METMINCO

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UNDERGROUND MINE DEVELOPMENT OPTION AT MIRAFLORES DEMONSTRATES ROBUST ECONOMICS

Metminco Limited (Metminco or the Company) (ASX: MNC; AIM: MNC) announces results for the scoping level work completed by SRK Consulting (USA) Inc. (SRK) on an underground only mining study at the Miraflores Project in Colombia, in which the Company has a 100% interest. Based on the updated capital and operating costs for this option, and the associated financial returns, the Project is considered to be financially robust and hence represents a viable development option.

The Miraflores Project has a Measured and Indicated Mineral Resource of 9.19 million tonnes at 2.81g/t gold and 2.76g/t silver (containing 832,000oz Au and 817,000oz Ag) at cut-off grade of 1.2g/t Au, as announced on 21 July 2016, which has formed the basis of the mining study.

SRK have refined the prior underground mine design and associated mining schedule, in addition to updating operating and capital costs to Q3 2016 US dollars. The mining schedule produces 4.03 million tonnes at a mined grade of 3.51g/t Au and 2.84g/t Ag (including a low grade stockpile material feed) over a mine life of 9 years, producing approximately 50,000oz of recovered gold per annum at steady state.

All SRK work completed and referenced here does not provide the detail required to meet NI 43-101 or JORC 2012 compliant Ore Reserves.

<u>Life of Mine capital</u>	
Initial Capital	US$81 million (incl. US$14 million in contingencies)
Sustaining Capital	US$17 million
Total	US$98 million
<u>Operating costs</u>	
Life of Mine C1 cash costs	US$555/oz
Life of Mine AISC costs	US$648/oz
<u>Financials</u>	
EBITDA	US$31.7 million per annum over 9 years
NPV (after tax)	US$73.4 million @ 8% discount rate (US$96 million @ 5% discount rate)
IRR	26%
Payback	2.8 years
Gold price	US$1,300/oz

Due to the favourable outcome of the study, the underground only mining option will now be the focus of the planned feasibility study.

Mr William Howe, Managing Director, commented: "The technical assessment and financial modelling of the underground mining option at Miraflores has clearly demonstrated that this option is technically and financially robust and has significant advantages over previous studies conducted at the Project. The potential to reduce capital costs significantly, as indicated by this study, together with the social and environmental advantages relating to the smaller footprint for the Project, make this development option an achievable target for the Company."

1 Introduction

SRK was retained by Metminco to complete an update to a previous scoping level study of the Miraflores Project (Miraflores or the Project) located in Colombia. The purpose of the study is to summarize and publicly document previous work, and to refresh past work to present an underground mining only scenario utilizing filtered tailings as backfill material, with a dry stack tailings facility. The study was completed by SRK with contributions from Metal Mining Consultants (MMC), GR Engineering Services Limited (GRES), and Dynami Geoconsulting (DG).

The Project has had two Preliminary Economic Assessments (PEA's) completed and publicly filed April 27, 2012 (SRK, 2012), and August 2, 2013 (SRK, 2013a) by Seafield Resources Ltd (Seafield). A feasibility study was undertaken, but not completed, in 2013. The feasibility study was suspended in September 2013 as further optimization was required, specifically with relation to tailings handling. A study was then requested by RMB, to provide an alternative higher grade scenario with an alternative tailings location to that used in the August 2013 PEA, as well to include the feasibility level work previously completed, but not made public or fully documented. The RMB study was an internal document and was not published in the public domain. The goal of the RMB work was to improve open pit and underground mill feed gold grade while reducing the impact of tailings on Project operating and capital costs by relocating the tailings to the Tesorito site. The RMB work was completed and a technical report was issued to RMB on February 24, 2015 (RMB 2015 Report).

The main changes from the August 2013 PEA (SRK, 2013a) to the RMB scenario were as follows:

- Modified tailings location, design, and cost estimate;
- Modified underground mine design, production schedule, productivities and cost estimate;
- Modified open pit production schedule and cost estimate;
- Metallurgical recoveries updated to most current testwork information;
- Costs updated to Q4 2014 dollars; and
- Updated prices of gold, silver, labor, diesel, power and consumables for all costing areas.

Work directed by Metminco resulted in additional optimization from the RMB 2015 Report work. The Metminco scenario presented in this Announcement includes the following changes/optimizations:

- Updated metals pricing;
- Reduced plant throughput to 1,300 tonnes per day (t/d) as compared to 1,750 t/d;
- Updated mine plan to an underground-only scenario which includes the material previously planned to be mined as an open pit, into the underground mine plan;
- Updated the mine backfill scenario volumes and costing based on the use of rock backfill/filtered tailings (non-structural) and filtered tailings with cement (structural) that are placed underground in open stopes;
- Included using a filtered dry-stack tailings system for tailings management. The design and capital/operating costs for the tailings systems were provided by DG (tailings management facility) (TMF) and GRES (tailings filters);
- Updated the mine equipment fleet numbers and labor associated with underground mine equipment fleet to be consistent with the updated mine plan;
- Adjusted General and Administrative costs consistent with the Project throughput;
- Added a mining equipment sustaining capital line item to the model;
- Modified portions of the operating costs (labor, fuel, reagent cost, and electricity) and capital costs for underground mobile equipment, tailings management facility, and tailings filters;
- Added land purchase costs previously not included;

- Adjusted the royalty rate for consistency with current Colombian regulations;
- Adjusted the depreciation schedule consistent with current practice in Columbia;
- Adjusted the NSR estimate to include a gold and silver payability factor consistent with current market contracts; and
- Added contingency to the capital estimates (RMB requested no contingency in their study).

Whereas the two PEA's and incomplete feasibility study conducted previously by SRK all evaluated Miraflores as a combined open pit and underground mining operation, the focus of the Metminco work was on an underground mining operation following after several other mining projects in Colombia which have resorted to underground mining to facilitate greater community acceptance and permitting.

1.1 Engineering Design and Confidence

SRK considers the work to have been conducted at a Scoping (PEA) Level with an accuracy of +/- 30%. The following table is provided to indicate to the reader, the items which were completed to a feasibility study level in 2013. Portions of this work are still applicable to the current Metminco scenario and the work forms a basis for further optimization.

Table 1-1 outlines the level of study work currently included in this document for each discipline. Additional work required to move the Project to higher level accuracy is noted.

