its shareholders are planning to create a leading junior polymetallic mining and precious metals entity. The shareholders will vote on the transaction at a Combined General Meeting to take place on 19 November 2018.

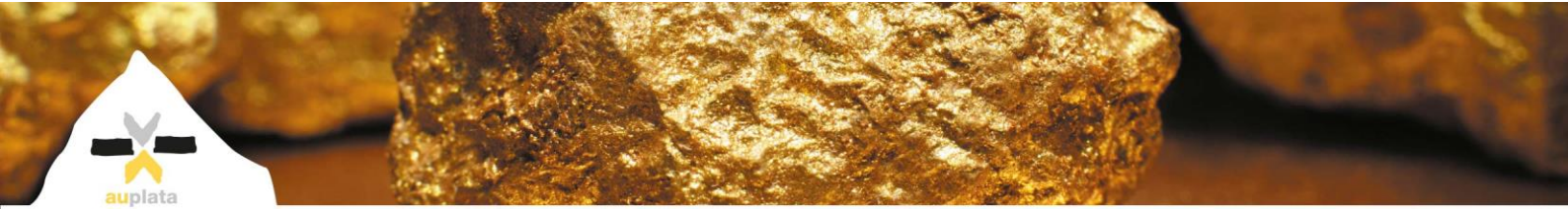
In order to provide Auplata's shareholders with all the information necessary to take a duly informed decision on the transaction and the advantages of the alliance between Auplata, on one hand, and BGPP and its shareholders, on the other hand, **(i)** Auplata wishes to update certain information provided to the Combined General Meeting to take place on 19 November 2018, **(ii)** Auplata would like to provide details on its operating status and the state of advancement of the Dieu Merci cyanidation plant, **(iii)** Auplata and BGPP's shareholders wish to answer any questions that Auplata's shareholders may have concerning the reasons and financial terms and conditions of the said alliance and **(iv)** BGPP would like to present its business activities.

1 – Share subscription warrants

Auplata and BGPP and its shareholders have decided to amend the terms of issuance of the BSA_{FINANCEMENT} warrants and the BSA_{ANTI-DILUTION} warrants initially fixed in the draft resolutions contained in the meeting notice for the Combined General Meeting of 19 November 2018 published in the BALO official gazette on 15 October 2018, specifically in accordance with the 4th and 7th resolutions.

These amendments will appear in the meeting notice for the Combined General Meeting of 19 November 2018 to be published in the BALO official gazette on 31 October 2018, and are as follows:

- The 696,619,723 BSA_{FINANCEMENT} warrants and the 50,567,537 BSA_{ANTI-DILUTION} warrants will no longer be issued free of charge but at a unit subscription price of € 0.0013, corresponding to a total subscription amount of € 971,343.44 for all the BSA_{FINANCEMENT} warrants and BSA_{ANTI-DILUTION} warrants;
- The 696,619,723 BSA_{FINANCEMENT} warrants will give entitlement to 696,619,723 shares of Auplata and the 50,567,537 BSA_{ANTI-DILUTION} warrants will give entitlement to 50,567,537 shares of Auplata, i.e. one share subscribed per BSA warrant exercised, no longer at a price of € 0.08 per share but at the lower of the following prices (i) € 0.40 and (ii) the agreed price plus the value per preferential subscription right, in the scope of any immediate or future share capital increase by Auplata between the date of completion of the conditions precedent and the date of first exercise of all or part of the BSA warrants, excepting the share capital increase in cash reserved to BGPP of a nominal amount of € 10.5m submitted to the Combined General Meeting of 19 November 2018, in accordance with the 1st and 2nd resolutions, without such price being less than € 0.08;



- The BSA_{FINANCEMENT} warrants and BSA_{ANTI-DILUTION} warrants will have an exercise period of 5 years instead of 15 years as from their issuance, this period being submitted to the shareholders' vote at the meeting on first convocation on 19 November 2018.

This issuance of BSA_{FINANCEMENT} warrants and BSA_{ANTI-DILUTION} warrants is indivisibly associated with the overall structural consolidation between BGPP and its shareholders and Auplata.

