



ABN 43 119 759 349

NOTICE OF EXTRAORDINARY GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE
EXTRAORDINARY GENERAL MEETING OF THE COMPANY TO BE HELD AT
MANTRA HOTEL, 10 BROWN STREET, CHATSWOOD ON TUESDAY, 20 DECEMBER 2016 AT 10.00am

THIS DOCUMENT IS IMPORTANT

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If you do not understand these documents or are in any doubt as to how to deal with them, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

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www.metminco.com.au

21 November 2016

Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir

Please find enclosed the following documents in relation to an Extraordinary General Meeting of the Shareholders of Metminco Limited to be held at 10.00am on Tuesday, 20 December 2016.

- (a) Notice of Extraordinary General Meeting (together with an Explanatory Memorandum); and
- (b) Proxy Form (together with proxy instructions).

Yours sincerely

METMINCO LIMITED



Phil Killen

Company Secretary & Chief Financial Officer

Metminco Limited
ACN 119 759 349
(Company)
NOTICE OF EXTRAORDINARY GENERAL MEETING
AND
EXPLANATORY MEMORANDAM
AND
PROXY FORM

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held on Tuesday, 20 December 2016 at 10.00am AEDT.

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions proposed to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

AGENDA

To consider and, if thought fit, pass the following as ordinary resolutions of the Company:

Resolution 1	Ratification of Oct 2016 Placement	<i>"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 422,222,222 new Shares to Sophisticated Investors and Professional Investors at a subscription price of A\$0.00237 (£0.00135) per Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."</i>
Resolution 2	Ratification of Firm Placement	<i>"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 212,628,089 new Shares to Sophisticated Investors and Professional Investors at a subscription price of A\$0.00237 (£0.00140) per Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."</i>
Resolution 3	Authorisation of Redfield Placement	<i>"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 548,523,207 new Shares to Redfield Asset Management Pty Limited (Redfield) at a subscription price of A\$0.00237 per Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."</i>
Resolution 4	Authorisation of Lanstead Placement	<i>"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 1,265,822,785 new Shares to Lanstead Capital L.P. (Lanstead) at a subscription price of A\$0.00237 (per Share by way of private placement on the terms and conditions and in the manner set out in the Explanatory Memorandum accompanying the Notice of Meeting."</i>
Resolution 5	Authorisation of Related Party Placement to William Howe	<i>"That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the allotment and issue of up to 31,645,570 new Shares at a subscription price of A\$0.00237 per new Share to William Howe on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting."</i>
Resolution 6	Consolidation of Securities	<i>"That, pursuant to and in accordance with Section 254H of the Corporations Act and for all other purposes, the issued capital of the Company be consolidated on the basis that: (a) every 50 Shares be consolidated into 1 Share; and (b) every 50 Options be consolidated into 1 Option, and, where this consolidation results in a fraction of a Share or an Option being held, the Company be authorised to round that fraction up to the nearest whole Share or Option (as the case may be)."</i>

For the purposes of regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company determines that Shareholders recorded on the Company's register at 10:00 am (AEDT) on Sunday, 18 December 2016 (**Record Date**) will be entitled to attend and vote at the Meeting. If you are not a registered Shareholder at the Record Date, you will not be entitled to vote in respect of any Shares at the Meeting.

If you cannot attend the Meeting in person, you are encouraged to sign and deliver the accompanying proxy form and return it in accordance with the instructions set out below.

APPOINTMENT OF PROXIES

A Shareholder entitled to attend and vote at the Meeting may appoint an individual or a body corporate as a proxy to attend the Meeting and, on a poll, vote on the Shareholder's behalf. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. The enclosed proxy form provides further details on proxies and lodging proxy forms.

Subject to the paragraphs above, if a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on a Resolution, the Chairman will vote, as proxy for that Shareholder, in favour of that Resolution on a poll.

For Shareholders registered on the Australian register, section 250B of the Corporations Act stipulates that the proxies must be delivered prior to 10:00 am (AEDT) on Sunday, 18 December 2016 to:

Metminco Limited
Link Market Services
Locked Bag A14
Sydney South NSW 1235
Australia

Voting Exclusions

Resolution 1: The Company will disregard any votes on Resolution 1 cast by or on behalf of any person who participated in the Oct 2016 Placement or any associate of such a person.

Resolution 2: The Company will disregard any votes on Resolution 2 cast by or on behalf of any person who participated in the Firm Placement or any associate of such a person.

