



METMINCO LIMITED

ACN 119 759 349

NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD AT RYDGES HOTEL, 54 McLAREN STREET, NORTH SYDNEY ON THURSDAY 31 MAY 2012 AT 10.00 AM

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.

Level 6, 122 Walker Street
North Sydney NSW 2060
Tel +61 2 9460 1856
Fax +61 2 9460 1857
email: phil.killen@metminco.com.au
www.metminco.com.au

METMINCO LIMITED

ACN 119 759 349

(Metminco or Company)

NOTICE OF ANNUAL GENERAL MEETING for the year ended 31 December 2011

Notice is given that a General Meeting of the members will be held to conduct the business specified below:

Location	Rydges Hotel, 54 McLaren Street, North Sydney NSW 2060
Date	Thursday 31 May 2012
Time	10.00 am (Sydney time)

An Explanatory Memorandum accompanying this Notice provides additional information on matters to be considered at the Annual General 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 capitalized terms used in this Notice and the Explanatory Memorandum.

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AGENDA

ORDINARY BUSINESS

1 Discussion of Financial Statements and Reports

To receive and consider the Financial Report, the Directors' Report and Auditor's Report for the year ended 31 December 2011.

Metminco's Financial Report, Directors' Report and Auditor's Report contained in the Report to Shareholders are placed before the Meeting giving Shareholders an opportunity to discuss those documents and to ask questions, though there is no requirement that Shareholders approve these reports. The auditor will be attending the Annual General Meeting and will be available to answer any questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

2 Resolutions

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

Resolution 1 – To adopt the Remuneration Report for the year ended 31 December 2011	“That the Remuneration Report for the year ended 31 December 2011 be adopted.” <i>Note: The vote on this resolution is advisory only and does not bind the Directors or the Company.</i>
Resolution 2 – Re-election of Phillip John Wing	“That, for the purpose of clause 15.10 of the Constitution and for all other purposes, Phillip John Wing, a Director appointed 17 July 2009, retires and, being eligible, is re-elected as a Director.”
Resolution 3 – Re-election of William Stirling Etheridge	“That, for the purpose of clause 15.10 of the Constitution and for all other purposes, William Stirling Etheridge, a Director appointed 17 July 2009, retires and, being eligible, is re-elected as a Director.”
Resolution 4 – Approval of increase in annual aggregate Non-Executive Director remuneration to A\$600,000 per annum for services rendered as Directors	“That, for the purposes of clause 15.15 of the Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate amount of remuneration payable by the Company to Non-Executive Directors of the Company in any financial year for services rendered as Directors be increased by A\$200,000 per annum from A\$400,000 per annum to A\$600,000 per annum.”
Resolution 5 – Approval of grant of Options to a Director, Antonio Ortuzar Vicuña	“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to grant Antonio Ortuzar Vicuña (and/or his nominees): <ul style="list-style-type: none"> ▪ 1,000,000 Class A Options; and ▪ 1,000,000 Class B Options, on the terms and conditions set out in Annexure A of the Explanatory Memorandum accompanying this Notice.”
Resolution 6 – Approval of grant of Options to a Director, Timothy Read	“That, for the purposes of section 208 of the Corporations Act, Listing Rule 10.11 and for all other purposes, the Company be authorised to grant Timothy Read (and/or his nominees): <ul style="list-style-type: none"> ▪ 1,000,000 Class A Options; and ▪ 1,000,000 Class B Options, on the terms and conditions set out in Annexure A of the Explanatory Memorandum accompanying this Notice.”

VOTING EXCLUSION

The Company will disregard any votes cast on the resolutions as follows:

Resolution 1	The Company will disregard any votes on Resolution 1 cast by or on behalf of any person who is a member of KMP or a Closely Related Party of any member of KMP. Refer to the Explanatory Memorandum for further details.
Resolution 4	In accordance with the Listing Rules and the Corporations Act, the Company will disregard any votes cast on Resolution 4 by any Directors or any of their associates as well as any votes cast as a proxy by a member of KMP or a Closely Related Party of any member of KMP.
Resolution 5	The Company will disregard any votes cast on Resolution 5 by Antonio Ortuzar Vicuña or any person who may obtain a benefit from the issue of securities identified in Resolution 5 or any associate of Antonio Ortuzar Vicuña.
Resolution 6	The Company will disregard any votes cast on Resolution 6 by Timothy Read or any person who may obtain a benefit from the issue of securities identified in Resolution 6 or any associate of Timothy Read.

AGENDA continued

However, the Company need not disregard a vote 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.

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 (Sydney time) on Tuesday, 29 May 2012 (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 that Share.

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 Annual General 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.

If a Shareholder appoints a member of KMP or a Closely Related Party of any member of KMP as proxy, the KMP or Closely Related Party is not able to vote proxies on Resolutions 1 and 4 unless the Shareholder directs them how to vote by marking the boxes on the proxy form for Resolutions 1 and 4.

If a Shareholder appoints the Chairman of the Meeting as proxy, the Shareholder can direct the Chairman how to vote by either marking the relevant boxes on the proxy form (i.e. 'for', 'against' or 'abstain') OR by marking the Chairman's voting direction box on the proxy form (in which case this will be considered to be an express direction to the Chairman of the Meeting to vote in favour of the proposed Resolutions 1 and 4 even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of KMP and/or even if the Chairman of the Meeting has an interest in the outcome of these Resolutions).

If no direction is provided and the Chairman's voting box is not marked (or if the direction is to 'abstain') the Chairman of the Meeting will not be able to cast the Shareholder's votes on Resolutions 1 and 4, and those votes will not be counted in calculating the required majority on a poll.

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 item 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 (Sydney time) on Tuesday, 29 May 2012 to:

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

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 28 April 2012

By order of the Board



Philip Killen
Company Secretary

IMPORTANT NOTICE

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions to be considered at the Annual General Meeting, which are set out in the accompanying Notice of Meeting dated 28 April 2012 (**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.

All Resolutions are ordinary resolutions and are not dependent on any other Resolution.

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

This Explanatory Memorandum is dated 28 April 2012.

