

November 28, 2018

## Letter to the shareholders from the Chairman and CEO, Luc Gerard Nyafe

Ladies and Gentlemen, Dear Shareholders,

I would firstly like to thank you for your support and your confidence as, on Monday November 19, 2018, between 89.44% and 94.56% of you voted in favor of the 24 resolutions submitted to the General Meeting, as recommended by the Board of Directors, and appointed new members to the Board of Directors, after which the Board of Directors appointed me as Chairman and CEO.

I know it has not been easy to be an Auplata shareholder over the last few years. Admittedly, the company has not been able to deliver value to its shareholders, as it was expected to do, despite the vast and varied geological resources of its mining assets. The absence of solid corporate governance, constant changes in strategy, poor execution and lack of technical knowledge are the cause of the current situation.

However, from a more positive standpoint, the reserves and gold resources are still available, ready to be mined, and offer a promising outlook in a world where demand for gold and precious metals is greater than ever. Due to constant improvement in mining techniques, deposits can be mined more and more effectively, at the same time as respecting the environment. The regulatory framework of the key markets in which we operate has been considerably strengthened over the last few years, thereby allowing working methods to be effectively adapted to experience in the field.

Thus, we are contemplating an in-depth, cross-functional restructuring of Auplata, as we believe this will enable us to deliver value to the shareholders in a fast, effective and professional manner, in a sector that is more and more demanding in terms of environmental protection.

It would be pretentious of me to present a long-term strategy only a few days after my appointment. Therefore, for the time being, I would like to give you our priorities for the first six months. The points set out below will provide our shareholders with a sort of roadmap to enable them to assess the progress made.

### **➤ 1 - Proposed merger with BGPP - Release by the AMF from the obligation to launch a public takeover bid**

The merger has been approved by a majority of the shareholders (93.65% with a quorum of 30.08% - 89.44% with a quorum of 33.77%). One of the two conditions precedent to be fulfilled prior to February 11, 2019 has been fulfilled on November 27, 2018, as the French securities market authority (AMF) today released Brexia International from the obligation to launch a public takeover bid, for which Auplata and Brexia International are very grateful: the remaining condition precedent is the Mining Ministry's approval, which must be obtained prior to February 11, 2019 to enable the completion of



the merger. The application has been officially filed with the Ministry concerned and we are confident that it will support the completion of the transaction. We will provide all the required follow-up.

Until the second condition precedent is fulfilled, the two entities (BGPP and Auplata) will continue to operate separately. However, the roadmap set out below includes both companies' milestones and a joint task force of experts from the two companies has already started mapping synergies and organizing the integration of the two companies so that we can get down to work as soon as the second condition precedent is fulfilled.

## **2 - Corporate governance**

The Board of Directors, composed of Brexia International SA represented by Mr. José Maria Aragoné (new director) and Messrs Alex Van Hoeken (new non-executive director), Paul-Emmanuel de Becker Rémy (historical, non-executive director), Miguel de Pombo (new director) and myself, intends to have more oversight over matters such as compliance, remuneration, audits and operations.

In the next few months, we will discuss the potentiality of appointing two additional board members with specific technical capabilities to strengthen our expertise.

## **3 - People, talents and organisation**

Mr Didier Tamagno, former CEO, has resigned from all his positions within Auplata and its subsidiaries effective November 19, 2018; I will replace him in all his board positions within Auplata and its subsidiaries.

Mr. Frederic Saada, CFO, will leave the company on January 3, 2019, in accordance with his wishes and further to a mutual agreement; his replacement will be announced in due time.

Mr. Karim Robo will assume the position of Vice-President of Mining and Exploration. He will be in charge of developing the various companies' mining assets.

Mr. Peter Verde will assume the position of Operations Manager. He acquired hands-on experience of operations management while managing plants in Peru, notably the Minas Buenaventura cyanidation plant.

Mr. Vincent Combe, who has been working for Auplata for over five years, is appointed as Senior Geologist.

Mr. Pierre Gibert, who has been working for Auplata for over 10 years, is appointed as Mining Supervisor and Controller.

Mr. Emre Pehlivan will assume the position of Treasurer. He currently works for the Tribeca fund as Junior Investment Manager.

Mr. Gueric Eber will assume the position of Technical Director

We invite you to visit our website at [www.Auplata.fr](http://www.Auplata.fr) in the next few days for further details on our senior executives: [www.auplata.fr/en](http://www.auplata.fr/en).



