



**Metminco Limited**  
**Gold Development Opportunity in Colombia**

**September 2016**



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- **Development opportunity at Miraflores – Feasibility Study to be completed in January 2017**
- **Metminco has determined an approach to unlock value at Miraflores**
- **Significant gold/copper porphyry system at Tesorito**
- **Significant regional upside potential including the highly prospective Chuscal target**
- **Acquisition structure facilitates development and exploration of the Quinchia Portfolio with minimal upfront cash outlay**
- **Quinchia Gold Portfolio complements Metminco's regional consolidation strategy**
- **Quinchia growth strategy targeting >10Moz gold**

***The acquisition paves the way for Metminco to become a gold producer generating strong cash flows***

# Executive Summary – Quinchia Portfolio

- Purchase of Miraflores Compania Minera SAS (Miraflores Compania), formerly Minera Seafield SAS, from RMB Resources Limited (“RMB”) completed 20 June 2016
- Mid Cauca belt highly prospective for gold, silver and copper – includes Quinchia Gold Portfolio and AngloGold Ashanti’s La Colosa Project (33 Moz gold) & Gran Colombia Gold Corp’s Marmato Mine (14Moz gold)
- Acquisition structure allows Metminco to progress exploration and development without incurring significant upfront costs
- Contains 2.8Moz Gold Resource (NI 43-101)
- Gold development opportunity producing  $\pm 50,000$  ounces per annum (steady state) at the Miraflores Project
- Significant upside potential at Tesorito Prospect



Current Concession	6,043 Ha
Pending Applications	3,792 Ha
Ownership	100%
Drilling to Date	> 40,000 m
Miraflores	9.19Mt M & I Resource @ 2.81g/t Au and 2.76g/t Ag (832koz Au) # MNC Scoping Study completed in Sept 2016
Dosquebradas	920 koz Au @ 0.5 g/t Au Inferred Resource ##
Tesorito	Gold-copper porphyry discovery TS-DH-02: 384m @ 1.01g/t Au
Additional Targets	Santa Sofia, La Loma, Naranjal, Miracielo, Sausagua, Chuscal

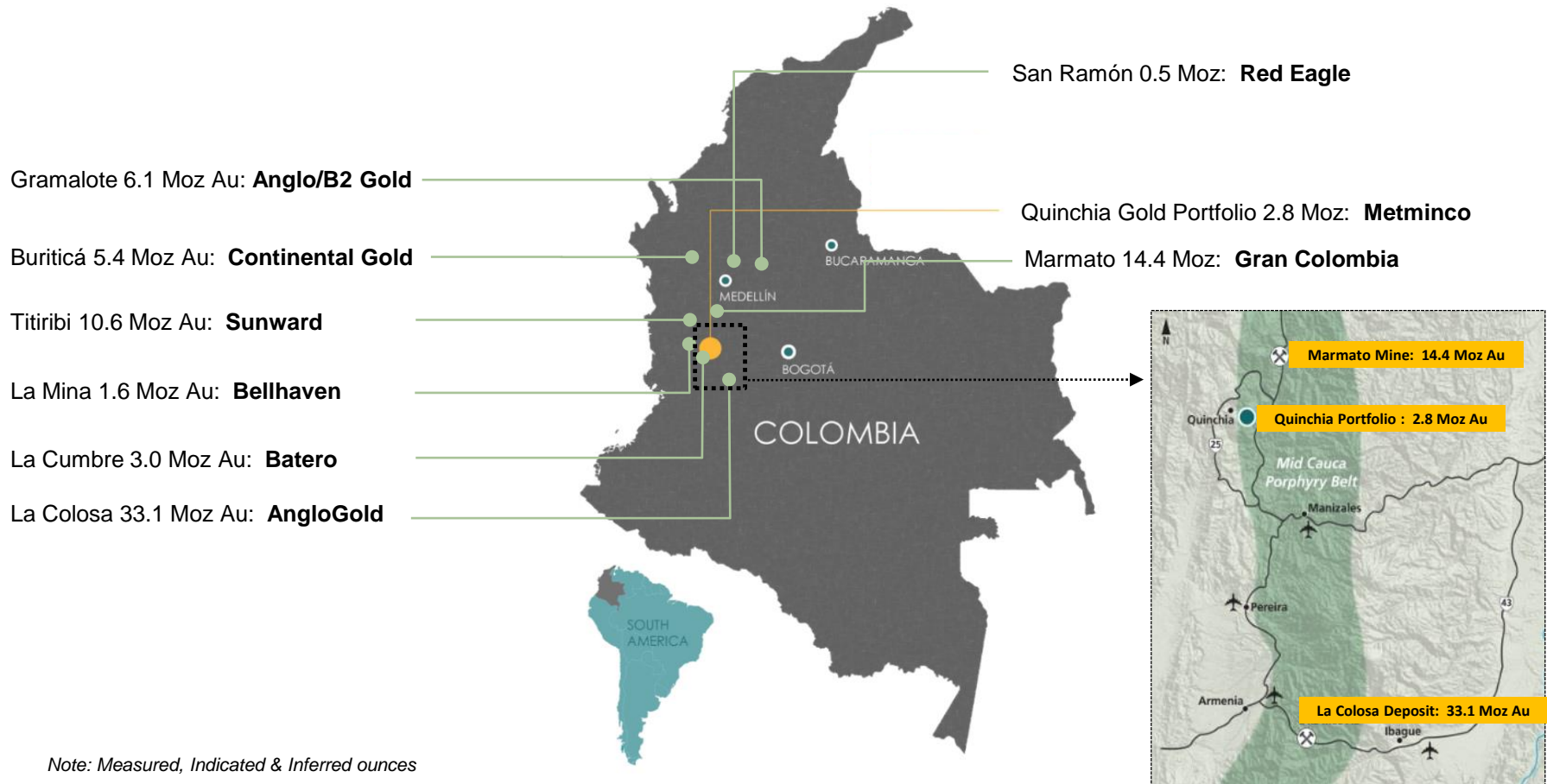
# JORC (2012 Edition)

## NI 43-101

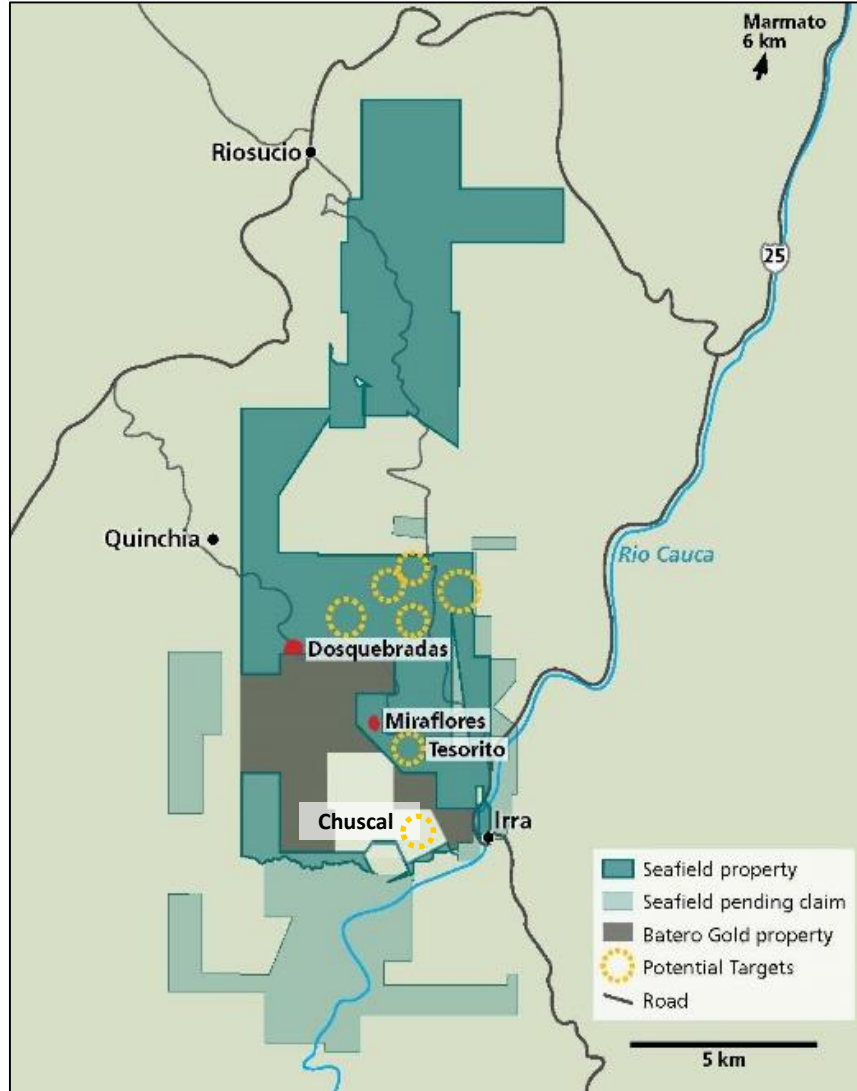
# Acquisition Rationale - Quinchia Gold Portfolio located in highly prospective Mid Cauca Porphyry Belt



