

## QUARTERLY ACTIVITIES REPORT & APPENDIX 5B

### 3 MONTHS TO 30 JUNE 2017

Highlights for quarter ending 30 June 2017 for Metminco Limited (“the Company”):

#### Miraflores Gold Project

Feasibility Study work for the Miraflores Gold Project (“Miraflores” or the “Project”) is anticipated to be completed by the end of the 3<sup>rd</sup> Quarter 2017. Work undertaken during the quarter included:

- Final feasibility study mining report received by the Company including mine design, mine schedules, the reporting of mined tonnages and grades, mine ventilation and geotechnical reports and capital and operating costs. Life of Mine (LOM) operating costs for the mining operations reduced by approximately 19% from previous studies due mainly to changes to development and backfilling requirements for the operation.
- The Phase 1 metallurgical testwork was completed and the final testwork report received by the Company during the quarter. The testwork results confirmed previous results and the process design adopted by GR Engineering. The overall gold recovery from the gravity + flotation & cyanidation process averaged 93.45%.
- A preferred power line route from Quinchia to the Miraflores site was selected and access negotiations with landowners commenced to undertake environmental studies and to complete detailed design and costings for the power line.
- Gaining of a social licence for the development of the Project through engagement with the local communities, municipality and government agencies and other stakeholders continued.

The critical path for the development of the project remains the completion of the baseline monitoring for the Environmental Licence (EIA) and the social licence. It is expected that the baseline monitoring will be completed in October 2017 with submission of the EIA application to the relevant authorities targeted for the end of 2017.

#### Corporate

- The Company’s cash position at the end of the quarter (30 June 2017) was approximately AUD \$ 6,351,000. This was a result of the proceeds received from the sale of Metminco Limited’s interest in Los Calatos for US \$ 5 million. During the quarter there were proceeds (\$ 750,000) received from Convertible Notes.
- Following shareholder approval the Company completed a consolidation of securities in the ratio of 50:1 early January 2017.

Mr William Howe, Managing Director, commented: *“The Miraflores Gold Project feasibility study continues to progress with the Company receiving the final mining report from Ausenco for the feasibility study. The mining operating costs have been positively impacted by a reduction in the total life of mine development required and changes to the backfilling operations from the previous studies reported. The confirmatory Phase 1 metallurgical testwork has been completed and confirms the Scoping Study results and the process design adopted by GR Engineering in the feasibility study.*

*The sale of the Los Calatos project during the quarter to CD Capital Natural Resources Fund III LP has provided funding for the completion of the Miraflores feasibility study and EIA process.”*

## MIRAFLORES PROJECT – COLOMBIA

### Feasibility Study

The Miraflores Project represents a near-term gold development opportunity, with a Measured and Indicated Mineral Resource of 9.27 million tonnes at 2.82g/t gold and 2.77g/t silver (840,000 oz Au and 826,000 oz Ag) at a cut-off grade of 1.2 g/t. The Company commissioned a feasibility study in November 2016 with an estimated completion date during 2017. The feasibility study is focussed on an underground operation producing approximately 50,000 ounces of gold per annum for 9 years as projected by the Scoping Study announced 8 September 2016. The Feasibility Study is now 70% completed with remaining work being the completion of the Phase 2 metallurgical testwork which will look at tailings and concentrate thickening and filtration, processing schedule, processing capital and operating costs, geotechnical testwork on the tailings for confirmation of the design adopted by Company consultants, geotechnical fieldwork including test pitting, core drilling and geophysics covering the tailings facility and plant site for civil engineering design and financial modelling.

### **Feasibility Study - Mining**

The purpose of the study was to develop and present a comprehensive and detailed description of the final optimized underground mine design and plan for the Project that presents a technically and economically viable mining opportunity.

The results of this study will allow the determination of the size or rate of material treatment and economic value assigned to the business, which will provide the justification for the development of the planned operation.

The mining report integrates all the work done and recommendations for future work. It also includes an evaluation, together with comments and reports, on the following tasks;

Rock Mechanics (Rock Mechanics Laboratory Test and Rock Mass Model Review, Structural Model 3D (Major Faults) Analysis and Construction, Conceptual Hydrogeological Model Data and Test Analysis, Empirical Method Analysis and Design, Stability Wedges Analysis in Mine Structure, Underground Support Design and Quantity, Numerical Modelling (FLAC 3D) underground method selected).

Mining (Mine Layout Review, Cut-Off Grade Calculation & Economic Grade Shell Determination, Underground Methods Trade Off (Sublevel Stopping vs. Mix Stope Method), Mine Access Design (Optimizing Distances and Access for different Faces), Design of Selected Stope Method, Mine Planning (Selected Underground Method), Equipment Fleet & Staff / Selection and Quantity, Ventilation Planning, Mining Services, Optimum Weekly Mining Work Shift, Capital and Mine Operating Costs).