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

FORWARD LOOKING STATEMENTS

Certain statements in this Explanatory Memorandum relate to the future.

These statements reflect views held as at the date of this Explanatory Memorandum.

While Metminco believes that the expectations reflected in the forward looking statements are reasonable, neither Metminco nor any other person gives any representation, assurance, or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

Resolution 1 – Adoption of Remuneration Report

The Remuneration Report for the year ended 31 December 2011 is set out in the Report to Shareholders and is available on the Company's website www.metminco.com.au.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company; and,
- sets out the remuneration arrangements in place for Directors, the Managing Director and other members of KMP.

Section 250R(2) of the Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. The outcome of the Resolution is advisory only and does not bind the Directors or the Company. The Directors will however take the outcome of the vote into consideration when reviewing remuneration practices and policies.

At the Meeting, the Chairman must allow a reasonable opportunity for the Shareholders at the Meeting, as a whole, to ask questions about or make comments on the management of the Company or the Remuneration Report.

Under recent amendments to the Corporations Act:

- the Company is required to disregard any votes cast on this item of business by any member of the KMP and their Closely Related Parties, except as directed by any proxies; and
- a 'two-strike' process in relation to the advisory and non-binding vote on the remuneration report has been introduced. Under the two-strike process if, at two consecutive AGMs, at least 25% of votes cast on a resolution that the remuneration report be adopted are against adoption of the report, at the second of these AGMs, there must be put to the vote a resolution that another meeting be held within 90 days at which all Directors (except the Managing Director) who were Directors when the 25% 'no' vote was passed must stand for re-election.

It is very important that the Shareholders appointing the Chairman as their proxy clearly indicate on the attached proxy form the way the Chairman must vote their proxy on Resolution 1. Otherwise, if the Chairman is appointed as a proxy for a person who is permitted to vote on this Resolution 1, the Chairman will vote any proxies which do not indicate on their proxy form the way the Chairman must vote, in favour of Resolution 1. Please see the proxy form attached to the Notice for further information.

Recommendation: *Noting that each Director has a personal interest in their own remuneration, the subject of this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.*

EXPLANATORY MEMORANDUM continued

Resolution 2 – Re-election of Phillip John Wing

Pursuant to the rotation provisions of clause 15.10(a) of the Constitution and Listing Rules 14.4 and 14.5, Phillip John Wing, who was appointed to the Board on 17 July 2009, retires and being eligible has offered himself for re-election as a Director.

Clause 15.10(a) of the Constitution provides that one third of the Directors shall retire from office at each annual general meeting and will be eligible for re-election.

Listing Rule 14.4 restricts a director from holding office past the third annual general meeting following appointment without re-election. Furthermore, Listing Rule 14.5 provides that any entity which has directors must hold an election of directors each year.

Dr Wing's experience and qualifications are set out in the Report to Shareholders.

Recommendation: *The Directors (other than Phillip John Wing) recommend that Shareholders vote in favour of Resolution 2.*

Resolution 3 – Re-election of William Stirling Etheridge

Pursuant to the rotation provisions of clause 15.10(a) of the Constitution and Listing Rules 14.4 and 14.5, William Stirling Etheridge, who was appointed to the Board on 17 July 2009, retires and being eligible has offered himself for re-election as a Director.

Clause 15.10(a) of the Constitution provides that one third of the Directors shall retire from office at each annual general meeting and will be eligible for re-election.

Listing Rule 14.4 restricts a director from holding office past the third annual general meeting following appointment without re-election. Furthermore, Listing Rule 14.5 provides that any entity which has directors must hold an election of directors each year.

Mr Etheridge's experience and qualifications are set out in the Report to Shareholders.

Recommendation: *The Directors (other than William Stirling Etheridge) recommend that Shareholders vote in favour of Resolution 3.*

Resolution 4 – Non-Executive Directors' Fees

The maximum aggregate amount of fees presently available to be paid to Non-Executive Directors is A\$400,000 as approved by Shareholders in March 2009. The total fees paid by the Company to Non-Executive Directors for services rendered as Directors for the year ended 31 December 2011 was A\$400,000, which included A\$75,000 paid as a retirement benefit to Mr John Fillmore.

Pursuant to Clause 15.15 of the Constitution and Listing Rule 10.17, the Company seeks approval from the Shareholders to increase the maximum aggregate amount of fees payable to Non-Executive Directors to A\$600,000 per annum (representing an aggregate increase of A\$200,000 per annum). For the purposes of Listing Rule 10.17, the total aggregate remuneration payable is now deemed to include superannuation contributions and any fees which a Non-Executive Director agrees to sacrifice on a pre-tax basis.

In accordance with the Constitution, the aggregate maximum amount may be distributed among Non-Executive Directors in a quantity and manner determined by the Board. Phillip John Wing and William Stirling Etheridge became Non-Executive Directors of the Company on 1 July 2011 resulting in five out of six Directors of the Company now being Non-Executive Directors with the total fees payable on an annual basis being A\$400,000, equivalent to the maximum aggregate amount of fees presently available to be paid to Non-Executive Directors.

The Board considers that it is in the best interests of the Company, as well as being reasonable and appropriate at this time, to seek an increase in the remuneration pool for Non-Executive Directors for the following reasons:

- to allow for the payment of appropriate fees in consideration of the increasing time required of and responsibilities imposed upon the Non-Executive Directors of the Company across the regulatory environments (Australia, United Kingdom, Chile and Peru) in which the Company operates, and to allow for any future adjustments to the same in line with market conditions;
- to continue to attract and retain Non-Executive Directors of the highest calibre to oversee the strategic, development, financing and operational challenges of the Company as it advances its projects towards production;
- to allow for potential future changes to the Board and allow for transition periods, as part of the Board renewal and succession planning process. The maximum aggregate fees payable to Non-Executive Directors has not been reviewed by Shareholders since March 2009 at which time the Company's market capitalisation was significantly less than it is now and the Company held a portfolio of Australian projects which have since been divested; and
- to ensure that the Company's interests are best served in the next period of its growth and development.

