
METMINCO Limited Renounceable Rights Issue

Key Points

- Renounceable 2-for-5 rights issue to Eligible Shareholders of fully paid ordinary shares at an issue price of \$0.003 each to raise up to \$1.25 million (before costs)
- Shareholders may apply for additional securities as part of the rights issue shortfall
- Partially underwritten by Mr Kevin Wilson, an Executive Director of the Company
- Funds raised will be used to advance the Company's Quinchia Gold Project in Colombia

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC) is pleased to announce the lodgement of a prospectus for a pro rata renounceable offer to eligible shareholders for the issue of 2 new Shares (**New Shares**) for every 5 Shares held at the record date (**Entitlement**) on Friday, 30 November 2018 (**Record Date**) at an issue price of \$0.003 each to raise approximately \$1.25 million before costs (**Rights Issue**).

The funds raised will be applied to the advancement of the Quinchia Gold Project in Colombia as well as corporate costs and working capital.

The Quinchia Gold Project comprises the Company's:

- Miraflores deposit - 0.88Moz gold Resource (see Table 1) and is subject to an ongoing Environmental Impact Assessment due for submission in 2019;
- Dosquebrados deposit - 0.92Moz gold Resource estimated under NI 43-101 (refer ASX announcement dated 7 March 2016);
- recently drilled Tesorito Prospect -including TS-DH-07 which intersected 253m at 1.01g/t Au from surface (starting at 2.9m) including 64.0m @ 1.67 g/t Au from 144m (refer ASX announcement dated 30 August 2018); and
- undrilled Chuscal gold target.

All these deposits occur within a 2km radius of the location of a planned gold plant at Miraflores.

The Chuscal gold target which, along with Tesorito, is the second significant gold porphyry target within the Quinchia Gold Portfolio, features a large, undrilled gold geochemical anomaly over an area with artisanal mining which has indicated highly encouraging underground channel sample grades (refer ASX announcement dated 16 September 2016).

As previously reported (refer ASX announcement dated 30 October 2018) discussions are well advanced with AngloGold Ashanti to formalise a farm-in/joint venture agreement over the Chuscal gold target, and an announcement is anticipated shortly. On successful completion of the negotiations, it is intended to rapidly undertake additional soil geochemical, channel sampling and geophysics to prepare for drilling at Chuscal.

The Company cautions that the foreign estimates for the project are not reported in accordance with the JORC Code. A competent person has not yet completed sufficient work to classify the resources as mineral resources in accordance with JORC code. It is uncertain that following evaluation or further work that the foreign estimate will be able to be reported as mineral resources in accordance with JORC Code.

Details of the Rights Issue

The Rights Issue is available to all Company shareholders (**Shareholders**) registered on the Record Date whose registered address is in Australia or, subject to certain offer restrictions, New Zealand or Singapore (**Eligible Shareholders**). The Rights Issue is not being extended to any Shareholders with a registered address outside these jurisdictions.

The Entitlements under the Rights Issue are renounceable. Accordingly, there will be trading of Entitlements on the ASX and you may dispose of your Entitlement to subscribe for New Shares to any other party. If you do not take up your Entitlement to securities under the Rights Issue by Friday, 14 December 2018 (the closing date of the Rights Issue), your eligibility to take up your Entitlements will lapse.

Trading of Entitlements on ASX is expected to occur in accordance with the timetable included at page ii of the Rights Issue Prospectus (see below).

The issue price of \$0.003 represents a 3.1% discount to the volume weighted average price of Shares over the last 30 trading days. The Rights Issue is partially underwritten by Mr Kevin Wilson, a Director of the Company. Full details of the underwriting arrangements are included in the Prospectus.

Pursuant to the Rights Issue, the Company will issue up to approximately 419,019,591 New Shares to raise approximately \$1,257,059 (before costs).

Shareholders will be able to apply for additional shares beyond their Entitlements pursuant to the Shortfall Offer.

Subject to Shareholder approval at a general meeting to be convened shortly, participants in the placement of Shares undertaken in October 2018 which raised \$540,000, are entitled to 1 Quoted Option for every 3 Shares subscribed for and issued under the placement (**Placement Options**). The Placement Options are also being offered under the Prospectus on the same terms as the Company's existing Quoted Options.