An independent expert – whose report will be made available to Auplata's shareholders prior to the Combined General Meeting – was appointed by Auplata to assess the value of the BSA_{FINANCEMENT} warrants and the BSA_{ANTI-DILUTION} warrants and concluded as follows: "*the estimated unit value per BSA_{FINANCEMENT} warrant and per BSA_{ANTI-DILUTION} warrant is € 0.0013*" (sic); Auplata has used precisely this value.

2 – Parity report

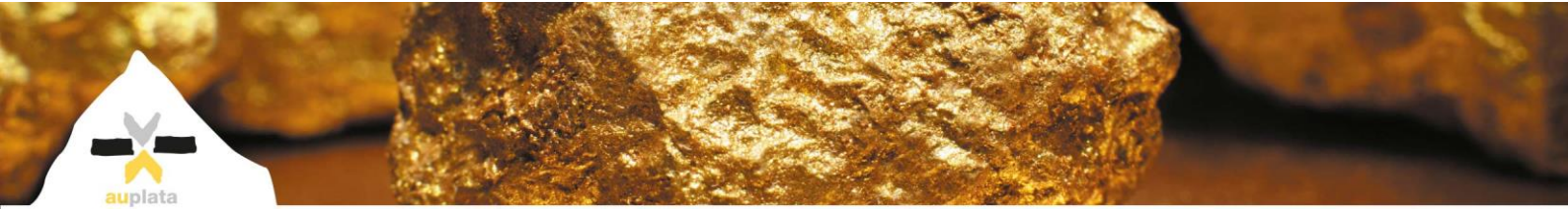
In his report on the fairness of the proposed remuneration, as referred to in the AMF's Position-Recommendation No. 2011-11, the assessor appointed by order of the Chairman of the Commercial Court of Cayenne on 26 July 2018 took into account not only the contribution in kind of 100% of BGPP's shares in exchange for the allocation of 1,933,189,655 shares of Auplata issued at a price of € 0.08 to BGPP's shareholders, but also (i) the share capital increase in cash of a nominal amount of € 10.5m reserved to BGPP and (ii) the issuance in favour of BGPP's shareholders of 696,619,723 BSA_{FINANCEMENT} warrants and 50,567,537 BSA_{ANTI-DILUTION} warrants at a unit subscription price of € 0.0013 and exercisable at a unit price equal to the lower of (i) € 0.40 and (ii) the agreed price plus the value per preferential subscription right, in the scope of any immediate or future share capital increase by Auplata between the date of completion of the conditions precedent and the date of first exercise of all or part of the BSA warrants, excepting the share capital increase in cash reserved to BGPP of a nominal amount of € 10.5m, i.e. one share subscribed per BSA warrant exercised, over a potential exercise period of 5 years, stating that the subscription price for the BSA warrants forms an integral part of the remuneration, without affecting the remuneration of the contribution in kind of 100% of BGPP's shares.

According to the assessor's report, the exchange parity agreed by the parties to the transaction, i.e. 264 Auplata shares for 1 BGPP share, resulting in a parity of 78.017% for BGPP and its shareholders compared to 21.983% for Auplata's shareholders, is equitable. The assessor's reports will be made available to the shareholders within the time limits laid down by the French Commercial Code (*Code de Commerce*).

3 – General Meeting of 19 November 2018

As mentioned in the meeting notice published in the BALO official gazette on 15 October 2018, the shareholders of Auplata are requested to attend the Combined General Meeting on 19 November 2018, in as large a number as possible, in order to rule on (i) the contribution in kind of 100% of the shares of BGPP to Auplata by Brexia International and two other minority shareholders (3rd resolution), (ii) the share capital increase in cash reserved to BGPP of a nominal amount of € 10.5m without share premiums (1st and 2nd resolutions) and (iii) two issues of BSA warrants reserved to BGPP's shareholders (4th and 7th resolutions), all these transactions being (a) indivisibly associated and (b) subject to two conditions precedent (see Notice in the BALO official gazette dated 15 October 2018 and see Press release dated 15 October 2018).

All of Auplata's shareholders can attend this Combined General Meeting, which will be held at Hotel Belova, 2 route de Rémire, 97354 Rémire-Montjoly, French Guiana.



