

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B 3 MONTHS TO 30 SEPTEMBER 2016

Highlights of the activities for the Quarter ending 30 September 2016 included:

Quinchia Gold Portfolio

- SRK Consulting (USA) Inc (SRK) updated the Scoping Study on the Miraflores Project to provide for an underground only mining operation. Key results from the Scoping Study include:
 - Mine life: 9 years producing 50,000oz of recovered gold per annum at steady state
 - Mined Tonnes : 4.03Mt
 - Life of Mine capital: US\$98 million
 - Life of Mine C1 cash costs: US\$555/oz
 - Life of Mine AISC costs: US\$648/oz
 - EBITDA: US\$31.7 million per annum over 9 years
 - NPV (after tax): US\$73.4 million @ 8% discount rate
 - IRR (after tax): 26%
 - Gold price: US\$1,300/oz
- The Scoping Study does not provide the detail required to meet NI 43-101 or JORC 2012 compliant Ore Reserves.
- Nearby exploration targets such as Tesorito and Chuscal have significant upside potential.

Los Calatos Copper-Molybdenum Project

- Completion of the first instalment occurred pursuant to the Agreement with CD Capital Natural Resources Fund III LP (CD Capital Fund III), whereby CD Capital will subscribe for new shares of up to US\$45 million in Los Calatos Holding Ltd (LCH) to fund the completion of Pre-feasibility and Feasibility Studies (CD Capital Transaction) on the Los Calatos Project.
- Post-period, the first equity investment of US\$16 million was received by LCH in mid-October 2016.

Corporate

- A\$1.0 (£0.57) million raised through the placement of 422,222,222 shares (settled early October 2016).
- The Company's cash position as at 30 September 2016 was approximately A\$43,000. Early October 2016 the Company received approximately A\$1.0 million on settlement of the equity placement.
- The Company is in advanced negotiations with respect to funding the Bankable Feasibility Study for the Miraflores Gold Project in Colombia.

Mr William Howe, Managing Director, commented: *"The Company achieved two major milestones during the quarter. Firstly, the completion of a scoping study at Miraflores has confirmed our belief that we have a highly deliverable and robust near term gold project. Accordingly, we will expedite the completion of the Bankable Feasibility Study and are in advanced stages of executing the required funding. Secondly, the equity funding raised for the Los Calatos Project will ensure that our shareholders retain a significant interest in a world class asset that has the potential to be developed in the early 2020's when it is anticipated that there will be a supply deficit in the global copper market.*

With two exciting projects being developed in parallel, Metminco now represents a diversified junior miner that has the capacity to deliver shareholder value in the near term, coupled with the upside potential within the larger Quinchia Gold Portfolio, which includes significant exploration targets. We are very optimistic for the future of the Company and look forward to advancing our projects."

MIRAFLORES GOLD PROJECT – COLOMBIA

Introduction

Metminco retained SRK to complete an updated scoping level study on the Miraflores Project (Miraflores or the Project) located in Colombia (Scoping Study). The purpose of the study was to present an underground mining only scenario utilizing filtered tailings as backfill material and a dry stack tailings facility. The Scoping Study was completed by SRK with contributions from Metal Mining Consultants (MMC), GR Engineering Services Limited (GRES), and Dynami Geoconsulting (DG). A comprehensive announcement regarding the results of the Scoping Study was released to the ASX on 8 September 2016 and is available on the Company's website, www.metminco.com.au.

On the strength of the very positive Scoping Study results, the Board of Metminco has approved the commencement of the Feasibility Study, subject to availability of funding. A range of opportunities to further optimise the results of the Scoping Study, including reduction of initial infrastructure capital and expedite permitting by lessening the footprint of the potential mine development, are currently being evaluated.

Property Description and Location

The Miraflores property consists of a 124 hectare mineral exploitation located within the Municipality of Quinchía, Department of Risaralda, Republic of Colombia, some 190 km WNW of the Colombian capital of Bogota and 55 km to the north of Pereira, the capital of the Department of Risaralda.

