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Metminco to issue bonus options to shareholders; drilling confirms high-grade gold at Chuscal

Metminco Ltd (ASX:MNC) has received preliminary gold results from the second hole of its maiden drill program at the Chuscal Prospect, part of the Quinchia Gold Project in Colombia.

The company confirmed multiple gold mineralisation intercepts along the hole (412 metres total depth) with best intercepts of:

- 2 metres at 8.28 g/t gold from 248 metres;
- 0.5 metres at 17.1 g/t gold from 333 metres within 7 metres at 2.07 g/t gold from 331 metres.

Share Information

Code: MNC
Listing: ASX
Sector: General mining & base metals
Website: www.metminco.com.au

Company Synopsis:

Metminco Ltd (ASX:MNC), incorporated in Australia, is an ASX listed exploration and mining company. It is advancing a strong portfolio of exploration projects located in Colombia, Peru and Chile, mainly focused on gold, but with significant exposure to copper, molybdenum, and zinc. Projects range from early stage exploration, through advanced stage exploration to feasibility.

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Interval			Intersection	
From (m)	To (m)	Au ³ (g*m)	Au g/t	Interval (m)
42	61	9.55	0.50	19
70	72	1.86	0.93	2
95.7	97	0.9	0.69	1.3
118	120	1.3	0.65	2
132	133	0.63	0.63	1
158	164	4.6	0.77	6
169	175	4.23	0.70	6
187	189	3.22	1.61	2
196	198	1.32	0.66	2
212	216	2.58	0.64	4
242	246	2.66	0.66	4
248	250	16.56	8.28	2
254	264	9.4	0.94	10
314	317	1.79	0.60	3
331	338	14.51	2.07	7
349	352	2.01	0.67	3

Figure-1: Gold drill results from CHDDH002 (silver & multi-element analyses remain outstanding)

Metminco managing director Jason Stirbinskis said: "As was the case with the first hole ever drilled at Chuscal, the partial results of the second hole have been illuminating.

"We now have an improved understanding of both vein gold and porphyry gold targets albeit that we have received assays from only two holes which cover less than 100m strike of the 900m long Chuscal gold in soil anomaly.

"We have previously mentioned the emergence of the horsetail faults as the conduit or plumbing for the vein gold.

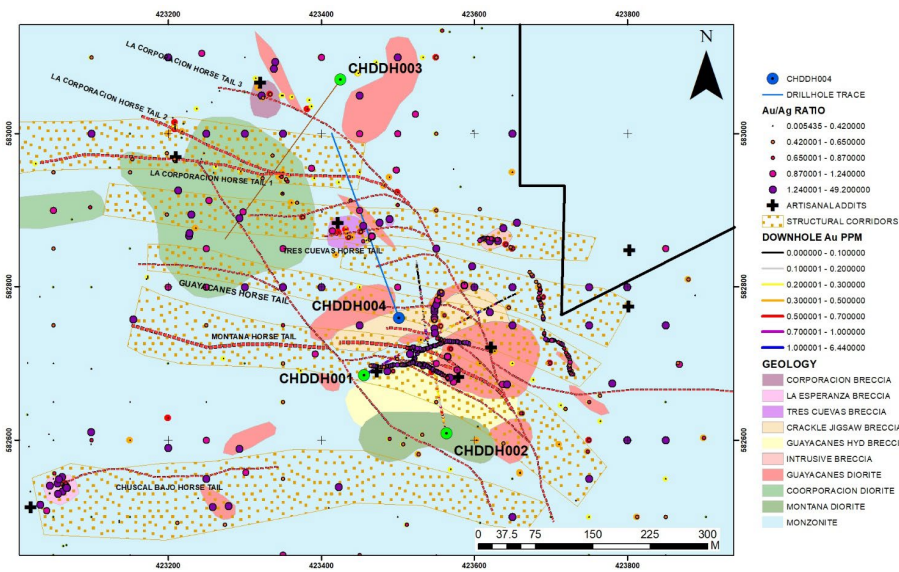


Figure-2: Preliminary interpretation of results to date has identified 6 potential structural corridors for epithermal gold mineralisation which carry the "horsetail" fault structures (red dashed lines) interpreted to be the conduit for vein gold mineralisation.

"We can now build on that initial conclusion with the interpretation of multiple corridors of mineralisation described in Figure 2, as evidenced by ratio analysis of surface results and high grade gold intersections in holes 1 and 2, together with high grade sampling along the artisanal mined Guayacanes veins including 83m @ 7.3g/t Au.

"Our next hole, CHDDH004, will cut across 3 or 4 of these structural corridors."