For those who are unable to attend in person, and as stipulated by French regulations and indicated in the meeting notice published in the BALO official gazette on 15 October 2018, they may also “attend” the meeting (i) by sending a proxy to (a) a shareholder effectively attending the Combined General Meeting or (b) the Chairman of the General Meeting who would, in that case, vote on their behalf in accordance with the recommendations of Auplata’s Board of Directors or (iii) by sending a postal vote.

In view of this, Auplata has appointed a proxy solicitation agent to help it gather as many shareholders as possible and reach a quorum on first convocation of the Combined General Meeting of 19 November 2018.

➡ 4 – State of advancement of the Dieu Merci cyanidation plant

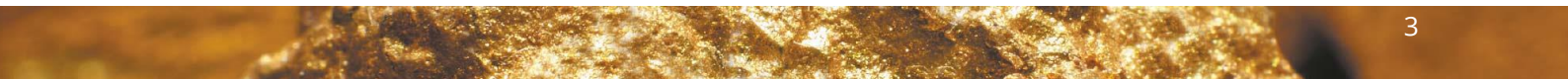
The cyanidation plant in Dieu Merci underwent a technical audit by BGPP’s specialists, the results of which are as follows:

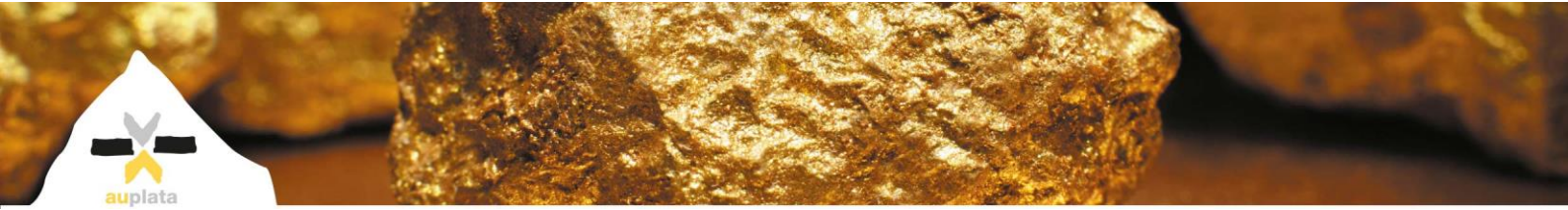
- Auplata decided to delay ordering the elution and the activated carbon regeneration units included in the plant’s initial industrial process flowsheet, which were essential for releasing the gold ore. This decision was taken based on the idea of using the elution unit from the Cayenne pilot plant, which can process 500 kg of activated carbon per 48-hour cycle (plus an average of 124 hours of maintenance per month), i.e. five times less than the processing capacity of the Dieu Merci plant (i.e. 1 ton of activated carbon per 18-hour cycle plus an average of 60 hours of maintenance per month). BGPP’s experts consider that this solution created a bottle neck that limits production on the Dieu Merci plant to 21% of its capacity and, in this context, the production would be loss-making as sales of gold would not be sufficient to cover the plant’s operating costs;
- Furthermore, on account of budgetary issues, Auplata did not initially schedule the purchase of a ball mill (also included in the industrial process flowsheet) in the budget for the plant, thus limiting the recovery rate of the gold to 80% whereas it could be 90% or as much as 93% with the ball mill. This difference would strengthen the profit margin and therefore improve the plant’s profitability;
- BGPP’s specialists therefore consider it essential, on one hand, to order the elution unit, without which the Dieu Merci plant cannot operate at full capacity, and on the other hand, to order a ball mill to allow the plant to make more profit: these additional investments are estimated at € 2m. The time required for delivery and installation is 4 to 6 months.

PHOTOS OF THE DIEU MERCI CYANIDATION PLANT AT THE END OF ITS COLD COMMISSIONING¹ PHASE (WEDNESDAY 24 OCTOBER 2018)



¹ “Cold test” – Hydraulic tests throughout the plant





Didier TAMAGNO, says:

“The commissioning of the plant was satisfactory. We are confident about the start of production at the Dieu Merci plant, which will however be delayed for several months as, following BGPP’s technical audit, it appeared necessary to order a gold recovery (elution) system, which will be done in the 1st quarter of 2019, to allow the plant to operate at its full capacity in May 2019.