Resolution 3: The Company will disregard any votes on Resolution 3 cast by or on behalf of Redfield or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Redfield Placement if Resolution 3 is passed or any associate of such a person.

Resolution 4: The Company will disregard any votes on Resolution 4 cast by or on behalf of Lanstead or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Lanstead Placement if Resolution 4 is passed or any associate of such a person.

Resolution 5: The Company will disregard any votes on Resolution 5 cast by or on behalf of William Howe or any associate of William Howe.

Resolution 6: There is no voting exclusion for this Resolution.

However, the Company need not disregard a vote in relation to a Resolution if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or if it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

QUESTIONS

If you have any questions about any matter contained in the Notice of Meeting, please contact the Company Secretary, Philip Killen, on 0408 609 916 or at phil.killen@metminco.com.au.

Dated: 21 November 2016

By order of the Board,

Philip Killen
Company Secretary

Metminco Limited
ACN 119 759 349
EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions set out in the accompanying Notice, to assist Shareholders in determining how they wish to vote on the Resolutions.

This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

If you are in doubt about what to do in relation to the Resolutions, you should consult your financial or other professional advisor.

This Explanatory Memorandum is dated 21 November 2016.

Capitalised terms used in this Explanatory Memorandum have the meaning given to them in the Glossary attached to this Explanatory Memorandum.

FORWARD LOOKING STATEMENTS

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.

PURPOSE OF THE MEETING

The Company is seeking Shareholder approval in accordance with applicable Listing Rules and the Corporations Act for the Resolutions as set out below.

The Company's strategy is to deliver shareholder value in the near term through the potential development of its 100% owned Miraflores Project into a gold mine as well as to ensure that its shareholders retain a significant interest in the Los Calatos Project, a project which has the potential to be developed into a world class copper mine in the early 2020's when it is anticipated that there will be a supply deficit in the global copper market. The broader Quinchia Gold Portfolio which includes the gold porphyry system targets of Tesorito and Chuscal, located near to the Miraflores Project, represents significant potential exploration upside.

By October 2016 the Company had delivered two major milestones towards this strategy. Firstly completion of a Scoping Study demonstrating the robust economics for the potential development of its 100% owned Miraflores Project into a gold producing asset; and, secondly completion of the Investment Agreement with CD Capital Natural Resources Fund III LP (**CD Capital Fund III**) for an equity investment by CD Capital Fund III of up to US\$45 million in Los Calatos Holding Ltd (**LCH**), owner of the Los Calatos Project. LCH will apply these funds towards completion of a Pre-feasibility and Feasibility Studies at the Los Calatos Project.

On the strength of the very positive Miraflores Scoping Study results released to the market on 8 September 2016, the Company is now seeking equity funding to advance the Miraflores Project through to completion of a Bankable Feasibility Study and therein lies the purpose of this Extraordinary General Meeting of Shareholders.

Subject to approval by Shareholders of these Resolutions, the Company will raise funds to commence the Miraflores Feasibility Study as well as to restructure its capital and maintain its ability to potentially issue up to its full placement capacity to raise funding for the advancement of the Miraflores Project towards gold production, in addition to undertaking exploration works on the wider Quinchia Gold Portfolio.

ABOUT THE COMPANY

As at the date of this Notice of Meeting the Company has complied with the provisions of Chapter 2M Corporations Act as they apply to the Company and the Listing Rules, in particular its obligation with respect to continuous disclosure. A detailed overview of the Company and its projects is available on the Company's website <www.metminco.com.au>.

BUSINESS OF MEETING

RESOLUTION 1 – RATIFICATION OF THE OCT 2016 PLACEMENT

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 422,222,222 new Shares to Sophisticated Investors and Professional Investors at a subscription price of A\$0.00237 (£0.00135) per Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4.

On 4 October 2016, Metminco issued 422,222,222 Shares to Sophisticated Investors and Professional Investors at a price of A\$0.00237 (£0.00135) per Share under ASX Listing Rule 7.1, raising approximately A\$1.1 (£0.57) million before costs (**Oct 2016 Placement**).

Listing Rule 7.1 prohibits (subject to certain exceptions) Metminco from issuing or agreeing to issue new securities representing more than 15% of its total issued Shares during the following 12-month period, without Shareholder approval. However, an issue of new securities may be approved retrospectively in accordance with Listing Rule 7.4.