Recommendation: *Noting that each Non-Executive Director has an interest in this Resolution, the Board does not consider it appropriate to make a recommendation to Shareholders in relation to voting on this Resolution.*

Resolutions 5 and 6 – Approval of grant of Options to Directors, Antonio Ortuzar Vicuña and Timothy Read

The Board has resolved, subject to Shareholder approval, to issue to Antonio Ortuzar Vicuna and Timothy Read, both Directors of the Company, the following Options on the terms set out in Annexure A:

NAME OF DIRECTOR	NUMBER OF OPTIONS		EXPIRY DATE ¹	
	CLASS A OPTIONS	CLASS B OPTIONS	CLASS A OPTIONS	CLASS B OPTIONS
Antonio Ortuzar Vicuña	1,000,000	1,000,000	3 years from the date of issue	3 years from the date of issue
Timothy Read	1,000,000	1,000,000	3 years from the date of issue	3 years from the date of issue

Note:

1 Options are exercisable from the issue date and may lapse earlier than 3 years from date of issue subject to the rules of the ESOP Plan.

The Options will be issued on the same terms and conditions as the ESOP Plan approved by Shareholders on 24 November 2010.

The Exercise Price of Class A Options will be 125% of the weighted average price on the 30 trading days immediately preceding date of issue. Subject to Shareholder approval of Resolution 5 and/or 6 the date of issue will be no earlier than 31 May 2012 and no later than 30 June 2012.

The Exercise Price of Class B Options will be 125% of the weighted average price on the 30 trading days immediately preceding date of issue. Subject to Shareholder approval of Resolution 5 and/or 6 the date of issue will be no earlier than 31 May 2012 and no later than 30 June 2012.

Each Option entitles the holder to subscribe for one Share on payment of the Exercise Price.

Resolutions 5 and 6 respectively seek Shareholder approval for the issue of the Options to Antonio Ortuzar Vicuna and Timothy Read.

Background

The grant of Options to Antonio Ortuzar Vicuña and Timothy Read under Resolutions 5 and 6, is in recognition of their respective contributions to Metminco to date and is designed to encourage the Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. The combination of higher exercise price and long dated Options were designed to incentivise the Directors to perform for the longer term.

Given the Company's current circumstances, the Board considers that the incentive and reward manifest in the issue of the Options is more cost effective and efficient than alternative forms of incentive, such as the payment of cash compensation. The number and terms of the Options proposed to be issued to Messrs Ortuzar and Read are considered by the Board to be appropriate and reasonable remuneration for Messrs Ortuzar and Read in light of their skill, experience, reputation and responsibilities and in light of the circumstances of the Company.

Shareholder approval is sought for the issue of Options pursuant to both Listing Rule 10.11 and section 208 of the Corporations Act.

Listing Rule 10.11

Listing Rule 10.11 requires the Company to obtain Shareholder approval for the issue of Options to a related party of the Company. Each of Messrs Ortuzar and Read are related parties of the Company by virtue of being Directors of the Company. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 10.11.

Listing Rule 7.2 exception 14 indicates that approval pursuant to Listing Rule 7.1 is not required in order to issue the Options to Messrs Ortuzar and Read on the basis that approval is being sought under Listing Rule 10.11. It is important to note that the issue of the Options will not be included in the 15% calculation for the purposes of Listing Rule 7.1.

For the purposes of Listing Rule 10.13, the following information is provided in respect of Resolutions 5 and 6.

- (a) **Names:** the Options will be granted to Antonio Ortuzar Vicuña and Timothy Read and/or their nominees.
- (b) **Maximum number of Options to be issued:**
 - (i) 1,000,000 Class A Options and 1,000,000 Class B Options to Antonio Ortuzar Vicuña pursuant to Resolution 5; and
 - (ii) 1,000,000 Class A Options and 1,000,000 Class B Options to Timothy Read pursuant to Resolution 6.
- (c) **Date of issue:** the Options will be allotted no earlier than 31 May 2012 and no later than 30 June 2012 being 1 month after the date of the Meeting.
- (d) **Issue price:** the Options will be granted for no consideration.
- (e) **Terms of the securities:** the Options will have the terms set out in Annexure A of the Notice.
- (f) **Intended use of funds:** no funds will be raised by the grant of the Options.

EXPLANATORY MEMORANDUM continued

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained in respect of the financial benefit.

The giving of a financial benefit includes the issue of securities to a related party. As noted above, Messrs Antonio Ortuzar Vicuna and Timothy Read are related parties of the Company by virtue of being Directors of the Company. Consequently, the issue of the Options, being securities of the Company, constitutes the giving of a financial benefit to a related party for the purposes of section 208 of the Corporations Act.

Section 219 of the Corporations Act sets out a number of matters which must be included in an explanatory memorandum seeking shareholder approval for the giving of a financial benefit to a related party. For the purposes of section 219 of the Corporations Act, the following information is provided in respect of Resolutions 5 and 6:

- (a) **Related parties:** The related parties to whom the proposed Resolution would permit the financial benefit to be given are Antonio Ortuzar Vicuna and Timothy Read, who are Directors of the Company.

- (b) **Nature of the financial benefit:**

NAME OF DIRECTOR	NUMBER OF OPTIONS			EXPIRY DATE ¹	
	CLASS A OPTIONS	CLASS B OPTIONS	TOTAL	CLASS A OPTIONS	CLASS B OPTIONS
Antonio Ortuzar Vicuña	1,000,000	1,000,000	2,000,000	3 years from the date of issue	3 years from the date of issue
Timothy Read	1,000,000	1,000,000	2,000,000	3 years from the date of issue	3 years from the date of issue

Note:

¹ Options are exercisable from the issue date and may lapse earlier than 3 years from date of issue subject to the rules of the ESOP Plan.

The Options will be issued on the terms set out in Annexure A.