Key achievements of the mining feasibility;

The key achievement of this study is the reduction in the mining costs from the scoping study of approximately 19%, realised by the following:

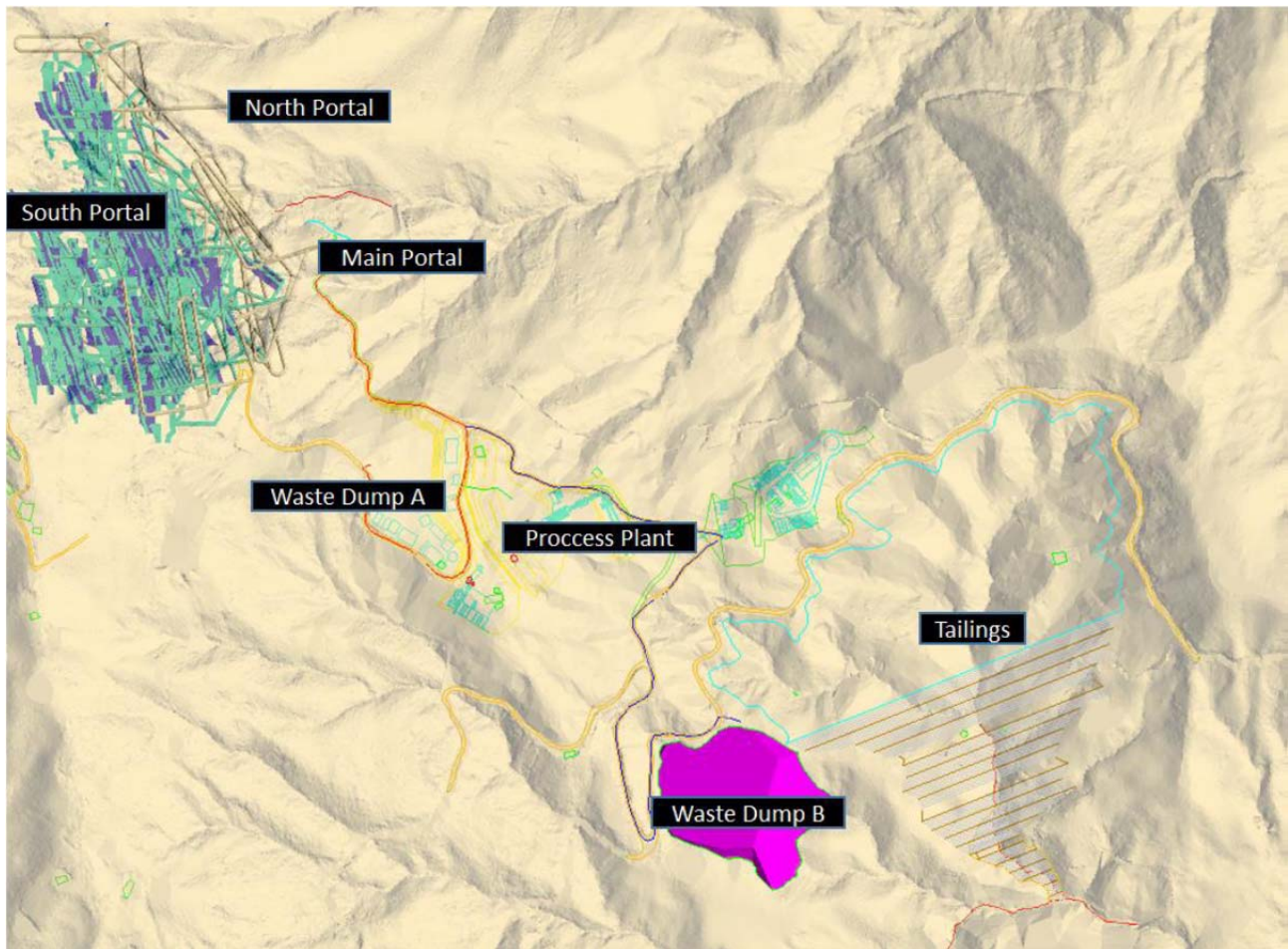
- Provision of an operative mine design and mine plan that feeds the plant at full capacity in a short period of time
- Elimination of the use of cemented backfill
- An appropriate understanding of the rock mechanics of the mine allowing a mine design that maximizes mine recovery and a reduction of the quantity of backfill for mining extraction by more than 50%
- Provision of more payable gold ounces in the mine plan
- Haulage profile optimized
- Reduced mine development

An owner's work force has been considered for the underground mining operations. Metminco intends to manage the production operations, and plans to use an experienced training team during the first year of ore production to train the Colombian labour.

This labour will be required to construct the infrastructure for the mining activities. The infrastructure is to include workshops, electrical substation, access portal, powder magazine and others. Mining will commence with construction of three portals. One is the main portal giving access to the development of a decline ramp and lateral haulage levels.

The mining method for the Miraflores deposit will be longhole stoping.

