

METMINCO SHORTLISTS ENGINEERING FIRMS FOR MIRAFLORES MINE DEVELOPMENT

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) confirms that it is on track to complete the acquisition of Minera Seafield SAS (Minera Seafield), owner of the Quinchia Gold Portfolio (Annexures 1, 2 and 3), from RMB Resources Australia Limited (RMB) by the end of May 2016. Refer to Metminco’s announcement on 7 March 2016 for details on the acquisition.

The Company has short listed three highly regarded international engineering firms to provide the Company with detailed proposals to complete the Feasibility Study initiated in 2013 by Minera Seafield for the planned development of the Miraflores mine. All the shortlisted firms have operations in Latin America, as well as a successful track record at both the design and construct level in development projects of a similar scale as the proposed Miraflores project. Metminco intends to appoint the successful engineering firm immediately after settlement of the transaction.

The Miraflores deposit contains 1.88Moz gold and 3.8Moz silver, estimated in accordance with NI 43-101 (Measured, Indicated and Inferred Mineral Resource categories), as announced on 7 March 2016, inclusive of the requisite sign off by a Competent Person under the ASX Listing Rules 5.12 and 5.16.

The main focus of the Feasibility Study will be the completion of all outstanding works to a Feasibility Study level, including the optimisation of the existing mining schedule with a view to achieving an annual gold production target in excess of 55,000oz.

The current mine design extracts 6.7Mt of material at a grade of 2.58g/t Au and 2.41g/t Ag from both open pit and underground at a production rate of approximately 560,000tpa of material over 12-years, recovering 504,000oz gold and 280,000oz silver. Metminco’s proposed approach will however target a production rate of approximately 750,000tpa over a 9-year mine life recovering the same metal, thereby bringing forward cash flows.

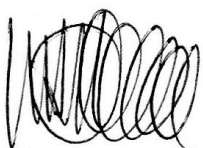
The current mining schedule provides for the following in terms of the planned open pit and underground mining operations:

Open Pit: 3.08Mt at a grade of 1.48g/t Au and 2.0g/t Ag

Underground: 3.62Mt at a grade of 3.51g/t Au and 2.76g/t Ag

Mr William Howe, Managing Director, commented: “The Company will be in a position to appoint an engineering company to complete the feasibility study immediately after settlement of the purchase of Minera Seafield. Field work in relation to the tailings facility and environmental and permitting will also commence on settlement.

The Company has identified three international engineering companies who are active in Latin America, and are capable of delivering a ‘fit for purpose’ processing facility in Colombia. Most of these firms have associations with Colombian construction and mining contractors, which will assist in delivering a cost effective outcome for the development of the mine.”



