

20<sup>th</sup> September 2019

## Capital Consolidation Update

- Capital consolidation process to commence on 23<sup>rd</sup> September 2019
- Loyalty Option issue remains scheduled to occur in December 2019

Metminco Limited (ASX: MNC) (“Metminco” or “the Company”) is pleased to provide an update in respect of the timetable for the consolidation of capital previously proposed.

### Consolidation of Capital

Metminco’s shareholders approved the consolidation of all MNC issued shares and options (including shares issued in consideration of the takeover of Andes Resources Limited (**Andes**) on a 1 for 40 basis at an EGM of shareholders held on 15<sup>th</sup> July 2019 (**Consolidation**).

The Consolidation process will commence as previously advised to the market, on Monday, 23<sup>rd</sup> September 2019.

The Company currently has a large number of shares on issue, and so the recent re-launch and recapitalisation of the Company through the now completed merger with Andes is an appropriate time to re-set the capital structure to a more appropriate number of shares for a junior exploration company. This is considered to be an important step in the management of the Company’s capital given it is expected to reduce the current high levels of volatility in the share price. Furthermore, the Company believes the Consolidation will provide the best platform for continued growth, a capital structure that is more in line with the Company’s size, and a share price level that is more attractive to institutional investors that the Company wishes to market itself to in the future.

### Effect of the Consolidation

Once the Consolidation occurs, the number of the Company’s shares on issue will be reduced from 6,659,575,831 existing shares to approximately 166,489,396 shares<sup>1</sup>. As the Consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of shares (subject only to the rounding up of fractions). The Consolidation will have no material effect on the percentage interest of each individual Shareholder. Similarly, the aggregate value of each shareholder’s holding (and the Company’s market capitalisation) should not materially change as a result of the consolidation.

The Company’s options to acquire shares (**Options**) will also be reorganised in accordance with their terms and conditions and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the shares and the exercise price will be amended in inverse proportion to that ratio. The expiry dates of Options will not change.

The pre-consolidation and post-consolidation capital structure of the Company is presented at the end of this announcement.

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<sup>1</sup> The exact final number may vary slightly due to rounding.

## Consolidation Timetable

The timetable for the consolidation is as follows:

| Date                            | Event  |
|---------------------------------|--|
| 23 <sup>rd</sup> September 2019 | Company informs ASX that the consolidation will commence.  |
| 24 <sup>th</sup> September 2019 | Last day for trading in pre-reorganised securities.  |
| 25 <sup>th</sup> September 2019 | Trading in the reorganised securities on a deferred settlement basis commences.  |
| 26 <sup>th</sup> September 2019 | Last day for Company to register transfers on a pre-reorganisation basis.  |
| 27 <sup>th</sup> September 2019 | <ul style="list-style-type: none"> <li>• First day for Company to send notice to each security holder.</li> <li>• In the case of uncertificated holdings, first day for Company to register securities on a post-reorganisation basis and first day for issue of holding statements.</li> <li>• In the case of certificated holdings, first day for issue of new certificates. From now on, the Company rejects transfers accompanied by a certificate that was issued before the reorganisation.</li> </ul> |
| 3 <sup>rd</sup> October 2019    | Issue date. Deferred settlement market ends.   |

Further details in relation to the Consolidation were set out in the Notice of General Meeting sent to shareholders and announced on ASX on 14<sup>th</sup> June 2019.

## Loyalty Option Issue

The Company has previously announced it will make a loyalty offer of quoted options on the basis of 1 new quoted option for every 5 shares held (**Loyalty Options**), with the Loyalty Options to have an exercise price of \$0.004 each (or \$0.16 post consolidation), and expiry date of 2 years from the date of completion of the merger (making it an expiry date of 16<sup>th</sup> August 2021). The Company remains committed to undertaking this loyalty offer, and will do so during December 2019. Further details and offer documentation will be released closer to this date.

### **For further enquiries contact:**

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expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. Forward-looking information involves known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward-looking information. Such factors include, among others, the actual market price of gold, the actual results of future exploration, changes in project parameters as plans continue to be evaluated, as well as those factors disclosed in the Company's publicly filed documents. Readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. No representation, warranty or undertaking, express or implied, is given or made by the Company that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

## Capital Structure

| Security Class – Code | Full Title  | Total Number pre-consolidation | Total Number post-consolidation <sup>1</sup> |
|-----------------------|---|--------------------------------|--|
| MNC.ASX               | Fully paid ordinary shares  | 6,659,575,831                  | 166,489,396                                  |
| MNCOA.ASX             | Listed Options, exp 01/06/2020 @ \$0.011<br>(@\$0.44 post consolidation)              | 547,345,422                    | 13,683,636                                   |
| Performance Rights    | Performance Rights  | 46,400,000                     | 1,160,000                                    |
| Performance Rights    | Performance Rights  | 30,000,000                     | 750,000                                      |
| MNCP02.ASX            | Unquoted Options, exp 31/12/2019 @ \$0.016<br>(@\$0.64 post consolidation)            | 9,600,000                      | 240,000                                      |
| MNCP03.ASX            | Unquoted Options, exp 31/12/2019 @ \$0.024<br>(@\$0.96 post consolidation)            | 9,600,000                      | 240,000                                      |
| Class A Options       | Class A Replacement Options, exp 01/07/2023 @ \$0.008<br>(@\$0.32 post consolidation) | 221,875,000                    | 5,546,875                                    |
| Class B Options       | Class B Replacement Options, exp 31/08/2023 @ \$0.008<br>(@\$0.32 post consolidation) | 26,250,000                     | 656,250                                      |
| Class C Options       | Class C Replacement Options, exp 15/11/2023 @ \$0.008<br>(@\$0.32 post consolidation) | 1,875,000                      | 46,875                                       |
| Options               | Class X Replacement Options, exp 16/08/2021 @ \$0.004<br>(@\$0.16 post consolidation) | 375,000,000                    | 9,375,000                                    |
| Options               | Unquoted Options, exp 16/08/2021 @ \$0.004<br>(@\$0.16 post consolidation)            | 459,000,000                    | 11,475,000                                   |
| Options               | Unquoted Options, exp 16/08/2022 @ \$0.006<br>(@\$0.24 post consolidation)            | 50,000,000                     | 1,250,000                                    |

<sup>1</sup> The exact final number may vary slightly due to rounding.