For the purposes of Listing Rule 7.1 the Oct 2016 Placement Shares represent approximately 9.8% of the issued capital of the Company on an undiluted basis.

Listing Rule 7.4 provides that an issue of securities is deemed to have been made with shareholder approval if Listing Rule 7.1 is not breached at the time the securities were issued and shareholders subsequently approve the issue.

By Shareholders ratifying the issue of the Oct 2016 Placement Shares, the Company is given flexibility to issue further securities up to the 15% limit over the next 12-month period. The Board believes that it is in the best interest of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 1 for the purposes of Listing Rule 7.4:

- (a) The number of Oct 2016 Placement Shares: 422,222,222 new Shares;
- (b) Issue price: A\$0.00237 (£0.00135) per Share;
- (c) Terms of Oct 2016 Placement : The Oct 2016 Placement Shares rank equally with the existing Shares on issue;
- (d) Allottees: The Oct 2016 Placement Shares, which were placed by SP Angel (the Company’s joint UK broker), were issued and allotted to selected Sophisticated Investors and Professional Investors who are not related parties of the Company;
- (e) Issue Date: The Oct 2016 Placement Shares were issued on 4 October 2016;
- (f) Use of funds raised: The proceeds from the Oct 2016 Placement together with other funds raised as set out in this Explanatory Memorandum will be applied to expenditure related to the Company’s objective of developing the Quinchia Gold Portfolio, in particular, in advancing the Miraflores Project towards gold production through a Feasibility Study, and working capital; and
- (g) Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 1 by any person who has participated in the Oct 2016 Placement or any associate of such a person.

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 1.

RESOLUTION 2 – RATIFICATION OF THE FIRM PLACEMENT

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 212,628,089 new Shares to Sophisticated Investors and Professional Investors at a subscription price of A\$0.00237 (£0.00140) per Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

On 17 November 2016, Metminco announced the placement of 212,628,089 Shares to Sophisticated Investors and Professional Investors at a price of A\$0.00237 (£0.0014) per Share under ASX Listing Rule 7.1 and 7.1A, raising approximately A\$0.5 million before costs (**Firm Shares**).

The Firm Shares, which rank equally with existing Shares, are anticipated to be allotted and issued on or about 23 November 2016.

Listing Rule 7.1 prohibits (subject to certain exceptions) Metminco from issuing or agreeing to issue new securities representing more than 15% of its total issued Shares during any 12 month period following the issue of new securities, without Shareholder approval (**15% Restriction**).

For the purposes of Listing Rule 7.1 the number of Firm Shares proposed to be issued under Listing Rule 7.1 is 134,316,827 which represents approximately 3.0% of the issued capital of the Company on an undiluted basis.

Listing Rule 7.1A permits listed entities that have obtained the approval of their shareholders by special resolution at an annual general meeting (**AGM**), to issue an additional 10% of issued capital by way of placements over a 12 month period following that AGM provided that the consideration divided by the number of securities issued is no lower than 75% of the VWAP calculated over the 15 trading days on which trades in the securities are recorded immediately before the date on which the price at which the securities are to be issued is agreed.

For the purposes of Listing Rule 7.1A the number of Firm Shares to be issued under the Company's additional placement capacity approved by Shareholders at the Company's last AGM for the purposes of Listing Rule 7.1A is 78,311,262 at an issue price of A\$0.00237 (£0.00140) (which is a discount of approximately 20% of the VWAP calculated over the 15 trading days on which trades in the securities are recorded immediately before the price of the securities to be issued was agreed but at a premium to market of 18% on the date the issue price was agreed) represents approximately 1.7% of the issued capital of the Company on an undiluted basis.

Pursuant to Listing Rule 7.4, the Firm Placement will be deemed to have been made with Shareholder approval for the purpose of Listing Rule 7.1 provided that Listing Rules 7.1 and 7.1A are not breached at the time of the Firm Placement and if Shareholders subsequently approve the Firm Placement. As at the date of this Notice, the proposed issue of Shares under the Firm Placement is not anticipated to breach Listing Rule 7.1 or Listing Rule 7.1A.