- (c) **Recommendation of Directors:** All Directors other than:
 - (i) Antonio Ortuzar Vicuna in respect of Resolution 5; and
 - (ii) Timothy Read in respect of Resolution 6,recommend that Shareholders approve the grant of the Options under Resolutions 5 and 6 as they consider the grant of the Options is a cost effective means of rewarding Antonio Ortuzar Vicuna and Timothy Read for their contributions to Metminco to date and as an incentive to advance the Company's interests in accordance with the directions given from time to time by the Company.

Each of Messrs Ortuzar (in respect of Resolution 5) and Read (in respect of Resolution 6) declined to make a recommendation to Shareholders on the basis that they have a material personal interest in the relevant Resolutions.

Shareholders should note that for the reasons noted above and below, it is proposed to grant the Options to Antonio Ortuzar Vicuna and Timothy Read as Non-Executive Directors, notwithstanding Guideline 8.3 of the ASX Corporate Governance Council Principles and Recommendations with 2010 Amendments, which Guideline provides that non-executive directors should not receive options.

- (d) **Further information:** The indicative impact on the Company of granting of the Options in accordance with Resolution 5 and 6 based on certain assumptions including an issue date of 12 April 2012 (NB subject to shareholder approval, the actual issue date will be between 31 May 2012 and 30 June 2012) is set out below.
 - (i) The Binomial Method option pricing model (the Binomial Method) has been applied in providing valuation information in relation to the Options to be issued to Antonio Ortuzar Vicuna and Timothy Read.
The Binomial Method is based on a number of assumptions, including an assumption that the Options being valued are American call options, in that they can be exercised on or before there is a liquid market for the Options. Because the Binomial Method assumes a liquid market, the amount calculated by the Binomial Method represents a maximum theoretical value. In assessing the indicative fair value of the Options, no discount factors have been applied to take into account that the Options are unlisted and may lapse prior to expiry.
The following values have been calculated for the Options using the Binomial Method based on the following assumptions and variables:

Assumptions:

- the Options are American call options (i.e. they can be exercised at any time during the period);
- there are no transaction costs, Options and Shares are infinitely divisible, and information is available to all without cost;
- the Options are unlisted and not transferrable;
- the risk free interest rate is known and constant throughout the duration of the Option contract;
- the duration of the Option is 3 years;
- the underlying Shares do not currently pay a dividend; and
- Share prices behave in a manner consistent with a random walk in continuous time.

Variables

- Share price of A\$0.016 (based on the Company's Weighted Average Price as at 11 April 2012);
- three year government bond risk free interest rate as at 11 April 2012 of 3.25% published by the Reserve Bank of Australia;
- the duration of the Option is 3 years as based on the expiry date (NB in certain circumstances the option may lapse earlier); and
- exercise price of A\$0.200 (125% of Weighted Average Price) for Tranche 1 Class A Options and A\$0.240 (150% of Weighted Average Price) for Tranche 2 Class B Options.

Volatility factor of each Option

The Company believes that a volatility factor of 70% based on the Company's historical volatility and the nature of the Options is the most appropriate indicator of future price volatility.

Any change in the variables applied in the Binomial Method between the date of the valuation and the date the Options are granted would have an impact on their value.

Applying the volatility factor of 70%, the indicative value of the Options proposed to be issued to each of the Directors are as follows:

OPTIONS TO BE ISSUED	TRANCHE 1 – A\$0.068027 PER CLASS A OPTION		TRANCHE 2 – A\$0.061792 PER CLASS B OPTION		TOTAL VALUE OF OPTIONS TO BE ISSUED A\$
	NUMBER	VALUE A\$	NUMBER	VALUE A\$	
Antonio Ortuzar Vicuña	1,000,000	68,027	1,000,000	61,792	129,819
Timothy Read	1,000,000	68,027	1,000,000	61,792	129,819

- (ii) As at the date of this Notice, the total issued capital of the Company comprised 1,749,541,573 Shares and 69,217,517 Options.
At the date of this Notice, if all of the 4,000,000 Options the subject of Resolutions 5 and 6 are exercised, the effect would be to dilute the shareholdings of existing Shareholders. Assuming all of the 4,000,000 Options are exercised and the existing Options remain unexercised, the total dilution caused by the exercise of the 4,000,000 Options would be approximately 0.2% as at the date of this Notice.
- (iii) As at the date of this Notice, Antonio Ortuzar Vicuña has an indirect interest in 6,400,000 Shares, 1,500,000 unlisted Options exercisable at A\$0.44 per Share on or before 6 December 2013 and 1,500,000 unlisted Options exercisable at A\$0.525 per Share on or before 6 December 2013. These securities are held by A J Holdings Corporation.
- (iv) As at the date of this Notice, Timothy Read has an indirect interest in 650,000 Shares, 3,000,000 unlisted Options exercisable at A\$0.44 per Share on or before 6 December 2013 and 3,000,000 unlisted Options exercisable at A\$0.525 per Share on or before 6 December 2013. These securities are held by Catrallex Consulting Limited.
- (v) The market price of the Shares during the term of Options will normally determine whether or not the Option holder exercises the Option. At the time any Options are exercised and Shares issued pursuant to the exercise of the Options, Shares may be trading on the ASX at a price which is higher than the exercise price of the Options. The following table gives details of the highest, lowest and latest price of the Company's Shares trading on the ASX over the past 12 months ending on 11 April 2012:

HIGHEST PRICE	DATE OF HIGHEST PRICE	LOWEST PRICE	DATE OF LOWEST PRICE	LATEST PRICE ON 11 APRIL 2012
A\$0.47	2/05/2011	A\$0.12	13/1/2012	A\$0.14

- (vi) Neither the Class A Options nor the Class B Options will be quoted on the ASX and as such have no actual market value.
- (vii) Antonio Ortuzar Vicuña received A\$22,917 for professional services during the year ended 31 December 2011 and A\$75,000 paid by the Company for acting as the Non-Executive Chairman.
- (viii) Timothy Read received A\$48,103 for professional services during the year ended 31 December 2011 and A\$75,000 paid by the Company for acting as a Non-Executive Director.