## Mid Cauca Porphyry Belt hosts world class gold deposits



# Three key target areas – Miraflores, Tesorito & Chuscal

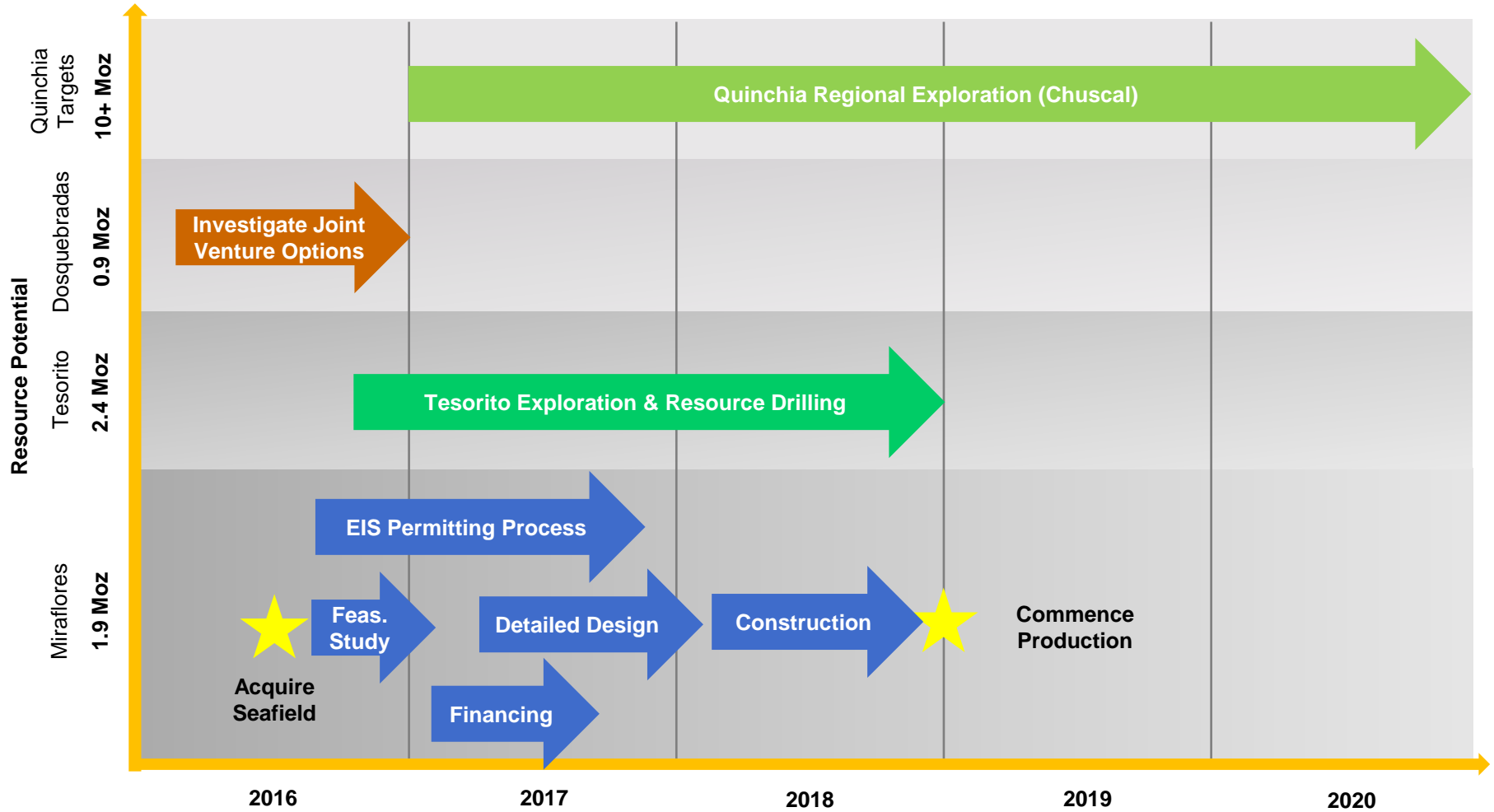


**Miraflores  
Development**  
*Vertical Breccia Pipe  
Feasibility Study*

**Tesorito Exploration**  
*Gold porphyry  
Step-out drilling*

**Chuscal Exploration**  
*Gold porphyry  
Grant of licence*

# Implementation Plan to become a gold producer generating strong cash flows



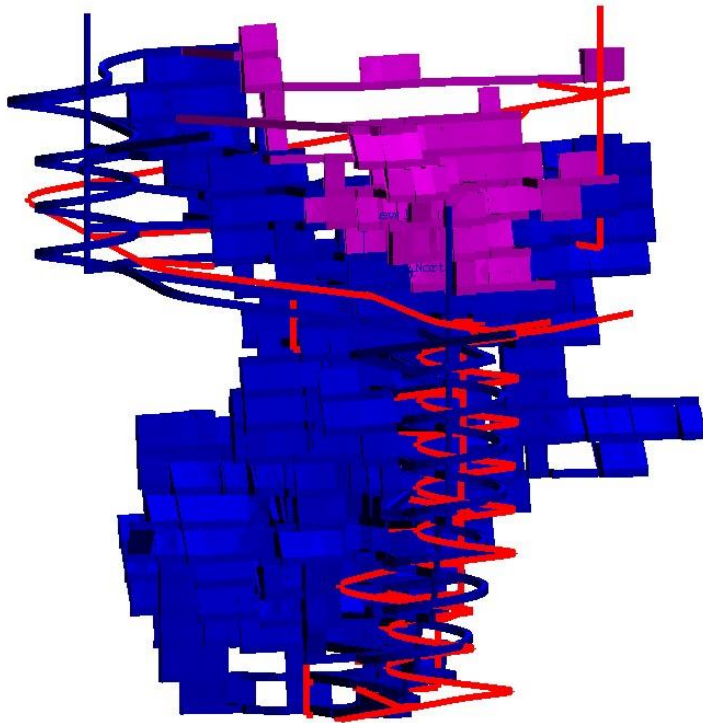
# Miraflores Project





# Miraflores Development Opportunity

- Previous Feasibility Study work on Miraflores by conducted by Minera Seafield included:
  - Open Pit & Underground mining operation
  - Ore processing via gravity and float concentration followed by cyanide leaching. 62% of gold is recovered from gravity separation
- Metminco subsequently revisited the mining plan and is now planning to permit an underground only mining operation



Mauve Colour: Slopes included in previous Open Pit

JORC Mineral Resource (1.2 g/t Au cut-off)					
Resource	Mt	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)
Measured	2.95	2.98	2.50	282	237
Indicated	6.24	2.74	2.89	549	580
<b>Total (M&amp;I)</b>	<b>9.19</b>	<b>2.81</b>	<b>2.76</b>	<b>832</b>	<b>817</b>
Inferred	0.18	1.44	5.49	8	32

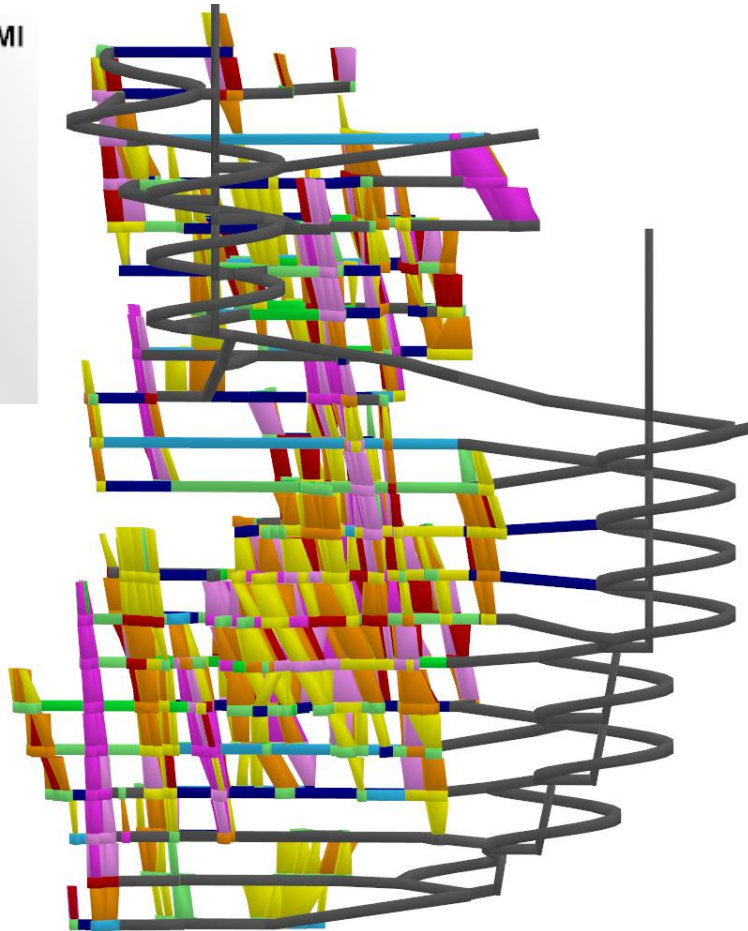


Tonnes Milled					
Operation	Mt	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
Underground	4.03	3.51	2.84	455	368
<b>Total</b>	<b>4.03</b>	<b>3.51</b>	<b>2.84</b>	<b>455</b>	<b>368</b>