## 4 - Production

The table below shows BGPP and AuPlata production from January 1 to October 30, 2018:

	BGPP			AuPlata			Consolidated	
	Processed (t)	Recovery	Production	Processed (t)	Recovery	Production	Recovery	Production
ZINC, Zn (t)		87.55%	4.55	N/A	N/A	N/A	87.55%	4.55
LEAD, Pb (t)		91.43%	3.08	N/A	N/A	N/A	91.43%	3.08
SILVER, Ag (Kg)	89,903	71.38%	4.81	N/A	N/A	1.10	71.38%	5.91
GOLD, Au (Kg)		76.31%	55	N/A	N/A	18.60	76.31%	73.60

For the Dieu Merci cyanidation plant, Cold Commissioning (C2) tests were carried out on Thursday November 22, 2018 with the following results:

- all mechanical processes were successfully completed and tested;
- all electrical processes were successfully completed and tested;
- operational tests of the various systems were successfully completed with water.

The Elution Units and Grinders have been ordered to ensure that the plant is in line with its technical specifications.

The following Hot Commissioning (C3) tests will begin soon; the plant should be operational at the beginning of April 2019 and should be running at full capacity as from June 2019.

The table below shows BGPP's and AuPlata's production objectives for the 1<sup>st</sup> semester of 2019:

	BGPP			AuPlata			Consolidated		
	Processed (t)	Recovery	Production	Processed (t)	Recovery	Grade (g/t)	Production	Recovery	Production
ZINC, Zn (t)		87.55%	2.80	N/A	N/A	N/A	N/A	87.55%	2.80
LEAD, Pb (t)		91.43%	1.80	N/A	N/A	N/A	N/A	91.43%	1.80
SILVER, Ag (Kg)	53,000	71.38%	3.00	N/A	N/A	N/A	N/A	71.38%	3.00
GOLD, Au (Kg)		76.31%	33.00	18,000	90.00%	3.52	57.02	N/A	90.02

- In Peru on the El Santo site, we will take the necessary measures to begin recuperating the copper (Cu), which is currently not extracted.
- During the same semester, we will work on increasing the plant's production capacity from 300 to 350t/day.
- The El Santo Mine currently operates with electric power generators that are fairly costly to run; we therefore intend to connect the El Santo mine to the public power network, which will allow us to make substantial savings on energy.





- In Suyckutambo, we will resume operations since anomalies with high gold grades have been discovered. This will enable us to maintain and even improve the concentration of gold in our concentrates.
- Furthermore, we have just obtained a license to store non-mineable ore at the mine, which will avoid having to transport it to the plant. Our costs in terms of logistics should therefore be significantly reduced.

## 5 - Tailings

Assessment of AuPlata's Mineral Resources – updated on November 23, 2018:

Cut off (g/t)	Ore (t)	Average (g/t)	Au (Kg)
2	153,898	3.52	542
2.5	116,373	3.99	464

Out of a total of 9 known tailing ponds, 8 have been prospected and assessed, of which:

- 5 are considered as being representative as mineral resource assessments and are included in the process;
- 3 are considered as being non-representative due to sampling insufficiency and have not yet been prospected but will be soon.

However, according to our assessment model, the tailings are limited to a cutoff of 2 g/t and an average grade of 3.5 g/t, corresponding to approximately 18 months of production on the plant.

As from January 2019, we will launch an exploration campaign to increase available resources and we will carry out a more thorough exploration of all the tailing ponds. This exploration will probably require a recalculation of the resources and result in significantly broadening them.

## 6 - Reserve certification

### YAOU – French guiana

The calculation of the reserves in Yaou, in accordance with the NI 43-101 standard (Canadian international standard for calculating reserves) dates back to 1998 and requires an update to be valid again. We will therefore reassess the core samples stored at the Yaou site and a new estimate of the resources will be issued in accordance with the NI 43-101 standard in April 2019.

### EL SANTO – Peru

The results of the calculation of reserves, in accordance with the NI 43-101 standard, in the scope of the exploration campaign currently conducted at El SANTO, will be published in the first quarter of 2019, based on the following schedule:

- Between December 15 and December 30, 2018 our QP, INNOVEXPLO, will carry out the necessary verifications and complete the NI 43-101 document.
- On December 30 or 31, 2018, INNOVEXPLO will deliver a preliminary report pursuant to the Canadian 43-101 Regulation governing the NI 43-101 standard.
- Within 45 days of delivery of the preliminary report, the final report will be delivered.





