

# METMINCO

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6 December 2011

## ASX ANNOUNCEMENT

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### RIGHTS ISSUE

The Directors of Metminco Limited ("Metminco" or "Company") (ASX: MNC) are pleased to announce a non-renounceable pro rata rights issue of up to approximately 68,584,428 new shares, on the basis of one (1) new share for every twenty (20) fully paid ordinary shares (Share) held by eligible shareholders, at an offer price of 14 cents per new share, with a maximum raising of approximately \$9.6 million ("Rights Issue").

Australian and New Zealand shareholders registered on the share register of Metminco on 14 December 2011 ("Record Date") will be entitled to participate in the Rights Issue. The maximum number of new shares to be issued under the Rights Issue is subject to change as some holders with a registered address outside Australia and New Zealand may change their registered address prior to Record Date.

Holders of options in the Company, with an address in Australia or New Zealand, must exercise their options prior to the Record Date to be eligible to participate in the Rights Issue.

A disclosure document ("Prospectus") for the Rights Issue will be lodged with the Australian Securities and Investments Commission ("ASIC") and issued when the Rights Issue is offered.

An Appendix 3B for the Rights Issue is attached.

#### Timetable

The indicative timetable for the Rights Issue is set out below. The timetable will be confirmed upon lodgement of the Prospectus with ASIC and ASX.

EVENT	DATE
Lodgement of Prospectus with ASIC and ASX	6 December 2011
Notice of Rights Issue sent to Eligible Shareholders	7 December 2011
"Ex" date (date from which Shares commence trading without the entitlement to participate in the Rights Issue)	8 December 2011
Record Date (to determine eligibility of Shareholders to participate under the Rights Issue)	5pm AEDT, 14 December 2011
Anticipated despatch of Prospectus and Entitlement and Acceptance Forms to Eligible Shareholders	15 December 2011
Closing Date	3 January 2012
Despatch date	11 January 2012
First trading date of New Shares expected to commence	12 January 2012



**Philip Killen**  
Company Secretary

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## About Metminco:

Metminco is a dual ASX and AIM listed company with a portfolio of copper and gold projects in Peru and Chile. The Los Calatos project, located in southern Peru, has a JORC compliant resource of 926 million tonnes, comprising Indicated Resources of 111 million tonnes at 0.39% Cu and 380ppm Mo, and an Inferred Resource of 815 million tonnes at 0.37% Cu and 260ppm Mo (at a 0.2% copper cut-off grade).

The Chilean assets include the Mollacas copper leach project with a JORC compliant resource of 17 million tonnes consisting of Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes @ 0.52% copper (at a 0.2% copper cut-off grade); and the Vallecillo gold zinc project with a JORC compliant resource of 10.1 million tonnes consisting of Indicated Resources of 7.9 million tonnes @ 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes @ 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3g/t Au).

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company as General Manager Exploration.

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

For further information please contact:

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### Australia:

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Ian Howarth

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### United Kingdom:

Tim Read – Non-Executive Director

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Robert Finlay/ Andrew Chubb

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*Joint Broker – Liberum Capital Limited*

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# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Metminco Limited

ABN

43 119 759 349

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | New fully paid ordinary shares (Share) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | Right Issue – up to 68,584,428 Shares  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Shares issued pursuant to Rights Issue |

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>Yes</p>						
<p>5 Issue price or consideration</p>	<p>14 cents</p>						
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be applied to:</p> <ul style="list-style-type: none"> <li>• pre-feasibility /scoping study at the Company's 100% owned Vallecillo exploration project</li> <li>• exploration, project development and working capital</li> </ul> <p>(The Rights Issue is part of the proposed \$50 million capital raising announced 25 November 2011).</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>12 January 2012</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="695 1675 995 1715">Number</th> <th data-bbox="995 1675 1289 1715">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 1715 995 1823">1,674,466,146</td> <td data-bbox="995 1715 1289 1823">Shares</td> </tr> <tr> <td data-bbox="695 1823 995 1933">27,217,517</td> <td data-bbox="995 1823 1289 1933">December 2012 \$0.25 Options</td> </tr> </tbody> </table>	Number	+Class	1,674,466,146	Shares	27,217,517	December 2012 \$0.25 Options
Number	+Class						
1,674,466,146	Shares						
27,217,517	December 2012 \$0.25 Options						

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+ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	4,500,000	Options exercisable at A\$0.30 expiring 31 July 12
	14,250,000	Options exercisable at A\$0.44 expiring no later than 6 Dec 13
	14,250,000	Options exercisable at A\$0.525 expiring no later than 6 Dec 13
	2,000,000	Options exercisable at A\$0.44 expiring 6 Dec 13
	2,000,000	Options exercisable at A\$0.525 expiring 6 Dec 13
	2,500,000	Options exercisable at A\$0.21.5 expiring no later than 5 Dec 14
	2,500,000	Options exercisable at A\$0.26 expiring no later than 5 Dec 14
	68,584,428	Shares pursuant to Rights Issue

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A
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## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	No
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12 Is the issue renounceable or non-renounceable?	Non-renounceable
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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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13	Ratio in which the +securities will be offered	One (1) Share for every twenty (20) Shares held
14	+Class of +securities to which the offer relates	Shares
15	+Record date to determine entitlements	14 December 2011
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Rounded to nearest whole number
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	3 January 2012

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+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	Canaccord BGF
23	Fee or commission payable to the broker to the issue	2% of the total amount being offered under the Rights Issue and a further 3% for any shortfall Shares placed
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	15 December 2011
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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- 32 How do +security holders dispose of their entitlements (except by sale through a broker)?
- 33 +Despatch date

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)
- (a)  Securities described in Part 1
- (b)  All other securities  
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

- 35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over
- 37  A copy of any trust deed for the additional +securities

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+ See chapter 19 for defined terms.



**Entities that have ticked box 34(b)**

38 Number of securities for which  
+quotation is sought

39 Class of +securities for which  
quotation is sought

40 Do the +securities rank equally in  
all respects from the date of  
allotment with an existing +class  
of quoted +securities?

If the additional securities do not  
rank equally, please state:

- the date from which they do
- the extent to which they  
participate for the next  
dividend, (in the case of a  
trust, distribution) or interest  
payment
- the extent to which they do  
not rank equally, other than in  
relation to the next dividend,  
distribution or interest  
payment

41 Reason for request for quotation  
now

Example: In the case of restricted securities, end  
of restriction period

(if issued upon conversion of  
another security, clearly identify  
that other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

+ See chapter 19 for defined terms.

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  
  - There is no reason why those +securities should not be granted +quotation.
  
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:   
(Company secretary)

Date: 06 Dec 2011

Print name: Philip W Killen

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+ See chapter 19 for defined terms.