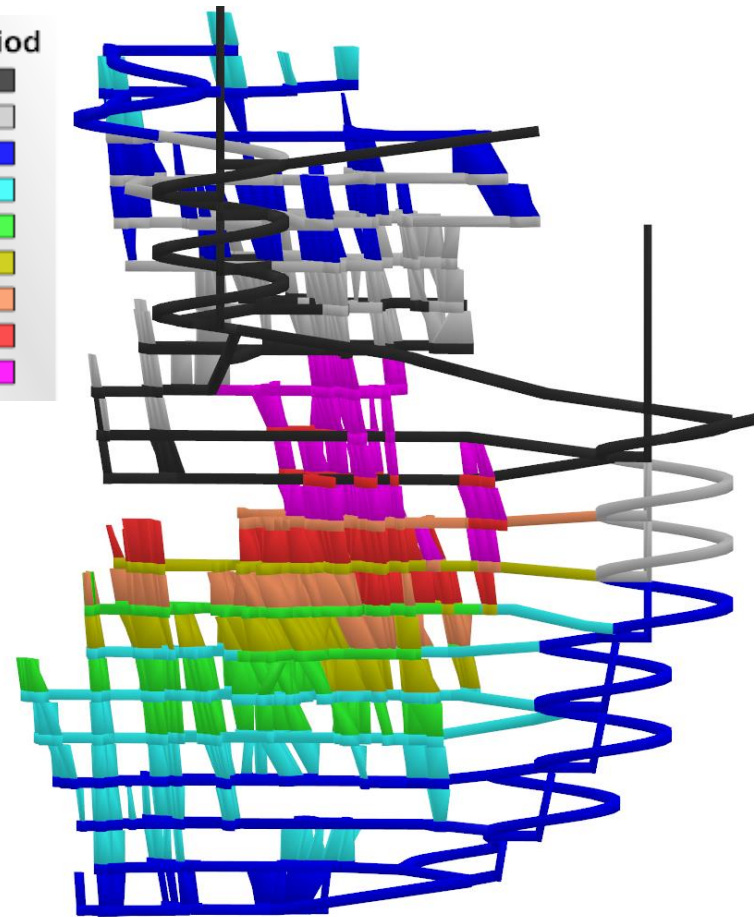


# Current underground mining scenario – MNC (Aug '16)

Attribute: Au\_Ml



Time Period



- 9 month pre-production development period (Year -1) generates 126kt stockpile
- Plant commissioning to occur during pre-production period

# Optimisation of pre-production capital expenditure

## Pre-production capital

Item	Capital (US\$m)			Optimisation by MNC
	RMB (Feb 2015)	MNC (Sept 2016)		
		Excludes Contingency	Includes Contingency*	
Pre-stripping	9.83	0	0	No open pit – reduce environmental footprint
Open Pit Mining Equipment	14.14	0	0	No open pit
Underground Mining	0	6.44	6.44	Lease mining fleet (vs. purchase fleet)
Processing	38.03	38.03	47.54	No change in capital albeit throughput is reduced by 26%
Tailings	7.91	8.65	9.62	Small dry stacked tailings facility (vs. a larger wet tailings facility)
Infrastructure	5.01	5.01	6.27	No change
Owners Cost	8.89	8.98	11.22	Includes purchase of land
Water monitoring	0.07	0.09	0.09	No change
<b>Total pre-production capital</b>	<b>83.88**</b>	<b>67.20</b>	<b>81.18</b>	** RMB 2015 had no contingencies

\* Average contingency of 21%

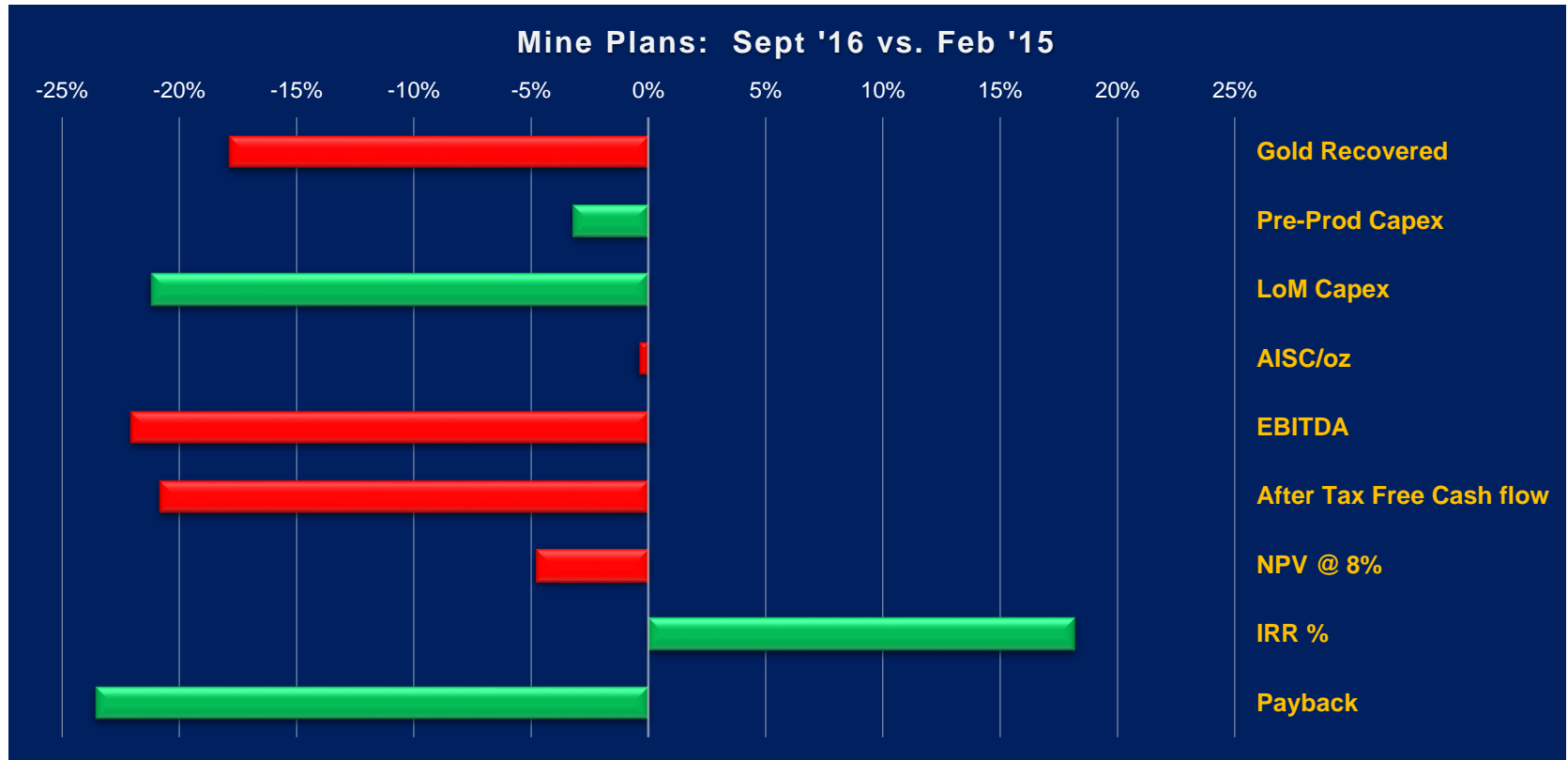
# Life of Mine Financials – RMB (Feb 2015) and MNC (Sept 2016)



## Reduction in LoM Capital & Improvement in IRR

Item	Units	Life of Mine		
		RMB No Contingency (Feb 2015)	MNC Pre-Contingency (Sept 2016)	MNC Post-Contingency (Sept 2016)
Mineral Material Processed	kt	6,695	4,028	4,028
Life of Mine	Years	12	9	9
Gold Recovered	koz	504	414	414
Silver Recovered	koz	280	199	199
Gold Price	US\$/oz	1,300	1,300	1,300
Silver Price	US\$/oz	18.00	18.00	18.00
Operating Costs	US\$000's	266,801	230,254	230,254
Indirect Costs	US\$000's	3,119	1,828	1,828
Royalties	US\$000's	20,938	21,497	21,497
<b>Operating Margin (EBITDA)</b>	<b>US\$000's</b>	<b>366,587</b>	<b>285,686</b>	<b>285,686</b>
Capital	US\$000's	124,418	84,636	98,029
Income Tax	US\$000's	57,211	45,833	41,213
After Tax Free Cash Flow	US\$000's	184,958	155,182	146,409
<b>After Tax NPV @ 8%</b>	<b>US\$000's</b>	<b>77,096</b>	<b>83,510</b>	<b>73,420</b>
<b>After Tax IRR</b>	<b>%</b>	<b>22</b>	<b>31</b>	<b>26</b>

# Comparison of Mine Plans – MNC (Sept 2016) vs. RMB (Feb 2015)



## *2016 Underground only mining plan results in improved financial returns*

Positive attributes – Sept 2016 Mine Plan (Note: RMB Feb 2015 Mine Plan excludes contingencies & opex & capex estimates have not been adjusted for CPI)

## Estimated costs - Completion of Feasibility Study & EIS

Estimated US\$7 million required to complete Feasibility Study & reach decision to mine

Item	Estimated Expenditure	
	US\$ (000's)	A\$ (000's)
Management of Feasibility Study	338	450
Design of the tailings facility	94	125
EIS & Geotechnical	1,607	2,143
Social licence program	147	196
Geological consulting	43	57
Mine design	187	249
PMO (Mining and Operations Plan)	106	141
Owners Costs	1,464	1,952
Contingency	126	168
<b>Total Feasibility Study</b>	<b>4,112</b>	<b>5,481</b>
<b>Overheads</b>	<b>1,245</b>	<b>1,660</b>
<b>Land Acquisition</b>	<b>998</b>	<b>1,331</b>
<b>Payment of 1<sup>st</sup> Tranche – RMB</b>	<b>750</b>	<b>1,000</b>

