

ASX/AIM ANNOUNCEMENT

31 July 2018

METMINCO Limited**Quarterly Activities Report for period ending 30 June, 2018**

HIGHLIGHTS

- **Drilling commenced at Tesorito prospect**
 - **Results of first 2 drill holes confirm and extend gold mineralisation at Tesorito**
 - **Discussions continued with AngloGold Ashanti re farm-in/joint venture at Chuscal**
 - **Progressed the permitting process for Miraflores Gold Project**
 - **AUD\$6.2 million equity raised (before costs) for debt repayment and exploration funding**
 - **Board and management restructured**
 - **Company office moved to Melbourne**
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Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) is pleased to present the activity report for the quarter ending 30 June 2018.

OPERATIONS**Quinchia Gold Project, Colombia****Tesorito**

The Tesorito prospect occurs 800m south east of the Company’s Miraflores deposit (0.88Moz gold Resource) and approximately 3km south east of the Company’s Dosquebradas deposit (0.92Moz gold Resource estimated under NI 43-101 – see announcement dated 7 March 2016). It also located approximately 2km north of the large undrilled Chuscal porphyry target.

The Company’s 1,500m diamond drilling program was designed to confirm and expand the gold mineral system intersected in drilling by a previous operator (refer announcement 5 June 2018). This included hole TS_DH_02 which reported 384m @ 1.1g/t Au from surface to end-of-hole (Table 1, refer ASX announcement 7 March 2016). The program will also test a previously undrilled geophysical anomaly located approximately 300m to the northwest of TS_DH_02 (Figure 2).

Although early in its exploration history, Metminco believes the mineralisation at Tesorito represents the gold-rich cap of a deeper base-metal rich porphyry system. This is supported by the phyllic alteration and increasing base-metal content and igneous activity with depth seen in several holes.

The intensity of hydrothermal alteration seen at Tesorito together with prolific gold mineralisation already recognised in the Quinchia district and elsewhere in the Cauca belt suggests this to be major mineralising system which offers great potential for exploration success.

