

FUNDING UPDATE

Metminco Limited (Metminco or the Company) (ASX: MNC; AIM: MNC) is pleased to announce the following:

Redfield Convertible Note

The documentation in relation to the convertible note facility of A\$0.75 million with Redfield Asset Management and Redfield Advisory (together **Redfield**) as announced 3 April 2017 (**Redfield Convertible Notes**) is now complete. The Company has now received A\$0.75 million (A\$300,000 prior to execution of the documentation and \$450,000 on execution). Metminco is advancing the Miraflores Feasibility Study towards completion during the third quarter of 2017 at which point the Company will be well placed to transition to the development phase of the Project.

Lanstead Funding

The Company is also pleased to have the continued support of its other major shareholder, Lanstead Capital LP (**Lanstead**). The Company has executed a binding term sheet with Lanstead to provide approximately an additional A\$200,000 in funding through a non-redeemable convertible note facility (**Lanstead Convertible Notes or Note**). Key terms of the facility follow:

Issue Price and Face Value: A\$1,000 per Note and approximately A\$200,000 in aggregate.

Coupon Rate: 5% per annum, compounded monthly, interest to be capitalised.

Maturity Date: The date which is 18 months after the issue date.

Conversion Ratio: 16,461 shares per Note calculated by dividing the A\$1,000 Face Value per Note by the Conversion Price. 3,292,200 fully paid ordinary shares (**Shares**) in aggregate. Capitalised interest converted by dividing by the Conversion Price to determine the quantity of shares.

Sharing Agreement: The Company has also entered into a binding term sheet to enter into a Sharing Agreement with Lanstead (terms set out below).

Use of Funds

As previously announced, the Miraflores Feasibility Study, which is anticipated to be completed during the third quarter 2017, is progressing well with first gold pour targeted for first quarter 2019. The Company is targeting annual gold production averaging 50,000 ozs/Au per annum for 9 years with estimated all in sustaining costs of US\$650 per oz (refer the Company's announcement dated 8 September 2016).

The proceeds from the Redfield and Lanstead Convertible Notes will be applied toward the Miraflores Gold Project Feasibility Study and working capital.

Mr William Howe, Managing Director, commented

"The fundamentals of the Miraflores Gold Project are highly attractive and the Company expects the Feasibility Study to demonstrate this. The focus of the Company is to deliver the Feasibility Study to the market and transition to the development stage. The Company is fortunate to have the continued support of its two largest shareholders, Redfield and Lanstead as it progresses Miraflores toward gold production targeted for early 2019.

The Company believes that the Cauca region is becoming more prospective and attractive to investment, thereby placing it and Miraflores in a strong position, as demonstrated by the recent corporate activity in Colombia such as the strategic investment in Continental Gold Inc announced by Newmont Mining Corporation.

It is important to remember that the planned development of the Miraflores Gold Project is the first leg of the Company's strategy to become a significant gold producer. The Miraflores Gold Project is part of the 100% Company owned Quinchia Gold Portfolio which includes the Tesorito, Dosquebradas and Chuscal gold targets, all of which have the potential to increase targeted mine life and annual gold production."

Sharing Agreement

The Sharing Agreement provides that the Company's economic interest will be determined and payable in 18 monthly settlements as measured against a benchmark price of \$0.081 per Share (the Benchmark Price). If the Metminco measured share price exceeds the Benchmark Price, for that month, the Company will receive more than 100 per cent of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured share price be below the Benchmark Price, the Company will receive less than 100 per cent of the expected monthly settlement on a pro rata basis. In no event would a decline in the share price result in any increase in the number of Shares received by Lanstead or any other benefit accruing to Lanstead.

Further terms of the Lanstead Convertible Note are as follows:

Mandatory Conversion on Maturity Date

Unless the Notes have been converted prior to the Maturity Date, the Notes including Capitalised Interest will automatically convert into shares on the basis of the Conversion Ratio on the Maturity Date.

Conversion Price: A\$0.06075 per share.

Measured Share Price: the Metminco average share price on the five days preceding the monthly settlement date

Conversion by Note Holder: at any time between the Issue Date and the Maturity Date, a holder of Notes may convert some or all of the Notes into shares on the basis of the Conversion Ratio.

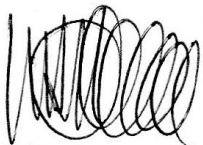
Options

Lanstead to receive 6,584,400 options. Options expire 24 months from issue date of options and have an exercise price of A\$0.081 per share. Options to be issued as soon as the Company's available placement capacity under ASX Listing Rule 7.1 is refreshed.

Lanstead is a substantial shareholder in Metminco which currently owns 25,316,456 shares in Metminco (19.9%). The issue of the Lanstead Convertible Notes is therefore considered a Related Party Transaction under AIM Rule 13. The Directors of Metminco consider, having consulted with its nominated adviser, that the terms of the transaction are fair and reasonable insofar as its shareholders are concerned.

Upon conversion of the Lanstead Convertible Notes, Lanstead will be issued with 3,292,200 shares plus additional shares due as a result of the conversion of the capitalised interest. As a result, Lanstead's ownership in Metminco will increase to a minimum of 28,608,656 shares. Based on Metminco's current outstanding shares of 127,200,299 this would result in Lanstead's ownership increasing from 19.9% to a minimum of 21.9%.

This announcement contains inside information as stipulated under Article 7 of the Market Abuse Regulation (EU) No. 596/2014.



William Howe
Managing Director

For further information, please contact:

METMINCO LIMITED

Phil Killen

Office: +61 (0) 2 9460 1856

NOMINATED ADVISOR AND BROKER**RFC Ambrian***Australia*

Will Souter / Nathan Forsyth

Office: +61 (0) 2 9250 0000

United Kingdom

Charlie Cryer

Office: +44 (0) 20 3440 6800

JOINT BROKER**SP Angel Corporate Finance LLP (UK)**

Ewan Leggat

Office: +44 (0) 20 3470 0470

PUBLIC RELATIONS**Camarco***United Kingdom*

Gordon Poole / Tom Huddart / James Crothers

Office: + 44 (0) 20 3757 4997