### General layout of the project.

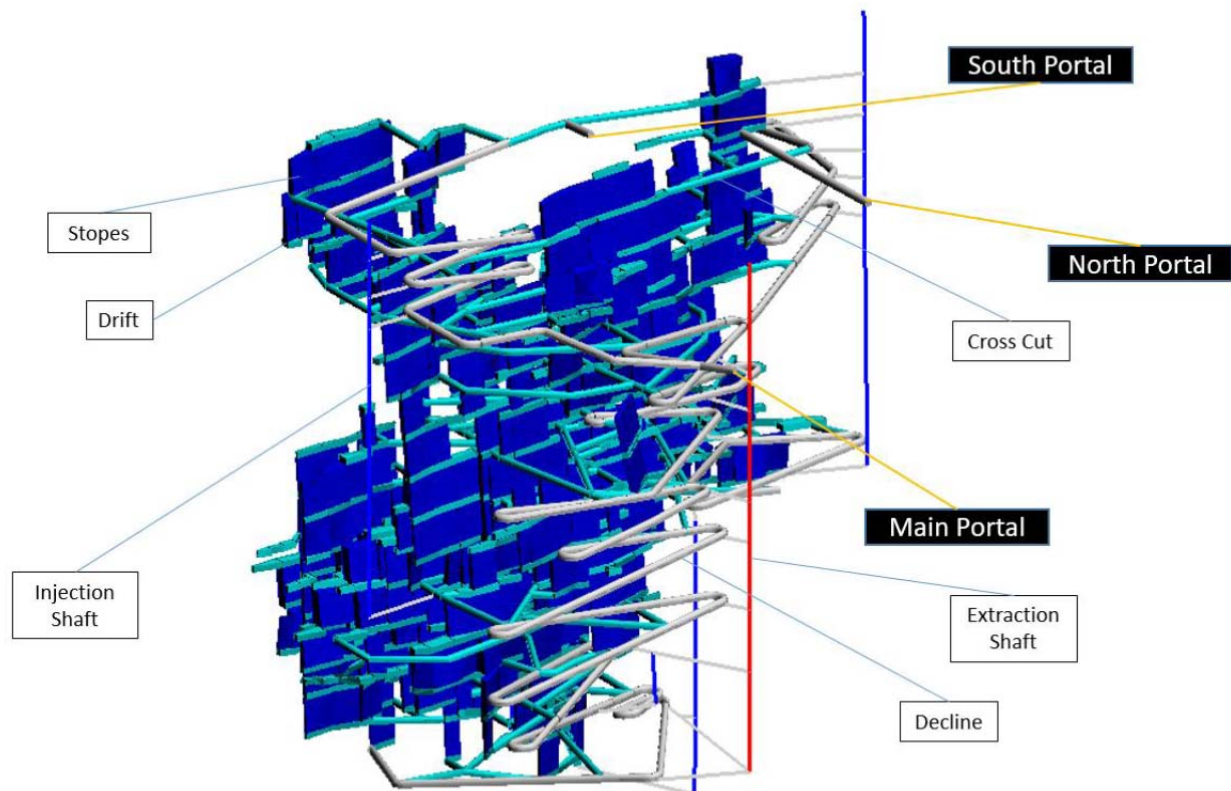


### Underground Development

Active mining areas in the Miraflores mine will be accessed through three portals. Access ramps are driven to establish sublevels. Every sublevel has a main attack drift (cross-cut) and production galleries. The drift production galleries give access to the stopes between levels. In longitudinal mining areas, development is done in mineralization on 26 m vertical intervals (4m drift + 22 m stope, successively).

The primary development ramps are designed to be 4.5 m wide by 4.5 m high with an arched roof and are typically driven at a maximum grade of  $\pm 12\%$ . The drift development headings allowing access to the individual stope are designed at 4 m wide by 4 m high.

## Underground development design



## Ventilation Shafts, Raises and Drifts

Ventilation shafts and raises will be connected to primary development. The ventilation shafts have been incorporated into the design. For fresh air, two injection shafts of 3.1 m diameter have been included and in the central zone one extraction shaft is located. The design of the extraction shaft is 5 x 5 m.

## Mining Method

The Miraflores deposit has been planned as an underground mining operation. The advantages of underground mining include:

- Underground mining reduces the footprint of the mine and its environmental impacts;
- The deposit is ideally suited to underground mining methods which minimise dilution from the mining process; and
- Underground selectivity will help to maximize run of mine (ROM) feed grades.

For blasting cost assumptions a contract (by Enaex) for powder magazine administration, charging and detonation operations plus explosives acquisition has been assumed. Contract mining is assumed for initial capital development. The infrastructure is to include workshops, warehouse, fuel supply, and transportation.

Retreat longhole open stope with backfill is the mining method proposed. This method permits the extraction of the ore at maximum hydraulic radius after backfilling the stopes. The backfill assumed is waste material from mining and fine tailings material. Backfill is required for both stability and environmental reasons, allowing all waste material generated by the mining operation to be redeposited as fill in the mine.

## Cut-off grade

The cut-off grade was calculated for the economic parameters which were provided by Metminco. The value of the cut-off grade is 1.53 g Au/t, which has been used in the determination of the economic stopes for the project. A post analysis confirms that for a life of mine around 10 years, ore to plant of 1,300 tpd producing 4,000 oz Au per month, the cut-off grade would be 1.75 g Au/t. Therefore this cut-off grade was used in the optimization algorithm.