By Shareholders ratifying the Firm Placement, the Company is given flexibility to issue further securities up to the 15% limit over the next 12 month period and an extra 10% until 17 May 2017 (being 12 months after the last AGM). The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 2 for the purposes of Listing Rule 7.4:

- (a) The number of Firm Shares: 212,628,089 new Shares;
- (b) Issue price: A\$0.00237 (£0.0014) per Share;
- (c) Terms of the Firm Shares: The Firm Shares rank equally with the existing Shares on issue;
- (d) Allottees: The Firm Shares were placed by SP Angel and Martin Place Securities and are to be issued and allotted to selected Sophisticated Investors and Professional Investors who are not related parties of the Company;
- (e) Issue Date: The Firm Shares are to be issued on or about 23 November 2016;
- (f) Use of funds raised: The proceeds from the Firm Placement together with other funds raised as set out in this Explanatory Memorandum will be applied to expenditure related to the Company's objective of developing the Quinchia Gold Portfolio, in particular advancing the Miraflores Project towards gold production through a Feasibility Study, and working capital; and,
- (g) Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 2 by any person who has participated in the Firm Placement or any associate of such a person.

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 2.

RESOLUTION 3 – APPROVAL OF REDFIELD PLACEMENT

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 548,523,207 new Shares at a subscription price of A\$0.00237 per new Share to Redfield Asset Management Pty Limited (**Redfield**) on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”*

Under Listing Rule 7.1, the prior approval of Shareholders is required in respect of the proposed Redfield Placement as the placement of the Redfield Shares will exceed the 15% Restriction.

Consequently, Resolution 3 seeks Shareholder approval for the proposed Redfield Placement. The Redfield Placement contemplates the allocation and issue of up to 548,523,207 new Shares at an issue price of A\$0.00237 per Share to Redfield to raise approximately A\$1.3 million before costs.

The Redfield Shares will be issued and allotted progressively and are anticipated to be issued by or before 2 January 2017, but in any event, will be issued and allotted by no later than 20 March 2017, and will rank equally with existing Shares.

As Shareholder approval is only being sought under Listing Rule 7.1, the Redfield Shares will not be issued to related parties of the Company (as defined in Listing Rule 10.11) including but not limited to Directors and their spouses, entities controlled by Directors and controlling Shareholders of the Company.

For the purposes of Listing Rule 7.1 the Redfield Shares represent approximately 8.6% of the issued capital of the Company on an undiluted basis, assuming Resolution 4 is passed, and 9.4% assuming Resolution 4 is not passed and in each case assuming that the issue of the Firm Shares occurs as anticipated.

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 3 for the purposes of Listing Rule 7.1:

- (a) The number of Redfield Shares: 548,523,207 new Shares;
- (b) Issue price: A\$0.00237 per Share;
- (c) Terms of the Redfield Shares: The Redfield Shares will rank equally with the existing Shares on issue;
- (d) Allottees: The Redfield Shares will be issued and allotted to Redfield who is not a related party of the Company;
- (e) Issue Date: The Redfield Shares will be issued and allotted progressively but, in any event, will be issued and allotted by no later than 20 March 2017;
- (f) Use or intended use of funds raised: The proceeds from the Redfield Placement together with other funds raised as set out in this Explanatory Memorandum will be applied to expenditure related to the Company's objective of developing the Quinchia Gold

Portfolio, in particular advancing the Miraflores Project towards gold production through a Feasibility Study, and working capital; and,

Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 3 by Redfield or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Redfield Placement if Resolution 3 is passed or any associate of such a person. The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 3.

RESOLUTION 4 – APPROVAL OF LANSTEAD PLACEMENT

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of up to 1,265,822,785 new Shares at a subscription price of A\$0.00237 per new Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

The Company has entered into Equity Swap Agreements with Lanstead to raise of A\$3,000,000 by issue of 1,265,822,785 Shares (**Lanstead Shares**), subject to shareholder approval.

The Equity Swap Agreements provide that the Company's economic interest will be determined and payable in 18 monthly settlement tranches as measured against a benchmark price of \$0.0032 per Share (the **Benchmark Price**). If the measured Share price exceeds the Benchmark Price, for that month, the Company will receive more than 100% of the monthly settlement due on a pro rata basis. There is no upper limit placed on the additional proceeds receivable by the Company as part of the monthly settlements. Should the measured Share price be below the Benchmark Price, the Company will receive less than 100% of the expected monthly settlement on a pro rata basis. In no event would a decline in the Share price result in any increase in the number of Shares received by Lanstead or any other advantage accruing to Lanstead.

Shareholders approval is sought under Listing Rule 7.1 in respect of the proposed issue of the Lanstead Shares. The Lanstead Shares are anticipated to be issued on or about 23 December 2016, but in any event, will be issued by no later than, 20 March 2017, and will rank equally with existing Shares.

