

Grant of the Chuscal Exploration Licences

Highlights

- Contracts signed for grant of Chuscal Project exploration licences (**ELs**)
- Drilling planned to occur at Chuscal on completion of the proposed merger with Andes Resources Limited

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC) is pleased to announce achievement of a key milestone with respect to Exploration Licences at the Chuscal Gold Project in Colombia.

The Company has been advised by its joint venture partner Anglo Gold Ashanti Colombia SA (“**AngloGold**”) that a concession contract has been signed with the Colombian National Mining Agency (“**ANM**”) for the exploration over two areas covering the Chuscal Gold Prospect (“**the Chuscal JV**”), part of the Company’s Quinchia Gold Project in Colombia (refer Figure 1). Metminco will earn a 51% interest in the Chuscal JV through the expenditure of US\$2.5 million over 3 years (refer ASX announcement 6th December 2018).

Metminco’s Executive Chairman, Kevin Wilson commented:

“The signing of concession contracts for granting of the ELs is a very important step in Colombia, paving the way for drilling these priority porphyry gold targets at Chuscal.

The granting of the ELs has been much-anticipated. Given the transformative impact drilling success could deliver for shareholders we are very excited about the diamond drilling programme scheduled to commence once the merger with Andes Resources and associated \$2.3 million financing is completed, and other necessary permits and approvals are received”.

The signed concession contracts will now be registered with the ANM. Once this occurs, the earn-period on the Chuscal JV commences.

Development of Drill Program

The Company is planning to undertake a maiden drilling program of approximately 2,500m of diamond drilling to test the large outcropping Chuscal porphyry gold target with epithermal gold overprint. The target is associated with a large coincident geochemical and geophysical anomaly. This program is due to occur once all remaining permits and approvals are obtained and financing is secured. This is expected to be shortly after, and subject to, the completion of the merger with Andes Resources Limited (“**Andes**”) and associated financing which the Company aims to complete on or around mid-July 2019 (refer ASX release dated 17th May 2019).

All available data is being compiled and the interpretation verified on surface. A detailed underground mapping survey is intended in the area once authorisations are obtained. This information will be combined with magnetic susceptibility measurements on the coarse rejects from the multiple phases of geochemical sampling to allow development of a detailed, 3D exploration model to guide inversion modelling of existing aeromagnetic data. The detailed 3D model will be used to define structure and mineralisation characteristics to guide drilling. Further details will be provided once this process is completed.

To the north of the Chuscal target, within the granted exploration licenses is the southerly continuation of the Tesorito trend. This trend has not been previously mapped or sampled. Subject to landowner access, soil sampling and mapping will be extended to the north of the existing grid to cover this trend.

Background on the Chuscal Project (Metminco earning 51%)

Chuscal is located approximately 2kms from the proposed Miraflores plant in the Quinchia Gold Project in the Mid-Cauca Gold Belt in Colombia (refer Figure 1). Chuscal features an extensive, undrilled surface gold geochemical anomaly (rock-soils and rockchips) with high grade sample results (up to 54 gpt Au).¹ The samples in the Central Zone at Chuscal average 2.66 gpt Au (uncut) and this lies within a large (900m by 530m) envelope averaging 1.76 gpt (uncut) (refer ASX release dated 6th December 2018).

Previous review of underground samples has revealed two mineralisation populations which reflect an early phase of stockwork / disseminated mineralisation (porphyritic diorite) with an average grade of approximately 1.5 gpt Au; cut by a later high-grade epithermal vein population with an average grade of approximately 8 gpt Au using a 20 gpt Au top-cut (uncut: 19 gpt Au) (refer ASX release dated 21st January 2019).²

A joint venture between Metminco and AngloGold was formed in 2018 and covers three licences. Two of the tenements are the subject of the recently signed concession contracts (refer Figure 1). Drilling permits are currently being sought and drilling will be initiated soon after financing associated with the merger with Andes is completed.

¹ As per the ASX announcement of 6th December 2018. The Company confirms that it is not aware of any new information or data which materially affects the announcement.

² The Company confirms that it is not aware of any new information or data which materially affects the announcement.