Details of the Rights Issue and the Placement Options are contained in the Prospectus. The Prospectus can be accessed from the ASX and Company websites, www.asx.com.au and www.metminco.com.au respectively.

The Prospectus will be despatched to Eligible Shareholders in accordance with the indicative timetable set out in the Prospectus, as below.

PROPOSED TIMETABLE FOR RIGHTS ISSUE

Event	Date
Lodgement of Prospectus and Appendix 3B with ASX Option holders notified of Offers Notice of Rights Issue sent to Shareholders	Pre-market open on Wednesday, 21 November 2018
Securities quoted on an "Ex" basis and rights trading commences	Thursday, 29 November 2018
Record Date for determining Entitlements	Friday, 30 November 2018
Prospectus and Application Form despatched to Eligible Shareholders	Wednesday, 5 December 2018
Rights trading ends	Friday, 7 December 2018
Securities quoted on a deferred settlement basis	Monday, 10 December 2018
Last day to extend the Closing Date of Rights Issue	Tuesday, 11 December 2018
Closing Date of Rights Issue	Friday, 14 December 2018
Notification of Shortfall	Monday, 17 December 2018
Issue date of Securities Deferred settlement trading ends	Tuesday, 18 December 2018
Commencement of Securities trading on ordinary settlement basis	Wednesday, 19 December 2018

All dates (other than the date of the Prospectus, the date of lodgement of the Prospectus with ASIC and ASX) are indicative. The Company reserves the right, subject to the Corporations Act and Listing Rules and other applicable laws, to vary any other date of the Offers, including accepting late applications, either generally or in particular cases, without notice.

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JORC STATEMENTS

The information in this announcement that relates to Exploration Results and Foreign Estimates is extracted from ASX announcements "Tesorito Drilling Results" dated 30 August 2018 and "Acquisition of Gold Project" dated 7 March 2016, which are available to be viewed on the Company's website (www.metminco.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original announcement, and in the case of foreign estimates, that all material assumptions and technical parameters underpinning the estimates in the relevant announcement continue to apply and have not materially changed.

TABLE 1 - MIRAFLORES PROJECT RESOURCES AND RESERVES

The Miraflores Project Mineral Resource estimate has been estimated by Metal Mining Consultants in accordance with the JORC Code (2012 Edition) and first publicly reported on 14 March 2017. The Miraflores Project Ore Reserve estimate has been estimated by Ausenco in accordance with the JORC Code (2012 Edition) and first publicly reported on 27 October 2017. No material changes have occurred after the reporting of these resource estimates since their first reporting.

Miraflores Mineral Resource Estimate, as at 14 March 2017

Resource Classification	Tonnes ('000)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Measured	2,958	2.98	2.49	283	237
Indicated	6,311	2.74	2.90	557	588
Measured & Indicated	9,269	2.82	2.77	840	826
Inferred	487	2.36	3.64	37	57

Notes:

- i) Reported at a 1.2g/t gold % Cu cut-off.
- ii) Mineral Resource estimated by Metal Mining Consultants Inc.
- iii) First publicly released on 14 March 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Mineral Resource estimation.
- iv) These Mineral Resources are inclusive of the Mineral Reserves listed below.
- v) Rounding may result in minor discrepancies.

Miraflores Mineral Reserve Estimate, as at 27 November 2017 (100% basis)

Reserve Classification	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Contained Metal (Koz Au)	Contained Metal (Koz Ag)
Proved	1.70	2.75	2.20	150	120
Probable	2.62	3.64	3.13	307	264
Total	4.32	3.29	2.77	457	385

Notes:

- i) Rounding of numbers may result in minor computational errors, which are not deemed to be significant.
- ii) These Ore Reserves are included in the Mineral Resources listed in the Table above.
- iii) First publicly released on 27 November 2017. No material change has occurred after that date that may affect the JORC Code (2012 Edition) Ore Reserve estimation.
- iv) Source: Ausenco, 2017.