As Shareholder approval is only being sought under Listing Rule 7.1, the Lanstead Shares will not be issued to related parties of the Company (as defined in Listing Rule 10.11) including but not limited to Directors and their spouses, entities controlled by Directors and controlling Shareholders of the Company.

For the purposes of Listing Rule 7.1 the Lanstead Shares represent approximately 19.90% of the issued capital of the Company on an undiluted basis assuming that Resolutions 3 and 5 are approved by Shareholders and the Firm Shares and Redfield Shares are issued as anticipated. This Resolution 4 is conditional on Resolution 3 being approved by Shareholders.

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 4 for the purposes of Listing Rule 7.1:

- (a) The number of Lanstead Shares: Up to 1,265,822,785 new Shares;
- (b) Issue price: A\$0.00237 per Share;
- (c) Terms of the Lanstead Shares: The Lanstead Shares rank equally with the existing Shares on issue;
- (d) Allottees: The Lanstead Shares will be issued and allotted to Lanstead who is not a related party of the Company;
- (e) Issue Date: The Lanstead Shares will be issued and allotted progressively but, in any event, will be issued and allotted by no later than 20 March 2017;
- (f) Use or intended use of funds raised: The proceeds from the Lanstead Shares together with other funds raised as set out in this Explanatory Memorandum will be applied to expenditure related to the Company's objective of developing the Quinchia Gold Portfolio, in particular advancing the Miraflores Project towards gold production through a Feasibility Study, and working capital; and,
- (g) Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 4 by Lanstead or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Lanstead Placement if Resolution 4 is passed or any associate of such a person.

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 4.

RESOLUTION 5 –RELATED PARTY PLACEMENT TO WILLIAM HOWE

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve and authorise the allotment and issue of up to 31,645,570 new Shares at a subscription price of A\$0.00237 per new Share to William Howe on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Resolutions 5 seeks Shareholder approval for the issue of 31,645,570 Shares to William Howe (**Related Party Shares**).

The relevant interest of William Howe in the securities of the Company is detailed in the table below:

Related Party	Before Issue Shares	After Proposed Issue
William Howe	136,641,533	168,287,103

For the purposes of Listing Rule 7.1 the Related Party Shares represent approximately 0.5% of the issued capital of the Company on an undiluted basis.

Chapter 2E of the Corporations Act

Under section 208 of the Corporations Act a public company is prohibited from giving a financial benefit to a related party of the public company without the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act and must give the benefit within 15 months following such approval, unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Shares constitutes giving a financial benefit to a related party for the purposes of Chapter 2E of the Corporations Act as the Company is a public company, William Howe is a related party of the Company by virtue of being a Director and the issue of the Related Party Shares to William Howe constitutes the giving of a financial benefit.

The Directors each consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares because the Related Party Shares will be issued on the same terms as the Firm Placement and the Redfield Placement and as such the giving of the financial benefit is considered by each Director to be on arm's length terms for the purposes of the exception from the need to obtain member approval set out in section 210 of the Corporations Act.

Listing Rule 10.11 – Shareholder approval to issue securities

Listing Rule 10.11 requires Shareholder approval for the issue of the Related Party Shares. Listing Rule 10.11 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company to a related party.

William Howe as a Director, is a related party of the Company and it is the view of the Directors that none of the exceptions contained in Listing Rule 10.12 apply. Therefore, Shareholder approval is required in accordance with Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of Related Party Shares to William Howe as approval is being obtained under ASX Listing Rule 10.11. Furthermore, Shareholder approval of the issue of Related Party Shares means that this issue will not reduce the Company's 15% placement capacity pursuant to Listing Rule 7.1.

Specific Information Required by ASX Listing Rule 10.13

For the purposes of ASX Listing Rule 10.13, information regarding this Resolution is provided as follows:

- (a) Related Party Shares will be issued to William Howe and/or his respective nominees;
- (b) Under Resolution 5 the Company seeks approval to issue up to 31,645,570 Shares;
- (c) The Related Party Shares will be issued no later than one month after the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) The Related Party Shares to be issued under Resolution 5 will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) The Related Party Shares will be issued at A\$0.00237 per Share (being the same as all new Shares issued under Resolution 2 and 3 and will raise approximately A\$75,000 before costs);
- (h) The proceeds from the Related Party Placement together with other funds raised as set out in this Explanatory Memorandum will be applied to expenditure related to the Company's objective of developing the Quinchia Gold Portfolio, in particular advancing the Miraflores Project towards gold production through a Feasibility Study, and working capital; and
- (h) Voting Exclusion Statement: The Company will disregard any votes cast on Resolution 5 by or on behalf of William Howe (or any associates of William Howe) who is eligible to participate in the Related Party Placement or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Related Party Placement if Resolution 5 is passed or any associate of such a person.