Furthermore, we have decided to follow the advice of BGPP’s specialists and opt for a ball mill to increase the recovery rate of the gold contained in the tailings from 80% to 90%. The difference may seem small, but it will greatly contribute towards improving Auplata’s profitability.”

5 – Cash position

Auplata currently holds cash availabilities of € 5.3m. Its trade payables currently amount to € 3.1m. Auplata’s monthly expenses amount to approximately € 250,000 – excluding the plant.

6 – Clarification concerning the “tailings”

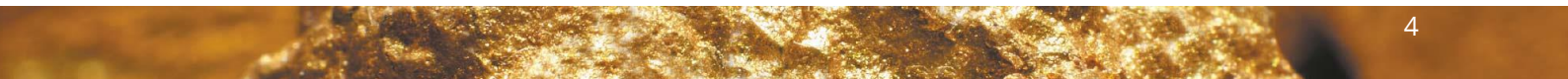
The results of the analysis of the “tailings” by an independent firm were submitted to a technical audit by BGPP’s specialists, from which it appears that:

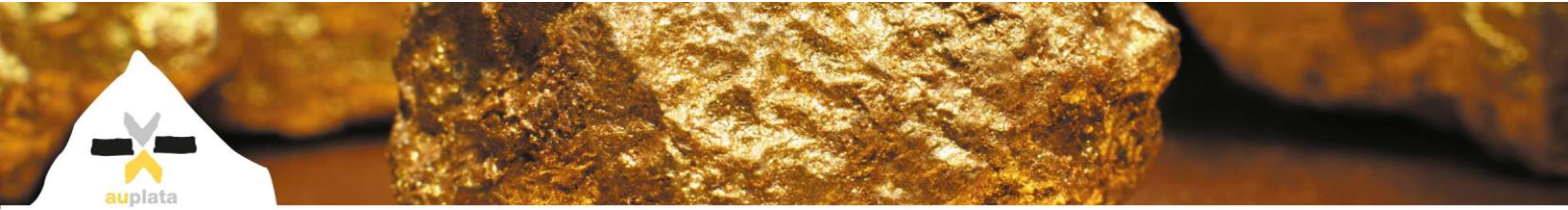
- The results were published on 15 February 2016 ([read press release](#)) and led to the following conclusion: it was planned to extract over 1 ton of gold from the 559,602 tons of ore over a period of five years:

Mineral resources	Tons or ore	Average gold grade (g/t)	Quantity of gold (grams)
Total	559,602	1.8 g/t	1,023,732

- A review of the analysis of the tailings resources was carried out by BGPP’s geostatistics geologist based on raw data and the following results were obtained, with the various cut-off grades:

Mineral resources	Tons or ore	Average gold grade (g/t)	Quantity of gold (grams)
Cut-off grade - 0 g/t	601,349	1.74 g/t	1,047,876
Cut-off grade - 2 g/t	153,898	3.52 g/t	542,173
Cut-off grade - 2,5 g/t	116,373	3.99 g/t	464,531
Cut-off grade - 3 g/t	85,745	4.49 g/t	384,817