## Backfill

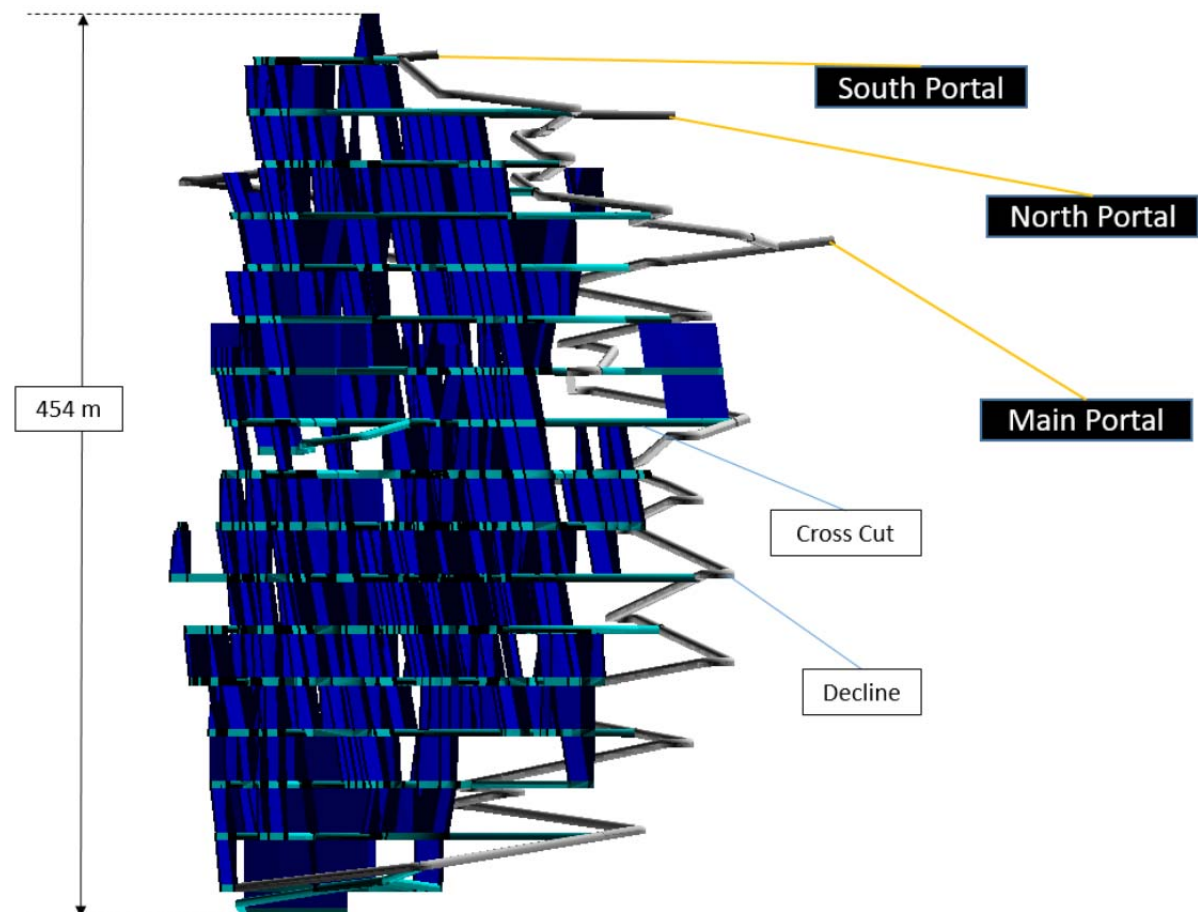
To reduce the environmental impact the Miraflores mine will use the waste and tailings within the mine for backfilling and stability. The mine plan requires the backfill to start in Q2 of the second year. The proportion of fill is 34% waste and 66% tailing. The mechanical property of this mixture will be the subject of further analysis. The fill is not intended to improve the mechanical conditions; but rather to help control the hydraulic radius of the mine extraction supporting the hanging wall.

In some zones the use of metal bulkheads may be required. These will be used to contain the backfill material in the stope without the need for a complete backfill of the extracted stope. This measure will reduce the quantity of backfill required. For the backfill operations the same low profile trucks used in mining production will be employed.

## Stope Design

The stopes derived from the mining optimization have been used as the basis for the mine design. These stopes define the ore extraction along the ore body. The optimization considered a cut-off grade of 1.75 g/t Au, which permits the extraction at maximum grade and generates a plant feed that produces 4,000 oz per month. A 40 m crown pillar to surface from the upper stopes has been allowed.

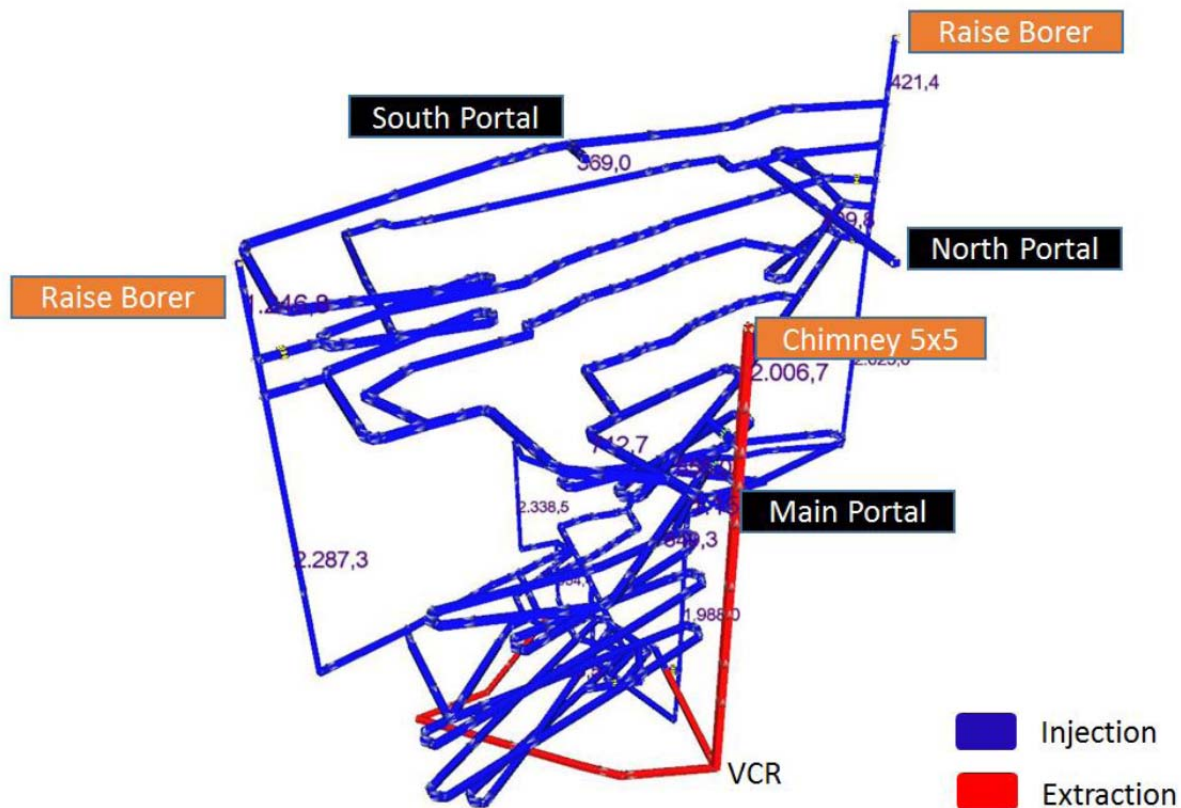
## Layout of the mine development in an east-west view.