EXPLANATORY MEMORANDUM continued

- (ix) The cash remuneration and the total financial benefits to be received by Antonio Ortuzar Vicuña and Timothy Read in this current period as the result of the grant of Options the subject of Resolutions 5 and 6 are set out below:

DIRECTOR	CASH REMUNERATION	VALUE OF OPTIONS*	TOTAL FINANCIAL BENEFIT
Antonio Ortuzar Vicuña	100,000	129,819	229,819
Timothy Read	75,000	129,819	204,819

*Based on the preferred value of Options calculated in paragraph (d)(i) above.

- (x) The Directors do not consider that, from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in granting the Options the subject of Resolutions 5 and 6.
- (xi) The Company's adoption of Australian equivalents to International Financial Reporting Standards for reporting periods commencing from 1 July 2005 means that, under AASB 2 Share-based Payment, equity-based compensation will be recognised as an expense in respect of the services received.
- (xii) Neither the Directors nor the Company are aware of any other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by Resolutions 5 and 6.

Recommendation: *The Directors, excluding Antonio Ortuzar Vicuña in respect of Resolution 5 and Timothy Read in respect of Resolution 6, unanimously recommend that eligible Shareholders vote in favour of Resolutions 5 and 6 as each Director eligible to vote intends to do with regard to their own shareholdings in the Company.*

GLOSSARY

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

A\$	means a dollar in the currency of the Commonwealth of Australia unless otherwise specified.
Annual General Meeting or Meeting	means the annual general meeting of Shareholders convened for the purposes of considering the Resolutions to be held at 54 McLaren Street, North Sydney NSW, 2060 on Thursday 31 May 2012 at 10.00am.
Auditor's Report	means the Auditor's Report forming part of the Report to Shareholders.
ASX	means Australian Stock Exchange Limited (ACN 008 624 691).
Board	means the board of Directors of the Company.
Class A Option	means an Option exercisable on or before 3 years after date of issue at an exercise price of 125% of the weighted average price over the 30 trading days immediately preceding day of issue in accordance with the ESOP Plan.
Class B Option	means an Option exercisable on or before 3 years after date of issue at an exercise price of 150% of the weighted average price over the 30 trading days immediately preceding day of issue in accordance with the ESOP Plan.
Closely Related Party	of a member of KMP means: <ul style="list-style-type: none"> (a) a spouse or child of the member of KMP; (b) a child of the member of KMP's spouse; (c) a dependent of the member of KMP or of the member of KMP's spouse; (d) anyone else who is one of the member of KMP's family and who may be expected to influence the member of KMP, or be influenced by the member of KMP, in the member of KMP's dealings with the Company; (e) a company that the member of KMP controls; or (f) a person prescribed by the Corporations Regulations 2001 (Cth) to be a closely related party.
Company	means Metminco Limited (ACN 119 759 349).
Constitution	means the constitution of the Company.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Directors' Report	means the Directors' Report forming part of the Report to Shareholders.
ESOP Plan	means Metminco's employee share option plan approved by shareholders at the Company's 2010 Annual General Meeting on 24 November 2011. A copy of the ESOP Plan rules is contained in Annexure A.
Explanatory Memorandum	means the Explanatory Memorandum accompanying the Notice of Meeting.
Financial Report	means the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information of the consolidated entity comprising the Company and the entities it controlled forming part of the Report to Shareholders.
KMP	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company, and as disclosed as such in the Remuneration Report.
Listing Rules	means the listing rules of ASX.
Metminco	means Metminco Limited (ACN 119 759 349).
Non-Executive Director	means a non-executive Director of the Company.
Notice of Meeting or Notice	means the notice of meeting which accompanies the Explanatory Memorandum.
Option	means an option to acquire a Share.
Remuneration Report	means the Remuneration Report forming part of the Report to Shareholders.
Report to Shareholders	means Report of the Company for the year ended 31 December 2011.
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	means a holder of fully paid ordinary shares in the capital of the Company.
Sydney time	means date and time in Sydney Australia.

Annexure A – Rules of the Metminco Employee Share Option Plan (for the purpose of Resolutions 5 and 6)

METMINCO LIMITED ACN 119 759 349 **RULES** **of** **EMPLOYEE SHARE OPTION PLAN (PLAN)**

1 PURPOSE OF PLAN

The purpose of this Plan is to:

- (a) recognise the ongoing ability of directors and employees of the Company to contribute in the long term to the performance and success of the Company; and,
- (b) provide an incentive to the employees of the Company to remain in their employment in the long term; and,
- (c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and
- (d) provide employees of the Company with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with these Rules.

2 OPERATION OF THE PLAN

The Plan operates according to these Rules which bind the Company and each Participant.

3 ESTABLISHMENT AND TERMINATION OF THE PLAN

- 3.1 The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.
- 3.2 The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.
- 3.3 The Board may not issue any further Options after the Plan has been terminated. However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.
- 3.4 The Plan may be amended at any time by ordinary resolution of the Company.

4 ELIGIBILITY

- 4.1 Subject to Rule 4, the Board may determine that any Eligible Person is entitled to participate in the Plan and make an Offer of Options to any Eligible Person. An Offer of Options is made on the date that the Board resolves to make the offer.
- 4.2 The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

5 OFFER OF OPTIONS

- 5.1 An Offer of Options to an Eligible Person will consist of two equal tranches, each comprising 50% of the total number of Options offered at the relevant time.
- 5.2 Subject to Rule 6, the Options will vest on the Issue Date and the Offer of Options under Rule 5.1 must be made by the Board in writing and must specify the following for each tranche of Options:
 - (a) the date of the Offer;
 - (b) the total number of Options to acquire Shares (and the number of Shares to which the Options relate) for which the Eligible Person may apply;
 - (c) the Option Period;
 - (d) the Exercise Price of the Options;
 - (e) any Exercise Conditions;
 - (f) any other matters required to be specified in the Offer by either the Act or the Listing Rules.
- 5.3 The Exercise Price of an Option granted shall be determined by the Board, but
 - (a) the Exercise Price of the first tranche of Options must not be less than 125% of the Weighted Average Price immediately preceding the day the Offer is made, as adjusted under Rule 11; and
 - (b) the Exercise Price of the second tranche of Options must not be less than 150% of the Weighted Average Price immediately preceding the day the Offer is made, as adjusted under Rule 11.
- 5.4 The number of Shares to be received on exercise of the Options the subject of an Offer under the Plan when aggregated with:
 - (a) the number of Shares which would be issued were each outstanding Offer or Option, being an Offer made or Option acquired pursuant to the Plan or any other employee share scheme extended only to employees or Directors of the Company, exercised; and
 - (b) the number of Shares issued during the previous 5 years pursuant to the Plan or any other employee share scheme extended only to employees or Directors of the Company, but disregarding any Offer made, or Option acquired or Share issued by way of or as a result of:
 - (c) an Offer under the Plan to a person situated at the time of receipt of the Offer outside Australia; or
 - (d) an Offer under the Plan that did not need disclosure to investors because of section 708 of the Act; or
 - (e) an Offer made under a disclosure document,must not exceed 5% of the total number of issued Shares as at the time of the Offer under the Plan.