*Feasibility Study scheduled for completion in January 2017*

## Comparison of All In Sustaining Costs

### Life of Mine AISC @ US\$648 per Au-oz

Item	LoM Cash Costs (US\$ per payable Au-oz)	
	RMB (Feb 2015)	MNC (Sept 2016)
Open Pit	58.12	0
Underground Mining	213.49	338.87
Processing	201.70	150.61
Tailings	6.27	17.95
G&A	52.02	51.31
Refining Charges	4.66	0.74
Insurance & Transportation	1.55	3.69
Silver credit	(9.96)	(8.60)
<b>Direct Cash Costs</b>	<b>527.85</b>	<b>554.57</b>
Government Royalties	41.72	52.17
<b>Indirect Cash Costs</b>	<b>41.72</b>	<b>52.17</b>
<b>Total Direct &amp; Indirect Costs</b>	<b>569.57</b>	<b>606.74</b>
Sustaining Capital	80.76	40.87
<b>AISC</b>	<b>650.33</b>	<b>647.61</b>

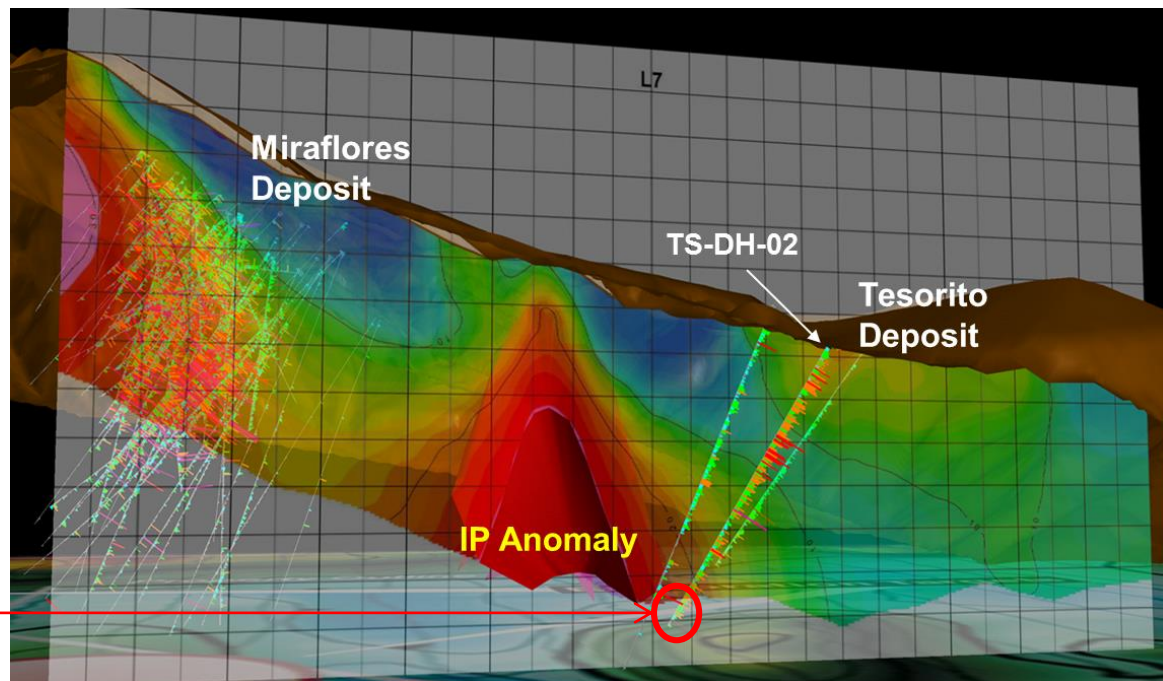
*Delivers a margin of US\$652/oz (at US\$1300/oz)*



# Tesorito Prospect

# Early drilling and geophysics - identified a large scale gold-copper porphyry system

- 800m from Miraflores, Tesorito is a porphyry system hosting Au/Ag/Cu/Mo mineralisation
- Surface soils and IP anomaly covers an area of 500m by 700m
- Minera Seafield drilled three high impact exploration holes prior to entering into receivership



**Includes 0.7m at 3.43g/t Au and 2.6% Cu towards the tail of the hole**

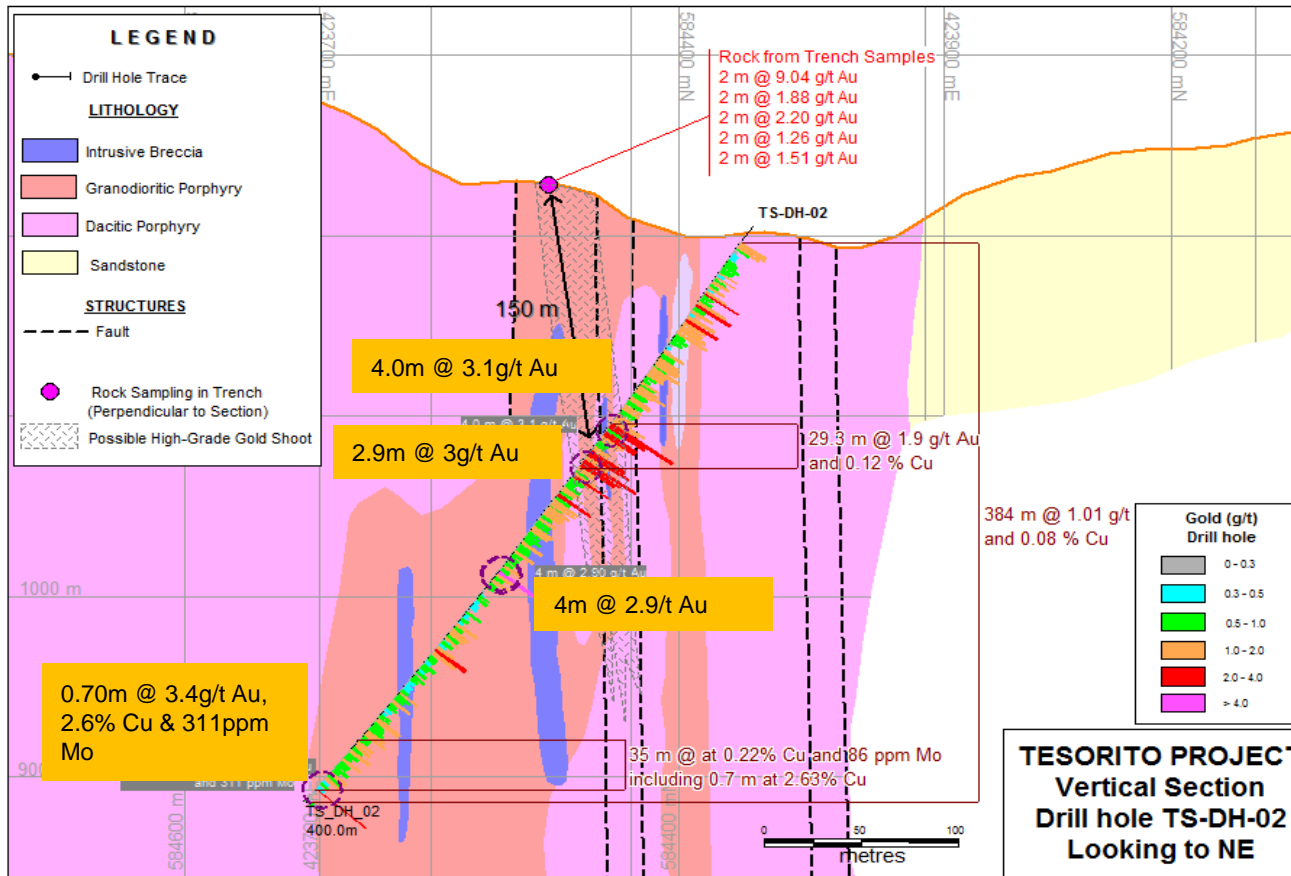
TS-DH-01	340m @ 0.40g/t Au, 0.58g/t Ag and 0.032% Cu
<b>TS-DH-02</b>	<b>384m @ 1.01g/t Au, 0.90g/t Ag and 0.080% Cu</b>
TS-DH-03	255m @ 0.51g/t Au, 0.67g/t Ag and 0.052% Cu