## Ventilation

The mine has its own primary ventilation circuit. Taking into account the various characteristics of the Miraflores Project design, such as the long hole open stopes and ore haulage by trucks on the main ramp, the mine will be ventilated by an exhausting system using surface fans extracting through a VCR raise with a section of 5 x 5 meters. This, at 336 meters in length, will connect the 1,071 mine level with the surface and control air flow in the main extraction circuit.

### Circuit of injection/extraction ventilation flows (blue - fresh air, red - extracted air)



### Description of air flow

The main ventilation system is an Exhaust System. Two main fans will be installed, operating in parallel. These satisfy the operating criteria obtained by simulation carried out using the Ventsim Visual™ software.

Fresh air will enter the mine via 5 airways, namely 3 access portals and 2 bored raises. The air flows via ramps (main and secondary) to the production and development areas and the drifts that access such levels.

Contaminated air will then be extracted from the various sectors of the mine to the Central VCR Raise (main extraction shaft with surface elevation of 1,407 m.a.s.l.). This is driven by the pair of surface fans generating the exhaust flow through the VCR raise.

The required air flow rate is 540 Kcfm.

### Geotechnical Studies

All the mine accesses will be developed in rock mass with good geotechnical conditions. The first 80 meters of the decline ramp will be developed in Basalt before transitioning to Breccia. The geotechnical characterization is described in the geotechnical report (SRK, 2013).

Drill cores adjacent to the three accesses show Saprolite in the first 3 to 7 meters, followed by 15 to 20 meters of weathered Basalt, and after 20 to 30 meters, of fractured Basalt. The same conditions should be expected in the first meters of the decline ramp hosted by Breccia rock.

No landslides were observed in the portal pad areas. A design of crown ditches and cut benches supported by mesh, bolts and shotcrete is recommended to mitigate the erosion problems, to control runoff into the pad area and to support the structural wedges and rock planes which could exist in the bench faces.

The geotechnical conditions for the mine designs are as follows: Ground conditions can be described, according to the Q system, as "fair" in veins. Below surface (first 40 to 50 meters), where weathered and

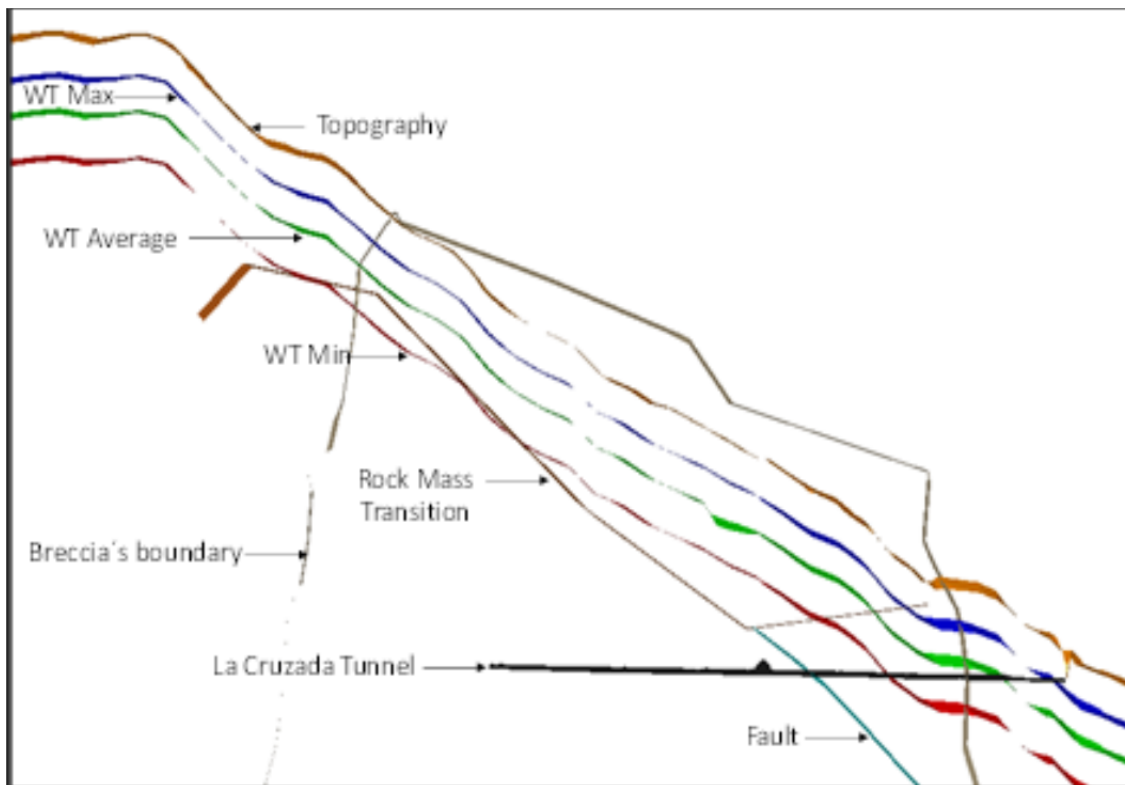
fractured rock mass is developed, the condition can be described as “good” for fresh basalt and “very good” for fresh breccia. The majority of ground conditions at Miraflores are classified as “good”.