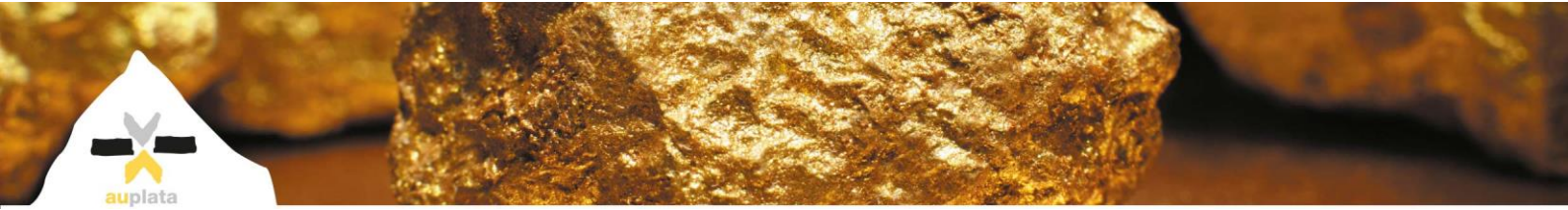


- On this basis and considering the operating costs (particularly in view of gold prices), only the tailings with a grade of over 2g/t will be used. The others will not be exploitable immediately as the production costs would not cover the plant's operating costs. As a result, only 153,898 tons with an average grade of 3.52g/t can be processed to be profitable, corresponding to 542,173g of gold to be extracted over a production period of 17 months for a value of close to € 20m;
- BGPP's geologists, in association with Auplata's geologists, are currently working to calculate the grades of the tailings not assessed in the above-mentioned report, with a view to increasing the operational life of Dieu Merci;
- BGPP's approach is to implement a strategy for the beneficiation and mixing of the tailings to standardise the grade of the ore.

Luc GERARD, states:

"Although the exploitable resources are lower than initially assessed, their profitability will be higher than forecasted. In addition, there are tailing resources at Yaou and Dieu Merci that have not yet been studied and which, coupled with our geologists' ore beneficiation activities, suggest that production could be extended beyond the currently identified volumes and enable us to continue operating until Auplata's mines start production."





7 - Presentation of BGPP

MINING

BGPP started its mining activity in 2012 after Tribeca Asset Management entered its share capital. The aim of the investment was to increase BGPP’s potential through the construction, to start with, of the Ana Maria plant in Suyckutambo, with a capacity of 300t per day -similar to that of Auplata at Dieu Merci. This was a major challenge, as constructing a plant is always a complex process, particularly this one which is located at 4,800 metres above sea level, without any electricity supply or road access. In 2014, the plant was ready to start up, with initial results that were satisfactory, but involved substantial operating costs, thus affecting the project’s profitability.

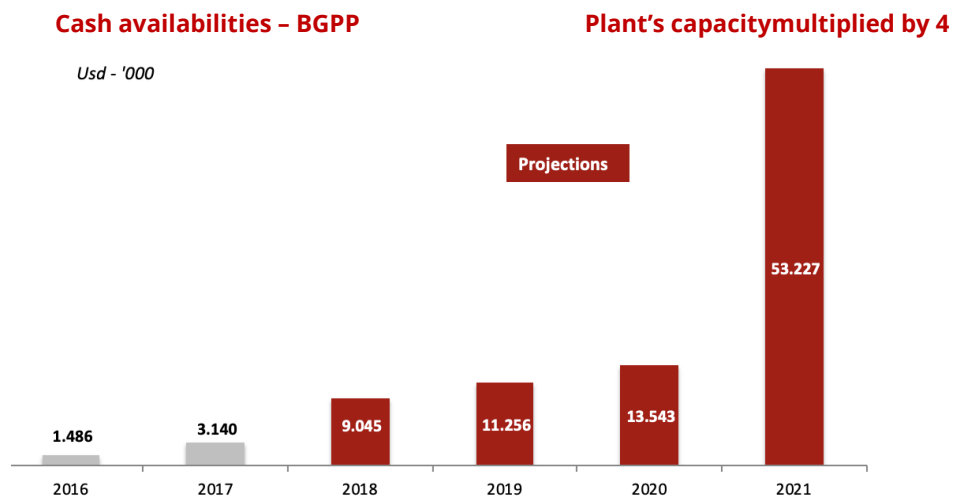
In 2015/2016, BGPP decided to entirely reconsider its operating strategy and to focus on the quality and grade of its concentrates.

Its geologists therefore focused on the metal content of the ore, based on the geological context in Peru of narrow veins and faults, by using selective extraction methods to minimise mining dilution.

This change of strategy was successful as its results, from 2017 forward, show an EBITDA margin of over 30%.

In 2018, with the improved knowledge of the ore by BGPP’s geologists and metalworking expertise, the margins have improved and the plant has reached its full production capacity, although this is not sufficient considering the mine’s available resources.

Substantial margins have been achieved through the reduction of operating costs and solid geological expertise, thus making it possible to self-finance important investments to extend the plant’s capacity to 1,200t/day. When the investments for the extension are over, sales will exceed USD 100m with an EBITDA margin of approximately USD 53m.