Mineral Resource

As of 02 April, 2013, MMC estimated a Measured and Indicated Mineral Resource of 72.6 Mt at a gold and silver grade of 0.78 g/t and 1.52 g/t respectively using a cut-off grade of 0.27 g/t gold in accordance with NI 43-101. The mineral resource was based on 25,884 m of drilling in 73 diamond drill holes and 236 meters of underground channel samples. The mineral resource estimate provided for both an open pit and an underground mining operation.

More recently, MMC was retained by Metminco to produce a mineral resource that is estimated in accordance with the guidelines of the JORC Code (2012 Edition), but which only provided for the exploitation of the Miraflores deposit via an underground mining operation, and hence a higher cut-off grade of 1.2 g/t gold. The revised mineral resource estimate is summarized in Table 1.

Table 1: Mineral Resource Estimate – Miraflores Gold Project (MMC July 2016)

Classification	Tonnes (000's)	Au (g/t)	Ag (g/t)	Oz Au (000's)	Oz Ag (000's)
Measured	2,948	2.98	2.50	282	237
Indicated	6,245	2.74	2.89	549	580
Measured & Indicated	9,193	2.81	2.76	832	817
Inferred	180	1.44	5.49	8	32

Based on a gold cut-off grade of 1.2 g/t.

Rounding-off of numbers may result in minor computational errors, which are not deemed to be significant.

Sensitivity to varying gold grades is disclosed on page 7 of the Company's announcement of 8 September 2016.

Scoping Study

Costing of the Miraflores Project has been completed to various levels of detail (refer announcement on 8 September 2016 for details). The scoping level study is considered to be at an accuracy level of +/- 30% including contingencies.

Capital Cost Estimates

The capital cost estimate for the Miraflores PEA LoM totals US\$98 million, including contingency, and is summarized in Table 2. The capital is broken down by initial capital, required to start and develop the mine, and sustaining capital used to continue operations.

Table 2: LoM Capital Costs (US\$ millions)

Description	Initial	Sustaining	LoM
Underground Mining	6.5	14.2	20.7
Processing	38.0	0	38.0
Tailings	8.6	0	8.6
Infrastructure	5.0	0	5.0
Owner's Cost	9.0	6.0	15.0
Investment on Water Monitoring	0.1	0	0.1
Equipment Salvage	0	(3.4)	(3.4)
Sub-total	67.2	16.8	84.0
Contingency	14.0	0	14.0
Total Capital	81.2	16.8	98.0

The capital cost estimate developed for this study includes the costs associated with the engineering, procurement, preliminary estimates of taxes, duties, and freight, construction, commissioning and pre-operation required for all Project facilities. The cost estimate was based on preliminary estimates developed for the Project by SRK for mining, processing, owner's cost, investment of water monitoring, equipment salvage, and sustaining costs. GRES contributed the tailings filter cost. DN developed the dry stack tailings costs. The capital cost estimated includes direct and indirect costs. Estimates are based on preliminary designs and costs from other similar projects combined with first principles estimates.

Contingency is in the capital cost estimate for processing (25%), tailings (15%), infrastructure (25%), and owner's costs (25%). The overall contingency initial front capital is 17%.

Operating Cost Estimates

Operating costs are based on underground mining, process, tailings and G&A estimates. All costs are in Q3 2016 US dollars. The mining operating costs do not include capitalized development costs. LoM operating costs by cost center are shown in Table 3. Over the life of the Project, operating costs are estimated at US\$57.17/t milled.

Table 3: LoM Operating Costs

Description	US\$/t milled	LoM (US\$ millions)
Mining	\$34.67	139.7
Processing	\$15.41	62.1
Tailings	\$1.84	7.4
G&A	\$5.25	21.1
Total	\$57.17	230.3

The financial results are derived from annual inputs provided by SRK, Metminco, GRES, and DN. SRK developed the economic model. Cash flows are reported on a yearly basis.

Economic Analysis

Principal Assumptions

A financial model was prepared on an unleveraged, post-tax basis. The model includes a pre-tax summary for completeness. The basis and results are presented in this section. Key criteria used in this analysis are summarized in Table 4.

