

## METMINCO SECURES A\$4.85 MILLION FOR COLOMBIAN GOLD FEASIBILITY STUDY

**Metminco Limited** (“**Metminco**” or the “**Company**”) (**ASX: MNC; AIM: MNC**) is pleased to announce that it has secured funding commitments of approximately A\$4.85 million (the **Capital Raising**) which will be used to complete the Miraflores Feasibility Study and progress the project towards production.

### The Placing

A total of 2,058,619,651 new fully paid ordinary shares (**Shares**) will be placed with institutions and sophisticated and professional investors at a price of A\$0.00237 (£ 0.0014) per Share to raise approximately A\$ 4.85 million.

A total of 212,628,089 Shares will be placed with sophisticated and professional investors under ASX Listing Rule 7.1 and 7.1A. The remainder will be placed with Redfield Asset Management (**Redfield**), William Howe, the Company’s Managing Director and UK based investor Lanstead Capital LP (**Lanstead**), subject to shareholder approval at a General Meeting of shareholders to be held on or about the 20 December 2016.

It is expected that trading of 212,628,089 Shares will commence on the ASX and admission to AIM will become effective on or around 23 November 2016. Following this issue of the Shares the Company will have 4,513,903,858 Shares on issue.

### Use of Funds

The proceeds from the Capital Raising will be applied to expenditure related to the Company’s objective of developing the Quinchia Gold Portfolio, in particular advancing the Miraflores Project towards gold production through a Feasibility Study, anticipated to be completed in the first half of 2017, permitting and working capital.

It is forecast the Capital Raising will be sufficient to complete the Miraflores Feasibility Study, and some but not all of the permitting including baseline environmental monitoring, which is expected to be assisted through the lessening of the environmental footprint of the proposed mine and use of currently available infrastructure.

Mr William Howe, Managing Director, commented: “We are very pleased to have attracted long term investors in the capital raising. Investors with the capacity and commitment to follow their investment through to gold production.

This successful capital raising represents a strong vote of confidence in the forecast economics of the Miraflores Project and the work completed by the Company following acquisition of the Colombian gold assets. Importantly the Miraflores Project is only part of the larger Quinchia Gold Portfolio, which has substantial upside potential including the significant gold porphyry system targets of Tesorito, Dosquebradas and Chuscal.

In parallel, the Company’s shareholders will retain at least a 30% interest in the potential world class Los Calatos copper project scheduled to have a completed Feasibility Study by 2019 when copper demand is predicted to exceed supply.”

## Capital Raising

The Capital Raising consists of two tranches. **Tranche 1** is a placement to sophisticated and professional investors of 212,628,089 Shares to raise approximately A\$0.5 million under ASX Listing Rule 7.1 and 7.1A. **Tranche 2** consists of placements of 548,523,207 Shares by Redfield to raise A\$1.3 million (**Redfield Subscription**), 31,645,570 Shares to William Howe to raise A\$ 75,000 (**Related Party Subscription**) and 1,265,822,785 Shares by Lanstead to raise A\$3 million (**Lanstead Subscription**).

The Company will seek shareholder approval for Tranche 2, including the Redfield Subscription the Related Party Subscription and the Lanstead Subscription at a meeting of shareholders scheduled to be held on or about 20 December 2016. A further condition of the issue of Shares pursuant to Tranche 2 is that the Company will obtain shareholder approval to undertake a consolidation of its securities in a ratio that is not less than 30:1 and not greater than to 50:1. The Notice of Meeting will be distributed to shareholders in due course.

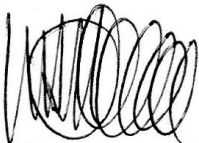
The Company will apply for quotation of the Tranche 1 Shares (212,268,089 Shares) to be traded on the ASX and AIM. It is expected that trading of the Tranche 1 Shares will commence on the ASX and admission to AIM will become effective on or around 23 November 2016.

Subject to shareholder approval at a General Meeting to be held on or about the 20 December 2016, the Company will apply for admission of the Tranche 2 Shares to be traded on AIM and the ASX.

## Sharing Agreement

The Company has also entered into a binding term sheet, subject to shareholder approval, to enter into a Sharing Agreement with Lanstead, which enables the Company to secure much of the potential upside arising from anticipated near term news flow. The Sharing Agreement provides that the Company's economic interest will be determined and payable in 18 monthly settlements as measured against a benchmark price of \$0.0032 per Share (the **Benchmark Price**). If the Metminco measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis. In no event would a decline in the share price result in any increase in the number of Shares received by Lanstead or any other benefit accruing to Lanstead. The Company has agreed to issue 1,870,902 options to acquire one Share at an exercise price of A\$ 0.003 per Share expiring 5 years after issue date in consideration for the Sharing Agreement.

Subject to shareholder approval and following completion of the Capital Raising, Lanstead will hold 19.9% interest in the Company and Redfield will hold an 8.6% interest in the Company. All security numbers quoted above are before the proposed consolidation of the Company's securities to be considered at the forthcoming shareholder meeting. Further information will be provided will be provided in the Notice of Meeting.



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

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**Notes to Editors**

Metminco Limited is an exploration and mining company, dual listed on the Australian Stock Exchange and London Stock Exchange, with a portfolio of projects located in Peru, Colombia and Chile. The Company's focus is advancing its Quinchia gold portfolio in Colombia and the Los Calatos copper project in Peru. The Company also has exposure to molybdenum, gold and zinc via its projects in Peru and Chile.

**Quinchia Gold Portfolio (100%)**

On 20 June 2016, Metminco acquired Miraflores Compania Minera SAS (formerly Minera Seafield SAS) for an equity consideration as well as deferred cash payments payable annually over the following four years. Miraflores Compania owns 100% of the Quinchia Gold Portfolio, which is located in Colombia's Middle Cauca Belt and contains a number of deposits and significant exploration and development targets including Miraflores, Dosquebradas, Tesorito and Chuscal. The portfolio has a NI 43-101 estimated Mineral Resource of 2.8 million ounces of gold.

Miraflores is a near term development opportunity. It has a Measured and Indicated Mineral Resource of 9.19 million tonnes at 2.81g/t gold and 2.76g/t silver (832,000 oz Au and 817,000 oz Ag). A recent Scoping Study focussed on an underground operation producing 50,000 ounces of gold per annum for 9 years. The focus is now on the conduct of the planned Feasibility Study.

**The Los Calatos Project (49%)**

Through its wholly owned subsidiary, Minera Hampton Peru SAC, Metminco holds a 49% interest in Los Calatos, which is located in Southern Peru near three large operating copper-molybdenum mines, namely Cuajone, Toquepala and Cerro Verde. Molybdenum constitutes a significant by-product of copper mining from this belt.

The detailed re-logging program that was conducted on the Los Calatos drill core in late 2014 and early 2015, resulted in an estimated mineral resource of 352 million tonnes at a Cu grade of 0.76% and a Mo grade of 318 ppm (2.76mt Cu and 111,936t Mo Metal). The development prospects of the project have been significantly enhanced by the agreement signed on 14 June 2016 with CD Capital Natural Resources Fund III LP to fund the completion of the Pre-feasibility and Feasibility Studies, and acquire up to 70% of equity in the project for an investment of up to US\$45 million.

As per the Agreement with CD Capital, the Company will use its best endeavours to distribute at least 90% of its holding in Hampton Mining (the wholly owned subsidiary holding its interest in the Los Calatos Project) to its shareholders within six months of completion of the transaction.