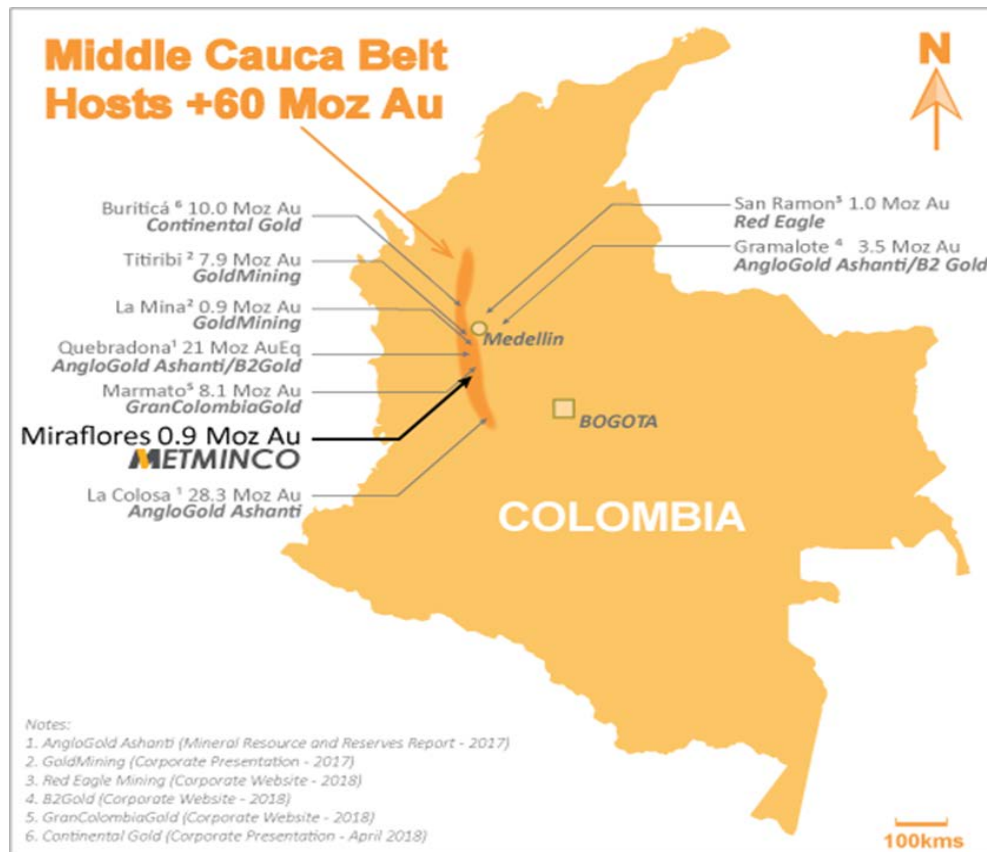


Figure 1: The Cauca Belt of Colombia, with the location of Metminco's Miraflores resource at Quinchia, which is adjacent to Tesorito.

Results of the drilling program to date

The program is comprised of four moderate-depth diamond drill holes (Figures 2, 3 and 4) with results summarised in Table 1 below and also announced to ASX on 31 July 2018.

Drill Hole	Assays
TS_DH_01 Previously drilled and reported	266.5m @ 0.46 g/t Au, 0.58 g/t Ag and 0.034% Cu from 83.5m
TS_DH_02 Previously drilled and reported	384.0m @ 1.01 g/t Au, 0.86 g/t Ag and 0.084% Cu from 16.0m including 32.5m @ 1.34 g/t Au, 0.81 g/t Ag and 0.094 % Cu from 48.8m and 156.6m @ 1.28 g/t Au, 0.93 g/t Ag and 0.085% Cu from 88.3m and 3.95m @ 3.43 g/t Au, 6.67 g/t Ag and 2.63% Cu from 390.8m
TS_DH_03 Previously drilled and reported	254.9m @ 0.51 g/t Au, 0.67 g/t Ag and 0.052% Cu from 9.3m
TS_DH_04	179.8m @ 0.70 g/t Au, 0.91 g/t Ag and 0.064% Cu from 3m including 21.8m @ 1.03 g/t Au, 0.92 g/t Ag and 0.077% Cu from 3m

	and 90.0m @ 0.83 g/t Au, 1.05 g/t Ag and 0.078% Cu from 26.8m 2m @ 17.95 g/t Ag, 1.99 g/t W and >1% Zn from 343.0m
TS_DH_05 Full results pending	212.72m @ 0.39 g/t Au, 0.72 g/t Ag and 0.053% Cu from 4.7m including 32.2m @ 0.77 g/t Au, 0.61 g/t Ag and 0.072 % Cu from 4.7m and 15.5m @ 0.61 g/t Au, 0.83 g/t Ag and 0.063% Cu from 112.6m and 3.95m @ 0.75 g/t Au, 3.82 g/t Ag, 0.139% Cu, 52.7 ppm Pb, and 168.0 ppm Zn from 211.8m

Table 1: Summary assay results from all drill holes to date at Tesorito.

From the results received to date from Tesorito and the previous historical drilling:

- all 5 holes drilled into have returned gold mineralisation from a multi-phase porphyritic intrusive complex
- the gold mineralisation is extensive in area, and occupies at least 400m x 180m and is open laterally to the north-northeast and east-southeast
- higher grade gold areas of over 1 g/t Au occur within the broader mineralisation envelope of approximately 0.5 g/t Au
- depth of porphyry mineralisation has been seen up to 380m below surface (TS_DH_02) and the presence of garnets in previous and present drill core are indicative of a deep vertical plumbing system
- intense phyllic alteration mapped by the significant IP anomaly located to the west of the known Tesorito porphyry and seen in the surface mapping and sampling and the drill core suggests a major hydrothermal system exists approximately 2-300m to the north west of the locus of the Tesorito prospect
- phyllic alteration is generally indicative of the upper and lateral zones of a porphyry system. There is a general increased presence of A-, B-, and M-type veining down-hole in holes drilled towards the IP anomaly. Furthermore, initial logging indicates a general increase in the presence of potassic alteration in the same direction along with an increasing presence of base metals with depth. These factors are all pointing to the central zone of the Tesorito porphyry system being located primarily beneath the IP anomaly with porphyry-associated mineralisation extending laterally upwards from it.
- the localised controls on higher order gold mineralisation traversed by TS_DH_02 and TS_DH_04 require further investigation to determine their distinct characteristics, and their likelihood of being repeated within the porphyry complex.