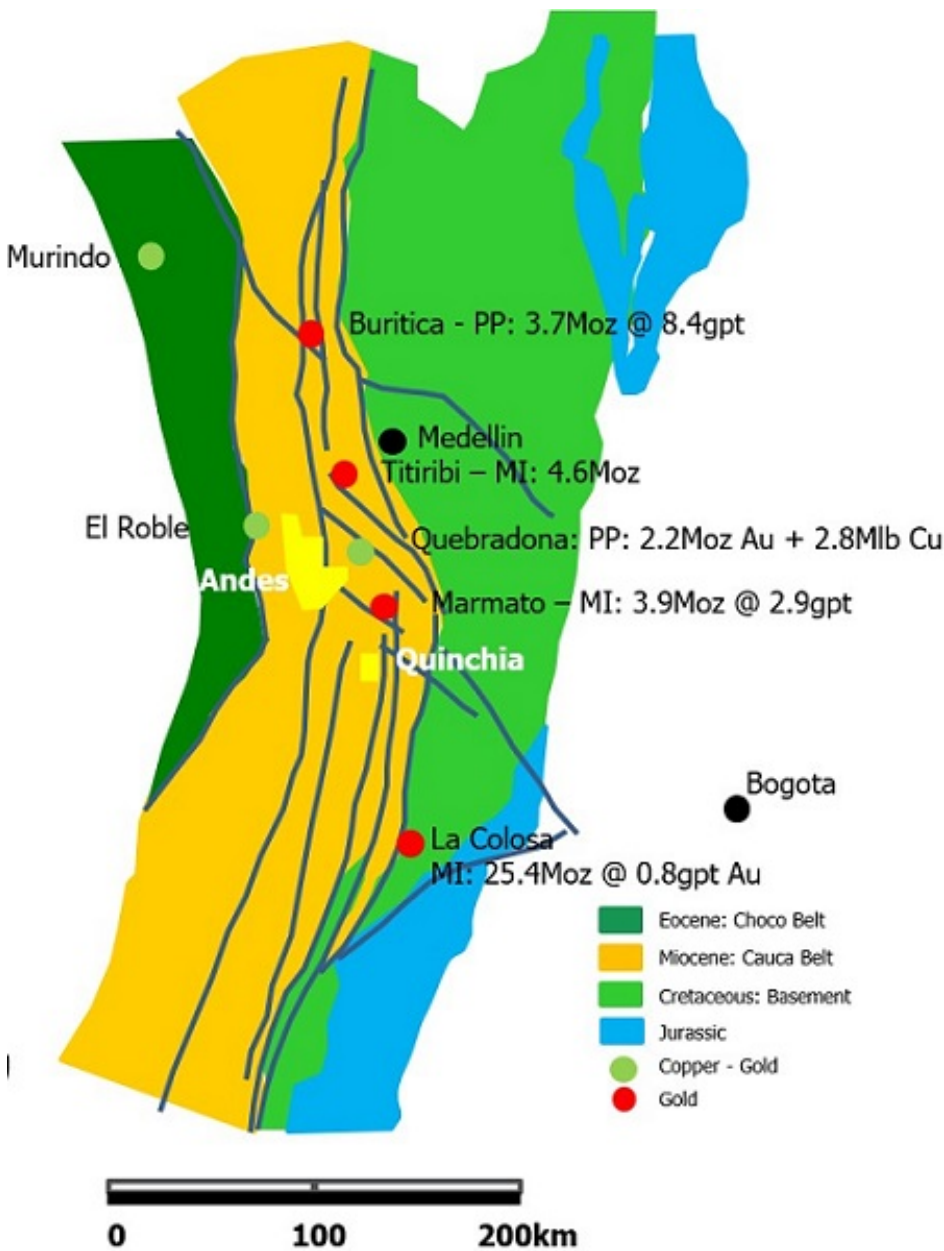


Figure-3: Location of the Chuscal Prospect relative to regional major gold discoveries

The drill rig is currently relocating to drill pad four which is roughly equidistant between holes 1 and 3 to test the Tres Cuevas corridor including the Tres Cuevas breccia - another zone of historic artisanal mining activity, and is expected to drill through multiple splays off the horsetail structure.

Hole 4 drilling is anticipated to conclude prior to the Christmas break, with assay results expected in mid-January.

Bonus issue of options

Metminco is undertaking a bonus issue of quoted options to eligible shareholder of one option for every five shares held at the record date on

December 11 2019 for nil consideration.

Each option will have an exercise price of 16 cents each and expiry date August 16, 2021.

Shareholders are not required to take any action to receive the bonus options.

"Time to reward loyal shareholders"

Stirbinskis said: "With the merger now behind us, and our maiden gold drilling program recently commenced, the board considers now is the appropriate time to reward loyal shareholders for their support through the merger and associated transactions.

"We are searching for gold deposits in Colombia, in a region that has already been proven to host several world-class gold deposits.

"As such, the drilling we are now undertaking at Chuscal, or our future endeavours on our broader portfolio of targets, could be transformational for the company, and we want to ensure the current group of shareholders stand to reap the benefits of potential exploration success from the current program.

"As a result, we wish to offer this chance of increased leverage to exploration success through the issue of Bonus Options to our existing group of shareholders who have supported this vision to become a leading Colombian gold explorer".

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