William Howe
Managing Director

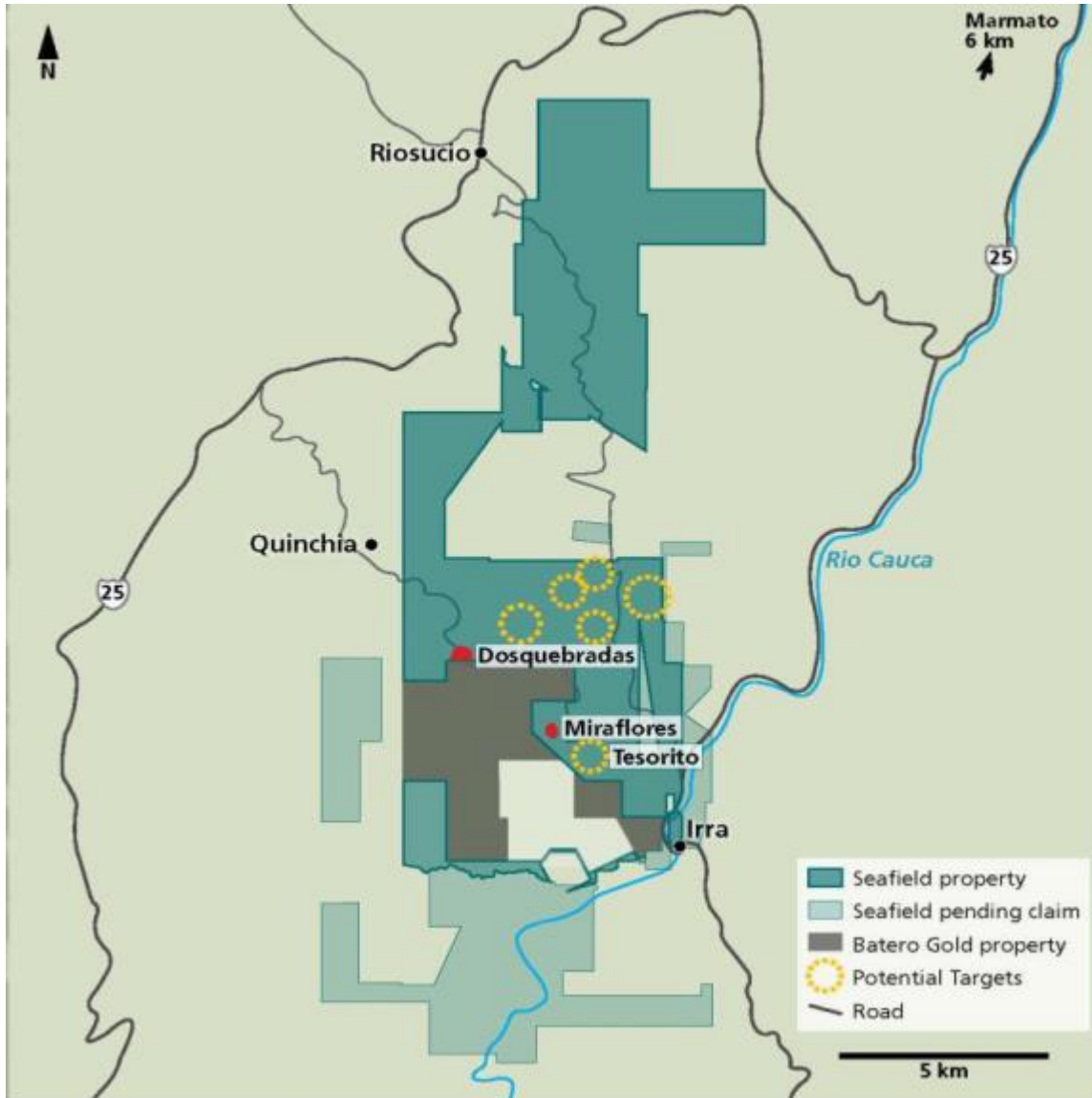
Annexure 1

Location of the Miraflores Gold Project



Annexure 2

Key Targets – Quinchia Gold Portfolio.



Note: The Quinchia Gold Portfolio covers 6,043Ha of granted concessions and an additional 3,792Ha of pending applications, and contains a number of deposits and exploration targets including Miraflores, Dosquebradas and Tesorito.

Annexure 3

Mid Cauca Porphyry Belt hosts world class gold deposits.



Colombia's Middle Cauca belt is host to several multimillion ounce gold discoveries, and presents the opportunity of bringing Colombian gold mining industry into the modern age. The Middle Cauca Belt is a north-south geological trend that takes its name from the Cauca River that runs through it, and represents the area of focus where explorers are looking to make new porphyry gold and gold-copper discoveries.

The district extends roughly from Ibagué in Tolima at the southern extremity to Medellín at its northern extremity, and it has resulted in a number of significant greenfield and brownfield discoveries. These discoveries have made the belt the most prolific in Colombia in terms of discovered ounces to date, and where many more are likely to be discovered.

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	Titiribi	635	0.52	10.6
Batero	Quinchia	165	0.57	3.0
Bellhaven	La Mina	80	0.62	1.6
Minera Seafield	Quinchia	134	0.65	2.8
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

Note: The mineral resources summarised above are estimated at different cut-off grades in certain instances.

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Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

Projects and Mineral Resources

The Los Calatos Project, located in southern Peru, has a total estimated mineral resource of 352 million tonnes at 0.76% Cu and 318 ppm Mo at a cut-off grade of 0.5% Cu, comprising a Measured and Indicated Mineral Resource of 136 million tonnes at 0.73% Cu and 434 ppm Mo, and an Inferred Mineral Resource of 216 million tonnes at 0.78% Cu and 244 ppm Mo.

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a Mineral Resource of 8.9 million tonnes consisting of a Measured Resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an Indicated Resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an Inferred Resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has an early stage exploration project in Chile where initial exploration activities have identified anomalous copper, molybdenum and gold values.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is currently employed by the Company in Chile.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Sinclair, as Competent Person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

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.