Miraflores Development

**Tesorito**

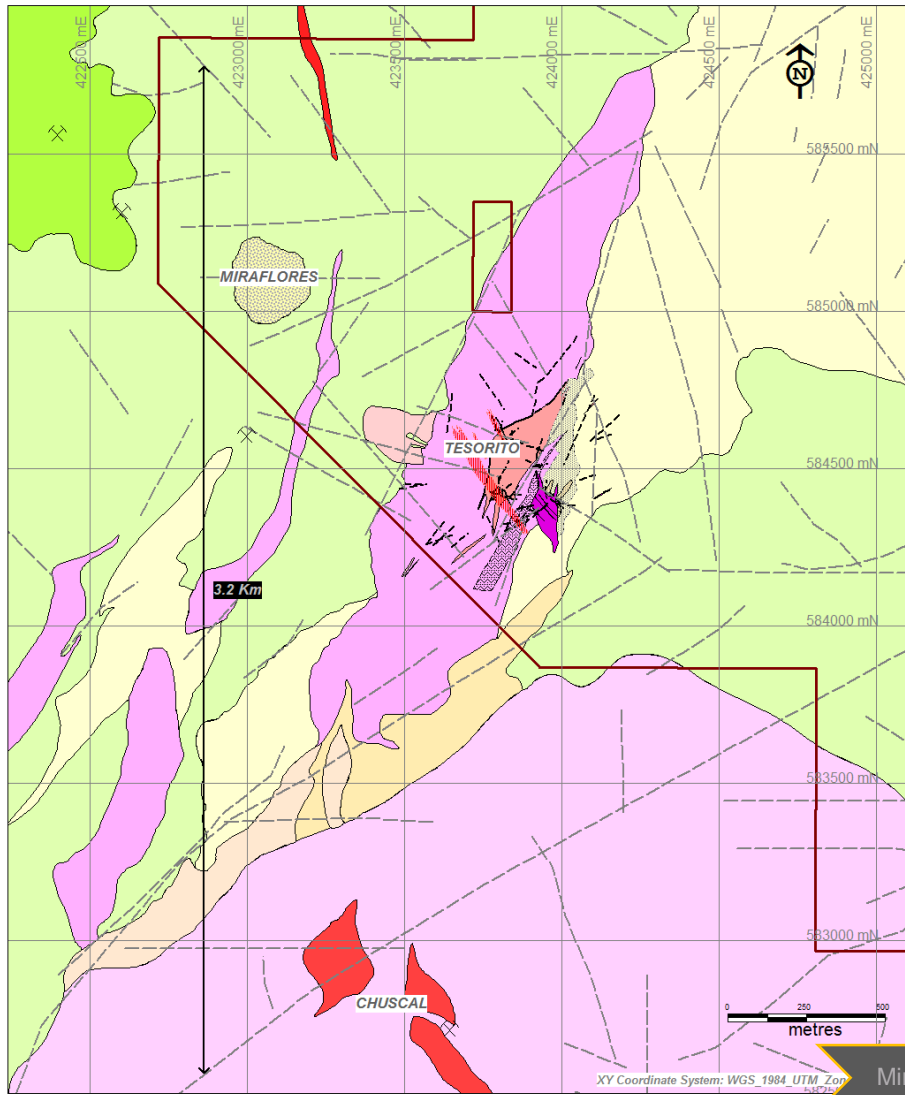
Regional Exploration

# Untested Potential – gold/copper porphyry complex

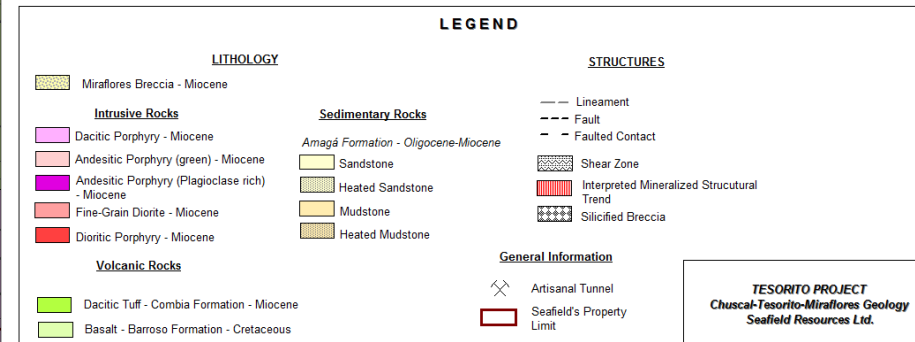


- IP anomaly has not been intersected and is yet to be tested, future exploration will be targeted at defining the extent of the anomaly
- Near surface gold mineralisation is supported by high grade channel samples

# Forms part of a 3km NNE-SSW striking porphyry complex - underexplored



- NNE-SSW striking dacite porphyry has been mapped
- Limited exploration work has been conducted in the form of soil & rock geochemistry, geophysics (IP Survey) and drilling ( 3 DDH's)
- Focus of work to-date has only been on an area of some 20 Ha
- Drilling has not been optimal & step-out drilling is required
- Strike extensions of the identified mineralisation need to be explored

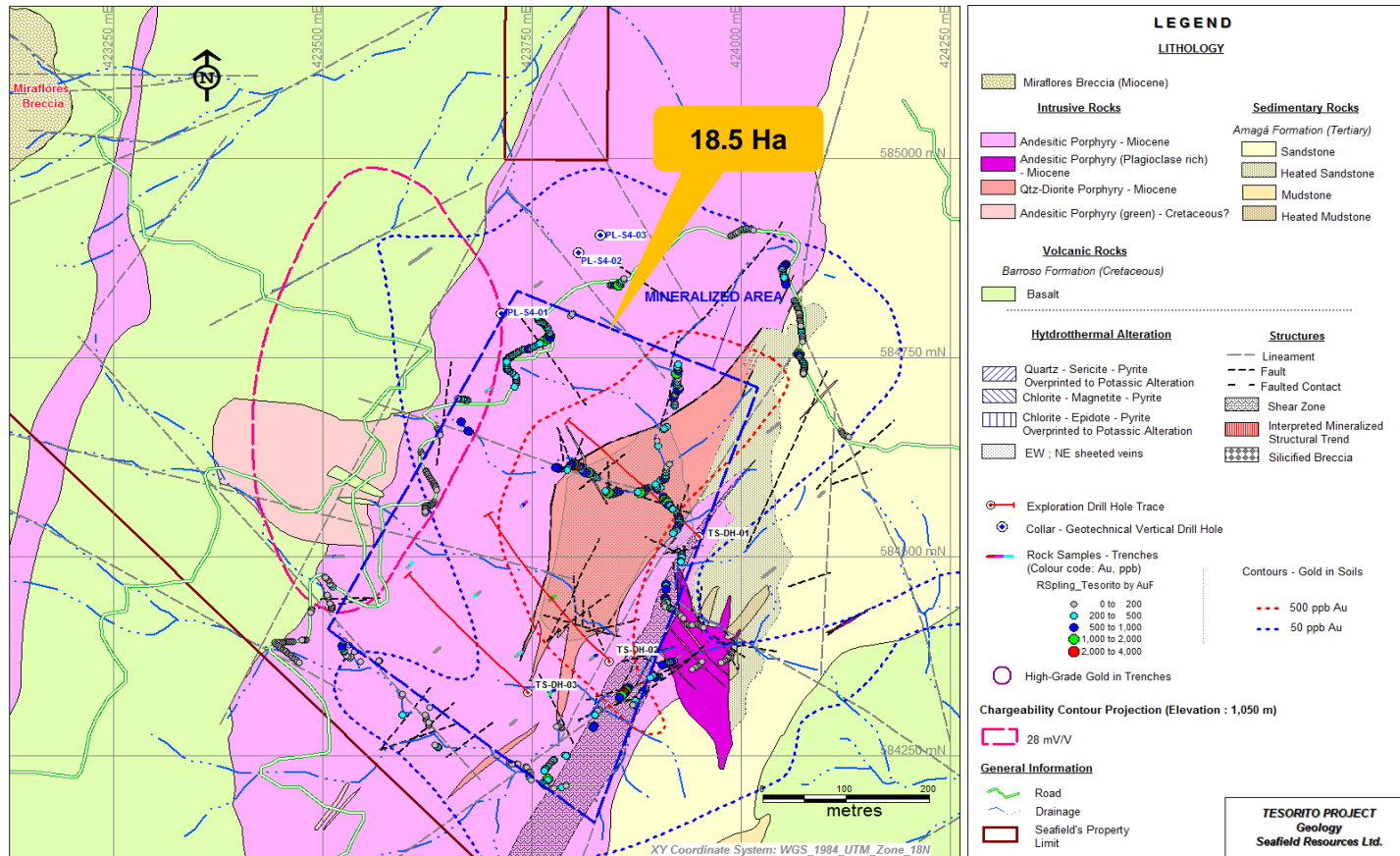


Mirafleres Development

Tesorito

Regional Exploration

# Highly prospective gold porphyry



- Based on the geology, soil & rock geochemistry, as well as drilling results, it is assumed that the mineralised area measures in excess of 18.5Ha and extends to a minimal depth of 300m

Miraflores Development

Tesorito

Regional Exploration

## Preliminary Exploration Program – October 2016 to March 2017

Exploration Activity	Estimated Cost (A\$000's)	Date	
		Start	End
Soil & rock chip sampling program	120	October '16	January '17
Geophysical survey (IP)	180	November '16	January '17
Diamond drill program	700	December '16	March '17
<b>Total Expenditure</b>	<b>1,000</b>	<b>October '16</b>	<b>March '17</b>

- Extend soil and rock chip sampling program to NE and SW of the currently defined gold anomaly
- Extend geophysical grid to NE and SW of the current geophysical grid
- Complete a diamond drill step-out program of 6 drill holes to further evaluate the chargeability (IP) anomaly & the surface gold anomaly
- Pending the results of the planned program, further exploration work will be conducted for resource estimation purposes