Next Steps

- receipt of assays from the final 2 diamond holes and remainder of TS_DH_05
- undertake a detailed logging program on the recently acquired drill core supported by mineralogical analysis to determine vectors for focusing next stage exploration drilling.

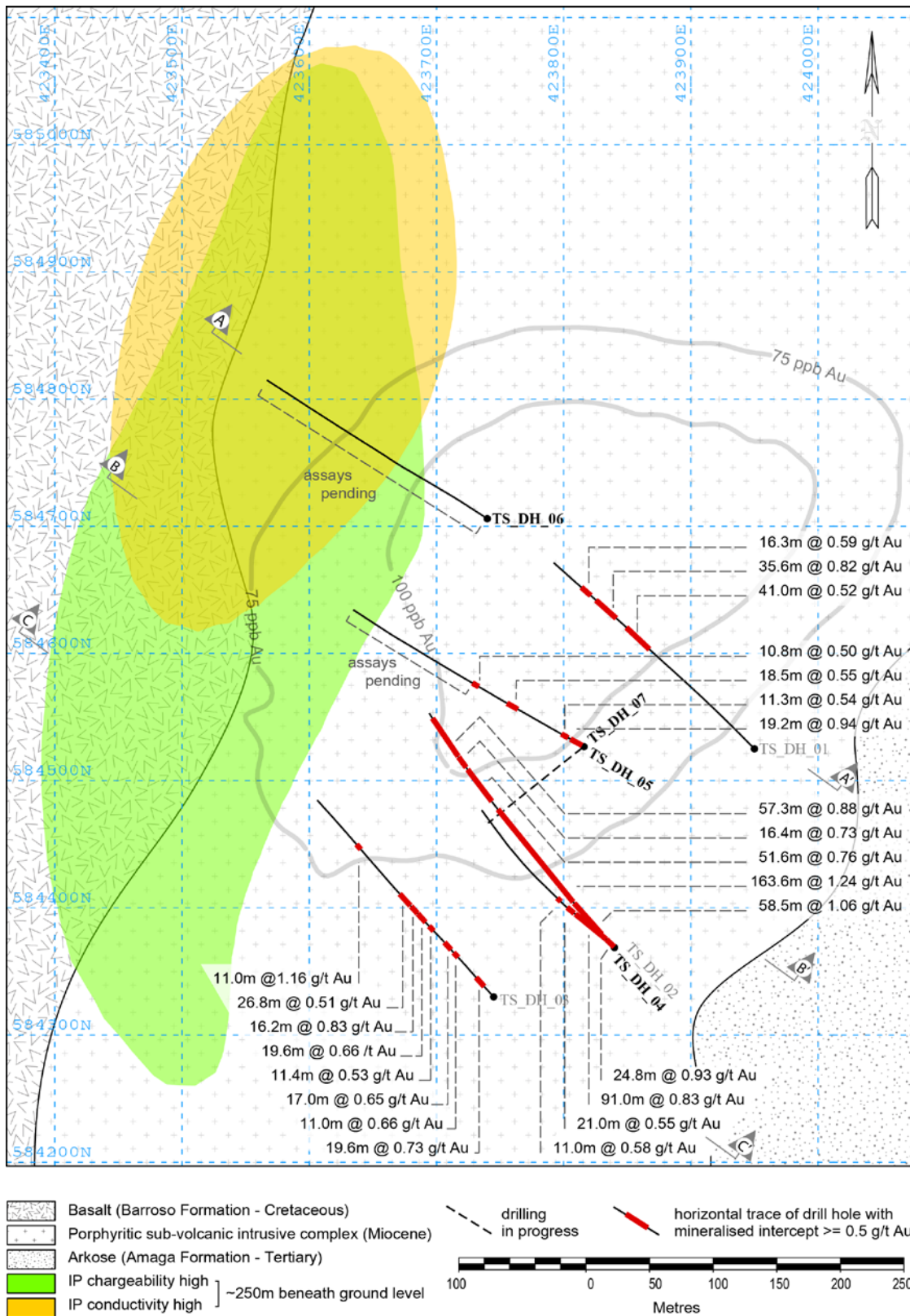


Figure 2: Plan of Tesorito drilling, showing location of drill traces and IP anomaly. Section