
COLOMBIAN GOLD FEASIBILITY STUDY COMMENCES

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) is pleased to advise that the Miraflores Gold Project Feasibility Study has commenced and is anticipated to be completed during the first half of 2017.

GR Engineering Services Limited (GRES), a Perth, Australian based engineering, consulting and contracting company specialising in fixed price engineering design and construction services to the resources sector has been appointed to manage the Feasibility Study. GMI, an arm of the Peruvian based Grana y Montero Group engineering and construction company, has been engaged to provide engineering design services to GRES. Dynami Geoconsulting (Dynami), which is based in Medellin, Colombia will provide environmental and geotechnical engineering and design, including the completion of the baseline environmental monitoring and geotechnical design for the plant and infrastructure.

The Scoping Study, announced in September 2016, indicated that development of a standalone underground operation with a filtered tailings system would significantly reduce the surface footprint compared to the previously proposed operation, as the latter provided waste dumps, low grade stockpile dumps, a slurry tailings facility and a large open pit. It is expected that the changes to the proposed surface infrastructure will facilitate the completion of the EIA process. Since the completion of the Scoping Study additional work in relation to infrastructure has identified significant potential savings in the area of water management and power access.

Mr William Howe, Managing Director, commented: “Following the successful completion of the A\$4.85 million capital raising I am pleased to advise that the Company has commenced the Miraflores Bankable Feasibility Study with the appointment of GRES, GMI and Dynami.

These consultants have extensive experience in the design and development of projects of a nature similar to the Miraflores Project throughout South America and the Board is confident that their work will result in an optimised, capital efficient, development option for the Project.

This is an exciting step towards the Company becoming a gold producer in the near term and we look forward to the completion of the Miraflores Bankable Feasibility Study.

FEASIBILITY STUDY

GRES has been engaged to complete the Feasibility Study on the Miraflores Gold Project (the Project) which will utilise the relevant information from previous studies with a focus on innovative treatment options to be considered on the basis of:

- Revenue generated from schedule and predicted process recovery for each modified flowsheet;
- Capital cost reduction (compared to previous process studied);
- Operating cost reduction (compared to previous process studied); and,
- Project risk, constructability and operability.

The Feasibility Study work will encompass a processing facility and supporting infrastructure for the Miraflores Project at a treatment capacity of approximately 500,000 tonnes of underground ore per annum, to produce approximately 50,000oz/Au per annum.

The battery limits for the Feasibility Study will be from the Run of Mine pad to the cake discharge of the tailings filters and water treatment plant discharge point. Infrastructure associated with water supply and return process water from the tailings filter and treatment plant will be within the scope. Products generated from the Project will be gold and silver concentrates and/or dore. Product security while in the confines of the plant will form part of the scope, however, the transport, security and refining of the Products is outside the battery limits.

Power supply will be from a nominated point but power supply options may be explored within the scope.

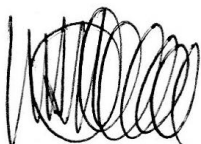
TAILING STORAGE FACILITY

Metminco has appointed GMI to undertake the preliminary design for the Tailings Storage Facility. This work will be undertaken by GMI under the supervision of GRES. GMI specializes in the geotechnical design, construction and operation of such facilities. Dynami will complete the requisite permitting and EIA for the Tailings Storage Facility.

EIS AND GEOTECHNICAL ENGINEERING

Dynami has been awarded the contract to provide Feasibility Study level geotechnical and Environment Impact Assessment work for the Miraflores Gold Project.

The Scope of Work includes all tasks required for an Environmental Impact Assessment and the update of the Environmental Baseline such that an Environmental Licence can be obtained for the Project. Additionally, geotechnical feasibility-level designs for mine facilities (plant foundations, cuts and fills, roads) and tailings management on the Tesorito site will be developed.



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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 Seafeld 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 in Colombia's Middle Cauca Belt and contains several 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 the 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 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.