- 5.5 No Offer will be made to the extent that any such an Offer would contravene the Company's Constitution, the Listing Rules, the Act or any other applicable law.

6 ACCEPTANCE

- 6.1 Upon receipt of an Offer of Options, an Eligible Person may, within the period specified in the Offer:
- (a) accept the whole or any lesser number of Options offered by giving to the Company an Application Form; or
 - (b) nominate a nominee in whose favour the Eligible Person wishes to renounce the Offer by notice in writing to the Board. The Board may, in its absolute discretion, resolve not to allow such renunciation of an Offer in favour of a nominee without giving any reason for such decision.
- 6.2 Upon:
- (a) receipt of the Application Form referred to in paragraph 6.1(a); or
 - (b) the Board resolving to allow a renunciation of an Offer in favour of a nominee ("Permitted Nominee") and the Permitted Nominee accepting the whole or any lesser number of Options offered by giving the Company an Application Form, then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be granted Options subject to these Rules.
- 6.3 then the Eligible Person or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be granted Options subject to these Rules.
- 6.4 On the issue of Options following receipt by the Company of an Application Form, an Eligible Person or the Permitted Nominee, as the case may be, becomes a Participant.
- 6.5 If an Offer is accepted in part then the Eligible Person or the Permitted Nominee, as the case may not subsequently accept the Offer in respect of the remaining Options and, to the extent that Options are not accepted they will lapse on the date following the Acceptance Date unless the Board determines otherwise.
- 6.6 The Company will after receiving an acceptance of an Offer, issue within 10 Business Days to the Participant an option certificate setting out the terms of the Options and any other information required by the Act or Listing Rules including:
- (a) the number of Options issued to the Participant;
 - (b) the Exercise Price of those Options; and
 - (c) the Issue Date of those Options; and,
 - (d) the Option Period.

7 GENERAL TERMS OF OPTIONS

- 7.1 The Company will not apply for Official Quotation of any Options.
- 7.2 If shares of the same class as those allotted pursuant to the exercise of Options granted under the Plan are listed on the ASX and AIM, the Company must apply for Official Quotation of those Shares allotted pursuant to the exercise of Options within the time required by the Listing Rules after the date of allotment.
- 7.3 Subject to clause 7.4 Options are not transferable.
- 7.4 Options may be transferred, by an instrument of transfer, in the following circumstances only:
- (a) If at any time prior to the Expiry Date of any Options a Holder dies, the deceased Holder's Legal Personal Representative may:
 - (i) elect to be registered as the new Holder of the deceased Holder's Options;
 - (ii) whether or not he or she becomes so registered, exercise those Options in accordance with and subject to these Rules as if he were the Holder of them; and
 - (iii) if the deceased Holder had already given the Company a notice of exercise of his or her Options, pay the Exercise Price in respect of those Options.
 - (b) a transfer constituting the necessary transfer documents following an acceptance of an Offer made under an off-market bid relating to Options;
 - (c) a transfer to a bidder on the sale of the Options under Division 3 of Part 6A.1 of the Act;
 - (d) a transfer to a 100% holder on the sale of the Options under Division 2 of Part 6A.2 of the Act;
 - (e) a transfer under Part 6A.3 of the Act to a person entitled to acquire the Options under section 661A or 664A of the Act; or
 - (f) a transfer approved by the Board in those circumstances as may be determined by the Board.

8 EXERCISE OF OPTIONS

- 8.1 Subject to these Rules and the terms of the Options, Options may be exercised at any time during the period commencing on the Issue Date and ending on the Expiry Date.
- 8.2 Notwithstanding paragraph 8.1, all Options may be exercised:
- (a) during a Bid Period; or
 - (b) at any time after a Change of Control Event has occurred; or
 - (c) on an application under section 411 of the Act, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.
- 8.3 Options may only be exercised by the Participant giving notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and the Exercise Price for the Options specified in the notice and must be accompanied by:
- (a) the Certificate for those Options, for cancellation by the Company; and

EXPLANATORY MEMORANDUM continued

Annexure A – Rules of the Metminco Employee Share Option Plan continued

- (b) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the product of the number of Options then being exercised by the Participant and the Exercise Price. The notice is only effective (and only becomes effective) when the Company has received value for the full amount referred to in this paragraph (b).
- 8.4 Subject to paragraph 10.1, within 10 Business Days after the notice referred to in clause 8.3 becoming effective, the Board must:
 - (a) allot and issue the number of Shares to be issued in respect of the Options being exercised;
 - (b) cancel the Certificate for the Options being exercised; and
 - (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.
- 8.5 The Board may, at its discretion, by notice to the Participant reduce, waive or vary (provided such variation is not adverse to the Participant) the Exercise Conditions attaching to Options in whole or in part at any time and in any particular case.

9 SHARES ALLOTTED ON EXERCISE OF OPTIONS

All Shares allotted upon exercise of the Options rank pari passu in all respects with Shares previously issued and, in particular, entitle the holders of Shares to participate fully in:

- (a) dividends declared by the Company after the date of allotment; and
- (b) all issues of securities made or offered pro rata to holders of Shares.