B-B' is presented as Figure 4. For the other sections, refer to Table 1 in ASX announcement of 31 July 2018.

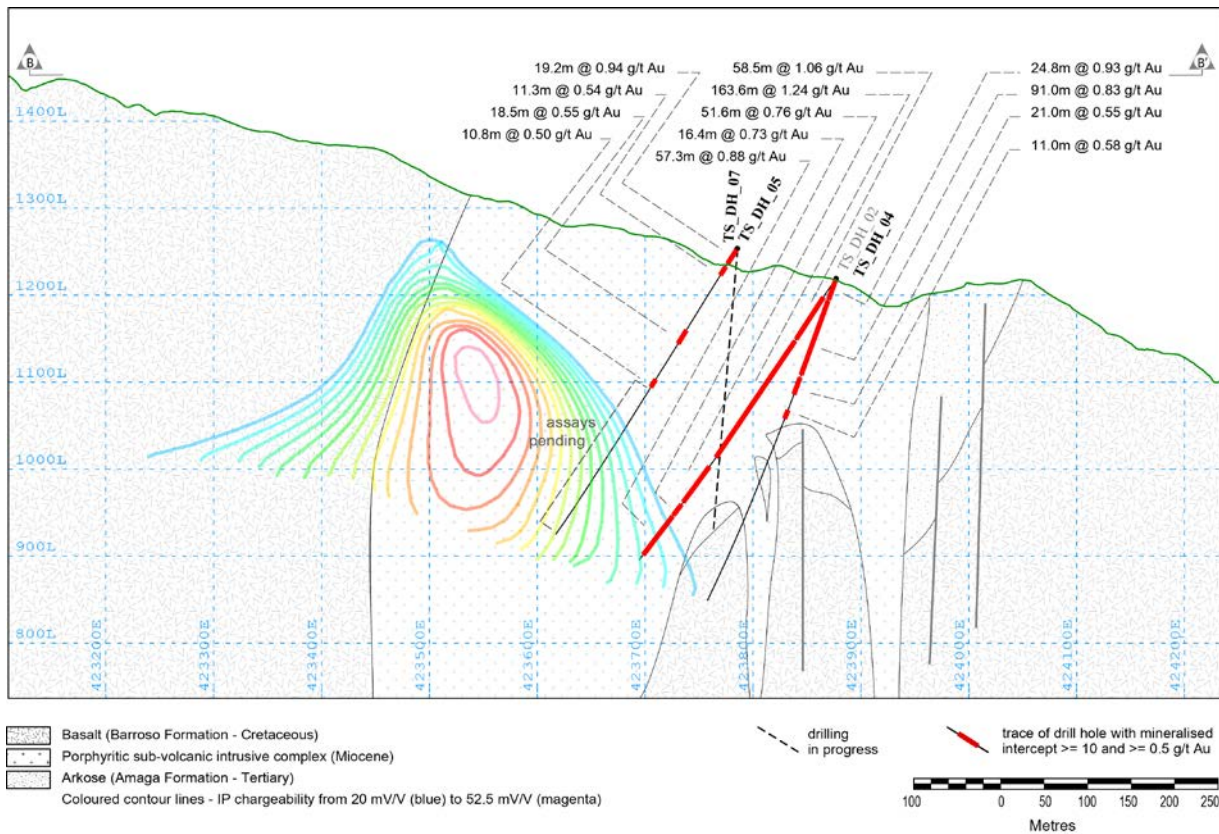


Figure 4: Cross section B-B' from Figure 2 showing TS_DH_04; TS_DH_05; TS_DH_07 (in progress) and the IP chargeability anomaly

Chuscal

Chuscal, 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 highly encouraging channel sample grades.

