
METMINCO ANNOUNCES A\$0.75 MILLION CONVERTIBLE NOTE FOR COLOMBIAN GOLD FEASIBILITY STUDY

Metminco Limited (Metminco or the Company) (ASX: MNC; AIM: MNC) is pleased to announce that the Company has signed a binding term sheet with Redfield Asset Management and Redfield Advisory (together **Redfield**) in relation to a convertible note facility of A\$0.75 million (the **Convertible Notes**) (the **Transaction**). The Convertible Notes are unsecured, unsubordinated, and are fully underwritten by Redfield, which is a strong supporter of the Company with an 8.62% shareholding in the Company. Lanstead Capital LP which has a funding facility with the Company in place has consented to this Convertible Notes transaction as set out in the binding term sheet.

Use of Funds

The proceeds from the Convertible Notes will be applied toward the Miraflores Gold Project Feasibility Study and working capital. The Feasibility Study, which is anticipated to be completed by the end of May 2017, is targeting annual gold production averaging 50,000 ozs/Au per annum for 9 years with estimated all in sustaining costs of US\$650 per oz (refer the Company's announcement dated 8 September 2016).

The Miraflores Gold Project is part of the wider 100% Company owned Quinchia Gold Portfolio which includes the Tesorito, Dosquebradas and Chuscal gold targets, all of which have the potential to increase targeted mine life and annual gold production.

Key Terms of the Convertible Note

The key terms of the note are as follows:

Face Value:	A\$750,000
Coupon Rate:	12.5% per annum, compounded monthly interest to be capitalised.
Conversion:	No later than 12 months from date of issue at which time the Convertible Notes and capitalised interest automatically convert to fully paid ordinary shares (Shares) at the Conversion Price. At all times, conversion must be of all Convertible Notes and not some only.
Conversion Price	\$0.06075.
Options Granted:	i) 12,345,639 exercisable at \$0.081 per Share any time prior to 24 months from date of issue. ii) 12,345,639 exercisable at \$0.081 per Share any time prior to 24 months from date of issue to be issued as soon as the Company's available placement capacity under ASX Listing Rule 7.1 is refreshed.
Funding:	A\$100,000 to be received by the Company on 3 April 2017, and the remainder to be received in tranches, A\$100,000 on 7 April 2017, \$100,000 on 17 April 2017 and the remainder expected to be received on 24 April 2017 but in any case no later than 12 May 2017 subject to limited due diligence and long form documentation.
Underwriting Fee:	4.5% of Face Value.

Should Redfield elect, under the terms of the Convertible Notes, to convert the principal amounts into Metminco shares at an assumed price \$0.06075, the holdings of the Redfield would be increased from 10,970,464 Shares (8.62%) to 23,316,143 Shares (16.71%).

This above figures assume that no other ordinary share issues are made by Metminco and that interest on the Convertible Notes is not capitalised. Redfield is ultimately controlled by its directors, including Mr Ram Venkat who is also a director of Metminco, and therefore is a "Related Party" under the AIM Rules. Consequently, the Transaction is considered to be a Related Party Transaction under AIM Rule 13.

With the exception of Mr Venkat, who through his position as a director of both Redfield and Metminco is involved in the transaction as a related party and who has absented himself from all discussions with Redfield in relation to this Convertible Notes facility, the Company's directors consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

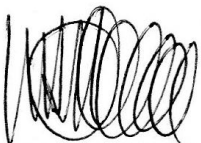
Mr Gaelan Bloomfield, Director of Redfield commented

"Redfield is a committed, long term investor in Metminco and will continue to support the Company as it transitions toward becoming a gold producer. We see further upside through nearby targets such as Tesorito, Dosquebradas and Chuscal which have the potential to further significantly enhance shareholder value".

Mr William Howe, Managing Director, commented

"In providing this funding Redfield has demonstrated its strong commitment to and belief in the Company. We are grateful for Redfields' continued support as we progress our Quinchia Gold Portfolio toward gold production.

The Miraflores Feasibility Study is on target to be completed by the end of May 2017 with submission of the EIA expected by the end of the year. Currently gold production is anticipated to be early 2019".



William Howe
Managing Director

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

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