## 7 - Exploration

### Guiana - Geophysics campaign (hereinafter, "IP" Campaign):

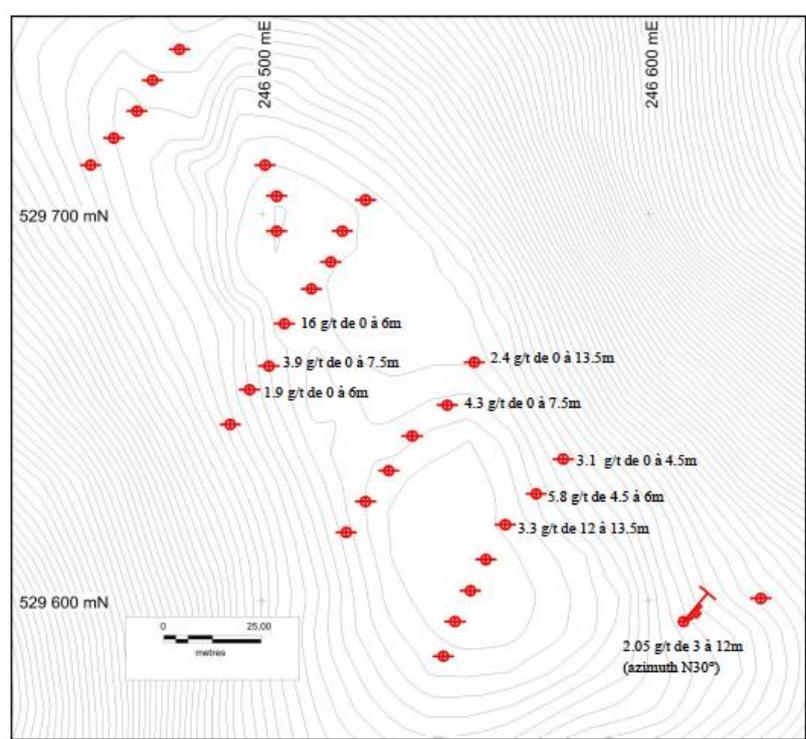
**In Dieu Merci**, the initial work to be carried out is a compilation of "Big Data" based on historical data; a first IP campaign will be conducted in order to identify the underlying structures and the root of the mineralization. The 100-meter geophysical spacing grid could enable us to highlight any anomalies; the exploration program provides for 2,000m of drilling to validate the targets identified.

From a geological point of view, the Dieu Merci mine has historically produced more than 10 tons of gold produced mainly from surface deposits up to 30m deep (so-called saprolite) in several small open pits. In future, the strategy for finding more resources will be to use the "Big data" and mine deeper.

**In Couriège**, Research work was carried out by TEXMINE in collaboration with Guyanor, SMSE (private company) and ASARCO (multinational copper group), based on the work done by BRGM (Bureau des Recherches Géologiques et Minières), the French national geological department.

The Trench dug Auplata's exploration team (in 2014-2015) revealed a mineralization that appears to extend more than 3 km. These works gave rise to the mapping of a study area of approximately 3 km<sup>2</sup>. In certain key areas where the lateritic profile is completed by a red crust, a layer of pisolitic laterite and a layer of spotted clays, the exploration of these trenches did not result in saprolite: the latter would only result from a potential mineralization at depth.

The Couriège Project has the same mineralization trend as Dieu Merci. The trench assessments carried out have produced very good results, as shown below.





Grades above 3g/t			
Drill Nb.	From	To	Au 5 (g/t) (1,5m)
DM-10-238	0	1.5	8.29
DM-10-241	0	1.5	39.23
DM-10-241	3	4.5	12.8
DM-10-242	19.5	21	3.33
DM-10-242	22.5	24	18.36
DM-10-243	24	25.5	33.15
DM-11-353	13.5	15	3.95
DM-11-355	1.5	3	5.25
DM-11-355	3	4.5	12.81

An IP Campaign will be completed, followed by 2,000 m of drilling located precisely on the anomalies.

**In Yaou**, there is a mining permit (PEX) with 1.4 Moz Au inferred resources. Mining on the site commenced in 2006, after the permit was obtained. Between 2006 and 2013, 37,541oz Au were produced on this site through gravimetry. Mining has been suspended currently and the tailing pond is assessed at 1t Au.