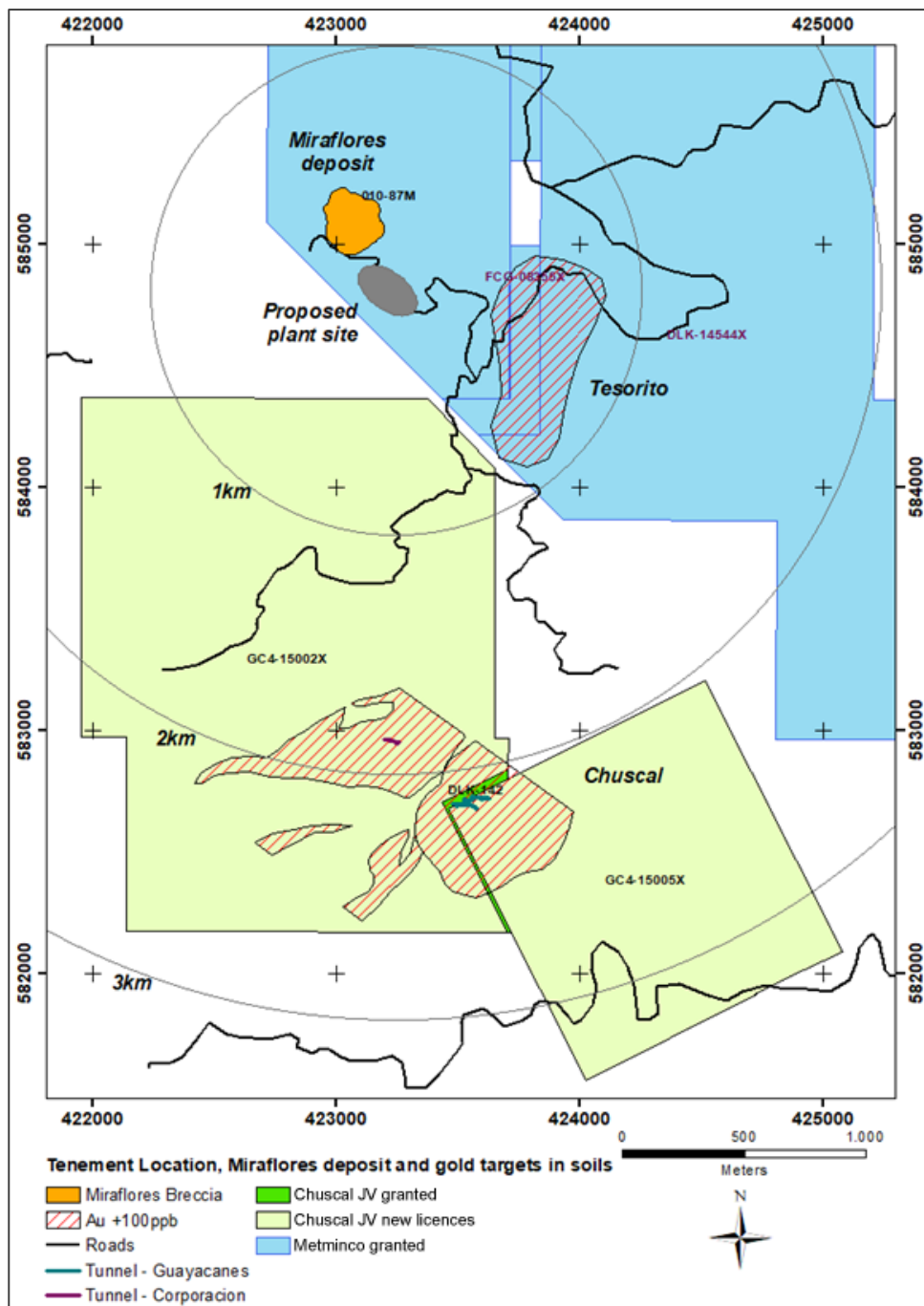


Figure 1: Metminco's Quinchia portfolio and distance to proposed Miraflores plant with recently granted permits (pale green)

For further enquiries contact:

Kevin Wilson
Executive Chairman
 Metminco Limited
kwilson@metminco.com.au
 +61 409 942 355