The Board excluding William Howe unanimously recommends that eligible Shareholders vote in favour of Resolution 5.

RESOLUTION 6 – CONSOLIDATION OF SECURITIES

The Company proposes to consolidate its share capital through the conversion of every fifty (50) Shares in the Company into one (1) Share in the Company and the conversion of every fifty (50) Options in the Company into one (1) Option (**Consolidation of Securities**). Under section 254H of the Corporations Act, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. Listing Rule 7.20 provides that if an entity proposes to reorganize its capital, it must advise shareholders of certain matters, which are set out below.

Reasons for the consolidation

The Directors propose the Consolidation of Securities for the following reasons:

- (a) The Company has a large number of Shares on issue due to historical equity-based capital raisings. For that reason, and in contemplation of probable future issues of Shares, the Board believes that the consolidation is necessary for the Company's share capital to be comparable to its peers, in terms of similar sized companies in the same sector.
- (b) the Consolidation of Securities will result in a more appropriate and effective capital structure for the Company and a share price more appealing to a wider range of investors, particularly institutional investors, globally.

The Board does not believe that any material disadvantage will arise for Shareholders as a result of the proposed consolidation of the Company's share capital. While the Consolidation of Securities will have no effect on the underlying value of the Company, the effect

on the Company's share price at the time of conversion should (all things being equal) be to trade at 50 times the price at which the Shares previously traded. The Share price will continue to be influenced by other factors and there can be no assurances as to the level that the Company's Shares will trade following the consolidation and re quotation of the Company's securities.

Effect of the consolidation

Shares

If Resolution 6 is approved, every fifty (50) Shares on issue will be consolidated into one Share (subject to rounding). Overall, this will result in the current number of Shares on issue reducing from 4,301,275,769 to approximately 86,025,515 (subject to rounding)

As the consolidation applies equally to all of the Company's shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions). It follows that the consolidation will have no material effect on the percentage interest of each individual shareholder in the Company.

For example, if a shareholder currently has 43,012,758 Shares representing approximately 1% of the issued capital, then if the Consolidation of Securities is approved and implemented, the shareholder will have 860,255 Shares following the consolidation, still representing the same 1% of the Company's issued capital.

Similarly, the aggregate value of each shareholder's holding (and the Company's market capitalisation) should not materially change, other than minor changes as a result of rounding, as a result of the Consolidation of Securities alone (that is assuming no other market movements or impacts occur).

Shareholders should note that the reduction of share capital, if approved, will also have an effect on the Company's share price. The Directors expect that the price per share will increase to reflect the reduced number of shares on issue.

Options

As at the date of this Notice of Meeting, the Company has 5 million unquoted options (**Options**). If the Consolidation of Securities is approved, the Options will also be reorganised in accordance with the terms and conditions of the Options and Listing Rule 7.22.1 (as applicable) on the basis that the number of Options will be consolidated in the same ratio as the number of Shares and the exercise price is amended in inverse proportion to that ratio.

For example, a holding of one thousand (1000) Options with an exercise price of A\$0.0302 each prior to the Consolidation of Securities would result in a holding of approximately twenty (20) Options with an exercise price of A\$1.51 each after the Consolidation of Securities.

After the Consolidation of Securities, there will be approximately:

- (a) 1,000,000 Options (unquoted) exercisable at A\$1.51 per Share on or before 1 August 2017.
- (b) 37,418 Options (unquoted) exercisable at A\$0.15 per Share on or before 5 years after the date issue of the Lanstead Share which is subject to approval of Resolution 4.

The Consolidation of Securities will not result in any change to the substantive rights and obligations of existing holders of Options.

Table 1 below summaries the Shares on issue.