Table 1-1: Level of Study by Discipline

Discipline	Item	Level	Comments
Geology	All	FS	MMC scope of work. Appears all work completed to FS with exception of final rock type characterization.
Underground Mining	Mine Design	PEA	Re-optimization of stope design based on tailings backfill testing/costing work. Additional detail/optimization of development such as ramps, ventilation, etc. Developing stope detail to ensure mineability.
	Infrastructure	PEA	Ventilation models should be completed simulating the underground production schedule to ensure adequate airflows to all parts of the mine. Electrical loads need to be further evaluated and an adequate system should be designed. Additional dewatering confirmation work.
	Production Schedule	PEA	More complete productivity estimates which are used in the schedule. More detailed stope and backfill sequencing.
	Underground Operating Cost	PFS	Further refinement of first principle costing and tie back to production schedule. Updated cost quotes to 2016.
	Underground Capital Cost	PFS	Could refine auxiliary equipment and utility costs.
Geo-mechanical	Characterization	FS	Unless additional resources are identified outside the current volume then the conducted characterization programs to date should be at a Feasibility Study level.
	Underground Stability	FS	Unless the cut-off grade significantly changes mineable vein widths or infill drilling identifies additional high grade areas that could be mined

Discipline	Item	Level	Comments
			early in the sequence then the stability analyses conducted to date should be at a Feasibility Study level. The crown pillar should be redefined with the latest Metminco mine plan.
	Backfill	PEA	Quantity of cement in the cemented backfill requires testing. Further develop characterization of backfill using filtered tailings.
Environmental	Permitting (incl. Environmental Impact Study - EIS)	PFS	PFS requires a comprehensive overview and listing of required permits, as well as the initiation of the impact analysis for the EIS, but not necessarily submission of the EIS to the regulatory authorities.
	Baseline Data	PFS	PFS requires the collection and review of available environmental data from existing databases for environmental studies, assessments or audits; regulatory inspections, waste handling practices; management plans.
	Geochemistry	FS	Unless there are significant changes in the beneficiation process, or the cut-off grade has changed, then the geochemical evaluations conducted to date should be at a Feasibility Study level. Characterization of the filtered tailings and specifically the leach filtered tailings proposed to be used in backfill will need to be developed.
	Hydrogeology	PFS	Hydrogeology baseline is very close to Feasibility Study level, but would need some additional analysis given the new location of the tailings impoundment and potential impacts associated with co-disposal of reactive tailings in the underground workings as backfill.
	Management Plans	PFS	PFS requires preparation of generalized environmental plans and monitoring programs; preliminary sediment and erosion control plan; conceptual reclamation plan; evaluation of acid rock drainage; geotechnical stability review of waste dumps and tailings dam; preliminary impact mitigation plan; preliminary spill and emergency response plan.
	Socioeconomics	PFS	PFS generally requires the initiation of social baseline data collection, preliminary stakeholder engagement activities; some community outreach and training, and general definition of health /safety programs.
Process Design	Design	PEA	Lyntek scope of work. Substantial drawings exist. Would need additional design work for the smaller capacity plant now being considered.
	Capital Cost	PEA	Lyntek scope of work. Capital equipment was updated with quotes however installation and other costs were not updated. A complete capital cost estimate was not compiled by Lyntek. SRK confirms the process capital cost with contingencies included at PEA level.
	Operating Cost	PEA	Lyntek scope of work. An operating cost was not provided by Lyntek. The PEA cost was used with

Discipline	Item	Level	Comments
			adjustments by SRK to account for labor, power, and inflation.
Tailings Facility	Design	PEA	The majority of previous work will need to be updated as the type and location for the tailings impoundment presented herein is at a PEA level. Field characterization and more detailed design is required to advance all areas of tailings design.
	Capital/Operating Cost	PEA	All costs area at PEA level. Previous work is not applicable.
Metallurgy	All	FS	A Feasibility Study level metallurgical report was completed. A review of the impact of the higher grade underground mine only mill feed and reconfirmation of the rock type and consistency with the previous metallurgical test program will need to take place.

Source: SRK

(Where PEA = Preliminary Economic Assessment; PFS = Pre-Feasibility Study and FS = Feasibility Study)

SRK notes that this document does not provide for Ore Reserves due to the preliminary nature of the work.

1.2 Property Description and Location

The Miraflores property consists of a 124 hectare mineral exploitation contract granted by the Colombian Ministry of Mines to the Asociación de Mineros de Miraflores ("Miraflores Miners Association", AMM). Geographically, the mineral contract is 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.

2 Geology and Mineral Resource

The following is an excerpt from the ASX Metminco press release dated July 21, 2016 "Miraflores Mine Development – JORC 2012 Mineral Resource Statement":

2.1 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 2-1 and Table 2-2.

Table 2-1: 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.

Table 2-2: Sensitivity of Mineral Resource to Varying Gold Cut-off Grades

Measured and Indicated Mineral Resource (Breccia and Veins)					
Cut-off (Au g/t)	**K Tonnes**	**Au (g/t)**	**Au (Koz)**	**Ag (g/t)**	**Ag (Koz)**
0.60	23,455	1.61	1,211	2.13	1,606
0.70	18,983	1.83	1,114	2.27	1,383
0.80	15,868	2.04	1,041	2.39	1,222
0.90	13,571	2.24	978	2.52	1,098
1.00	11,761	2.44	923	2.62	991
1.10	10,361	2.63	875	2.71	903
1.20	**9,193**	**2.81**	**832**	**2.76**	**817**
1.30	8,342	2.97	797	2.83	759
1.40	7,614	3.14	767	2.89	708
1.50	6,966	3.29	737	2.96	663
Inferred Mineral Resource (Breccia only)					
Cut-off (Au g/t)	**K Tonnes**	**Au (g/t**	**Au (Koz)**	**Ag (g/t)**	**Ag (Koz)**
0.60	1,461	0.77	36	3.45	162
0.70	342	1.14	13	3.79	42
0.80	260	1.27	11	4.25	36
0.90	212	1.37	9	4.97	34
1.00	182	1.43	8	5.45	32
1.10	181	1.44	8	5.47	32
1.20	**180**	**1.44**	**8**	**5.49**	**32**
1.30	178	1.44	8	5.53	32
1.40	77	1.54	4	2.59	6
1.50	35	1.67	2	0.93	1

Source: MMC, 2016

3 Metallurgy and Process Design

3.1 Metallurgy

SRK designed and supervised a feasibility level metallurgical development program for the Miraflores Project located in the Quinchía District, Colombia. Metallurgical studies were conducted on master composites, variability composites and confirmatory composites representing different rock types in both the open pit and underground mine designs (SRK, 2013b). The Feasibility Study metallurgical work was completed and a report was prepared for Seafield; however, it was not made public. The information presented here summarizes the Feasibility Study metallurgical work performed.