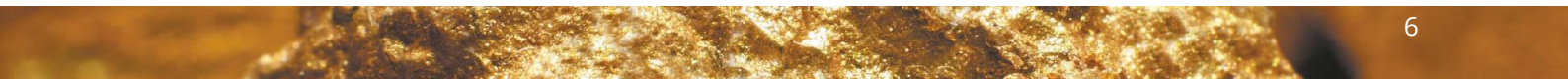


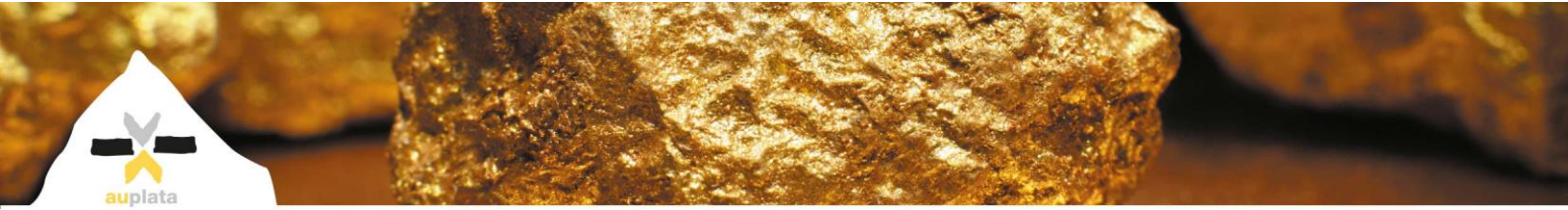
EXPLORATION

From the beginning, BGPP focused on prospecting its four mining sites – San Miguel, El Santo, Suyckutambo and Condoroma – to discover new deposits, thereby guaranteeing the plant’s resources and enhancing and increasing BGPP’s geological potential.

- **San Miguel**

On the San Miguel site, a mapping, geochemical and geophysical survey was carried out. It suggests that there are some interesting anomalies which require additional geochemical





tests through channel sampling. To delimit these deposits, drilling operations are under way and will give rise to initial economic studies, which will be published when appropriate.

- **El Santo**

On the El Santo site, drilling has already started with a view to validating existing resources and confirming possible extensions. The results are expected to be confirmed, in accordance with the Canadian standard NI 43-101, at the end of the year.

- **Suyckutambo**

Suyckutambo site is a polymetallic deposit of precious metals, mostly silver and gold. There is ample historical information available concerning production at the Suyckutambo mine, which was operated from 1950 to 1991 with average grades of up to 290g/t Ag and 4.5g/t Au. An assessment of Suyckutambo's total resources was made in 2009 by Goldplata Resources, through block modelling with the Gemcom software. The assessment covered all known veins and only calculated the minerals remaining from previous mining work. Concerning the Santa Ursula vein, the estimate is approximately 803,000 tons with grades of 46g/t Ag and 0.61g/t Au, with other veins of over 70,000 tons with 93g/t Ag on average and 6.52g/t Au. Suyckutambo is under prospection and its old tunnels are being rehabilitated.

