

MARKET UPDATE

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) provides the following market update in relation to its Los Calatos copper molybdenum project in southern Peru and its Mollacas copper leach project located in central Chile.

Los Calatos Update:

Los Calatos Partnership Process:

As announced 21 October 2016, 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.

The process is progressing with a number of selected parties currently conducting due diligence, certain of whom have undertaken site visits. The Company for commercial and confidentiality reasons is not at liberty to disclose more at this stage.

Drilling:


Geological mapping of the hydrothermal breccia target adjacent to the main Los Calatos deposit (TD2) has recently been updated in preparation for drilling. Any resources discovered at TD2 would complement any development at Los Calatos and potentially enhance the economics of the project. As the planned drilling at TD2 could not be completed prior to the Christmas period, the Company has decided to defer commencement of drilling until early 2016.

Mollacas Update:

The decision of the Supreme Court of Chile in relation to the Company’s appeal against a ruling by the Court of Appeal of Region IV, Chile (Court of Appeal), which overturned a prior decision granting mining access rights to the Company (First Extension) heard on 28 October 2015, is still pending.

The Company’s Chilean lawyers have indicated that it may take some months for the decision to be handed down, and there is no certainty on timing.

Subsequent to the granting of the First Extension by the Court of Ovalle in the first instance, the Company lodged a Second Extension in the vicinity of the Mollacas project area, which is not critical for the planned development of the project. The Company has been informed that the granting of this Second Extension was rejected. The Company will appeal this decision.



William Howe
Managing Director

For further information please contact:

METMINCO LIMITED

Stephen Tainton / 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

Samantha Harrison / Charlie Cryer

Office: +44 (0) 20 3440 6800

JOINT BROKER

SP Angel Corporate Finance LLP (UK)

Ewan Leggat

Office: +44 (0) 20 3470 0470

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.