The slope design is based on a 30 meters sub-level spacing and 30 meters strike length. Geotechnical information is used to identify possible areas of poor ground conditions and to limit stope spans in these areas to 20 meters strike length, and/or to increase dilution estimates.

### Hydrogeological Studies

As a result of the constant measurements of geotechnical and hydrogeological bore holes, it has been possible to generate a database allowing the construction of a conceptual hydrogeological model of the deposit. In order to establish the level of the local water table results from the GT-13 and Hydro bore holes (six GT-13 and three Hydro bore holes) were analyzed.

#### Water Table 2D Modelling.



Modeling of the phreatic surfaces from the geotechnical bore holes was undertaken, at maximum, minimum and average level. These have been triangulated in a 3D model, obtaining 3 surfaces representing the maximum, minimum and average water table levels.

The water table appears in the upper area of the deposit, having an area of influence that would cover the surface area (Soil and Saprolite) plus the fractured rock mass (first meters due to surface weathering). This would not have influence at depth where the rock mass is of good geotechnical quality, except for infiltrations through major structures and mineralized veins (evidence in the La Cruzada tunnel), where a flow rate of 3 to 5 lt/s was observed.

This surface has been correlated along the water table surface and along with the 3D structural model and mineralized veins. From the result, it is inferred that the water table would have an influence at the level of the rock mass of regular geotechnical quality (fractured) and surface cover, so that its infiltration towards the rock mass where the underground mine will be developed would be given only through structures and mineralized veins, maintaining a level of infiltration as observed in the visit to the La Cruzada tunnel, where a flow rate of 3 to 5 lt/s was observed.

### Mine Development and Production Scheduling

Mine development and stope production were scheduled using Vulcan Gantt Scheduler™. The schedule includes a one year pre-production period. During that time, the portal and main decline will be developed to the bottom of the primary exhaust ventilation shaft. At the same time, sublevel ramps and haulage drifts will be developed as areas become accessible.

Production will start in year 1, focusing on high-grade zones and the early level development. The production will ramp up relatively quickly, allowing the processing of 1,300 tons per day (plant design capacity) in the first month of the mine schedule.

Cross-cuts were used as precedents to ensure that required development was completed before a mining location was scheduled for production. The rate of backfill was considered as 1,000 ton per day. The ore feed to plant is scheduled to be 1,300 ton per day from the first month of plant operations.

The LoM strategy is to feed a total of 4,326,214 ton @ 3.29 Au (g/t), to the plant recovering 415,850 ounces Au, at a metallurgical recovery rate of 91%. Gold grade in the mine plan tends to be stable across the LoM without major variations.

### Mine Capital costs

The LoM mine capital cost estimate for the Miraflores Project totals US\$ 30.8 million. The capital is broken down by initial capital required to start and develop the mine, sustaining capital used to continue operations and LoM investments.

The capital expenditure estimate for the project includes the following major items:

#### LoM Capital Cost (US\$ millions)

Description	Initial	Sustaining	LoM
Decline Ramp Development	0.7	5.5	6.2
Drift & Cross-cut Development	2.0	-	2.0
Raise Borer Development	-	2.9	2.9
VCR Development	-	0.8	0.8
Special Sections Development	0.3	3.8	4.1
Underground Mine Equipment	3.7	1.5	5.2
Stope Production	0.4	-	0.4
G&A	1.3	-	1.3
Services	1.3	-	1.3
Infrastructure	4.5	2.1	6.6
<b>Total</b>	<b>14.2</b>	<b>16.6</b>	<b>30.8</b>

### Mine Operating costs

Operating costs are based on underground mining and G&A estimates. All costs are in Q2 2017 US dollars. The mining operating costs do not include capitalized development costs. LoM operating costs are estimated at US\$ 28.16/t-milled.



### Underground mining operating costs

Description	US\$/t-mill	LoM (US\$ millions)
Drift & Cross Cut Development (4 m x 4 m)	5.18	22.4
Stope Production	7.88	34.1
Backfill	1.15	4.9
G&A	5.64	25.7
Services	5.84	25.3
Leasing Equipment	2.47	10.7
<b>Total</b>	<b>28.16</b>	<b>123.1</b>

### Conclusions - Mining

The 3D Structural Model has several interpretations and estimates that should be continually updated during the development and operations of the mine. The model is considered to be at Conceptual level.

In terms of the Empirical Design, the analysis for stope design was carried out using the geotechnical characterization as a preliminary assessment.

After the preliminary assessment, Ausenco's mapping of the La Cruzada exploration tunnel and the in-situ review of geotechnical drilling campaign (2013) and the updated geotechnical characterization, the empirical design using the Mathews Stability Graph shows an improved stability number N for the stope design.

The calculations and designs associated with Rib Pillar and Dip Pillar are subject to the spatial arrangement that the deposit presents and to the alternative of using or not using these types of pillars. The use of these pillars should be reviewed on a case-by-case basis.

For the 3D numerical modeling, the use of the strength properties according to their average values and under dry conditions has been taken as main edge conditions. The model used the design a global level evaluating the responses of stopes to the mine sequence at 200 meters and 400 meters in depth with interaction between them and the local and district structures.

A sensitively analysis has been performed using the 30th percent of the strength properties in order to understand the different responses that the rock mass could present at these conservative levels.

The results of the 3D numerical modeling shows unconfined zones in the period of excavation number 10, 15 and 20 according to the mine sequence. These unconfined zones involve stopes in some cases and the pillars between stopes in other ones when the analysis used the 30th percent of the strength properties. The unconfined zones are less when the analysis used the average values of the strength properties, but the deformation velocity still represent high values, thus the rock mass in hangingwalls and in the roof of the stopes continue to show instability.