Table 4: Project Main Assumptions

Description	Value	Units
Project Schedule		
Pre-Production Period	18	months
Mine Life	9	years
Plant Feed Rate	1,300	t/d
Gold/Silver Circuit		
Average Gold Recovery	91	%
Average Silver Recovery	54	%
Gold Price	1,300	US\$/oz
Silver Price	18	US\$/oz

An 18-month pre-production period allows for the post permitting activities through to commercial production, including all construction activities and surface rights settlement, pre-production mine development, process plant and facilities construction and infrastructure development.

Mill feed is planned at 1,300 t/d with varying grades that provide average LoM plant feed grades of 3.51 g/t Au and 2.84 g/t silver (including low grade stockpile feed material).

A flat 33% income tax has been used. This is the result of combining the Colombian corporate income tax at 25% and the CREE tax at a rate of 8%.

Working capital changes are based on accounts receivable paid 30 days after a sale is reported, accounts payable are due 30 days following delivery of service, 16% VAT (IVA) tax over capital is recovered after a period of 30 days and operations net inventories of 30 days.

The financial inputs to the economic model are provided in Table 5.

Table 5: Financial Inputs

Description	Value	Unit
Project Equity	100%	Percent
Working Capital Requirement	Receivables/Payables, IVA	30 days
Depreciation	5 year accelerated	
Discount Rate	8%	
Effective Corporate Tax Rate	33%	Colombian Income Tax
Governmental Royalty	4.0% effective rate	Percent over gross sales

The following exchange rates and consumables were used:

- US\$1.00 = COP\$3,000;
- Diesel: US\$0.70/L; and
- Power: US\$0.11/kWh.

Economic Results

After-tax NPV is US\$73 million, using an 8% discount rate (NPV 8%) with an IRR of 26%. These and other economic results are summarized in Table 6.

Table 6: After-Tax Technical Economic Model Results

Description	Units	Value	Unit Cost (US\$/t-RoM)
Mineralization Processed	kt	4,028	
Gold Recovered	koz	414	
Silver Recovered	koz	199	
Gold Market Price	US\$/oz	\$1,300	
Silver Market Price	US\$/oz	\$18	
Gross Revenue	US\$M	539.2	
Refinery			
Gold Refinery	US\$M	(0.2)	(\$0.05)
Doré Transportation & Insurance	US\$M	(1.5)	(\$0.38)
Silver Refinery	US\$M	(0.1)	(\$0.02)
Subtotal	US\$M	(1.8)	(\$0.45)
NSR	US\$M	537.4	\$133.43
Gold Royalty	US\$M	(21.4)	(\$5.30)
Silver Royalty	US\$M	(0.1)	(\$0.03)
Net Revenue	US\$M	515.9	\$128.09
Operating Costs			
Mining	US\$M	139.7	\$34.67
Processing	US\$M	62.1	\$15.41
Tailings	US\$M	7.4	\$1.84
G&A	US\$M	21.1	\$5.25
Subtotal	US\$M	230.3	\$57.17
LoM Cash Cost	US\$/oz-Au	607	-
First 8 Years Cash Cost	US\$/oz-Au	599	-
Operating Margin (EBITDA)	US\$M	285.6	\$70.93
Capital Costs			
Underground Mining	US\$M	20.7	
Processing	US\$M	47.5	
Tailings Facility	US\$M	9.6	
Infrastructure	US\$M	6.3	
Owner Costs	US\$M	17.2	
Investment on Water Monitoring	US\$M	0.1	
Salvage	US\$M	(3.4)	
Subtotal	US\$M	98.0	
Income Tax	US\$M	(41.2)	
After-Tax Free Cash Flow	US\$M	146.4	
After-Tax NPV @8%	US\$M	73.4	
After-Tax IRR	%	26%	

The Project cash costs are summarized in Table 7.