The Feasibility Study metallurgical program was conducted by Inspectorate Exploration and Mining Services (Inspectorate), a subsidiary of Bureau Veritas, and was designed to evaluate a process flowsheet that included:

- Three-stage crushing;
- Ball mill grinding;
- Gravity concentration of the coarse gold;
- Gold flotation from the gravity tailing;
- Cyanide leaching of the gold flotation concentrate;
- Cyanide detoxification of the cyanidation residue; and
- Tailing thickening.

The average overall gold recovery is estimated at 91% and is based on the weighted contribution of each of the mineralized rock types in both the underground and open pit designs. The gold recovery estimate includes a 2% gold recovery reduction to allow for gold losses due to plant inefficiencies. The average overall silver recovery is estimated at 54% and is based on the weighted contribution of each of the mineralized rock types in both the underground and open pit designs. The silver recovery estimate includes a 2% silver recovery reduction to allow for silver losses due to plant inefficiencies.

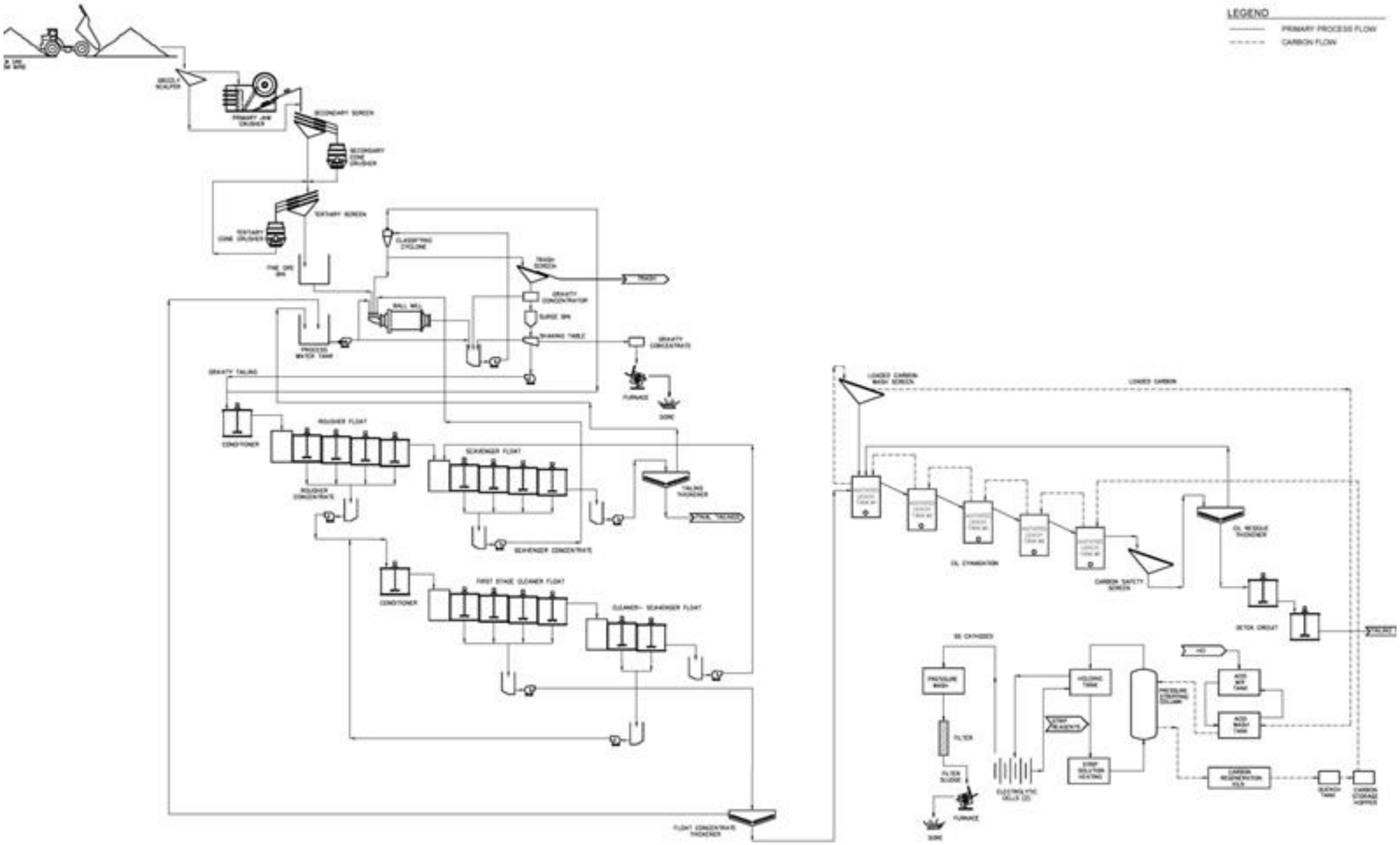
The current Metminco scenario presented in this press release uses underground mining only resulting in a higher average grade (3 to 4g/t Au) to the process facility than the previous PEA's. It can reasonably be expected that processing of material from the higher grade underground scenario would result in similar, if not somewhat better, overall metallurgical performance, however, recovery estimates, based on rock types and underground mining grades, should be checked during the next phase of study.

3.2 Process

The design of the process facility for the updated PEA (2013a) and the Feasibility Study effort were undertaken by Lyntek. The Feasibility Study work was not completed. The process design presented in this section represents process designs completed as part of the updated PEA (SRK 2013a). Although operating costs have been updated from the PEA, the process plant capital cost estimate for a 1,750 t/d process plant is unchanged from the updated 2013 PEA. SRK notes that the mining scenario presented here is based on a 1,300 t/d facility. The Lyntek work and previous PEA's were based on process facilities with throughputs of 1,750 t/d. Process facility and mine production should be optimized in future studies.

Metallurgical studies have demonstrated that the Miraflores material can be effectively processed by a flowsheet that includes gravity concentration followed by cyanidation of the gravity tailing or by a flowsheet that includes gravity concentration followed by flotation and cyanidation of the flotation concentrate. SRK has selected the latter flowsheet concept as this has the advantages of slightly better overall gold recovery and a much smaller footprint for the cyanidation circuit, which offers significant advantages with respect to capital cost and disposal of cyanide leach residues. A conceptual flowsheet for the Miraflores process plant is shown in Figure 3-1.