Miraflores Development

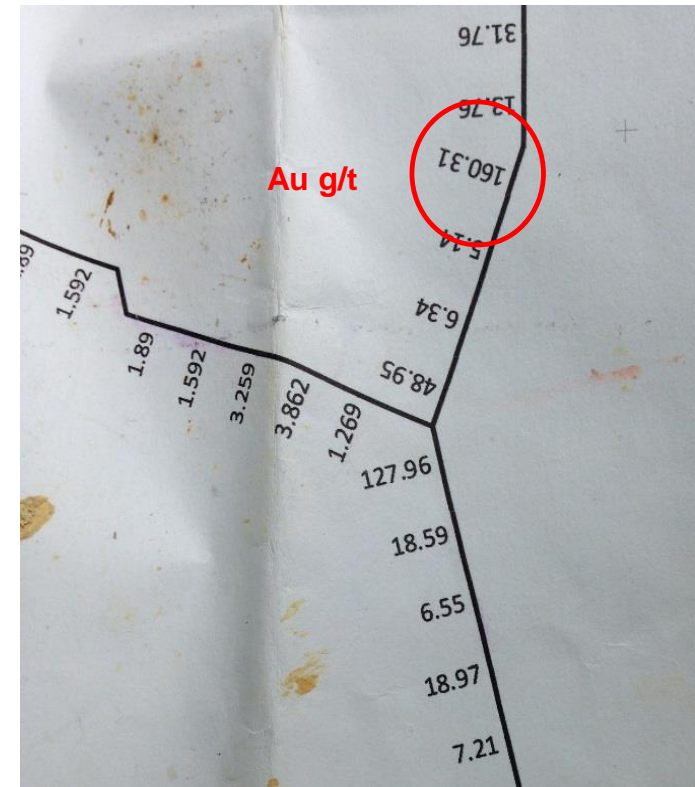
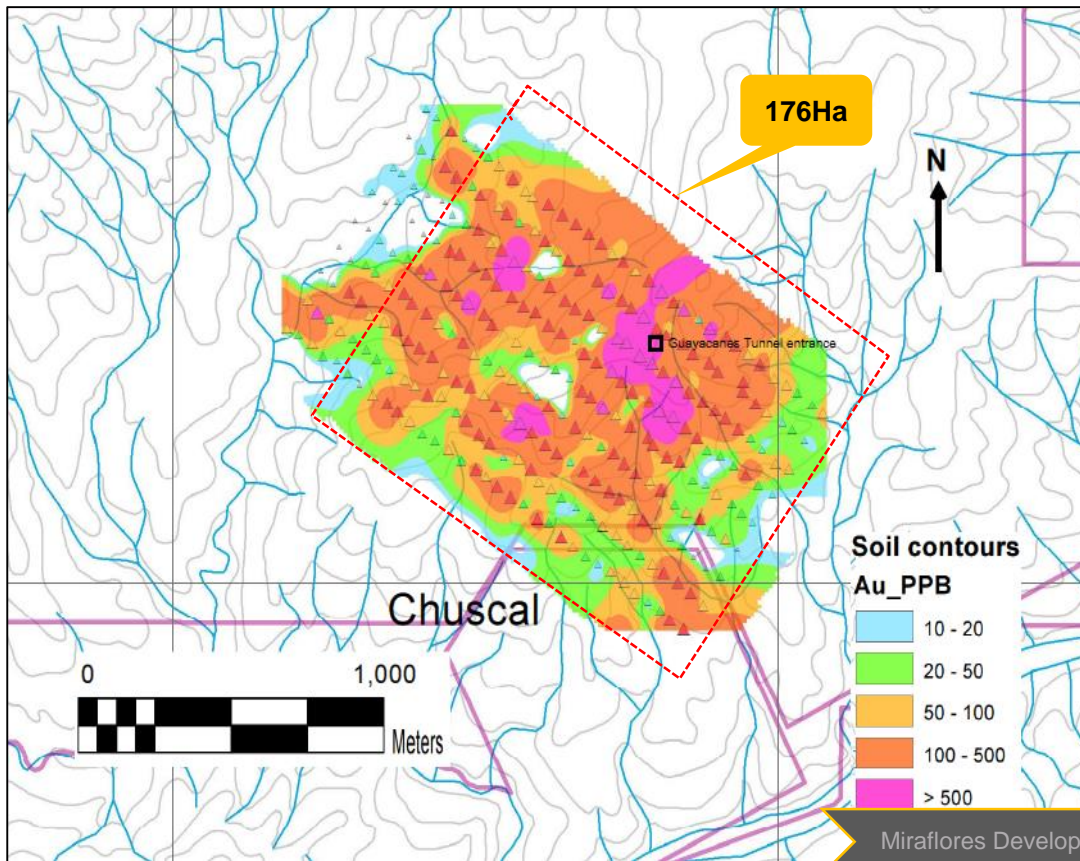
Tesorito

Regional Exploration

# Chuscal Target

# Soil geochemistry has identified a substantial porphyry hosted gold target

- Exploration target identified on basis of soil geochemistry and artisanal workings in excess of 176Ha
- Channel sampling of artisanal underground workings has returned grades of up to 160g/t Au
- Exploration tenements for Chuscal area subject to Option Agreement with AngloGold Ashanti - to be transferred to Minera Seafield



Miraflores Development

Tesorito

Regional Exploration



# Summary

- Near term development opportunity at Miraflores
  - Feasibility Study planned to be completed in early 2017
- Two development options
  - Open pit in combination with an underground mining operation
  - Underground mining operation only
- Underground only mining operation (inclusive of 21% contingency)
  - Favourable financial returns
  - Generates average EBITDA of US\$32 million per annum (NPV @ 8% of US\$73 million & IRR of 26%)
  - Produces  $\pm 50,000$  ounces gold per annum at steady state
  - 9 year life of mine commencing late 2018
  - Minimal environmental footprint
- Significant upside potential at Tesorito – near surface gold porphyry complex
  - Exploration program planned
- Other substantial targets in close proximity to Miraflores / Tesorito (e.g. Chuscal)
- Funding requirement of US\$8 - 9 million over next 16 months

## Appendices

- Metminco Corporate Snapshot
- Metminco Team
- Colombia Country Overview
- Miraflores Additional

## Capital Structure

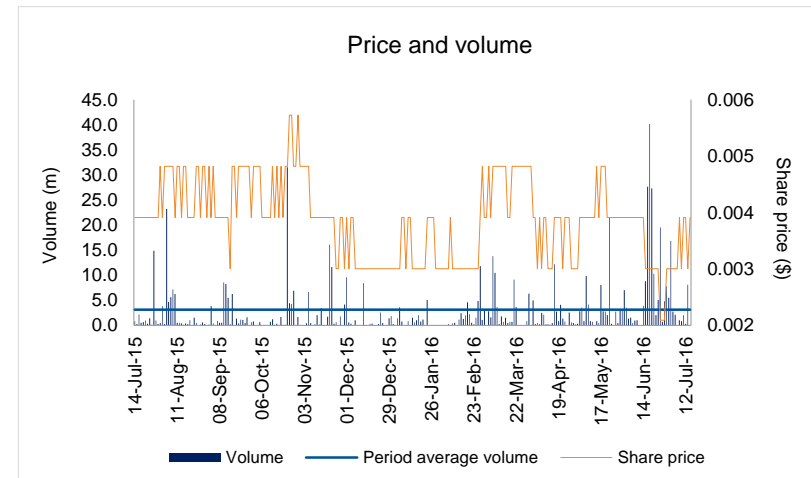
ASX/AIM Code:	MNC
Shares Outstanding	3,879 million
Issued Options <sup>1</sup>	5 million
Share price range (12 month)	A\$0.003 - A\$0.005
Market capitalisation (@ A\$0.003)	A\$12m
Cash (30 June 2016)	A\$0.60m
Debt	Nil

1. 5m options have a strike price of \$A0.0302/share and expire 1 August 2017

## Top 5 Shareholders

Shareholder	% of ISC
RMB Australia Holdings	10.3%
Board & Management	8.7%
Junior Investment Company	3.4%
Barrick Gold Corp	1.9%
EM Dos (Chile)	1.9%

## 12 Month Price Performance (ASX)



## Other Projects

- Los Calatos (Peru)
  - Porphyry copper-molybdenum deposit
  - Mineral Resource (M, I & Inf) of 353Mt at 0.76% Cu and 318 ppm Mo (2,683kt Cu)
  - CD Capital Fund III to earn equity of up to 70% by spending US\$45 million
- Mollacas (Chile) – Mineral Resource (M&I) of 15.5Mt (79kt Cu)
  - Feasibility Study on hold



## **Dr Phillip Wing**

### *Acting Chairman*

Phillip is a founding investor and founding Chairman of the Company and was appointed to the Board on 17 July 2009. He was previously responsible for capital raising and investor relationships in Australia and Asia. He is currently the Executive Chairman of a special purpose private equity firm and non-executive director of six investee companies ranging from mining to medical devices. Phillip was most recently a Partner at Technology Venture Partners, a specialist venture capital firm in the technology sector.



## **William Howe**

### *Managing Director*

William was appointed to the Board on 17 July 2009. William, has over 35 years' experience in the mining industry and has worked in southern and west Africa, Australia, South East Asia and North and South America. He has been instrumental in the development of a number of new mining operations in Australia and South East Asia including the development and management of the first copper heap leach operation in Australia. William was a founding director of Straits Resources Limited and was Managing Director of Ghana Gold Mines Limited, Hargraves Resources NL, Selwyn Mines Limited and Hampton Mining Limited.



### **Dr Roger Higgins**

#### *Non-Executive Director*

Roger was appointed to the Board on 8 October 2013. He has over 40 years of mining industry experience, which has included environmental, strategy, project development and operational roles. He commenced working in the industry as an engineering hydrologist working on pit flooding and tailings disposal issues. Subsequent experience included responsibility for projects and operations in arid Australia and the deserts of northern Chile, as well as in eastern and western Canada.



### **Francisco Vergara-Irarrazaval**

#### *Non-Executive Director*

Francisco was appointed to the Board on 01 April 2010. He has over 30 years' experience in the mining industry in Chile and other Latin American countries where he was Vice President of Compañía Minera El Indio and Compañía Minera San Jose, subsidiaries of St. Joe Minerals Corporation until 1991. In 1991, he established Vergara & Cia, Law Firm, providing legal services to different mining companies and international engineering firms focused in natural resources, energy, shipping, salmon industry in Chile and agriculture. He has also acted on behalf of foreign governments through their embassies in Chile, and has served as a Director of several listed companies, and Chairman and Director of a number of unlisted companies.