Table 7: Cash Cost Breakdown

Description	US\$/oz
Underground Mining	339
Processing	151
Tailings	18
G&A	51
Selling/Refining	4
By-Product (Silver) Credits	(9)
Direct Cash Costs	\$555
Governmental Royalties	52
Indirect Cash Costs	\$52
Direct + Indirect Costs	\$607
Sustaining Capex	41
All-In Sustaining Costs	\$648

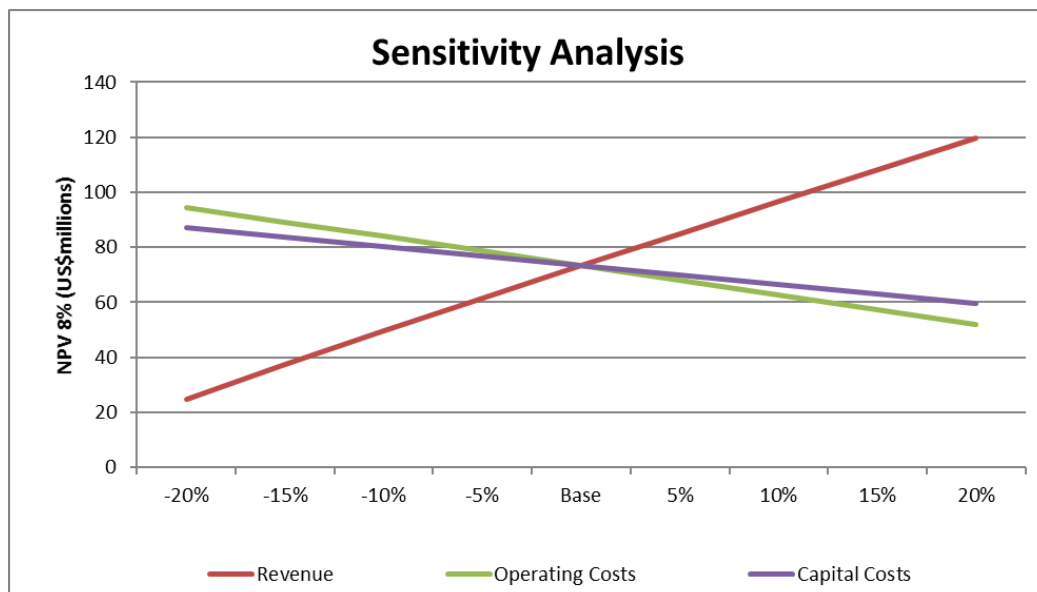
* Cash costs do not include: Private royalties, depreciation and amortization, ARO provisions, inventory allowances, corporate overheads, debt, employee adjustments, finished goods/by-product adjustments, exploration and study costs, permitting costs, or community related costs.

Sensitivity Analysis

The Project sensitivity analysis on an after-tax basis is summarized in Table 8 and in Figure 1. As presented, the Project is most sensitive to market price followed by operating costs and capital costs, respectively.

Table 8: Project Sensitivity (After-tax)

NPV@8% (US\$ Millions)	-20%	-15%	-10%	-5%	Base	5%	10%	15%	20%
Revenue	25	37	50	62	73	85	97	108	120
Operating Costs	94	89	84	79	73	68	63	57	52
Capital Costs	87	84	80	77	73	70	66	63	59

Figure 1: Project Sensitivity Analysis (After-tax)

On an after-tax basis and using variable gold prices, Table 9 shows the sensitivity of the Project with regards to payback period, NPV discount rate and IRR.

Table 9: Base-Case Gold Price Sensitivity Analysis (After-Tax)

Gold Price (US\$/oz)	NPV (5%) US\$ Millions	NPV (8%) US\$ Millions	IRR	Payback (years)
Base	96	73	26%	2.8
\$1,300/oz	96	73	26%	2.8
\$1,400/oz	117	91	29%	2.5
\$1,500/oz	137	109	33%	2.3
\$1,600/oz	158	127	36%	2.1

Funding

Based on the results of the Scoping Study at the Miraflores Project, the Company plans to raise the funds required to complete a Bankable Feasibility Study. On completion of the Feasibility Study, and the decision to develop the Project, a combination of debt and equity instruments will be used to progress the Project into production.

Way Forward

On raising the requisite funding, a Feasibility Study will be initiated at Miraflores, which subject to funding is scheduled to be completed by the end of Q1 2017. In parallel with the Feasibility Study, social and environmental permitting activities will continue.

In addition, a number of exploration drill holes have been planned for the Tesorito Target, in order to assess the continuity of the gold mineralisation identified to-date. More detail on this target and the wider Quinchia Gold Portfolio can be accessed from the latest company presentation at www.metminco.com.au.