Figure 3-1: Process Flow Diagram



Source: SRK

Run of Mine (RoM) material would be hauled to the crushing plant and either dumped directly into the crushing plant feed hopper, or stockpiled and fed to the crusher with a front-end loader. The crushing circuit would consist of a primary jaw crusher followed by secondary and tertiary cone crushers, with the tertiary crushers operated in closed circuit with a vibrating screen to produce a P_{80} -9 mm final crushed product, which would be conveyed to the fine mill feed bin ahead of the grinding circuit.

Crushed mill feed would be fed from the fine mill feed bin feed the grinding circuit, which would consist of a ball mill operated in closed circuit with hydrocyclones. The cyclone overflow would advance to the flotation circuit at a grind size of P_{80} -106 microns. Coarse free gold would be recovered from a portion of the cyclone underflow in a gravity concentration circuit that would include two centrifugal gravity concentrators. The resulting rougher gravity concentrate would then be upgraded on a series of shaking tables to produce a gravity concentrate of sufficient grade that it could be mixed with the necessary fluxes and smelted to produce a final doré product or subjected to intensive cyanide leaching. Shaking table tailings would be combined with the cyclone overflow and be advanced to the flotation circuit.

The combined cyclone overflow and gravity cleaner tailings would be conditioned with the collectors PAX (potassium amyl xanthate) and Aerofloat 208 (dialkyl dithiophosphate) at the natural pH of 8-9, and then advanced to the rougher/scavenger flotation circuit. The resulting rougher flotation concentrate would be then upgraded with one stage of cleaner flotation. The upgraded gold-bearing cleaner flotation concentrate would then be thickened to about 45% solids prior to being advanced to the carbon-in-leach (CIL) cyanidation circuit.

The CIL circuit would consist of agitated leach tanks operated in series to provide approximately 48 hours of leach retention time. The thickened cleaner concentrate would be pumped to the first CIL leach tank and flow by gravity to each succeeding leach tank in the train. Each tank will be provided with a carbon screen to retain carbon within each CIL leach tank. Activated carbon, which serves to adsorb dissolved gold from the leach slurry, would be added to the last tank in the CIL circuit. Carbon would be pumped counter-currently up the leach train to each preceding tank and would gradually increase in gold tenor by the time it reaches the first CIL tank. Loaded carbon, which is anticipated to grade at about 4,000 g of gold per tonne of carbon (a typical gold loading value), will be pumped from the first CIL leach tank, screened and washed and then pumped to the gold recovery circuit.

In the gold recovery circuit, the carbon would first be acid washed to remove scale and other materials that could potentially foul the carbon. The acid washed carbon would then be loaded into a carbon strip vessel in which a hot caustic/cyanide solution is circulated to desorb (elute) the gold that had been adsorbed on the carbon. The eluted gold would be circulated through a series of electrolytic cells where the gold-cyanide complexes are reduced to metallic gold, which precipitates onto stainless steel cathodes. The precipitated gold would be washed from the cathodes, filtered and then mixed with the necessary fluxing agents and then melted in a furnace to produce a final doré product.

Tailings discharging from the final CIL tank would be screened to recover residual carbon fines and then thickened prior to being pumped to the tailings detoxification circuit. The detoxification circuit would consist of two agitated tanks in which sodium metabisulfite, lime, air and copper sulfate are added to destroy the residual cyanide prior to being discharged to the tailing storage facility.

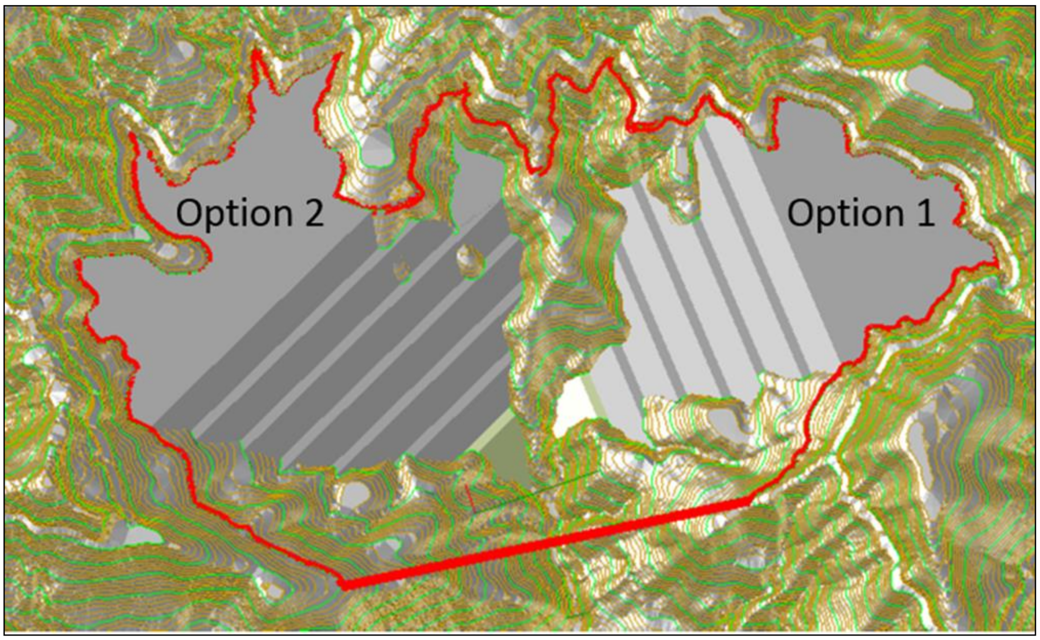
The capital cost of the process facility is estimated to be US$48 million inclusive of a 25% contingency (US$38 million before contingency). The process operating costs are estimated to be US$15.41/t milled.

4 Tailings Storage Facility

Tailings material from the concentrator mill will be filtered to generate two distinct tailings streams consisting of flotation and leached residue tailings. The larger fraction of flotation tailings will be stored in dry stack Tailings Management Facility (TMF) and used for mine backfill. All of the smaller fraction of leach residue tailings is assumed to be completely used as mine backfill and will immediately be placed underground.

The location and type of tailings (now dry stack tailings) has been modified from previous reports to accommodate a smaller required storage capacity, reduce environmental impact, and minimize costs. Field characterization, testwork, and more detailed design are required to advance the design from the current scoping level. The TMF will be located near to the processing facility in the Tesorito basin. The Tesorito catchment (Figure 4-1 red outline) is a 319,650 m^2 basin located south-west of the plant area and south of the portal site. It is bounded to the north and east by an existing unpaved road which sets the maximum elevation as this existing road will serve as hauling road and base for construction of runoff management during mine operations. The design provides two options in the basin shown in Figure 4-1. Option 1 considers an approximately 40 m high compacted tailings deposit just south of the plant area. The capacity of Option 1 is sufficient for the full expected tailings production. Option 2 considers another sub-basin within the Tesorito catchment which could be used as a future expansion and/or topsoil deposit, waste rock pile or sub-grade stockpile area.

