

LOS CALATOS DEAL WITH CD CAPITAL NATURAL RESOURCES FUND III SETTLES

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) is pleased to advise that CD Capital Natural Resources Fund III (“CD Capital”) equity investment of up to US\$45 million in Los Calatos Holdings Ltd (“LCH”) has been settled. The funding will be used to complete Pre-feasibility and Feasibility Studies on the Los Calatos Project (“Los Calatos” or the “Project”).

CD Capital has committed to invest US\$16 million for a 51% interest in LCH which indirectly owns 100% of Los Calatos. With two subsequent investments of US\$14.5 million each, the CD Capital equity position in LCH would increase to 65% and 70% respectively. Metminco will hold its interest in LCH indirectly through Hampton Mining Pty Ltd.

The Company will immediately commence work on the Pre-Feasibility Study, focussing initially on upgrading the existing Inferred Mineral Resources to Measured and Indicated status, expanding the existing resources (including further drilling at the TD 2 and TD 3 targets), completion of Phase 2 metallurgical testwork (including testing with sea water), and certain permitting.

Carmel Daniele, the Chief Investment Officer of CD Capital commented:

“CD Capital is excited to be investing in and acquiring 51% of the world class Los Calatos Copper Project in Peru. We consider the project to be a unique opportunity to develop a large scale copper mine. We intend to maximise its value by expanding the resource and completing required permitting steps. We look forward to working closely with the current operational team, government authorities, local communities and other stakeholders.”

Los Calatos

Los Calatos has favourable and similar geology to a number of major neighbouring operating copper-molybdenum mines. It is expected to be a low cost and long life project and has been designated a Project of National Interest by the Peruvian government.

Mr William Howe, Managing Director, commented: “We are very pleased to have secured this funding and we can now move Los Calatos materially up the value chain and realise its massive potential. The Company and CD Capital will focus on advancing Los Calatos through to completion of Pre-feasibility and Feasibility Studies, and a decision to mine. We look forward to working closely with the CD Capital team.

In parallel, the Company has the opportunity to become a gold producer through the development of the newly acquired Miraflores Project in Colombia. The results from the recently completed Scoping Study demonstrate the robust economics of the Project. Importantly the Miraflores Project is part of the larger Quinchia Gold Portfolio, which has substantial upside potential including the significant gold porphyry system targets of Tesorito, Dosquebradas and Chuscal.

This is an exciting time for the Company and we look forward to updating our shareholders with news on both Projects”.



William Howe
Managing Director

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Notes to editors

Metminco Limited is an exploration and mining company, dual listed on the Australian Stock Exchange and London Stock Exchange, with a portfolio of projects located in Peru, Colombia and Chile. The Company's focus is advancing its Quinchia gold portfolio in Colombia and the Los Calatos copper project in Peru. The Company also has exposure to molybdenum, gold and zinc via its projects in Peru and Chile.

Quinchia Gold Portfolio (100%)

On 20 June 2016, Metminco acquired Miraflores Compania Minera SAS (formerly Minera Seafield SAS) for an equity consideration as well as deferred cash payments payable annually over the following four years. Miraflores Compania owns 100% of the Quinchia Gold Portfolio, which is located in Colombia's Middle Cauca Belt and contains a number of deposits and significant exploration and development targets including Miraflores, Dosquebradas, Tesorito and Chuscal. The portfolio has a NI 43-101 estimated Mineral Resource of 2.8 million ounces of gold.

Miraflores is the near term development opportunity. It has a Measured and Indicated Mineral Resource of 9.19 million tonnes at 2.81g/t gold and 2.76g/t silver (832,000 oz Au and 817,000 oz Ag). A recent Scoping Study focussed on an underground operation producing 50,000 ounces of gold per annum for 9 years. The focus is now on the conduct of the planned Feasibility Study.

The Los Calatos Project (51%)

Through its wholly owned subsidiary, Minera Hampton Peru SAC, Metminco holds a 51% interest in Los Calatos, which is located in Southern Peru near three large operating copper-molybdenum mines, namely Cuajone, Toquepala and Cerro Verde. Molybdenum constitutes a significant by-product of copper mining from this belt.

The detailed re-logging program that was conducted on the Los Calatos drill core in late 2014 and early 2015, resulted in an estimated mineral resource of 352 million tonnes at a Cu grade of 0.76% and a Mo grade of 318 ppm (2.76mt Cu and 111,936t Mo Metal). The development prospects of the project have been significantly enhanced by the agreement signed on 14 June 2016 with CD Capital Natural Resources Fund III LP to fund the completion of the Pre-feasibility and Feasibility Studies, and acquire up to 70% of equity in the project for an investment of up to US\$45 million.

As per the Agreement with CD Capital, the Company will use its best endeavours to distribute at least 90% of its holding in Hampton Mining (the wholly owned subsidiary holding its interest in the Los Calatos Project) to its shareholders within six months of completion of the transaction.