LOS CALATOS PROJECT - PERU

During the September 2016 Quarter, the Company has focussed solely on the completion of the CD Capital Transaction with respect to their equity investment in LCH with funds raised to be applied towards the completion of Pre-Feasibility and Feasibility Studies at Los Calatos. Completion of the transaction and the initial equity investment of US\$16 million occurred post period on 25 October 2016.

MOLLACAS PROJECT - CHILE

The Company holds title to 21 Exploitation Concessions covering the Mollacas deposit and surrounding area, and owns 179 ha of land adjacent to the proposed open pit operation.

In addition, Metminco also owns water rights to approximately 175 litres/sec from two canals, albeit that the estimated water usage for the mining operation will only be 40 litres/sec.

CORPORATE

Placement

Late September 2016 a total of 422,222,222 new fully paid ordinary shares of the Company (Shares) were placed by SP Angel Corporate Finance LLP at a price of A\$0.00237 (£0.00135) to sophisticated and professional investors under ASX Listing 7.1 to raise approximately A\$1.0 (£0.57) million. The Placement was settled early October 2016.

CD Capital Transaction

The Company entered into an Investment Agreement (the Agreement) with CD Capital Fund III in early August 2016 for an equity investment by CD Capital Fund III of up to US\$45 million in LCH in three tranches as set out below.

- Tranche 1: US\$16 million – 51% equity in LCH
- Tranche 2: US\$14.5 million – 65% total equity in LCH
- Tranche 3: US\$14.5 million – 70% total equity in LCH

The Agreement was settled mid October 2016 with the investment by CD Capital Fund III of the first of three equity tranches being received by LCH. CD Capital and Metminco both have representatives on the board of directors of LCH.

The funds raised from the equity issue will be applied to complete the planned Pre-Feasibility and Feasibility Studies on the Los Calatos Project over a period of 3 to 4 years. The initial focus at Los Calatos will be to upgrade the existing Mineral Resource categories to Measured and Indicated status, to expand the resources (including further drilling at the TD2 and TD3 targets), and to complete Pre-Feasibility Study level metallurgical testwork including testing with sea water.

The Company's Strategy

During the September 2016 Quarter the Company has achieved two major milestones through completion of a Scoping Study demonstrating the robust economics for the potential development of the Miraflores Project into a gold producing asset; and, completion of the of the CD Capital Transaction.

The Company will continue to advance the Miraflores Project through further optimisation work and completion of a Bankable Feasibility Study as well as evaluate exploration strategies for the wider Quinchia Gold Portfolio which includes the significant gold porphyry system targets of Tesorito and Chuscal. In Peru the Company and CD Capital Fund III will work together to progress the Los Calatos Project through completion of Pre-feasibility and Feasibility studies.

Cash Position and Funding

As at 30 September 2016, Metminco had cash reserves of A\$ 43,000, although the Company's cash position increased to approximately A\$1 million following the Placement made to sophisticated and professional investors in September which was settled in early October 2016.

Expenditure for the quarter was focussed on the Company's 100% owned Miraflores Project, including completion of the Scoping Study and preparatory work for the Feasibility Study to commence once funding is finalised; care and maintenance in relation to the Company's Chilean projects (Mollacas, Vallecillo and Loica); and, costs associated with corporate governance, compliance, and maintenance of ASX and AIM listings.

The Company also incurred care and maintenance costs for the Los Calatos project up to late August 2016 at which time LCH commenced funding the project.

The Company is currently in advanced negotiations to secure funding for the completion of a Bankable Feasibility Study at its Miraflores Project in Colombia.

Board Changes

Tim Read, who held office as a Director of Metminco from 1 April 2010 and as Chairman from 16 March 2011 resigned from the Company's Board of Directors effective from 27 July 2016.

Mr Read has elected to scale back his business commitments and with that reduce his directorship roles. The Board expresses its gratitude to Mr Read for his outstanding service as a Director and Chairman and wishes him all the best.

Dr Phillip Wing, who was appointed to the Board of Metminco on 17 July 2009, replaces Mr Read as Chairman. Dr Wing is a highly experienced company director and businessman. He has been a non-executive director and chairman of several companies in various sectors, including resources, technology and venture capital.