Figure 4-1: Primary TMF Options – Tesorito Basin



Source: DN, 2016

The TMF design is summarized in Table 4-1.

Table 4-1: Tailings Management Facilities Design Criteria and Capacity

Phase	Item	Units	Option 1	Option 2	Option 1+2
Starter Embankment	Crest width	m	10	10	10
	Crest elevation	masl	1,210	1,210	1,210
	Minimum toe elevation	masl	1,190	1,186	NA
	Upstream slope	ratio	2.5:1	2.5:1	2.5:1
	Downstream slope	ratio	2.5:1	2.5:1	2.5:1
	Embankment volume	k(m^{3})	22	36	58
Ultimate TMF	Face Slope	ratio	3.0:1	3.0:1	3.0:1
	Maximum elevation	masl	1,270	1,270	1,270
	Elevation between berms	m	10	10	10
	Berm width	m	10	10	10
	Volume	M(m^3)	1.4	1.8	3.2

Source: SRK (modified DN), 2016

Operating costs were developed based on the use of a contracted rental fleet of trucks operating on day shift only and hauling from the concentrator approximately 1km to the TMF. The tailings material is spread by dozer and compacted with small compactors. The compacted density of the filtered tailings for the design is 1.6 t/m^3.

The TMF designs include area just downstream of the embankment for management of contact and non-contact water management structures which include a seepage collection pond for catchment of all contacted water from the TMF and a sediment control pond to assure all non-contacted water complies with minimum parameters for discharge to the environment. The design includes allowances for road construction and upgrades associated with the TMF.

The tailings quantities are summarized in Table 4-2.

Table 4-2: Tailings Quantities

Description	Quantity	Units
Total Mill Feed Tailings	**4.0**	**Mt**
	2.5	**M (m^3)**
Tailings Required for Non-Structural Backfill	0.7	M (m^3)
Tailings Required for Structural Backfill	0.4	M (m^3)
Total Tailings Volume to Backfill	**1.1**	**M (m^3)**
Tailings to TMF	1.4	M (m^3)
Tailings to TMF	2.3	Mt

Source: SRK, 2016

The waste rock available for embankment construction is limited to a small portion of the development rock and the majority of the material for the embankment is expected to come from an alternative borrow site or excess material, if available from the processing site construction. This study prices borrow from an off-site location.

For the scoping level study, the Option 1 TMF was selected and included in the economic analysis. A small deficit in capacity exists between the Option 1 volume and tailings to TMF quantities, but this can be managed over the last two years of production by backfilling the unused underground development driftwork. This balancing of volumes will be further developed in more detail in future work.

The capital cost for the filter presses is estimated to be US$7.5 million including a 10% contingency. The tailings storage facility capital cost is estimated to be US$2.1 million including a 15% contingency. Operating costs for the filtering and placement of tailings are estimated at US$1.84 per tonne milled.

5 Mining

Mining is accomplished through underground longhole stope mining with structural (cemented) and non-structural (uncemented) backfill utilizing development rock and filtered tailings. Initial development of the mine will occur over approximately 9 months with some production occurring during this period, and full production in Year 1.

An elevated cut-off grade of 2.2 g/t Au was determined to be optimal, with the addition of 2.0 g/t Au stope areas which are immediately adjacent to the 2.2 g/t Au areas and require limited additional development. The actual calculated cut-off grade, based on estimated costs, is 1.52 g/t Au. The stope optimization shapes were used as a basis for the mine design. These optimized stope shapes were viewed on screen and those that were low grade, geographically isolated, or otherwise sub-economic when considering development costs, were eliminated from the design. Typically, a crown pillar of 25 m or greater is used; however, there is one instance where an up-stope is mined to within 5 m of the surface.

Dilution, recovery, and an allowance for development not included in the design were applied to the mine design and are summarized in Table 5-1. Development not included in the design includes passing bays, muck bays, power bays, and additional cut-outs utilities and pumping.

Table 5-1: Mine Dilution, Recovery, and Development Allowance

Location	Additional Development Allowance	Unplanned Dilution	Mining Recovery
4 m x 5 m Drifts	10%	0%	100%
3 m x 5 m Drifts	5%	0%	100%
Stopes*	0%	3%	95%

*Stopes already include a 0.25 m dilution on each side of the stope wall (0.5 m total/stope) included in the stope optimization shape (~10% planned dilution). This planned dilution is included in the 3-D shape and received grade information based on the block model.
Source: SRK, 2016

A production rate of approximately 1,300 t/d was targeted from the underground with an objective of producing approximately 50,000 oz of Au per year. The mine will meet the 1,300 t/d plant feed with a 365 days per year, 24-hour schedule with two shifts of 12 hours each. Productivities have been adjusted for maintenance, operations, and efficiency delays. The yearly production schedule was generated using iGantt scheduling software and is summarized in Table 5-2.

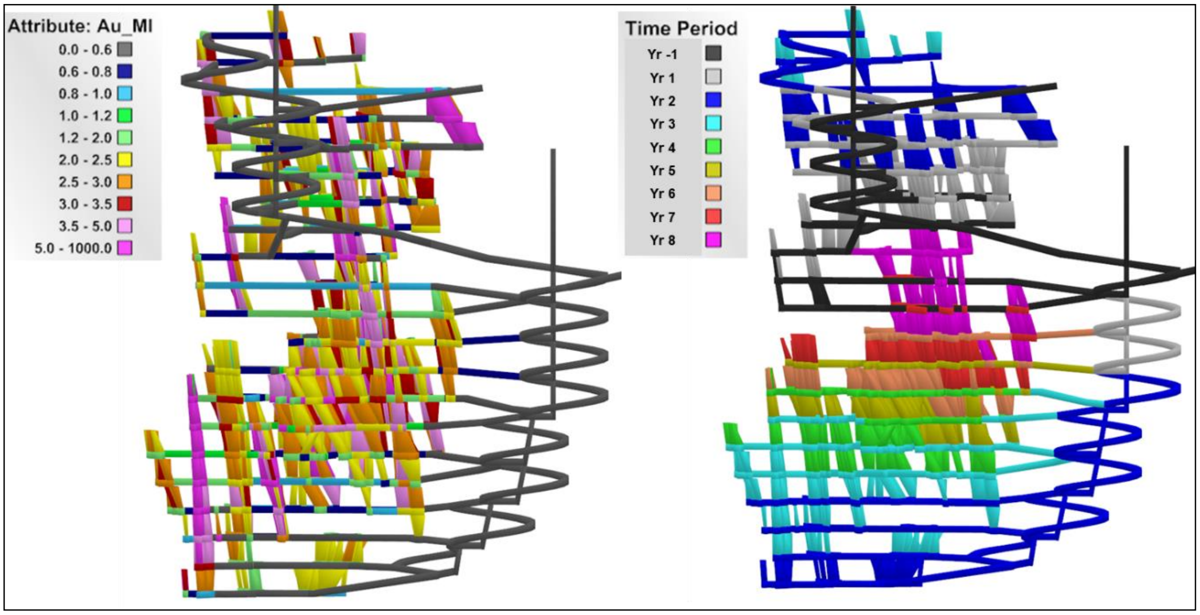
The mine plan includes some low-grade marginal material that is stockpiled and then fed into the plant at the end of the life of mine. The mine plan includes only Measured and Indicated Mineral Resources. Mineralized tonnage >1.2 g/t Au consists of 61% Measured Resources and 39% Indicated Resources. All inferred material has been treated as waste with zero grade where mined in the development process or adjacent to a stope.