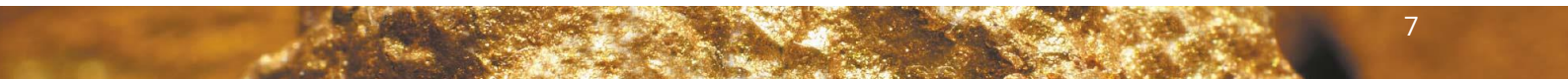
- **Condorama**

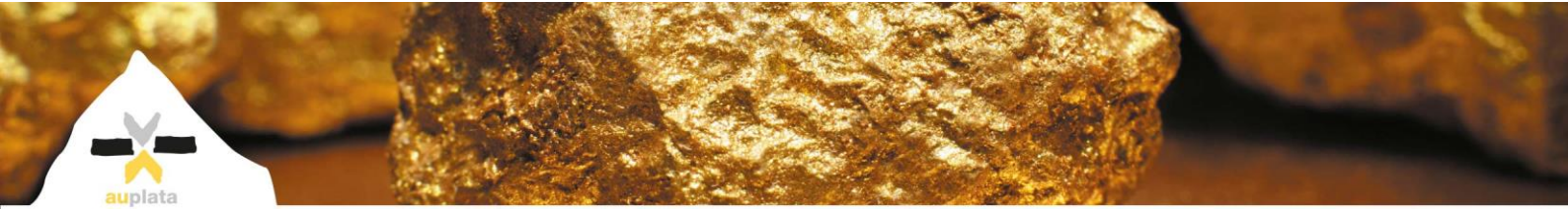
Lastly, Condorama, whose potential is mainly Au-Cu porphyry, is also in an historical mining district. Veins of silver have been exploited on the Condorama estate since the Spanish colonial period, but it was not until 1927 that an official mining company started working underground. After that, the Condorama and Cata mines were operated until 1967. Approximately 700,000 tons of ore are estimated to have been milled during the last 15 years of exploitation, with mill-head grades averaging 2.60% Pb, 2.80% Zn and 12.79oz/t Ag for Condorama and 3.40% Pb, 5.63% Zn and 2.54oz/t Ag for Cata. Since then, the Condorama and Cata mines have been inactive and BGPP is resuming prospection in this permit, the adjacent permits of which are held by Anglo-American and Hudbay.

BGPP now holds resources, validated by drilling campaigns, enabling it to operate at full capacity for around 33 months. Its aim is to continue prospecting resources to reach one million tons of processed ore in 2019 and to continue increasing this amount in the following years.

Luc GERARD says:

"BGPP holds major discovery potential. On one hand, current prospection appears to have revealed deep lateral extensions to the polymetallic deposit in El Santo, suggesting a potential of several million tons of Zn and Pb ore. On the other hand, the geophysics of the San Miguel permit seem to indicate anomalies in resistivity with kilometric veins of precious metals, mainly silver and gold, corresponding to the upper part of an epithermal system, as well as an anomaly in conductivity measuring 600 metres by 600 metres up to a depth of 300 metres, suggesting a porphyry in the lower part of this system. A geochemical zoning of this anomaly has been carried out and should enable us to better prepare for drilling, which should start in the first quarter of 2019. This should reveal a world-class Cu-Au porphyry deposit at San Miguel."





Suyckutambo mining camp under the snow



Vein sample at the El Santo Mine
left to right - metallic texture:
sphalerite (Zn), Galena (Pb)
et Chalcopryite (Cu)



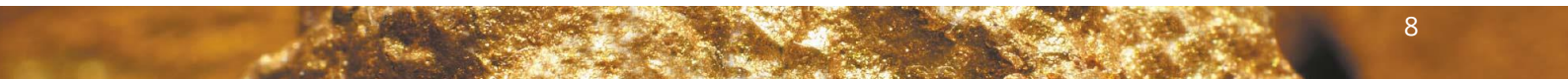
Drill hole - El Santo

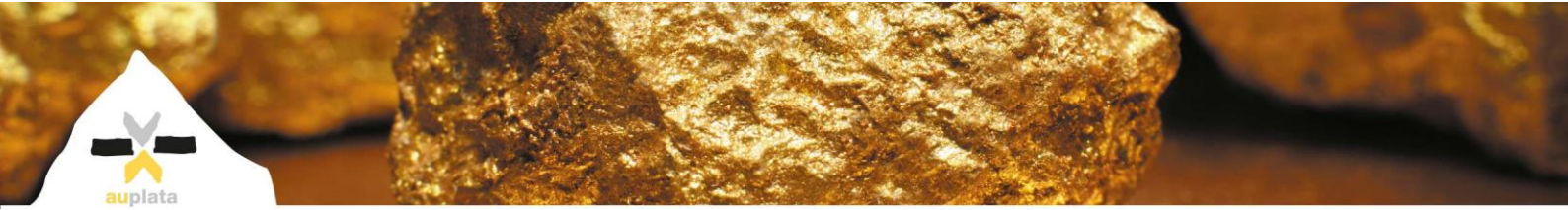


Surface drilling (ddh) in the Sandra 105
permit (El Santo mine)



Suyckutambo mining camp





COLLABORATING WITH LOCAL COMMUNITIES

In addition to its mining activity, BGPP has always set up, in collaboration with the local communities in the neighbourhood of the mine and the plant, sustainability schemes to contribute towards protecting their environment and culture while promoting education and training for their youngsters. In this context, monthly round-table discussions are organised with the traditional authorities, which enable BGPP's management to be aware of the potential implications of its activity. This collaboration with the local communities promotes sustainable economic and social development.