Table 1: Shares and Options on Issue

Shares on Issue	Before Consolidation of Securities		After Consolidation of Securities	
	Number of Shares	Issue Price per Share	Number of Shares	Issue Price per Share
Number of Shares on issue on the date of the Notice of Meeting	4,301,275,769	N/A	86,025,516	N/A
Firm Shares to be issued	212,628,089	N/A	4,252,562	N/A
Resolution 3 issue of Shares	548,523,207	A\$0.00237	10,970,465	A\$0.1185
Resolution 4 issue of Shares	1,265,822,785	A\$0.00237	25,316,456	A\$0.1185
Resolution 5 issue of Shares	31,645,570	A\$0.00237	632,912	A\$0.1185
Total Shares if Resolutions 4,5 and 6 are approved	6,359,895,420	N/A	127,197,911	N/A
Options On Issue	Number of Option	Exercise Price	Number of Option	Exercise Price
Options expiring 1 August 2017	5,000,000	\$0.0302	100,000	\$1.510
Options issued if Resolution 4 is approved	1,870,902	\$0.003	37,419	\$0.150
Total Options if Resolutions 4 is approved	6,870,902	N/A	137,419	N/A

Treatment of fractions

Where the Consolidation of Securities results in a security holder having a fractional entitlement to a Share or an Option, the Company will round up the entitlement to the next whole number of Shares or Options (as applicable).

Holding statements

Taking effect from the date of the Consolidation of Securities, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Consolidation of Securities basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Consolidation of Securities.

Tax implications for shareholders

The summary in this section is general in nature. In addition, particular taxation implications will depend upon the circumstances of each Shareholder. Accordingly, Shareholders are encouraged to seek and rely only on their own professional advice in relation to their tax position. Neither the Company nor any of its officers, employees or advisors assumes any liability or responsibility for advising Shareholders about the tax consequences for them from the proposed Consolidation of Securities.

The Consolidation of Securities will be undertaken in accordance with section 254H of the Corporations Act. Subject only to rounding, there will be no change to the proportionate interests held by each shareholder in the Company as a result of the consolidation.

The Consolidation of Securities will occur through the conversion of every fifty (50) Shares in the Company into one (1) Share and every fifty (50) Options in the Company into one (1) Option. While you should seek your own taxation advice as to the immediate tax outcomes of the Consolidation of Securities, the consolidation should not give rise to a capital gains tax (CGT) event as it is not a disposal.

Indicative Timetable for Consolidation of Securities

If approved by Shareholders, the proposed Consolidation of Securities will take effect on 23 December 2016. The following is an indicative timetable (subject to change) of the key events:

	Indicative Date	Business Days
EGM approval of Consolidation of Securities ASX informed that the consolidation has been approved	20 December 2016	Day 0
Last day for trading in pre-consolidation shares	21 December 2016	Day 1
Post-consolidation trading starts on a deferred settlement basis The Company ASX ticker becomes MNCDA for the ordinary shares (MNC)	22 December 2016	Day 2
Last day for registration of transfers on a pre-consolidation basis (Record Date)	23 December 2016	Day 3
Post-consolidation holdings entered into holder's security holdings (T+2)	28 December 2016	Day 4
Deferred settlement trading ends Normal trading commences following share consolidation Dispatch of new holding statements completed	4 January 2017	Day 8
Settlement of all trades conducted on a deferred settlement basis and first settlement of trades conducted on a normal (T+2) basis	9 January 2017	Day 11

Other material information

Other than as set out in this document, and other than information previously disclosed to Shareholders, there is no other information that is known to the Company's Directors which may reasonably be expected to be material to the making of a decision by the Company's shareholders regarding whether or not to vote in favour of the Consolidation of Securities.

The Company's Directors unanimously recommend that shareholders vote in favour of the Consolidation of Securities.

GLOSSARY

In this Explanatory Memorandum, the following terms have the following meanings unless the context requires otherwise:


15% Restriction	means the rule in ASX Listing Rule 7.1 prohibiting a Company issuing more than 15% of its issued Share capital within a 12 month period.
£	means a pound in the currency of the United Kingdom unless otherwise specified.
A\$	means a dollar in the currency of the Commonwealth of Australia unless otherwise specified.
AEDT	means Australia Eastern Daylight Time.
AGM	means annual general meeting of the Company (last meeting was on 17 May 2016)
ASIC	means the Australian Securities and Investments Commission.
AIM	means AIM, a market operated by the London Stock Exchange.
Benchmark Price	means A\$0.0032.
Board	means the board of Directors of the Company.
CD Capital Fund III	means CD Capital Natural Resources Fund III LP.
Chuscal Target	means an exploration target forming part of the Quinchia Gold Portfolio
Company or Metminco	means Metminco Limited (ACN 119 759 349).
Consolidation of Securities	means consolidation of the issued capital of the Company on the basis that: (a) every 50 Shares be consolidated into 1 Share; and (b) every 50 Options be consolidated into 1 Option.
Constitution	means the constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Dosquebradas	means an exploration target forming part of the Quinchia Gold Portfolio
Director	means a director of the Company.
Equity Swap Agreements	means equity swap agreements entered into between the Company and Lanstead.
Explanatory Memorandum	means the Explanatory Memorandum accompanying the Notice of Meeting.
Extraordinary General Meeting or Meeting	means the extraordinary general meeting of Shareholders convened for the purposes of considering the Resolutions to be held at 10.00am on Tuesday, 20 December 2016.
Firm Placement	means the placement of the Firm Shares to selected Sophisticated Investors and Professional Investors to raise approximately A\$0.5 million before costs.
Firm Shares	means 212,628,089 new Shares to be issued under the Firm Placement.
Lanstead	means Lanstead Capital L.P. a UK based institutional investor.
Lanstead Shares	means 1,265,822,785 Shares.
LCH	means Los Calatos Holding Ltd owner of the Los Calatos Project.
Listing Rules	means the listing rules of ASX.
Los Calatos Project	means mining and exploration tenements located in southern Peru covering an area of 175 square kilometres.
Notice or Notice of Meeting	means the notice of meeting which accompanies the Explanatory Memorandum.
Metminco Group	means Metminco and its subsidiaries.
Miraflores Project	means approximately 124 hectare mineral exploitation concession located within the Municipality of Quinchia, Department of Risaralda, Republic of Colombia, approximately 190 km WNW of the Colombian capital of Bogota and 55 km to the north of Pereira, the capital of the Department of Risaralda
Oct 2016 Placement	means the placement of the Oct 2016 Placement Shares to selected Sophisticated Investors and Professional Investors to raise approximately A\$1.1 (£0.57) million before costs.
Oct 2016 Placement Shares	means the 422,222,222 new Shares issued on 4 October 2016 at A\$0.00237 (£0.00135) per Share under the Oct 2016 Placement.
Option or Options	means option to acquire an additional Share in the Company.
Placement	means the Firm Placement, the Redfield Placement and the Related Party Placement.
Professional Investors	has the meaning given to that phrase in section 708(11) of the Corporations Act.
Quinchia Gold Portfolio	means a portfolio covering an area of 6,043 Ha of granted concessions and an additional 3,792 Ha of pending applications containing a number of deposits including the Miraflores Project, Dosquebrados, Tesorito and Chuscal.
Record Date	means 10.00am (AEDT) on 18 December 2016.
Redfield	means Redfield Asset Management Pty Limited.
Redfield Placement	means the proposed placement of the Redfield Shares to Redfield to raise approximately A\$1.3 million.
Redfield Shares	means the 548,523,207 new Shares proposed to be issued under the Redfield Placement.
Related Party Placement	means the proposed placement of the Related Party Shares to William Howe or his nominee(s) to raise approximately A\$75,000.
Related Party Shares	means 31,645,570 new Shares proposed to be issued to William Howe or his nominee(s).
Resolution(s)	means a resolution referred to in the Notice.
Share or Shares	means a fully paid ordinary share(s) in the capital of the Company.
Shareholder or Shareholders	means a holder of Shares.
Sophisticated Investors	has the meaning given to that phrase in section 708(8) of the Corporations Act.
Tesorito Target	means an exploration target forming part of the Quinchia Gold Portfolio
Voting Exclusion Statement	means the statement of excluded persons which the ASX Listing Rules required to be included in the Notice.
VWAP	means in relation to particular securities for a particular period, the volume weighted average price of trading in those securities on the ASX market over that period, excluding block trades, large portfolio trades, permitted trades during the pre-trading hours period, permitted trades during the post-trading hours period, out of hours trades and exchange traded option exercises.

Metminco Limited

ABN 43 119 759 349


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Metminco Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Metminco Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am on Tuesday, 20 December 2016 at Mantra Hotel, 10 Brown Street, Chatswood NSW 2067** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.


STEP 1

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Ratification of Oct 2016 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Authorisation of Related Party Placement to William Howe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Firm Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Consolidation of Securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Authorisation of Redfield Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Authorisation of Lanstead Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

 * If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)	Joint Shareholder 2 (Individual)	Joint Shareholder 3 (Individual)
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director/Company Secretary (Delete one)	Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am on Sunday, 18 December 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Metminco Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**