Access to the mine is through two portals with 4 m x 5 m drifts used for the main ramps and primary haulage drifts. The veins and mineralized zones between veins will be accessed via a two ramp system and all material will be truck hauled to surface. The overhand mining sequence will advance in each stope block by mining from lower to upper levels. An initial development drift, the undercut mucking drive, will be constructed below the stoping area proceeding longitudinally along the stope in mineralized material. Temporary brow support may be required where the LHD enters the stope depending on rock quality and stope width. A second development drift, the overcut drill drive, is a drift along the top of the stope proceeding longitudinally along the stope in mineralized material where longhole drilling will take place to drill out the stope. These drifts will be 5 m high x 3 m wide.

The stope will be drilled and blasted and the shot mineralized material will stack at the bottom of the stope. The stope is mucked out through access at the stope bottom, in the undercut mucking drive. Once a stope is mucked, backfilling commences filling the stope up to the floor level of the overcut drive that was on the top of the stope.

The sequence is then repeated with a new drift, the new overcut drive, driven in the un-mined vein mineralized material above the initial stope. The overcut drive for the lower stope becomes the undercut for the new upper stope and the sequence repeats with drilling, blasting, and mucking of each of the higher level stopes being conducted on the fill of the stope below. The sequence continues to the top of the underground mining zone at a geotechnically designed level that allows an appropriate off-set to the open pit mine for safety and stability. Figure 5-1 shows the mine configuration colored by grade and by time period.

Figure 5-1: Underground Mine Configuration (August 2016)



Source: SRK, 2016

Ventilation raises have been included between the levels and two boreholes to the surface allow a full ventilation circuit.

The mine requires backfill to meet the required geotechnical stability of the stopes to maximize recovery and minimize losses, as well as to use as much filtered tailings as possible to minimize the TMF size and cost, and to use all development rock for backfill. Additionally, efforts were considered to minimize the use of cement.

The backfill method incorporates two different types of fill. The first is non-structural and gives no substantial support but provides a working surface for equipment. The second is structural fill assumed to have strengths in the 200 to 400 kPa UCS range. Over the life of mine, approximately 64% of the backfill is non-structural with the remainder being structural.

Non-structural fill is typically used in stopes that have a substantial pillar remaining in place after mining. The non-structural material proposed will be filtered tailings with a 2 m cap of waste rock. The non-structural material provides a base for mining the stope above. The non-structural material also allows for use of the filtered backfill material and reduces the need for additional TMF capacity on the surface.

Structural fill is used in stopes that have a narrow pillar remaining next to the stope after mining to increase extraction or minimize dilution. SRK assumed 70% of the structural fill to be 4% cement (by weight) and the remainder at 8% (by weight). As no test work is available on the characterization of the tailings at this time, these assumptions were made to allow for costing. Future work will need to test both the tailings and backfill to confirm these assumptions, and to develop an optimum case for the Project balancing extraction and cement costs.

Table 5-2: 2016 Mine Plan

Item		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Totals
Mineralization t/d	(t/d)	462	1,298	1,302	1,302	1,302	1,298	1,302	1,301	1,020	
Total Tonnes (mineralization + waste+ stockpiles)	(t)	283,992	575,314	651,584	540,140	487,446	493,468	493,657	479,222	378,939	4,383,762
Waste Tonnes (Au < 0.6 g/t)	(t)	129,655	55,873	133,867	21,924	4,758	5,183	4,047		616	355,923
Mineralized Tonnes (Au > 1.2 g/t)	(t)	126,113	475,091	475,302	475,160	475,104	475,179	475,241	475,014	372,223	3,824,428
Mineralization Au	(g/t)	3.03	3.31	3.63	3.33	3.62	4.27	3.72	3.98	3.54	3.66
Mineralization Ag	(g/t)	2.85	3.30	3.43	2.22	2.44	2.79	3.26	3.27	2.53	2.91
0.60 to 0.80 (Stockpile)	(t)	6,288	31,960	18,558	15,753	4,407	5,594	8,715	1,607	4,766	97,648
0.60 to 0.80 Au	(g/t)	0.65	0.69	0.72	0.73	0.74	0.65	0.66	0.72	0.78	0.70
0.60 to 0.80 Ag	(g/t)	1.79	1.46	1.35	1.22	1.28	1.30	1.17	1.41	1.45	1.38
0.80 to 1.0 (Stockpile)	(t)	14,275	4,639	17,990	12,974	1,238	6,347	1,288		508	59,260
0.80 to 1.0 Au	(g/t)	0.88	0.90	0.90	0.90	0.80	0.90	0.84		0.83	0.89
0.80 to 1.0 Ag	(g/t)	1.45	1.76	2.24	1.25	1.94	1.31	1.55		1.34	1.67
1.0 to 1.2 (Stockpile)	(t)	7,661	7,750	5,869	14,329	1,940	1,164	4,365	2,601	825	46,504
1.0 to 1.2 Au	(g/t)	1.06	1.14	1.11	1.10	1.16	1.16	1.09	1.05	1.10	1.10
1.0 to 1.2 Ag	(g/t)	2.03	1.78	1.51	1.89	1.36	1.11	2.00	2.14	1.53	1.82
Backfill Volume	(m^3)	7,222	139,352	140,541	139,220	127,421	168,923	169,977	197,464	150,325	1,240,444
Non-structural Backfill Volume	(m^3)	7,222	133,602	137,128	139,220	87,713	68,873	49,474	69,873	104,045	797,150
Structural Cement Backfill Volume	(m^3)		5,750	3,413	-	39,708	100,050	120,503	127,591	46,280	443,294
Main Ramp Development Length (4 m x 5 m)	(m)	2,816	1,378	2,884	904	210	277	240	29	99	8,838
Surface Raise meters	(m)	171									171
Internal Raise meters	(m)	97	35	162							294
Stope	(t)	17,829	302,333	358,381	286,140	276,902	344,088	370,700	414,492	335,352	2,706,218
Level Development (3 m x 5 m)	(t)	118,259	198,876	137,358	208,631	200,056	135,501	110,940	63,300	38,621	1,211,542