The program will include an initial validation phase focused on resampling all the core samples, followed by an infill drilling campaign of approximately 5,000m by the second semester of 2019.

**In Dorlin**, there is a JV with Reunion Gold, one of the shareholders of which is the world's No.1 gold producer: Barrick Gold. Good results have been achieved from approximately 6,000 m of drilling. We hope we will have a feasibility study available within the next two years.

**Concerning Iracoubo Sud and Bon Espoir**, the results will be analyzed with Newmont. The exploration results will be communicated to the shareholders as regularly as possible.

**Concerning El Santo**, 3,000 m of drilling is planned: the main objective is to ensure the renewal of the resource in order to supply the plant and prepare the future. Furthermore, we are waiting for a license to explore the S.104 plot adjacent to the S.105 plot on which we extract the ore and supply it to the plant.

**In Suykutambo**, we will continue exploration to increase the high gold grade resources. This will have a direct impact on the value of our polymetallic concentrates.

**On the San Miguel site**, where a very promising anomaly has been discovered, our legal department is working on obtaining an exploration permit and thus begin drilling as soon as possible.

**In Condoroma**, we will continue analyzing the copper tailings to assess the feasibility of potentially mining on the site.

**In Ivory Coast**, mapping in Adzopé, a diamond drilling campaign and a compilation will be carried out to get a better understanding of the situation.





## **8 - Security**

Security measures have been taken to ensure the safety of our personnel on location in Guiana. A new security company will be on site as from December 15, 2018 to secure the site, especially the cyanidation plant. A tender was launched for the safety of the entire plant as of the start of production. The safety of our employees is our main priority.

## **9 - Permits and licenses**

The renewal of all permits and licenses has been applied for and will be regularly followed up.

We will endeavor to carry out prospection and expand our mining portfolio as much as possible.

## **10 - Finance, reporting requirements**

We will implement strict reporting requirements for operating and financial information to facilitate decision making.

A pro-forma report on the consolidated accounts will be produced on April 20, 2019.

I expect our administration team to produce quarterly reports no later than 10 days after the end of each quarter.

Financial needs for the next six months will be covered but, in future, Auplata will have to plan and organize itself to cover its needs in the long-term.

## **11 - Shares and share price evolution**

We consider that the share price should reflect the intrinsic value of the company and follow the evolution thereof. We will work tirelessly to create value for our shareholders and we will communicate as effectively as possible to ensure that the market is properly informed and can have rational insight into future events. The company needs to regain the market's trust and provide tangible and detailed information.

In the coming weeks, more details will be made available on our efforts to comply with the roadmap in order to increase our transparency and accountability towards the market. Meanwhile, we invite you to regularly visit our new website at [www.AuPlata.fr](http://www.AuPlata.fr) or follow us on our official Twitter account [@AUPLATA1](https://twitter.com/AUPLATA1).

Furthermore, to enable Auplata's shareholders, the majority of whom reside in Europe, to attend the General Meeting, the next meeting will be held in Paris.

## **12 - Acquisitions**

The merger with BGPP also includes a cash contribution that will serve to acquire a controlling stake in Compagnie Minière de Touissit (CMT), Morocco's largest producer of Zinc (Zn) and Lead (Pb). Accordingly, we will endeavor to pursue any external growth opportunities that may arise in order to strengthen our development. Further details will be provided at the appropriate time.



### **13 - Bio diversity and environmental protection**

We are strongly committed to protecting the environment and preserving our planet's bio-mass and bio-diversity. To this end, we intend to deploy a best-in-class environmental strategy, as approved by our business partners. For the time being, our objective for the next six months will be the recovery of 127.5 ha through the mining of alluvial deposits, 13.5 ha through primary pits and the planting of 1,340 trees with full respect for the local biodiversity and fauna.

The above 12 points are the commitments that the team and I make towards the shareholders for the next six months and that will enable Auplata to be operational and financially sound. At the same time, we will work to define a strategy for the group, which will consist in creating mining assets that are driven by a set of core values, permanently ensuring a good level of performance and highlighting our passion for delivering environmentally responsible mining to raise awareness in people.

To be successful in these commitments, we will need, in addition to our dedication and our passion for serving Auplata, our shareholders, on whom we count to support our efforts. It is a collective endeavor.

Our success will be your success.

Thank You.

**Luc Gerard Nyafe**  
Chairman and CEO of Auplata