The strength properties of the rock mass (2013) are considered to be very conservative values after the geotechnical characterization performed in the La Cruzada tunnel during 2017, where the value of the RMR was increased by 23%.

The mine plan delivered 1,300 tpd of ore to the plant with an average grade of 3.29 Au (g/t). The total LoM ore mined to is 4,326,214 tons. The LoM gold produced is 415,850 ounces at 91% recovery.

## Feasibility Study - Metallurgical Testwork

### Summary of Testwork and Results

A confirmatory metallurgical testing program was conducted on two composite samples originating from the Miraflores Project, located in the Quinchia District of Colombia, to confirm the metallurgical findings from the 2012 feasibility test program (BV Minerals Internal Project #1208712), and to obtain additional design parameters.

Two Miraflores composite samples (Lower Orebody and Upper Orebody) representing mill feed for the first and second four yearly mining periods were tested in this program, following the flowsheet developed in the 2012 feasibility study. In addition, Unconfined Compressive Strength (UCS) test and comminution testing including Bond Impact Crushing Work Index and Bond Rod Mill Work Index tests were performed on a separate whole HQ core sample.

The presence of coarse free gold caused persistent scatters in gold head assay on the Miraflores samples tested. Standard fire assays of the two composite head samples showed that gold grades varied in a wide range from 0.88- to 4.39g/t, and averaged 2.27 g/t Au on Lower Orebody and 2.05 g/t Au on Upper Orebody composite. Calculated head grade from metallic assays on about 500g sub-samples resulted in 6.04g/t Au and 2.63g/t Au on Lower Orebody and Upper Orebody, respectively

Hardness testing indicated that the HQ core material was very hard, yielding a Bond rod mill work index of 21 kWh/tonne and an averaged crushability work index of 15.8 kWh/tonne. Comminution Bond ball mill work index were 18.6 and 18.7 kWh/tonne for Lower and Upper Orebody composite respectively, indicating moderately hard character of the Miraflores ore with respect to breakage in ball mills.

Confirmatory testing, including gravity pre-concentration followed by gold flotation from the gravity tailing and then cyanidation of flotation concentrate, was conducted on the Lower and Upper Orebody composites. On average, gravity concentration was able to recover 70.9% gold on Lower Orebody and 64.4% gold on Upper Orebody at a primary grind size of 105 µm. Sulfide flotation of gravity scalped tailings recovered the majority of the fine gold remaining in gravity tailings, leaving 0.04-0.06 g/t Au in flotation tailings for direct disposal. Upgrading of flotation rougher concentrates was effective with 95.6 - 98.4% Au in gravity tailings reported to cleaner concentrates at low mass recoveries of 3.1 - 3.5%.

Cyanidation of flotation cleaner concentrates at 30 wt.% solids in 2 g/L sodium cyanide solution with aeration yielded 91.6% and 83.4% gold extractions from Upper Orebody and Lower Orebody, respectively. Cyanidation with oxygen injection produced similar results. The overall gold recovery from the gravity + flotation & cyanidation process is provided in the table below.

Sample ID	Gold Recovery , %			
	Gravity Recovery	Flotation Recovery	Cyanidation Recovery	Overall Recovery
Lower Orebody	58.4	40.3	82.8	<b>91.8</b>
Upper Orebody	60.3	37.8	92.1	<b>95.1</b>

It can be concluded that similar metallurgical performances can be expected from the Lower and Upper Orebody composites following the same Gravity + Flotation & Cyanidation process flowsheet established in the 2012 feasibility study.

More work is required to study the cyanidation mechanism to improve gold extraction efficiency.

**Proposed Phase II Metallurgical Testwork**

The objectives of the Phase II test program are:

- To conduct large scale gravity + flotation & concentrate cyanidation testwork following conditions confirmed in Phase I to generate sufficient concentrate and tailings for characterization and treatment studies,
- To conduct SLS testing to provide a comprehensive thickening and filtration analysis for concentrate and tailings.

The scope of this test program consists of:

- Large scale gravity concentration followed by flotation of gravity scalped tailings and then cyanidation of flotation concentration,
- Thickening and filtration studies on flotation tailings as well as concentrate leach residue.

**Tailings Storage Facility (TSF)**

The tailings generated from the Phase II metallurgical testwork will be shipped to Colombia where geotechnical testwork will be undertaken to provide information relating to the characteristics of the material to be placed on the TSF. Tailings will be filtered and stacked on what will be a dry tailings facility.

**Geotechnical Investigations**

Geotechnical investigations including test pitting, core drilling and geophysics covering the processing plant and TSF areas will be undertaken to confirm design criteria for these installations as part of the feasibility study.

**Power**

The Company has identified a preferred power line route from Quinchia to the Miraflores site and has now commence with landowner negotiations for a right of way to facilitate the construction of the power line. The power line to be constructed will be a dedicated power line (33kva) and will be between 7 and 9km in length. A substation upgrade at Quinchia will be necessary to accommodate the power requirements of the operation.

**Community Relations and EIA**

Community relations are an important issue with regards to gaining a social licence for the development of the project. The Company continues to work with the local communities, municipality and government agencies and other stakeholders to gain its social licence for the project.

The critical path for the development of the project remains the completion of the baseline monitoring for the EIA. It is expected that the baseline monitoring will be completed in October 2017 with the EIA application likely submitted to the relevant authorities by the end of 2017.

**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.

The Project is currently on care and maintenance.

**CORPORATE****Sale of Los Calatos**

During the quarter Metminco Limited announced the settlement of the sale of its 49% interest in Los Calatos.