- Democracy is the oldest and most stable in Latin America
- Literacy rate of  $\pm 90\%$ , which is amongst the highest in South America
- Security
  - Has improved significantly in recent years
- Economy
  - Economic growth remains strong at 4.3% in 2013 and 4.5% in 2014
  - Foreign Direct Investment inflow reached US\$16.1 billion in 2014
  - Main destinations for FDI are the hydrocarbons and mining sectors (50% of FDI in 2013)
  - Bilateral free-trade agreement with the United States in October 2011
  - Attractive legislative framework – ranks 34 out of 189 economies (World Bank 2015)
  - 700 multinational companies have invested in the country
- Mining
  - Concession contract (exploration and exploitation) is valid for 30 years renewable for a further 30 years
  - If contract was signed under Law 1382 of 2010, the contract is renewable for a further 20 years
  - Producing mines are subject to a federal royalty of 4% of the gross value of gold and silver production at 80% of the current London gold price (~ 3.2%)
- Taxes
  - Corporate tax of 25% plus CREE 9% (CREE Surcharge of 9% expires in 2018, unless it is re-legislated)
  - Wealth Tax - payable above approximately US\$350k (1 billion pesos) at progressive rates from 0.2% to 1.5%
  - VAT of 16%

**GDP 2015: +3.1%**

Average growth in the ten years  
+4.3%

**CONTROLLED INFLATION 2015: 6.77%**

Controlled inflation.

**FDI 2014: US\$16 Billion**

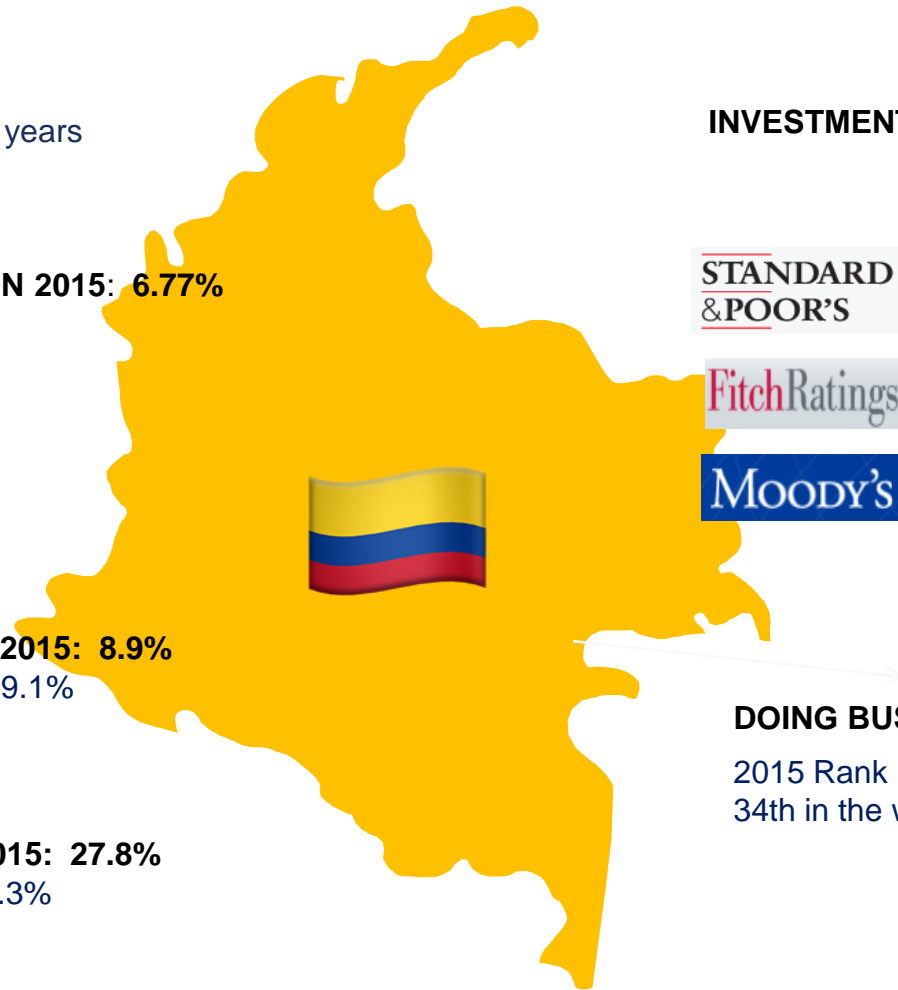
40% Mining and Energy

**UNEMPLOYMENT RATE 2015: 8.9%**

Unemployment rate 2014: 9.1%

**POVERTY INDICATOR 2015: 27.8%**

Poverty indicator 2009: 40.3%



**INVESTMENT GRADE**

	RATING	
	BBB	Stable
	BBB	Stable
	Baa2	Positive

**DOING BUSINESS RANKING**

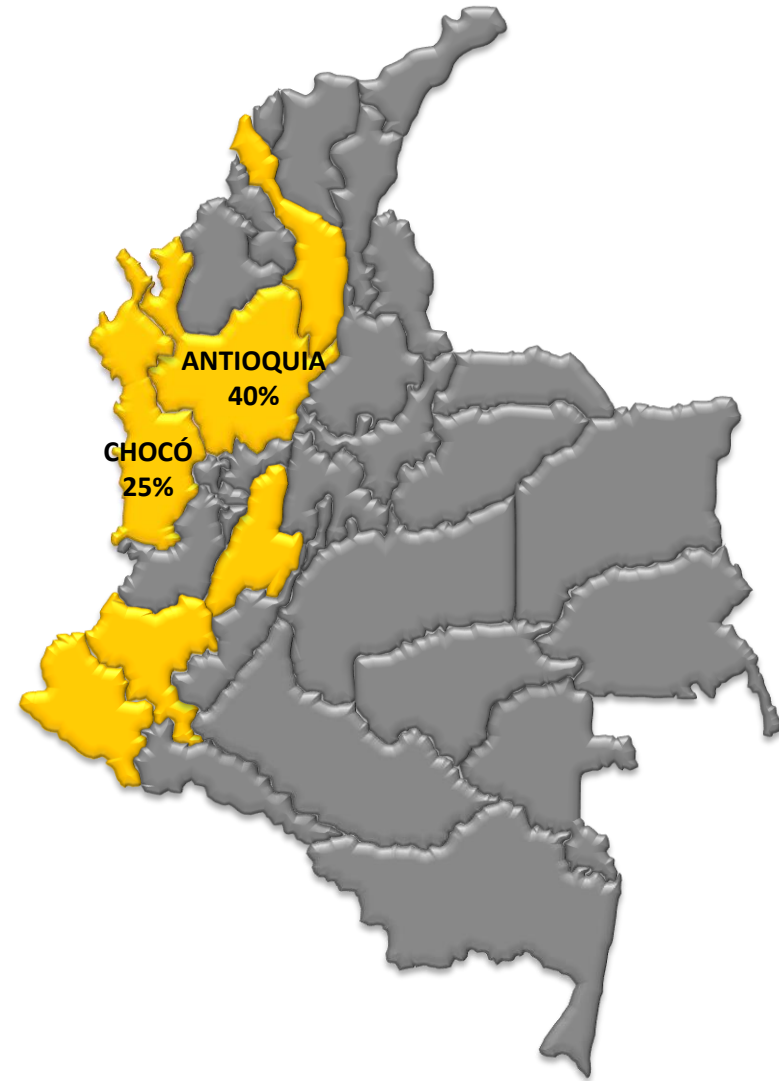
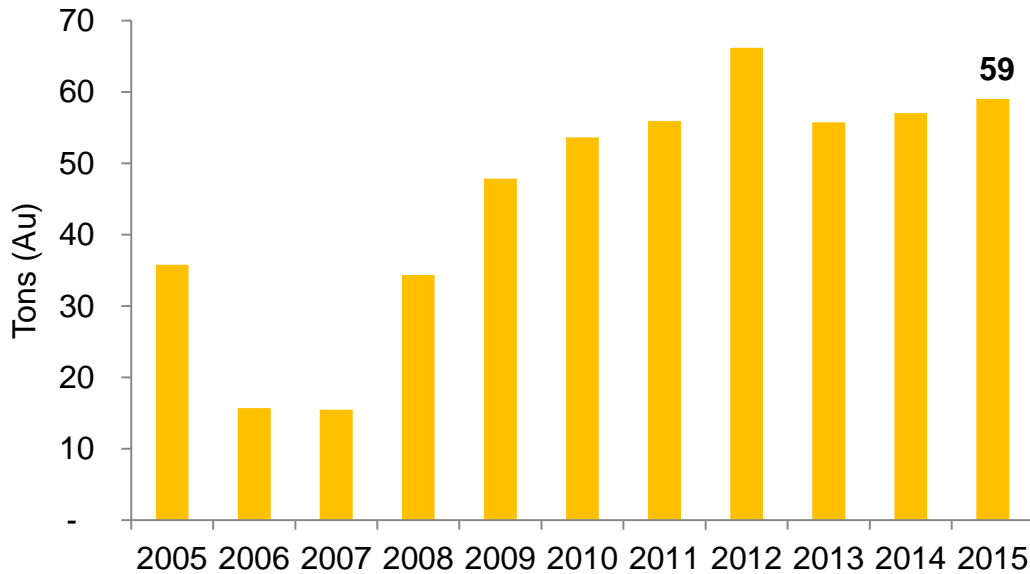
2015 Rank : 1st in LATAM and  
34th in the world (19th in 2014)

Source: DANE, Central Bank, S&P Ratings; Revista Dinero, Doing Business 2015



## Gold production 2015

- 59 Tons of gold produced in 2015
- 65% of the total production sourced from Antioquia (23t) and Choco (14t)



