

Metminco Limited
("Metminco" or "the Company")

14 June 2017
Investor Q&A

1. Why sell Los Calatos when we are currently taking it through feasibility?

The Company is focussed on delivering near term shareholder value. Developing Los Calatos in the current environment has proven highly challenging for the Company as a junior miner. The CD Capital deal last year was important as it removed the financial burden of Los Calatos whilst enabling us to focus on generating value elsewhere. Selling the Company's interest in Los Calatos at this point allows the Company to realise value and deploy that cash to continue to advance the Miraflores Gold Project where we see significant near term value accretion through mine development and gold production.

2. Doesn't US\$5m undervalue our stake in Los Calatos and not take into consideration its future value?

In the longer term the answer may be yes but the sale price is a reflection of the current market. There is no guarantee that Los Calatos will eventually be developed into a producing mine and so holding onto that stake has risks as well as potential opportunities. After detailed consideration, the Board formed the view that monetising the value of the Company's interest in the Los Calatos Project now would benefit existing shareholders more than the previously proposed in specie distribution of shares. Most likely it would be some years before shareholders would benefit from the Los Calatos Project, whereas cash from its sale can flow into the Miraflores Gold Project and benefit shareholders in the short term, while also minimising dilution from equity raisings to fund the Miraflores Gold Project.

3. Have you approached other parties about buying our stake in the project?

The Company has explored many other options prior to agreeing to sell our stake in Los Calatos. CD capital is a natural buyer.

4. What effect will this have on the Company's share price?

We cannot comment or speculate about what impact this transaction may have on the share price but the Board views this transaction as a positive event as it will allow the Company to continue to invest in assets it controls.

5. What will you do with the cash raised?

As we have said in the announcement the funds will be applied to advancing the Miraflores Gold Project towards a decision to build a mine.

6. What is the long term strategy now after the sale of Los Calatos?

The long term strategy is to become a mid-tier gold producer. We have a serious chance of achieving this with the Miraflores deposit and the wider Quinchia Gold Portfolio. There have been a number of recent deals in Colombia that demonstrate the value of the Cauca region, which is becoming more prospective and attractive to investment.

7. Is management considering a further sale of assets?

The Company is focussed on its Colombian gold assets and has no plans to sell its 100% interest in the Quinchia Gold Portfolio.

8. Has the Company come out cash positive from the sale?

The US\$ 5 million net will significantly strengthen our balance sheet and avoid the need to do a dilutive equity financing in the short term.

9. Does the Company have any option on the asset in the future?

After the sale the Company will not retain any interest in the Los Calatos Project.

10. Do you believe this was the optimum sale time for Los Calatos?

Copper prices have been rising since the beginning of October 2016 however as with everything there are uncertainties. Completion of the Los Calatos Feasibility Study, which is some way off is a critical point for de-risking the project and potentially facilitating a release of capital to shareholders. The Board, after taking into consideration the opportunity for the Company to become a gold producer in the near term, believes it is a good time to release our equity in the Los Calatos Project and re-deploy it to advance our strategy of becoming a gold producer in the near term.

11. What is the In Specie Distribution all about and why is it so complex?

An in specie distribution is when a company issues stock instead of paying cash. As per the Investment Agreement with CD Capital, the Company is to use its “best endeavours” to distribute at least 90% of its holding in Hampton Mining Pty Ltd (**Hampton**) to its shareholders within six months (**In Specie Distribution**). Hampton is a wholly owned subsidiary of Metminco which was to hold 100% of the Company’s interest in LCH (owner of the Los Calatos Project). There have been various tax and other matters outside the control of the Company which delayed the planned In Specie Distribution and made it more complex than envisaged. Further, the cost of the In Specie Distribution is estimated to be in excess of A\$500,000, and possibly as much to as A\$1m in the first year to effect the distribution.

12. Why did the Company decide to sell LCH and not distribute to its shareholders?

The planned In Specie Distribution as reflected in the Company’s share price did not receive the support from investors anticipated by the Board, and proved more complex at tax, legal and funding levels than anticipated. Under the circumstances the Board decided to sell its interest in the Los Calatos asset to fund the ongoing work for the development of the Miraflores Gold Project. The Board believes that advancing Miraflores will ultimately be more value accretive to shareholders than a cash distribution.

13. What guarantee is there that the Company will use the funds raised to increase shareholder value, why not make a dividend of the cash received to shareholders?

The Board is of the opinion that the benefit to shareholders in advancing the Miraflores Gold Project towards a development decision will create far greater shareholder value than a short term dividend. The Company is focussed on advancing the Miraflores Gold Project and will be publishing a feasibility study in the third quarter 2017. Our focus is on this gold asset and the cash will be deployed to its advancement for the benefit of all shareholders.

14. Will my holding in Metminco to be further diluted?

The sale of Los Calatos will greatly assist in minimising the dilution of shareholders in Metminco as we advance the Miraflores Gold Project towards production. Whilst it is possible that there may be a need for a future equity raise that will dilute existing shareholders, this transaction means that an equity raise is not required for the foreseeable future, thereby postponing any future dilution until a decision or mine.

15. Why not raise funds as opposed to monetise interest in the Los Calatos Project?

At the current share price the dilution to current Metminco shareholders would be significant when funding via an equity capital raise. By monetising Los Calatos, dilution to shareholders is minimized.

16. What is the status of the Los Calatos project?

CD Capital has commenced with an in-fill drilling program.

17. When is the Company aiming to have an operating cash flow?

The Company is aiming to have the Miraflores Gold Mine commence production in the first half of 2019, subject to EIA approval.

18. What is the timing for the Company to commence gold production and what additional funding will be needed?

The Company aims to have the Miraflores Gold Mine commencing production in the first half of 2019, subject to EIA approval. The Company is fully-funded to a decision to mine with completion of the Miraflores Feasibility Study scheduled during third quarter 2017 and the Environmental Impact Study scheduled to be submitted by the end of 2017. Additional funding will be required to finance the construction and early operational phase of the Project.

19. What does the sale mean for the value of my shares?

The sale price is approximately equal to the current market capitalisation of Metminco and therefore underpins the current value of the shares with no value ascribed to the other assets in the Company.

20. As a management team are you confident you will make a success of the Quinchia Gold Portfolio?

The Quinchia Gold Portfolio is a high quality gold asset in a region which is increasingly becoming more prospective and attractive to investment. As a management team we are confident in our ability to deliver our ambition of becoming a gold producer in the near term and delivering sustained value for all our stakeholders.