During the quarter discussions progressed with AngloGold Ashanti to formalise a farm-in/joint venture agreement over the Project. The discussions were ongoing at the end of the reporting period.

Both Tesorito and Chuscal are located within 2km from the proposed mine site at the Miraflores Gold Project (see below).

Miraflores Gold Project

As previously reported, the Company submitted the Plan of Work ("PTO") to the Colombian Mining Agency for mine development approval for the Miraflores Gold Project (refer Figure 2) in January 2018. Colombian regulations require both the PTO and Environmental Impact Assessment ("EIA") approvals prior to commencement of operations. As at the date of this report, approval of the PTO is awaited.

The critical path for the development of the project remains the completion of the EIA, including the validation of the impacts on the local communities and the gaining of the social licence for the project.

Final, seasonal water monitoring was completed during the quarter and will inform the EIA submission, expected in 2019.

Chilean assets

No exploration activity was undertaken on the Chilean assets during the quarter.

At Mollacas, discussions with adjacent landowners concerning sale of the Company's water rights was suspended pending clarification of the owners' position. A data-room has been prepared for the Mollacas Project and discussions continued with interested parties.

CORPORATE

Financing

During the quarter a total of 766,268,633 fully paid ordinary shares were issued at AUD\$0.008 per share to raise a total of approximately AUD\$6.2 million before costs in an entitlement offer and subsequent placement, and share payments in lieu of fees owed. A total of 264,398,812 options were also issued, exercisable at AUD\$0.011 on or before 1 June 2020. The capital raisings have enabled the Company to repay debts and assist in funding the exploration programs planned for Tesorito and Chuscal. Details of the financings are presented below:

Entitlement Offer

The Company undertook a fully underwritten renounceable entitlement offer to eligible shareholders during the period (refer prospectus ("Prospectus") lodged 23 March 2018). The terms of the Entitlement Offer were the issue of 9.5 New Shares for every 2 Shares held by eligible shareholders at a price of AUD\$0.008 per New Share to raise up to AUD \$5,558,653 (being an issue of up to 694,831,892 new shares), together with 1 free attaching option (exercisable at AUD\$0.011 during the Exercise Period) for every 3 New Shares subscribed for.

The proceeds of the 9.5 for 2 renounceable Entitlement Offer, including the shortfall offer to eligible shareholders who accepted their full entitlements, were approximately AUD\$4.03 million before costs. This represented approximately 72% take-up by value from eligible shareholders.

On 24 April 2018, the Company issued 503,269,743 new shares and 167,756,720 free attaching options exercisable at AUD\$0.011 on or before 1 June 2020 ("Attaching Options") to eligible shareholders who participated in the Entitlement Offer. The Entitlement Offer was fully underwritten by Patersons Securities Limited ("Patersons"), which placed the shortfall of AUD\$1.53 million under the Entitlement Offer, being 191,562,149 new shares and 63,854,050 free Attaching Options, to the sub underwriters of the issue.

Patersons (or its sub-underwriters) were granted 231,610,770 options on the same terms and conditions as the free Attaching Options issued under the Entitlement Offer as part of consideration of underwriting the offer ("Underwriter Options"). Shareholder approval was granted for the issue of the Underwriter Options at the Company's Annual General Meeting on 28 May 2018 ("AGM").

