

## Miraflores Feasibility Study Delivers Positive Findings

**Metminco Limited (ASX: MNC, AIM: MNC) (“Metminco” or the “Company”)** is pleased to announce the completion of the Feasibility Study into the development of its Miraflores Gold Project in Colombia, which has further demonstrated the financial and technical viability of the proposed operation.

### HIGHLIGHTS

- Feasibility Study confirms Miraflores Gold Project as financially robust and technically sound;
- Average annual production of 45,000 ounces of gold and 22,600 ounces of silver over approximately 9.5 years;
- Total forecast capital cost of US\$71.8 million (excluding contingency of 7.67%), with an additional US\$18.5 million in sustaining capital required over life-of-mine (LOM);
- Estimated LOM cash operating costs of US\$599 an ounce and LOM all-in sustaining costs of US\$643 an ounce;
- Estimated LOM undiscounted free cash flow of US\$150 million (using US\$1,300/oz gold price);
- Net Present Value of US\$72.3 million (after tax, 8% discount rate) and Internal Rate of Return of 25% (after tax).
- Maiden Ore Reserve Estimate

• Reserve Classification	Tonnes (t)	Gold (g/t)	Silver (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proven	835,606	4.84	2.73	130	73
Probable	2,142,741	4.16	3.21	287	221
Proven + Probable	2,978,346	4.35	3.08	417	295
Planned dilution	1,347,867	0.91	1.42	39	62

Source: Ausenco, 2017

- The Company announced in September 2017 that it had received approval from the Corporacion Autonoma Del Risaralda (CARDER), the environmental agency in the Department of Risaralda, Colombia, to construct up to 2,000 metres of underground development under the Company’s existing Plan De Manejo Ambiental (PMA). The Company is assessing options for funding the underground development.

As part of the study, Metminco has declared a maiden NI 43-101 and JORC 2012-compliant Ore Reserve for Miraflores of 4.326Mt grading 3.29g/t gold for 456,000 contained ounces.

Over that period, the Miraflores plant would process 4.326 million tonnes of ore grading an average of 3.29g/t Au and 2.56 g/t Ag for total production of 421,241 ounces of gold and 210,815 ounces of silver (an average of approximately 45,000 ounces of gold and 22,600 ounces of silver per year).



The initial capital cost of developing the mine and associated infrastructure has been estimated at US\$71.8 million excluding contingency. Contingency is approximately US\$6.1 million. An additional US\$18.5 million in sustaining capital is expected to be required over the life-of-mine (LOM).

LOM cash operating costs have been estimated at US\$599/oz, while LOM all-in sustaining costs have been estimated at US\$643/oz, which would position Miraflores in the first cost quartile of gold operations globally.

Applying a US\$1300 gold price, which was used for all base-case financial modelling in the Feasibility Study, Miraflores delivers LOM free cash flow of US\$150 million, a Net Present Value at an 8% discount rate of US\$72.3 million and an Internal Rate of Return of 25% (all measures are on an after-tax basis).

Mr William Howe, Managing Director, said: *“We are delighted with the positive Feasibility Study outcome which is further vindication of the Company’s decision to pursue an underground-only development option at Miraflores as a means of reducing capital costs and shrinking the mine footprint. The Study delivers robust returns and with this now in hand, we can focus on arranging the required finance and securing the outstanding approvals in order to be in a position to make a decision on development in a timely manner.”*

The Miraflores Feasibility Study did not take into account any upside that may result from exploration at the nearby Chuscal and Tesorito prospects, where the focus is on defining more resources in high-grade vein systems that could also be mined using underground methods.

Metminco engaged GR Engineering Services Limited (GRES), an Australian firm with extensive experience in designing and building gold projects globally, to manage the Feasibility Study. GRES subsequently engaged GMI, an arm of Peru-based Grana Y Montero Group to provide it with engineering design services. Dynami Consulting, which is based in Medellin, Colombia, provided geotechnical engineering and design services.

Metminco would like to thank these companies and the other contractors and consultants that contributed to the Feasibility Study for their professionalism and hard work.

A separate announcement including further details relating to the findings from the Feasibility Study will be released in due course.

The information communicated in this announcement includes inside information for the purposes of Article 7 of Regulation 596/2014

**William Howe**  
**Managing Director**

*For further information, please contact:*

**METMINCO LIMITED**

Brian Jones

Office: +61 (0) 2 9460 1856

**NOMINATED ADVISOR AND BROKER**

**RFC Ambrian**

*Australia*

Will Souter / Nathan Forsyth

Office: +61 (0) 2 9250 0000

*United Kingdom*

Charlie Cryer

Office: +44 (0) 20 3440 6800

**JOINT BROKER**

**SP Angel Corporate Finance LLP (UK)**

Ewan Leggat

Office: +44 (0) 20 3470 0470

**PUBLIC RELATIONS**

**Camarco**

*United Kingdom*

Gordon Poole / Nick Hennis

Office: + 44 (0) 20 3757 4997

**Media + Capital Partners**

*Australia*

Luke Forrestal

Office: +61 (0) 411 479 144

**Competent Persons Statement**

The information provided in this announcement that relates to Mineral Reserves of the Miraflores Gold Project is based on information compiled by Mr. Boris Caro. Mr. Caro, a Qualified Person for JORC (2012 Edition) compliant statements, reviewed the technical information presented in this document.

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

**Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

**Forward Looking Statement**

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this

announcement, forward-looking statements can be identified by words such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “may”, “opportunity”, “plan”, “potential”, “project”, “seek”, “will” 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 date of this announcement, 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, its directors and management of Metminco that could cause Metminco’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake 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 announcement, except where required by applicable law and stock exchange listing