Material tonnages and grades reflected in Table 5-2 do not represent Ore Reserves.
Source: SRK

The backfill will be backhauled from the processing plant location by the mine trucks and then deposited in the stopes. The cement will be added by a screw conveyor at the processing plant, or by mixing at the mine using simple methodologies.

Mine equipment will include top hammer longhole drills, two boom jumbos, 3 m^3 LHD's, 20 t haul trucks, and auxiliary equipment including scissor lifts, explosive loaders, maintenance and lube trucks, grader, and personnel carriers.

Underground services including ventilation, mine dewatering, ground control, and power systems were considered in the design and are included in the costing.

Mining capital was estimated at US$6.5 million during preproduction with US$20.7 million required over the Life of Mine. Mining capital has no contingency included. Mine mobile equipment is not included in the capital cost as it estimated as a lease and included in the operating costs. Mine operating costs were estimated to be US$34.6/t milled.

6 Geotechnical

Geotechnical investigations were conducted by SRK to provide feasibility-level geotechnical design parameters for the open pit and underground designs (SRK, 2013c). The objective of the investigation was to provide suitable design parameters for mining the Miraflores deposit, through simultaneous operations of open pit and underground mining.

The 2013 investigation program consisted of geotechnical core logging of eight oriented HQ3 diamond drill holes. A total of 2,145 m of core was logged. Detailed face mapping of the existing exploration tunnel was also conducted as part of the 2013 field program. This new data has been used in conjunction with data previously gathered in 2012 support of the scoping-level design (SRK, 2012). The geotechnical information was used to develop underground design parameters including stope sizes, pillar sizes, dip pillar sizes, and a crown pillar size (work will be further developed in future designs as open pit was eliminated in this study), ground support, backfill, infrastructure off-set, dilution and recovery (Table 6-1). It is anticipated that final stope dimensions will be established just prior to mining and will be based on geotechnical characterization from local delineation drilling.

Table 6-1: Underground Mine Design Parameters

Design Parameters		Strong Rock	Weak Rock
Stope Dimensions	Stope Height (m)	20	20
	Stope Length (m)	90	30
	Max Stope Width (m)	15	15
	Minimum Stope Width (m)	1.5	1.5
Crown Pillars	Crown Height (s1) (m)	83	83
	Crown Width (vertical dimension) (m)	25	25
Sill Pillars	Sill Height (σ1) (m)	15	15
	Sill Width (vert.) (m)	5	5
	HW Height (σ1) (m)	25	25
	HW Width (between stopes) (m)	5	5
	Rib Height (σ1) (m)	15	15
	Rib Width (strike) (m)	3	3

Source: SRK

7 Project Infrastructure

The Miraflores deposit is located in a populated part of Colombia and is approximately four-hours driving on paved roads from the Antioquian capital of Medellin. The economy of the Municipality of Quinchía is rural. Agricultural activities dominated by coffee and mixed-crop farming are the principal sources of land use and income. Small-scale, artisanal gold mining is important in various areas such as Miraflores, El Chuscal and Quinchía.

The town of Rio Sucio has basic hotel, restaurant, and shopping facilities and is located approximately 30 km from the Project.

Power is readily available with a major transmission line for power in the region that runs 5 to 10 km from the Miraflores site running parallel to the Cauca River. The site capital budget includes US$1 million for a site substation at the process plant site and an allowance of US$450,000 for site distribution including distribution to the mine site. Underground distribution capital is including in the mine capital budget.

Preliminary water sources identified by SRK include the Quinchía and Cauca Rivers and tributaries that flow on the Miraflores property as well as water from underground dewatering. Metminco has access to approximately 7 liters per second of water rights available in the area. The water source for the process plant will be a combination of supply from the underground dewatering and site collection draining to the flotation tailings pond. Water will be available primarily from recycled tailings pond water.

SRK has identified and evaluated suitable sites for a future plant location. The area identified as the primary target is the flatter ridge area south of the mineralized area. Site works for a three borehole drill program, totaling 147 m of drilling and ten test pit geotechnical program, is complete. Additional detailed work will be conducted in the next phases of work. The road system will include upgrades to the access road from Quinchía to the Project property and construction of new access and haul roads to the TSF facilities, underground portals, and process plant.

Other on-site infrastructure items include sewage treatment facilities, waste storage areas, explosives storage, security, administration and maintenance facilities, warehouse facility, and an assay laboratory. Costing for these items have been included within the capital estimate.

8 Market Studies and Contracts

8.1 Markets

Gold markets are mature and with reputable smelters and refiners located throughout the world. The BMO Street Commodity Consensus Outlook provides a median outlook for gold in 2018 of US$1,317/oz gold and a long term outlook of US$1,300/oz gold.

Silver is a minor contributor to the overall economics of the Project. The BMO Street Commodity Consensus Outlook provides a median outlook of US$18.52/oz silver. The long term outlook is US$19/oz.

For the purposes of this report, US$1,300/oz Au has been assumed for gold and US$18.00/oz Ag for silver.

8.2 Contracts

Miraflores is not currently in production and has no operational sales contracts in place at the time of this report.

9 Environmental Studies, Permitting and Social or Community Impact

The area around the Miraflores Project (and the region as a whole) had been heavily disturbed through the anthropogenic conversion of native forest to principally coffee plantation. This land use change has sensitized the local population, and Non-Governmental Organizations (NGOs) to additional disturbance activities, especially those associated with natural resource extraction and beneficiation (i.e. mining). Appropriate and effective stakeholder engagement and community relations is essential for the success of the Project, and Metminco has re-established communications with the local municipalities and indigenous Embera Chami and Karamba communities.