Other share issues

- The Company also issued Redfield Asset Management Pty Ltd (“Redfield”) 9,876,512 options on the same terms and conditions as the free attaching options issued under the Entitlement Offer (refer below). In addition the Company issued 2,702,152 shares to Lanstead Capital L.P. (“Lanstead”) at a price of AUD\$0.008 per share in settlement of an outstanding value payment fee under the Sharing Agreement with Lanstead as announced on the ASX on 17 November 2016 (refer to ASX announcement entitled “Prospectus – Entitlement Offer” dated 23 March 2018 for further information) (“Lanstead Shares”).
- Separately, following the Entitlement Offer, there was a requirement for the 24,691,278 unlisted options previously issued to Redfield Ltd to be re-priced in accordance with the formula in the ASX Listing Rules. As a result the options now have an exercise price of AUD \$0.08. The exercise price was previously AUD\$0.081. These options have expiry dates of 17 May and 25 May 2019.
- On 22 May the Company announced a placement of 68,734,589 fully paid ordinary shares in Metminco at AUD\$0.008 per share to raise AUD\$549,877 before costs (“Placement”). The subscribers to the Placement received 22,911,530 options based on one option exercisable at AUD\$0.011 on or before 1 June 2020 for every three new shares subscribed under the Placement. The new shares and options were issued pursuant to the Company’s 15% placement capacity to professional and sophisticated investors.

At the date of this report, the capital structure of Metminco is 912,548,977 fully paid ordinary shares and 264,398,812 quoted options; and 24,691,278 unlisted options.

Metminco made a payment of AUD1 million to RMB Resources Australia Pty Ltd (RMB) on 20 June 2018 as part of a deferred payment concerning the Quinchia Project that was purchased from RMB on 20 June 2016.

Cash held at 30 June 2018 was AUD\$1.7 million.

Board and Management Changes

Further changes to the board and management occurred during the period:

- Francisco Vergara-Irarrazaval was appointed a director in 2010 and retired in accordance with the Company’s constitution at the conclusion of the Company’s AGM on 28 May 2018. The board thanked Mr Vergara-Irarrazaval for his valuable advice during his tenure.
- Glenister Lamont was elected to the board as a non-executive director at the AGM. Mr Lamont has an Honours degree in Mining Engineering and a Masters of Business Administration from IMD, Switzerland. He is a Fellow of the Financial Services Institute of Australasia, a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Mines and Metallurgy. He is currently non-executive Chairman of Golden Rim Resources, where he has served as a director since 2007.
- Mr Geoffrey Widmer was appointed joint Company Secretary alongside Mr Graeme Hogan (refer ASX announcement of 26 April). Mr Widmer, MBA Queen’s University Canada, Fellow of the Australian Institute of Company Directors, Member of the Governance Institute of Australia and a Spanish speaker, brings extensive experience in company administration and is the Honorary Counsel for Colombia in Melbourne.

- Mr Andrew Metcalfe joined the Company as CFO and Joint Company Secretary effective 28th May 2018. Mr. Andrew Metcalfe is a qualified accountant, experienced company secretary and governance advisor. He is a member of the Australian Certified Practising Accountants, Fellow of the Governance Institute of Australia (formerly Chartered Secretaries Australia) and a Graduate of the Australian Institute of Company Directors. Mr. Metcalfe provides CFO and company secretarial services and advises on corporate governance matters for a number of ASX listed, public and private companies and not for profit organisations. Mr. Metcalfe also manages the regulatory functions of these companies.
- Mr. Graeme Hogan, CFO and Joint Company Secretary resigned on 28 May 2018, however he has assisted with the management transition through till the end of July 2018. The Company wishes to thank Mr. Graeme Hogan for his contribution to the transition of the business in 2018.

In addition, the Company moved its corporate office to Melbourne following the AGM. The Company's address is now: c/o Accosec & Associates, Suite 3, Level 2, 470 Collins St, Melbourne, Victoria, 3000.

On 18 June 2018 the company announced that it had appointed Stockdale Securities Limited as its joint UK broker.