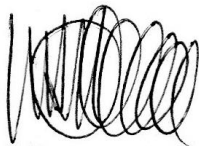
Mr Stephen Tainton, who has held office as an Executive Director of Metminco since 8 October 2013 tendered his resignation from the Company's Board of Directors. Mr Tainton's resignation has been accepted by the Company and was effective from 6 September 2016.

Mr Tainton has brought a wealth of technical and operational knowledge and skills to the Board as well as made a significant contribution to the strategic framework of the Group. Following the restructure of the Group in 2013, Mr Tainton assumed responsibility for the Los Calatos Project and has been instrumental in the completion of the work and studies undertaken since that time which has culminated in the CD Capital Transaction announced previously.

With the CD Capital Fund III planned development program Steve has elected to resign from the Board to assist with technical and operational issues relating to the planned Pre-Feasibility and Feasibility Studies at Los Calatos.

The Company will continue to benefit from Mr Tainton's skills in a non-directorial capacity.

The Company has been fortunate to have Mr Read and Mr Tainton as Directors. The Board has elected not to appoint replacement directors at this time.

A handwritten signature in black ink, appearing to be 'William Howe', written in a cursive style.

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 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 in early August 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.

SRK Consulting (U.S.) Inc.

The information provided in this ASX Release as it relates to mining plan and production schedule for the Miraflores Gold Project is based on information compiled by Mr Jeff Osborn BEng Mining, MMSAQP, on behalf of SRK. Mr Osborn has consented to be named in this announcement and inclusion of information attributed to him in the form and context in which it appears herein.

SRK have given their consent to be named in this Announcement and to the inclusion of all statements by SRK included in said Announcement that Metminco says are based on a statement by us, in the form and context in which these statements are included.

This consent relates to the Announcement of Metminco in Australia and the United Kingdom in both paper and electronic form.

Apart from as set out above, SRK takes no responsibility for any other part of the aforementioned Announcement.

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 requirements.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Metminco Limited

ABN

43 119 759 349

Quarter ended ("current quarter")

30 Sept 2016

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter A\$'000	Year to date 9 months A\$'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for:		
(a) exploration and evaluation	(303)	(1,588)
(b) development	-	-
(c) production	-	-
(d) administration	(245)	(964)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(548)	(2,552)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investment	-	(219) *
(b) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	12
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net investing cash flows	-	(207)
1.13 Total operating and investing cash flows (carried forward)	(548)	(2,759)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(548)	(2,759)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	1,961 *
	Costs of issue	(2)	(214)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Cash received on acquisition of entity)	-	75
	Net financing cash flows	(2)	1,822
	Net increase (decrease) in cash held	(550)	(937)
1.20	Cash at beginning of quarter/year to date	588	949
1.21	Exchange rate adjustments to item 1.20	5	31
1.22	Cash at end of quarter	43	43

* In the Company's Appendix 5B for the June 2016 quarter the issue of shares to RMB Australia as part of the consideration for the purchase of Miraflores Compania was treated as cash. This share issue has now been excluded from the cash flow statement YTD September 2016.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter A\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	18
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors for the period
01 July 16 – 30 September 16 for:
Directors' fees: A\$17,667

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available A\$'000	Amount used A\$'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	A\$'000
4.1 Exploration and evaluation	400
4.2 Development	-
4.3 Production	-
4.4 Administration	300
Total	700

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter A\$'000	Previous quarter A\$'000
5.1 Cash on hand and at bank	43	588
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	43	588

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter: (a) Increases through Issues (b) Decreases through returns of capital, buy backs, redemptions				
7.3	+Ordinary securities	3,879,053,547	3,879,053,547		
7.4	Changes during Quarter: (a) Increases through Issues (b) Decreases through returns of capital, buy backs, redemptions				
7.5	+Convertible Debt securities <i>(description)</i>				
7.6	Changes during quarter: (a) Increases through issues (b) Decreases through Securities matured, converted				
7.7	Options (description and conversion factor)	<u>Unlisted:</u> 5,000,000		<u>Exercise price:</u> A\$0.0302	<u>Expiry date:</u> 01 Aug 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)				
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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Date: 31.10.2016
(Company secretary)

Print name: Philip Killen

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards:** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.