8 – Benefits of the alliance for Auplata’s shareholders

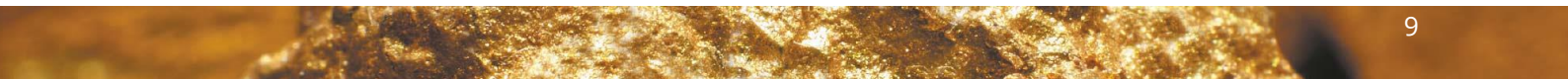
For Auplata’s shareholders, the benefits of the alliance would be the following:

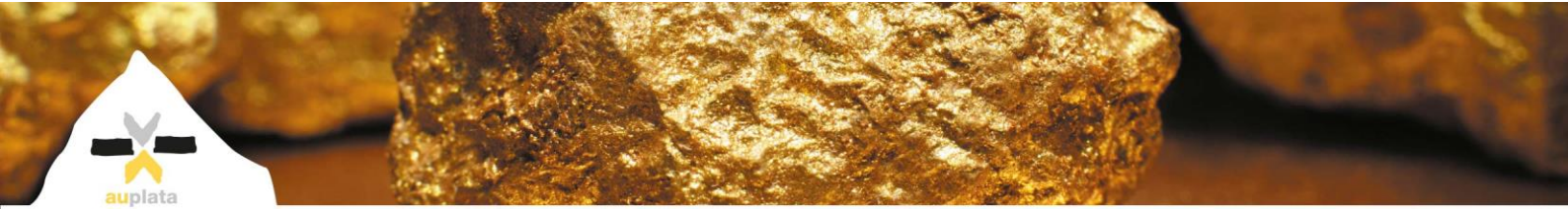
- draw on BGPP’s technical expertise in machining;
- benefit from BGPP geological experience in respect of mining and mines to confirm the potential of the subsoils of Auplata’s concessions in French Guiana;
- diversify risk: further to the alliance, 100% of Auplata’s shares will allow their holders to own 100% of Auplata, 100% of BGPP, up to 18.52% of Compagnie Minière de Touissit (ISIN MA0000011793) and 7.18% of Element Asa (ISIN NO0003055808). It should be noted that two of these four companies are in production and generate positive free cash flows;
- benefit from BGPP's cash flow to support Auplata’s activity until the start-up of the plant.

Furthermore, for BGPP’s shareholders, the listing on Euronext Growth and the liquidity that this generates represents a major asset that they wish to maintain.

If the contemplated transaction is approved by Auplata’s shareholders and the conditions precedent are fulfilled, Auplata will continue as a French entity listed on Euronext Growth in Paris and governed by French laws and regulations.

This structural alliance nevertheless represents a cost and financial risk for BGPP and its shareholders – particularly for Brexia International (wholly-owned by Natural Resources Fund) managed by Tribeca Asset Management, which will manage Auplata and do everything in its power to guarantee a prosperous future for the company.





About Auplata

Based in French Guiana, Auplata is the largest French, stock-market listed gold producer. The Company has more than 700 sq km of mining permits and titles in French Guyana. Auplata operates an innovative industrial and financial strategy, aimed at developing and exploiting Guianese gold resources with the strong involvement of local players. The Company's objective is to offer sustainable exploitation for the Guianese mining industry. Since June 2015, Auplata is a shareholder in the Côte d'Ivoire mining company OMCI, which owns two mining projects in Côte d'Ivoire.

Auplata's share are listed on the Euronext Growth market in Paris (Euronext). ISIN: FR0010397760 – ALAUP; ICB: 1777 – Gold Mining.

For more information about Auplata, go to: www.auplata.com.

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