Geoffrey R Widmer
Joint Company Secretary

Mineral Tenement (Colombia) as at 30 June, 2018**Quinchia Gold Project**

TENEMENT ID ⁽¹⁾	HOLDER ⁽²⁾	TYPE OF CONTRACT ⁽³⁾	STAGE
010-87M ⁽⁴⁾	MCM	Contribution	Exploitation
DLK-14544X	MCM	Concession	Exploration
FCG-08353X	MCM	Concession	Exploration
FCG-08354X	MCM	Concession	Exploration
FCG-08355X	MCM	Concession	Exploration
FCG-08356X	MCM	Concession	Exploration
FCG-08357X	MCM	Concession	Exploration
FCG-08358X	MCM	Concession	Exploration
FHH-083	MCM	Concession	Exploration
FCG-082	MCM	Concession	Exploration
FKH-141	MCM	Concession	Exploration
FKH-145510X	MCM	Concession	Exploration
FKH-145511X	MCM	Concession	Exploration
FKH-145512X	MCM	Concession	Exploration
FKH-145513X	MCM	Concession	Exploration
OG2-08112	MCM	Application	Exploration
OG2-10591	MCM	Application	Exploration
OG2-8073	MCM	Application	Exploration

(1) All titles are part of the Quinchia Gold Portfolio, Quinchia, Department of Risaralda, Colombia.

(2) All title held 100% by Miraflores Compañía Minera SAS (MCM) a 100%-owned subsidiary of North Hill Holdings Group Inc., owned as to 100% by Metminco.

(3) Concessions at exploration stage have 3 year life extendable for two years to a maximum 11 years.

(4) 15 year life extendable for 15 years

For further information, please contact:

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NOMINATED ADVISOR AND BROKER**RFC Ambrian**

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PUBLIC RELATIONS**Camarco**

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Gordon Poole / Nick Hennis	Office:	+ 44 (0) 20 3757 4997
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Competent Person's Statements

The information in this report that relates to Exploration Results is based on information compiled by Gavin Daneel, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is engaged as a Consultant in Australia.

Gavin Daneel is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Daneel, as Competent Person for this report, has consented to the inclusion of the information in the form and context in which it appears herein.

Market Abuse Regulation (MAR) Disclosure

The information communicated in this announcement includes inside information for the purposes of Article 7 of Market Abuse Regulation (EU) 596/2014.

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

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Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

METMINCO LIMITED

ABN

43 119 759 349

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6- months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(321)	(767)
(b) development		
(c) production		
(d) staff costs	(413)	(782)
(e) administration and corporate costs	(83)	(122)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid		
1.6 Taxes paid/received		
1.7 Research and development refunds		
1.8 Other (expenses accrued pre \$6.1M equity raising, paid in June quarter)	(981)	(981)
1.9 Net cash from / (used in) operating activities	(1,796)	(2,650)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6- months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(60)	(99)
(b) tenements (see item 10)		
(c) investments (RMB payment)	(1,000)	(1,000)
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(1,060)	(1,099)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	6,130	6,283
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	(525)	(541)
3.5 Proceeds from borrowings		
3.6 Repayment of Convertible Note	(842)	(842)
3.7 Transaction costs related to loans and borrowings		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6- months) \$A'000
3.8	Dividends paid		
3.9	Other – equity swap	-	44
3.10	Net cash from / (used in) financing activities	4,763	4,944

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period / year	223	834
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,796)	(2,650)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,060)	(1,099)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,763	4,944
4.5	Effect of movement in exchange rates on cash held	(424)	(323)
4.6	Cash and cash equivalents at end of period	1,706	1,706

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,706	223
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (Term Deposits)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,706	223

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	99
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees, superannuation payments, advisory fees (under agreement)

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	0
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	0
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	0	0
8.2 Credit standby arrangements	0	0
8.3 Other (please specify)	0	0
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

None

9. Estimated cash outflows for next quarter		\$A'000			
9.1	Exploration and evaluation	720			
9.2	Development	0			
9.3	Production	0			
9.4	Staff costs	175			
9.5	Administration and corporate costs	425			
9.6	Other – redemption of convertible notes	0			
9.7	Total estimated cash outflows	1,320			
10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Nil			
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Nil			

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: Date: 31st July 2018
(Joint Company secretary)

Print name: Andrew Metcalfe

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.