The proceeds were approximately US \$ 5 million (AUD \$ 6.6 million). The sale represents achievement of another important milestone for Metminco Limited in its transition to becoming a gold producer. This sale enables the Company to advance Miraflores where significant near term value exists.

**Convertible Note**

During the quarter, the Company received the proceeds from a convertible note - \$ 750,000. Key terms of the Convertible Notes, which are fully underwritten by Redfield, are:

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

Conversion Price: \$0.06075

Options Granted: i) 12,345,639 exercisable at \$0.081 per Share any time prior to 12 months from date of issue  
ii) 12,345,639 exercisable at \$0.081 per Share any time prior to 12 months from date of issue as soon as the Company's available placement capacity under ASX Listing Rule 7.1 is refreshed

Funding: A\$300,000 has been received by the Company post 31 March 2017, and the remainder to be received no later than 12 May 2017 subject to limited due diligence and long form documentation.

Underwriting Fee: 4.5% of Face Value

**Cash Position and Funding (update)**

As at 30 June 2017, Metminco Limited had approximately A \$ 6,5351,000 after receiving the funds mentioned above.

Expenditure for the quarter ended 30 June 2017 was focussed on the Miraflores Feasibility Study, care and maintenance costs on its other projects (Mollacas, Vallecillo and Loica) and corporate overheads.

**Share Buyback (unmarketable parcels)**

Following the approval of the Metminco Board, the Company made an offer to all Shareholders who, on Monday 10 July 2017 (record date) held a marketable parcel of Shares with a value of less \$ 500 (Small Holding). This offer was made to Shareholders who wished to liquidate their small holding of shares in the Company and was based on a closing price of \$ 0.045 per Share. Notices were dispatched to the appropriate Shareholders on Thursday 13 July 2017. The offer emphasized that any owner of a small holding who wished to retain their Metminco Shares could do so and was not compelled to sell their holding under this offer. The closing date is 25 August 2017 and the settlement date is 30 August 2017.

**William Howe****Managing Director**

*For further information, please contact:*

**METMINCO LIMITED**

Brian Jones

Company Secretary

Office: +61 (0) 2 9460 1856

**NOMINATED ADVISOR AND BROKER****RFC Ambrian**

*Australia*

Will Souter / Nathan Forsyth

Office: +61 (0) 2 9250 0000



*United Kingdom*

Charlie Cryer

Office: +44 (0) 20 3440 6800

**JOINT BROKER**

**SP Angel Corporate Finance LLP (UK)**

Ewan Leggat

Office: +44 (0) 20 3470 0470

**PUBLIC RELATIONS**

**Camarco**

*United Kingdom*

Gordon Poole / Tom Huddart

Office: + 44 (0) 20 3757 4997

---

**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 June 2017

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter A\$'000	Year to date 6 months A\$'000
1.1 Receipts from product sales and related debtors	—	—
1.2 Payments for:		
(a) exploration and evaluation	(189)	(1,273)
(b) development	-	-
(c) production	-	-
(d) administration	(764)	(1,594)
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	-	-
<b>Net Operating Cash Flows</b>	<b>(953)</b>	<b>(2,867)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investment	-	-
(b) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	6,623	6,623
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
<b>Net investing cash flows</b>	<b>6,623</b>	<b>6,623</b>
1.13 Total operating and investing cash flows (carried forward)	5,670	3,756

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	5,670	3,756
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	6	2,111
	Costs of issue	(31)	(287)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from Convertible Notes	750	750
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other :	-	-
	<b>Net financing cash flows</b>	<b>725</b>	<b>2,574</b>
	<b>Net increase (decrease) in cash held</b>	<b>6,395</b>	<b>6,330</b>
1.20	Cash at beginning of quarter/year to date	10	72
1.21	Exchange rate adjustments to item 1.20	(54)	(51)
1.22	<b>Cash at end of quarter</b>	<b>6,351</b>	<b>6,351</b>

**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	11
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 April 17 – 30 June 17 for:  
Directors' fees: A\$10,833

**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	700
4.2 Development	-
4.3 Production	-
4.4 Administration	300
<b>Total</b>	<b>1,000</b>

**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	6,351	10
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>6,351</b>	<b>10</b>

**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	<b>Preference +securities</b> <i>(description)</i>				
7.2	Changes during quarter:				
	(a) Increases through Issues  (b) Decreases through returns of capital, buy backs, redemptions				
7.3	<b>+Ordinary securities</b>	127,200,299	127,200,299		
7.4	Changes during Quarter:				
	(a) Increases through Issues (b) Decreases through returns of capital, buy backs, redemptions				
7.5	<b>+Convertible Debt securities</b> unlisted Convertible Notes	12,345,639	12,345,639	Convertible at: A\$0.06075	Expiry date: 17 May 2018
7.6	Changes during quarter:	12,345,639	12,345,639	Convertible at: A\$0.06075	Expiry date: 17 May 2018
	(a) Increases through issues  (b) Decreases through Securities matured, converted				
7.7	Options (description and conversion factor)	<u>Unlisted:</u>		<u>Exercise price:</u>	<u>Expiry date:</u>
		100,000		A\$1.51	01 Aug 2017
		12,345,639		A\$0.081	17 May 2019
		12,345,639		A\$0.081	25 May 2019
7.8	Issued during quarter	12,345,639		A\$0.081	17 May 2019
		12,345,639		A\$0.081	25 May 2019
7.9	Exercised during quarter				

+ See chapter 19 for defined terms.

7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

**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: 31.07.2017  
(Company secretary)

Print name: Brian Jones

**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.