Mainly alluvial gold

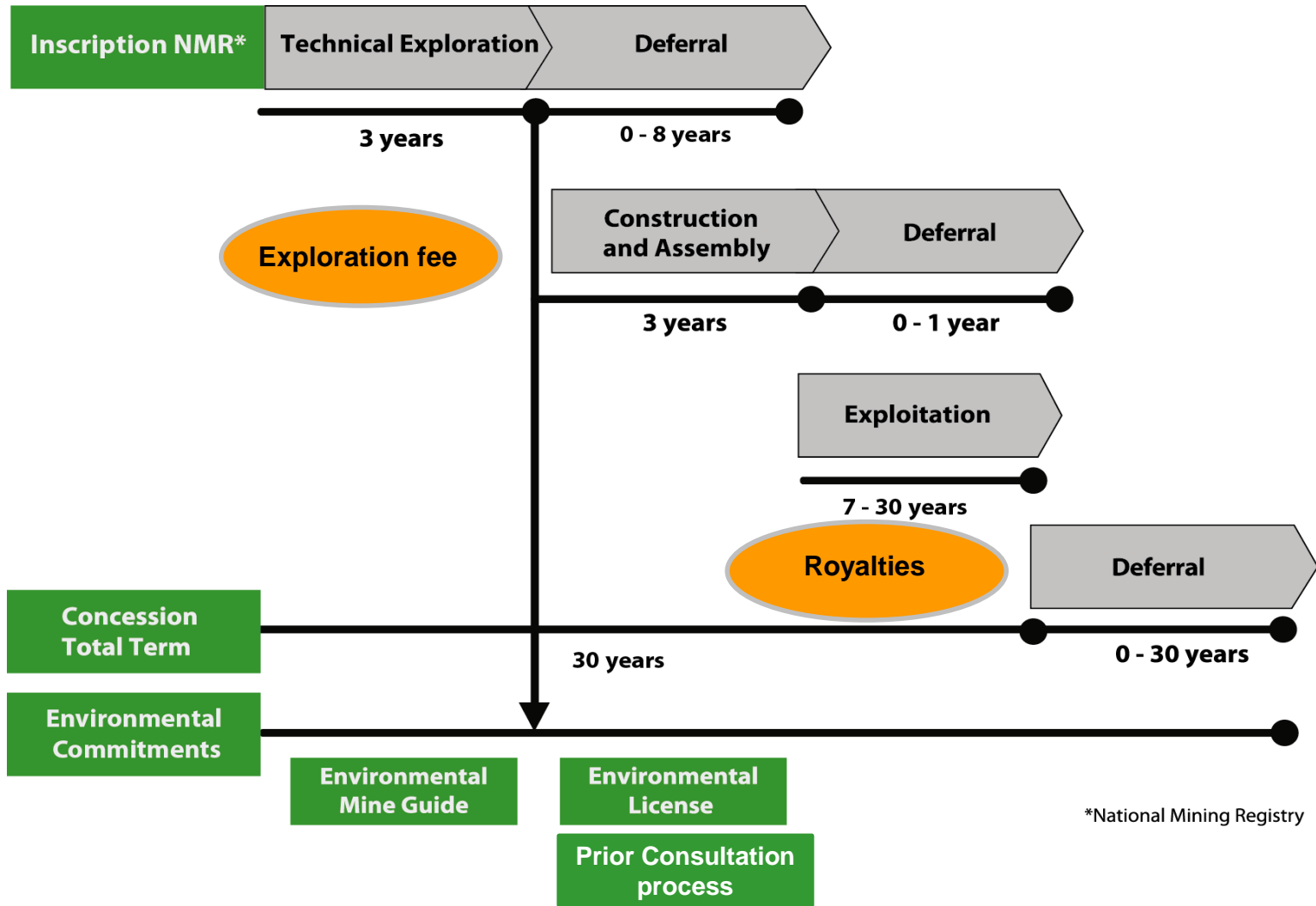
Source: ANM

# Colombia - Notable gold resources

Company	Project	Mineral Resource (Measured, Indicated & Inferred)		
		Tonnes (millions)	Grade (g/t)	Moz
AngloGold / B2Gold	Gramalote	372	0.51	6.1
Sunward Resources	Titibi	635	0.52	10.6
Batero	Quinchia	165	0.57	3.0
Bellhaven	La Mina	80	0.62	1.6
<b>Minera Seafield</b>	<b>Quinchia</b>	<b>134</b>	<b>0.65</b>	<b>2.8</b>
AngloGold Ashanti	La Colosa	1,255	0.82	33.1
Gran Colombia	Marmato	489	0.92	14.4
Red Eagle	San Ramon	13	1.78	0.8

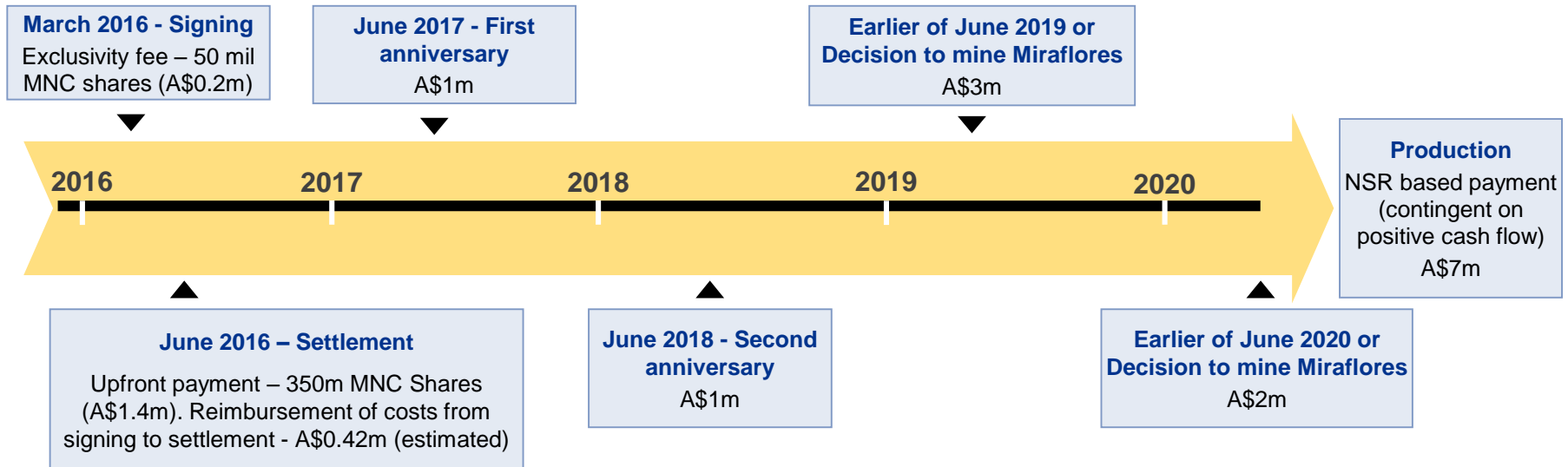


# Colombia - Duration of concessions



# Summary of the Transaction - RMB

- Metminco acquired the Quinchia Portfolio from RMB on 20 June 2015 for an upfront consideration of A\$1.6m in MNC Shares and A\$0.42m, with A\$7m in deferred payments and a maximum of A\$7m NSR payments.
- Diagram below provides indicative timing of acquisition payments:



Sensitivity to Gold Price			
Key Financial Indicators	US\$1,200/oz Au	US\$1,300/oz Au	US\$1,400/oz Au
C1 Cash Costs (US\$/oz Au)	603	<b>607</b>	611
AISC (US\$/oz Au)	644	<b>648</b>	652
EBITDA (LoM average US\$/annum)	27.3 million	<b>31.7 million</b>	36.1 million
NPV @ 5% (US\$ millions)	75	<b>96</b>	117
NPV @ 8% (US\$ millions)	55	<b>73</b>	91
IRR (%)	22	<b>26</b>	29
Payback (years)	3.3	<b>2.8</b>	2.5

Note : C1 Cash Costs include the Government Royalty

## Comparison: Miraflores vs. San Ramon

- Red Eagle's San Ramon Mine north of Medellin is now in development after raising \$60 million in debt and \$20 million in equity early in 2015, and receiving the appropriate permits

Parameter	Miraflores	San Ramon
Mineral Resource (M&I) (Au)	9Mt @ 2.81g/t	4Mt @ 3.59g/t
Mineable Resource (Mt)	4.03	2.76
Nominal Throughput (ktpa)	475	360
Life of Mine (years)	9	8
Mining Method	Underground	Underground
Ave Head Grade (Au) (g/t)	3.51	4.57
Total Gold (oz)	455	405
Recovery Rate (%)	91	96
Recovered Gold (oz)	414	388
Ave gold production p.a. (oz)	50,000	48,460
Study Level	PFS / FS	Construction

Parameter	Miraflores	San Ramon
Pre-production Capital (US\$M)	81*	70
Sustaining Capital (US\$M)	17	29
Total mining cost (US\$/t ore)	34.67	37.36
Total processing cost (US\$/t ore)	15.41	24.11
Total operating cost (US\$/t ore)	57.17	72.51
Gold Royalty per Oz	52	80
Cash Cost per Oz (US\$)	607	596
AISC per Oz	648	670
Cumulative EBITDA (US\$M)	286	172
Taxes (US\$M)	41	35
Payback Period (years)	2.8	1.3
After Tax NPV (8%) (US\$1,300/oz)	73	90
After Tax IRR (%) (US\$1,300/oz)	26	53

\* Includes an average contingency of 21%.

Source:  
 Miraflores – MNC Mine Plan (September 2016)  
 San Ramon – Amended Feasibility Study (October 2014)

	MNC AUD	RD CAD
Market Capitalisation (9 Sept 2016)	12m	180m

Miraflores Development

Tesorito

Regional Exploration