10 LAPSE OF OPTIONS

- 10.1 Options not validly exercised on or before the Expiry Date will automatically lapse.
- 10.2 Unless otherwise determined by the Board, if any Options are granted subject to Exercise Conditions and, prior to satisfaction of the Exercise Conditions (such that the Options are not exercisable), an Eligible Person ceases to be an Eligible Person then:
 - (a) if the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, any such Options held by such Eligible Person, or if appropriate, his or her Permitted Nominee, will automatically lapse; and
 - (b) if the Eligible Person ceases to be an Eligible Person for a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
 - (i) 3 months of the date of (as the case may be) Retirement, Redundancy, death or Permanent Disablement; or
 - (ii) such longer period as the Board determines, subject to the Board, in its absolute discretion, reducing, waiving or varying the Exercise Conditions applying to those Options in accordance with clause 8.5 so that those Options may be exercised. Options the subject of clause 10.2(b) not exercised within 3 months or the longer period determined by the Board, will automatically lapse.
- 10.3 Unless otherwise determined by the Board, if an Eligible Person ceases to be an Eligible Person at any time after an Option is or has become exercisable, then:
 - (a) if the Eligible Person ceases to be an Eligible Person for any reason other than a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
 - (i) 1 month of ceasing to be an Eligible Person; or
 - (ii) such longer period as the Board determines, and any Options the subject of this clause not exercised within 1 month or the longer period determined by the Board, will automatically lapse; and
 - (b) if an Eligible Person ceases to be an Eligible Person for a Specified Reason, such Eligible Person, or if appropriate, his or her Permitted Nominee is entitled to exercise any such Option at any time prior to its Expiry Date.
- 10.4 A certificate signed by the company secretary of the Company stating that a person ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the reason for such occurrence and the date of such occurrence.

11 CHANGES IN CAPITAL OF THE COMPANY

11.1 New Issues

- (a) Participants are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:
 - (i) they have become entitled to exercise their Options under the Plan; and
 - (ii) they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.
- (b) The Company must give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

11.2 Bonus Issues

If there is a bonus share issue ("Bonus Issue") to the holders of Shares, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the Holder would have received if the Option had been exercised before the record date for the Bonus Issue ("Bonus Shares"). The Bonus Shares must be paid up by the Company out of the profits or reserves (as the case may be) in the same manner as was applied in the Bonus Issue and upon issue rank pari passu in all respects with the other shares of that class on issue at the date of issue of the Bonus Shares.

11.3 Pro Rata Issues

If there is a pro rata issue (other than a Bonus Issue) to the holders of Shares during the currency of, and prior to the exercise of any Options, the Exercise Price of an Option will be adjusted in the manner provided for in the Listing Rules.

11.4 Reorganisation of Capital

If, prior to the expiry of any Options, there is a reorganisation of the issued capital of the Company, then the rights of a Participant (including the number of Options to which each Participant is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

11.5 Winding Up

If, prior to the expiry of any Options, a resolution for a members' voluntary winding up of the Company is proposed (other than the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to Participants of the proposed resolution. Subject to the Exercise Conditions, the Participants may, during the period referred to in the notice, exercise their Options.

11.6 Fractions of Shares

For the purpose of this clause 11, if Options are exercised simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

11.7 Calculations and Adjustments

Any calculations or adjustments which are required to be made under this clause 11 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

11.8 Notice of Change

The Company must within a reasonable period give to each Participant notice of any change under clause 11 to the Exercise Price of any Options held by the Participant or to the number of Shares which the Participant is entitled to subscribe for on exercise of an Option.

12 AMENDMENTS TO THE RULES**12.1 Board May Alter Rules**

The Board may subject to the Listing Rules alter, delete or add to these Rules at any time (save for the provisions of clause 5).

12.2 Consent of Participants

If any amendment to be made under clause 12.1 would adversely affect the rights of Participants in respect of any Options then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options held by all those Participants before making the amendment.

12.3 Eligible Persons Outside Australia

The Board may make any additions, variations or modifications to the Rules, in relation to the implementation of the Plan and the specific application of the Rules to Eligible Persons residing outside Australia.

13 POWERS OF THE BOARD

The Plan shall be administered by the Board who shall have the power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;
- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules;
- (f) administer the Plan in accordance with these Rules as and to the extent provided in these Rules; and
- (g) make regulations for the operation of the Plan consistent with these Rules.

14 NOTICES

Notices may be given by the Company to any Holder either personally or by sending by post to his or her address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by him to the Company for the giving of notices. Notices for any overseas Holders shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served on the day after posting. The signature of any notice may be given by any Director or secretary of the Company. A notice of exercise given under clause 8.3 shall not be deemed to be served on the Company until actually received.

15 NO COMPENSATION OR DAMAGES

- 15.1 The rights and obligations of any Holder under the terms of his or her employment with the Company are not affected by his or her participation in the Plan.
- 15.2 These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Holder and the Company.
- 15.3 No Holder has any rights to compensation or damages as a result of the termination of his or her employment, so far as those rights arise or may arise from the Holder ceasing to have rights under the Plan as a result of the termination.
- 15.4 Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

16 GOVERNING LAW

- 16.1 The Plan and any Options issued under it are governed by the laws of New South Wales and the Commonwealth of Australia.
- 16.2 Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of New South Wales, the Commonwealth of Australia and courts entitled to hear appeals from those courts.

EXPLANATORY MEMORANDUM continued

Annexure A – Rules of the Metminco Employee Share Option Plan continued

17 ADVICE

Eligible Persons should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to participation in the Plan.

18 DEFINITIONS AND INTERPRETATION

In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“**Act**” means the Corporations Act 2001.