Baseline data collection and preliminary impact analyses were initiated in 2010, expanded in 2012, but suspended in 2013 when Seafield entered in to receivership. Metminco has recently reinitialized these programs in order to meet the requirements of the EIS based on the latest mine plan. Surface water baseline monitoring and mitigation will be critical for the Project given the municipal discharges of untreated waste waters in the region and the presence of illegal artisanal miners who are releasing regulated pollutants (including mercury and cyanide) into local surface waters. In addition, while the deposit has low sulfidation (<0.6% S), the absence of neutralizing capacity in the rock could lead to an elevated risk of acid rock drainage.

The new mine plan will require modifications to the EIS, and will include the appropriate environmental and social management plans based on the identified impacts. These will include the necessary environmental measures for the proper closure and abandonment of the operation. To ensure that these activities are carried out, an Environmental Insurance Policy shall remain in effect for three years from the date of termination of the contract. SRK prepared a conceptual closure plan for the Miraflores Project in 2013 as part of the original EIS effort. This plan (and the projected closure cost estimate) will need to be updated based on the modification to the mine plan presented herein.

10 Capital and Operating Costs

Costing of the Project has been completed to various levels of detail. Table 10-1 outlines the various degrees of detail for both capital and operating costs by discipline. The scoping level study should be considered to be an accuracy of +/- 30% including contingencies.

Table 10-1: Capital and Operating Cost Level of Study by Discipline

Discipline	Item	Level	Comments
Mine	Underground Operating Cost	PFS	To confirm PFS level: Further refinement of first principle costing and tie back to production schedule. An up to date labor salary study is still required for a PFS level. Updated cost quotes to 2016
	Underground Capital Cost	PFS	Could refine auxiliary equipment and utility costs.
Process Design	Capital Cost	PEA	Lyntek scope of work. Capital equipment was updated with quotes however installation and other costs were not updated. A complete capital cost estimate was not compiled by Lyntek.
	Operating Cost	PEA	Previous FS work by Lyntek and not confirmed by SRK. Operating costs from previous PEA cost was used with adjustments by SRK to account for labor, power, and inflation.
Tailings Facility	Capital/Operating Cost	PEA	Flotation tailings costs needs to be re-estimated based on quantities of a PFS level design. Leachate costs need to be re-estimated based on quantities in the current Feasibility Study level design.
Infrastructure	Capital Cost	PEA	Update designs and estimates to be consistent with current Project parameters with refined power supply, access, and support facility data to increase accuracy.
Owner's Cost	Capital Cost	PEA	Update construction schedule, confirm adjustments to Project size and changes to plant and tailings facility, optimize and refine closure costs.
General & Administrative	Operating Cost	PEA	To develop to next level of study: Create detailed cost estimate with acceptable detail for the next level of study

Source: SRK

10.1 Capital Cost Estimates

The capital cost estimate for the Miraflores PEA LoM totals US$98 million, including contingency, and is summarized in Table 10-2. The capital is broken down by initial capital, required to start and develop the mine, and sustaining capital used to continue operations.

Table 10-2: 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%.

10.2 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 10-3. Over the life of the Project, operating costs are estimated at US$57.17/t milled.

Table 10-3: 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. The basis is considered to be 2016 Q3 US dollars.

11 Economic Analysis

11.1 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 11-1.

Table 11-1: 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 11-2.

Table 11-2: 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.

11.2 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 11-3.

Table 11-3: 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**	**286**	**$70.93**
Capital Costs			
Underground Mining	US$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 11-4.

Table 11-4: 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**
Initial Capex	197
All-In Costs	**$845**

Cash costs do note 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.

11.3 Sensitivity Analysis

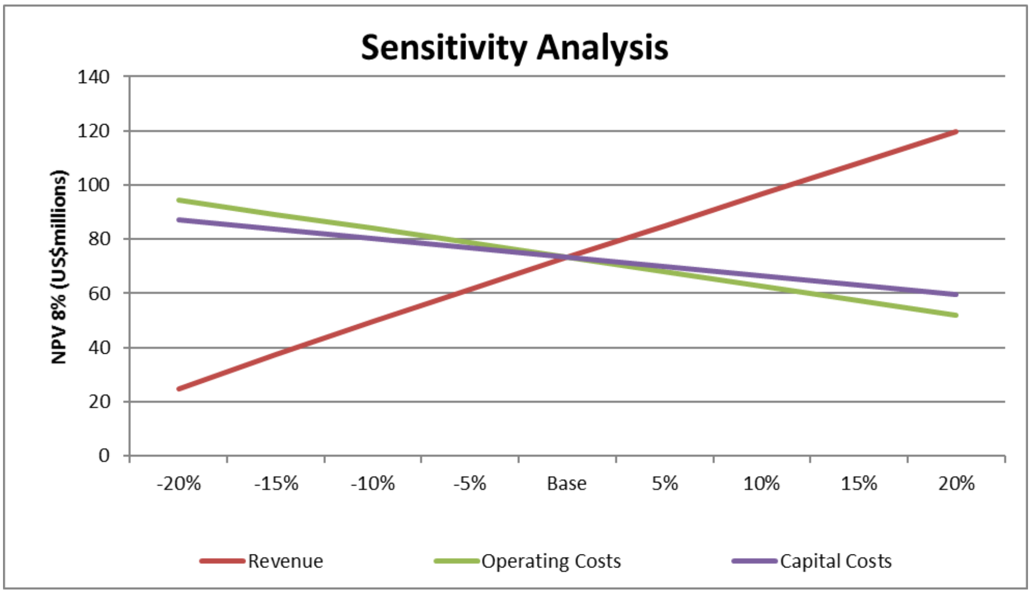
The Project sensitivity analysis on an after-tax basis is summarized in Table 11-5 and in

Figure 11-1. As presented, the Project is most sensitive to market price followed by operating costs and capital costs, respectively.

Table 11-5: 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 11-1: Project Sensitivity Analysis (After-tax)



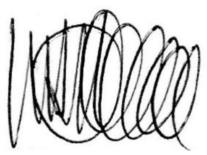
On an after-tax basis and using variable gold prices, Table 11-6 shows the sensitivity of the Project with regards to payback period, NPV discount rate and IRR.

Table 11-6: Base-Case Gold Price Sensitivity Analysis (After-Tax)

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

Funding

Based on the results of the underground only mining study at the Miraflores Project in Colombia, 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.



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Competent Persons Statement

Mr Jeff Osborn, BEng Mining, MMSAQP, on behalf of SRK, refers to the issue and publication by Metminco of the mining study undertaken by SRK in this announcement dated 8 September, 2016 (Announcement). We consent to be named in the 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.

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.