

## ADVISOR APPOINTED TO ASSIST WITH LOS CALATOS PARTNERSHIP PROCESS

**Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC)** is pleased to announce that following the release of the Los Calatos Strategic Mining Study on 21 September 2015, a number of parties have entered into a process with a view to forming an alliance with the Company for the development of its 100% owned Los Calatos Project located in southern Peru.

The Company has granted selected interested parties access to a data room relating to the Project, and has established a timetable for the conduct of due diligence, site visits and submission of proposals.

The LinQ Group (“LinQ”) has been appointed to assist the Company with the process to identify and evaluate the most suitable potential partner for the development of the Los Calatos Project. LinQ will also assist the Company in its evaluation of financing options to advance the Company’s strategy. The LinQ Group, based in Perth, Western Australia, is an experienced advisor in the mining and resources sector having advised companies across multiple jurisdictions and commodities in sourcing capital and structuring equity, debt and hybrid structured instruments.

The recent Strategic Mining Study completed by RungePincockMinarco on Los Calatos demonstrated the economic potential of the Project as a low cost, long life, mining operation.


Highlights of the Study include:

- Post-tax ungeared NPV of US\$447 million (at a 8% discount rate) <sup>1</sup>
- Post-tax geared NPV of US\$456 million (at a 8% discount rate) and IRR of 20% assuming 60% gearing and US LIBOR of 0.33% plus 4% per annum <sup>1</sup>
- “Project of National Interest” status for the Project
- C1 operating costs of US\$1.29/lb copper after by-product credits
- Initial capex of US\$655 million

<sup>1</sup> Long term median consensus metal prices (post 2019) from up to 40 institutions (source BMO): Cu = US\$3.00/lb, Mo = US\$11.16/lb ; Au = US\$1,250/oz; Ag = US\$19/oz . Re price = US\$5,773/kg (MNC).

*Mr William Howe, Managing Director, commented: “The completion of the Strategic Mining Study, which supports the potential economic development of the Los Calatos Project as a low cost, long life mine, has significantly widened the spectrum of potential funding partners. The Company has been approached by a number of interested parties who are currently undertaking a due diligence on the Los Calatos data set in order to make a decision on their possible involvement in the Project.*

*The Company, together with its advisors, are targeting those companies with the financial and/or technical ability to assist in the development of the Project.”*



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**Managing Director**

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**Company Background**

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

**Projects and Mineral Resources**

The Los Calatos Project, located in southern Peru, has a total estimated mineral resource of 352 million tonnes at 0.76% Cu and 318 ppm Mo at a cut-off grade of 0.5% Cu, comprising a Measured and Indicated Mineral Resource of 136 million tonnes at 0.73% Cu and 434 ppm Mo, and an Inferred Mineral Resource of 216 million tonnes at 0.78% Cu and 244 ppm Mo.

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a Mineral Resource of 8.9 million tonnes consisting of a Measured Resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an Indicated Resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an Inferred Resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

**Competent Persons Statement**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is currently employed by the Company in Chile.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Sinclair, as Competent Person for this announcement, has consented to the inclusion of the information in the form and context in which it appears herein.

**Forward Looking Statement**

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.