“**Application Form**” means a duly completed and executed application for the issue of Options made by an Eligible Person or Permitted Nominee in respect of an Offer, in the form approved by the Board from time to time;

“**ASX**” means Australian Stock Exchange Ltd;

“**Bid Period**”, in relation to a takeover bid in respect of shares in the Company, means the period referred to in the definition of that expression in section 9 of the Act provided that where a takeover bid is publicly announced prior to the service of a bidder’s statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement;

“**Board**” means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

“**Business Day**” means a day on which banks are open for business in Sydney excluding a Saturday, Sunday or public holiday;

“**Certificate**” means the certificate issued in accordance with clause 6.6 by the Company to a Holder in respect of an Option;

“**Change of Control Event**” means, in relation to an entity, an event the occurrence of which has the effect that:

- if a person controlled the entity prior to the time the event occurred, the person ceased to control the entity or another person obtained control of the entity;
- if no person controlled the entity prior to the time the event occurred, a person obtained control of the entity; or
- if the entity is owned or controlled by a group or consortium of persons, or if the group or consortium could control the entity were they to act collectively, there is any material change in the composition of the group or consortium.

For the purposes of this definition, control and controlled have the meaning given in section 50AA of the Act”.

“**Company**” means Metminco Limited ABN 43 119 759 349;

“**Director**” means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director;

“**Eligible Person**” means at any time a person who then is a Director or an employee (whether full-time or part-time) of the Company or of an associated body corporate of the Company;

“**Exercise Condition**” means the conditions (if any) determined by the Board and specified in an Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option can be exercised;

“**Exercise Price**” means, in respect of an Option, the subscription price per Share, determined in accordance with Rule 5.3, payable by a Holder on exercise of the Option;

“**Expiry Date**” means, in relation to an Option, the date determined by the Board prior to the Offer of the relevant Options, subject to any restriction in the Act from time to time but in any event no longer than 5 years from the Issue Date;

“**Holder**” means, in relation to an Option, the person (whether an Eligible Person or a Permitted Nominee) entered in the Company’s register of options as the holder of that Option;

“**Issue Date**” means, in relation to an Option, the date on which the Company grants that Option;

“**Legal Personal Representative**” means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

“**Listing Rules**” means the Official Listing Rules of ASX as they apply to the Company from time to time;

“**Market Value**” means of Shares on a particular day means the last sale price of Shares on ASX on that day;

“**Minimum First Tranche Exercise Price**” means 125% of the Weighted Average Price.

“**Minimum Second Tranche Exercise Price**” means 150% of the Weighted Average Price.

“**Offer**” means an invitation to an Eligible Person made by the Company under clause 5.1 to apply for an issue of Options;

“**Official Quotation**” has the meaning ascribed to it in the Listing Rules;

“**Option**” means an option issued under the Plan to subscribe for a Share;

“**Option Period**” means the period 5 years from the Issue Date.

“**Participant**” means a person who holds Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

“**Permanent Disablement**” means in relation to a Participant who is an Employee or Director who has been absent from work through illness or injury for six consecutive months or for such shorter period as the Board considers appropriate, means that Participant has, in the opinion of the Board, after considering such medical or other evidence as it sees fit, become incapacitated to such an extent as to render the person unlikely within a reasonable future period to engage in any occupation for which he or she is reasonably qualified by education, training or experience

“**Permitted Nominee**” has the meaning given to it by clause 6.2 (b);

“**Plan**” means the Metminco Limited Employee Share Option Plan established in accordance with these Rules;

“**Redundancy**” means, in relation to an Eligible Person, a determination by the Board that the Company’s need to employ a person for the particular kind of work carried out by that Eligible Person has ceased (but, for the avoidance of any doubt, does not include the dismissal of an Eligible Person for personal or disciplinary reasons or where the Eligible Person leaves the employ of the Company of his or her own accord);

“**Retirement**” means, in relation to an Eligible Person, retirement by that Eligible Person from the Company at age 60 or over or such earlier age as considered appropriate by the Board;

“**Rules**” means these rules, as amended from time to time;

“**Shares**” means fully paid ordinary shares in the capital of the Company;

“**Specified Reason**” means Retirement, Permanent Disablement, Redundancy or death;

“**Tax**” means any tax, levy, impost, GST, deduction, charge, rate, contribution, duty or withholding which is assessed (or deemed to be assessed), levied, imposed or made by any government or any governmental, semi-governmental or judicial entity or authority together with any interest, penalty, fine, charge, fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or in respect of any or all of the foregoing; and

“**Weighted Average Price**” means the weighted average sale price of Shares on the ASX over the 30 trading days immediately preceding the day the Offer is made.



SHAREHOLDER VOTING FORM

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

STEP 1
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 (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at **10:00am on Thursday, 31 May 2012, at Rydges Hotel, 54 McLaren Street, North Sydney** and at any adjournment or postponement of the meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all items of business.

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 ☒
STEP 2
VOTING DIRECTIONS
Resolution 1

To adopt the Remuneration Report for the year ended 31 December 2011

For
☐
Against
☐
Abstain*
☐
Resolution 4

To approve increase in aggregate Non-Executive Director fees from A\$400,000 to A\$600,000

For
☐
Against
☐
Abstain*
☐
Resolution 2

Re-election of Phillip John Wing as a Director

For
☐
Against
☐
Abstain*
☐
Resolution 5

To approve the grant of 2,000,000 Options to a Director, Antonio Ortuzar

For
☐
Against
☐
Abstain*
☐
Resolution 3

Re-election of William Stirling Etheridge as a Director

For
☐
Against
☐
Abstain*
☐
Resolution 6

To approve the grant of 2,000,000 Options to a Director, Timothy Read

For
☐
Against
☐
Abstain*
☐

i * 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 3
IMPORTANT - VOTING EXCLUSIONS
☐

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of Resolutions 1 and 4 above, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even though he/she has an interest in the outcome of those Resolutions and that votes cast by him/her for those Resolutions, other than as proxyholder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 1 and 4 and your votes will not be counted in calculating the required majority if a poll is called on these Resolutions. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 and 4.

STEP 4
SIGNATURE OF SHAREHOLDERS - THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

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).



HOW TO COMPLETE THIS 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 a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the company. A proxy may be an individual or a body corporate.

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 those items 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.
- 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.

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 Tuesday, 29 May 2012**, 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 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, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000.



Comments and Questions:

If you have any comments or questions for the company or the Auditor of the Company, please write them on a separate sheet of paper and return with this form.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**