

METMINCO Limited Update on Grant of the Chuscal Exploration Licences

Key Points

- Final stage of exploration licence grant process for the Chuscal Gold Project occurred recently
- ELs expected to be granted over next two months
- Drilling planned to occur at Chuscal soon after grant of the ELs and on completion of the proposed merger with Andes Resources Limited (“**Andes**”)

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC) is pleased to announce an update on the status of the grant of exploration licence applications at the Chuscal Gold Project in Colombia.

Completion of the *Audiencia Publica* (socialisation of the proposed grant of title) occurred on 15 March 2019. This process was run by the Colombian Mining Authority (National Mining Authority or “**ANM**”) in the municipality of Quinchia and is the final step prior to preparation of the Exploration Licence (“**EL**”) contract.

The Chuscal exploration licence applications, along with others, can now be granted by the ANM. This process is expected to take up to two months. The company and its joint venture partner AngloGold Ashanti (“**AngloGold**”) remain in regular correspondence with the ANM and shareholders will be updated of the EL granting progress.

Following grant of the ELs, the Company expects to rapidly mobilise 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, which comprises a large coincident geochemical and geophysical anomaly above an artisanal mining operation. This program is due to occur shortly after, and subject to, the completion of the merger with Andes and associated financing, which the Company aims to complete on or around June 2019 (refer ASX release dated 13 March 2019).

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 6 December 2018).

Approximately 80m below the surface, several adits have been driven into the prospect by an informal miner. Channel sampling of these workings by a previous operator 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 21 January 2019).²

¹ As per the ASX announcement of 6 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.

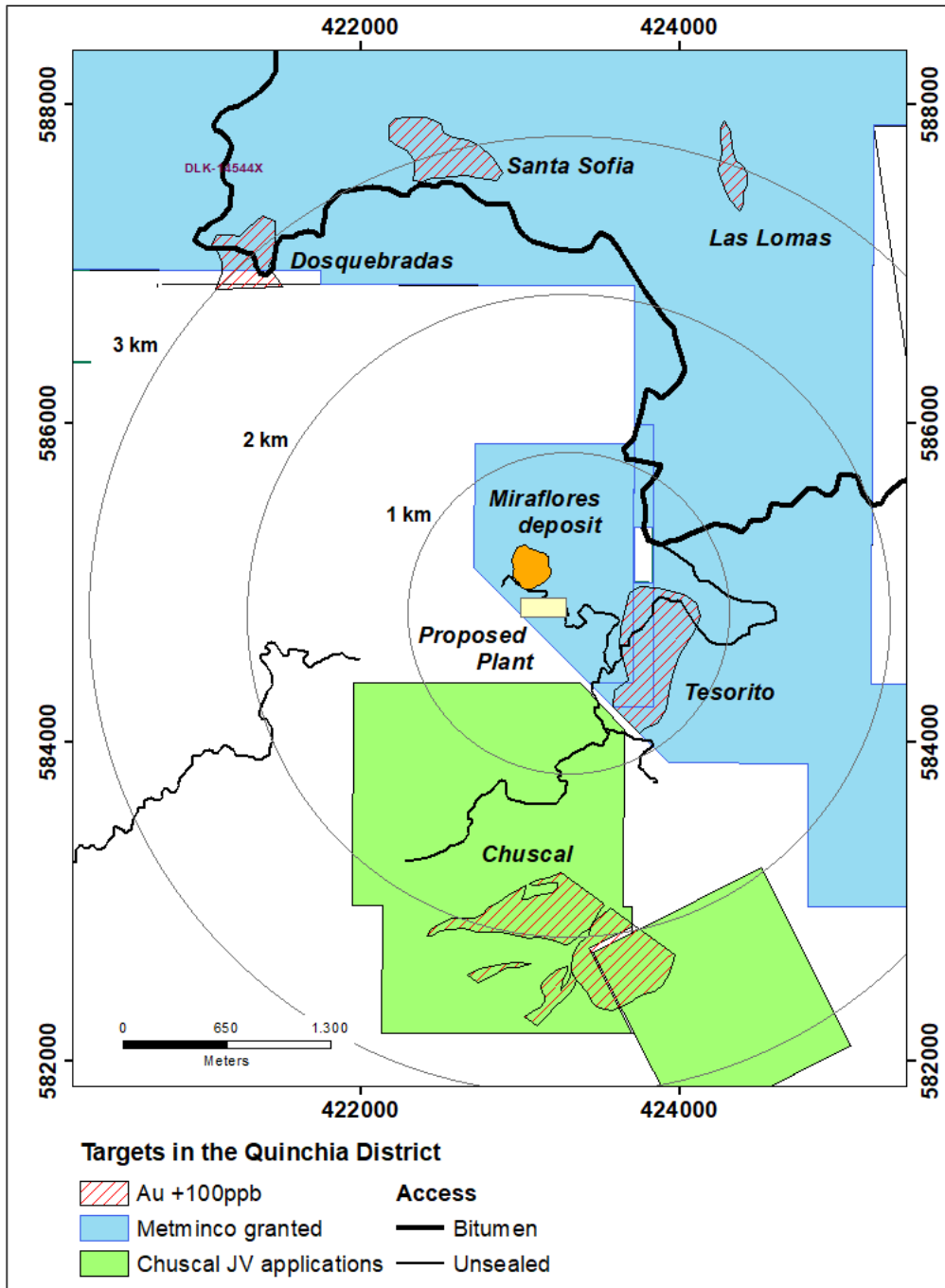


Figure 1: Metminco's Quinchia portfolio and distance to proposed Miraflores plant.

A joint venture between Metminco and AngloGold was formed in December 2018 and covers three licences. The two larger licences are applications in the final stage of being awarded and are anticipated to be granted in Q2 2019 as described above. Drilling permits are currently being sought and drilling will be initiated soon after financing associated with the merger with Andes is completed (refer ASX release dated 13 March 2019) and the grant of the Chuscal licences.

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