

## RIGHTS ISSUE TERMS

**Metminco Limited** (“**Metminco**” or the “**Company**”) (**ASX: MNC; AIM: MNC**) advises that further to the announcement on 18 February 2015, the terms of the pro rata rights issue (**Rights Issue**) have been adjusted to meet the current market price of Metminco shares trading on the ASX and AIM.

The subscription price for a fully paid ordinary share (**New Share**) and the exercise price of the attached Rights Issue Option will be A\$0.005 (£0.0026) per New Share. Further, the term of the Rights Issue Option has been extended to expire 12 calendar months after the date of issue (being on or about 8 May 2016).

The Rights Issue, which is available to shareholders with a registered address in Australia, United Kingdom or New Zealand (**Eligible Shareholders**), will be undertaken on the basis of 1 New Share for every 3.25 fully paid ordinary share held by Eligible Shareholders on the record date (10 April 2015). The Rights Issue will close 1 May 2015 (**Closing Date**).

The Company reserves the right, subject to the Corporations Act and the Listing Rules, to alter this timetable at any time, and in particular, to extend the Closing Date or to withdraw the Rights Issue without prior notice.

The transaction specific prospectus was lodged with ASIC today and follows this announcement.

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## Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

## Projects and Mineral Resources

The Los Calatos Project, located in southern Peru, has an open pittable Mineral Resource of 493 million tonnes at 0.38% Cu and 0.023% Mo (at cut-off grade of 0.15% CuEq) to a vertical depth of 700 metres below surface and an underground bulk mining Mineral Resource of 926 million tonnes at 0.51% Cu and 0.022% Mo (at a cut-off grade of 0.35% CuEq) commencing at an elevation of 2,300 metres (approximately 700 metres below surface).

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a Mineral Resource of 8.9 million tonnes consisting of a Measured Resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an Indicated Resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an Inferred Resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

## Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is currently employed by the Company in Chile.

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

## Forward Looking Statement

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

# Metminco Limited

## ACN 119 759 349

### RIGHTS ISSUE OFFER PROSPECTUS

For the offer of a non-renounceable pro-rata rights issue ("Rights Issue") of approximately 540,000,000 New Shares to raise approximately A\$2.7 million and for the offer of Shortfall Shares.

The Rights Issue Offer to Eligible Shareholders is on the basis of 1 New Share for every 3.25 Shares held on the Record Date at an offer price of A\$0.005 (£0.0026) per New Share with an option to acquire a further Share at A\$0.005 (£0.0026) expiring 12 calendar months after the issue date of the option (the "Offer").

The Rights Issue closes (unless extended) at:

5.00pm (Sydney time) 1 May 2015 for Eligible Shareholders on the Australian Register.

5.00pm (London Time) on 1 May 2015 for Eligible Shareholders on the UK Register.

#### IMPORTANT NOTICE

This document is important and should be read in its entirety.

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act 2001. If after reading this Prospectus you have any questions in relation to the Offer or this Prospectus, you should immediately contact your professional adviser.

The New Shares offered by this Prospectus should be considered speculative.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO U.S. PERSONS**

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## CHAIRMAN'S LETTER

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### Dear Shareholder,

The Rights Issue that is being offered to you is of extreme importance to your Company in that it will enable the Company to realise value from its two principal assets, Los Calatos and Mollacas, and to further its strategic objective of acquiring one or more projects that are able to generate a cash flow within a period of approximately two years.

The past three years have been amongst the most difficult faced by the mining exploration and development sector in the past half century. The risk aversion of global financial markets, falling metal demand and prices and the slowdown of the Chinese economy have all served to demolish investor interest in the sector and to make it very difficult for companies without cash generative assets to finance themselves. Copper has, however, been one of the more robust metals with prices holding up well and a medium to long term prospect of demand exceeding supply.

Faced with these conditions, the Board of Directors in early 2014 endorsed a long term strategy to achieve attributable copper equivalence production of 50,000 tonnes by 2020, which would generate sufficient cash flow to ensure the sustainability of the Company. It was initially envisaged that this production target would be largely achieved by developing the Company's Mollacas and Los Calatos projects with co-investing partners. Given the challenges affecting each of these key assets and the Company's meagre cash reserves, the strategy was widened to include the acquisition of one or more projects where Metminco could add technical and management value and could secure funding. A key criterion in considering an acquisition opportunity has been its potential to generate a near term cash flow. Over the past twelve months we have evaluated in excess of 30 opportunities located in Australia and South America. Of the many opportunities evaluated to-date, the Company is currently undertaking detailed due diligence on one of these opportunities.

At our Mollacas Project, following an adverse ruling by the Appeal Court in La Serena, Chile (March 2014) in relation to mining access, the Company was granted leave to appeal to the Chilean Constitutional Tribunal on the grounds of the Court of Appeal's interpretation of various mining and civil codes, and its application of the rules of evidence. The outcome of this appeal is still pending. Concurrently with the appeal process the Company is attempting to resolve the land access issue with the landowner through a mediation process. This process is ongoing.

The Los Calatos Project does have the potential to be developed into a major copper mine. Against a global backdrop of a diminishing number of long life copper projects in mining friendly jurisdictions, it should eventually command significant strategic interest. In the absence of a funding partner, the Company delayed the commencement of the planned Pre-Feasibility Study which related to the large scale development scenario identified in 2013.

In late 2014 a decision was made to evaluate an alternative development scenario for Los Calatos as a high grade, small tonnage, starter operation that focuses initially on the high grade copper and molybdenum zones developed within the Los Calatos porphyry complex. The work in support of this commenced in October 2014 with the re-logging of the 125,000 metres of drill core, aimed at better constraining the high grade mineralisation within the identified anhydrite breccias. This work is scheduled for completion in June 2015 following the conclusion of a Preliminary Economic Assessment ("PEA"). Should the PEA return favourable results, the opportunity exists to accelerate the development of the project at a lower pre-production capital spend, whilst maintaining optionality of the more substantial mineral resource estimated in 2013.

In support of the Company's growth plans, each of Directors will subscribe for their entitlement in the Rights Issue in part or in full.

**Tim Read**  
**Chairman**

## IMPORTANT INFORMATION

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### General

This Prospectus is dated 1 April 2015, and was lodged with ASIC and the ASX on that date.

Capitalised terms in this Prospectus are defined in the glossary in Section 7 and all monetary amounts in this Prospectus are expressed in Australian dollars unless otherwise indicated. In this Prospectus, the words 'we', 'our' and 'us' refer to the Company. The words 'you' and 'your' refer to Eligible Shareholders.

If you wish to make an Application in respect of your Entitlement you must complete the Entitlement and Acceptance Form attached to this Prospectus. The Entitlement and Acceptance Form, if you wish to do so, also allows you to make an Application for any Shortfall Shares. By submitting an Entitlement and Acceptance Form, you acknowledge that you have read this Prospectus in its entirety and understand and agree with its terms.

No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application for Quotation of the New Shares will be made within 7 days of the date of this Prospectus.

Neither ASIC nor the ASX take any responsibility for the contents of this Prospectus. The fact that the ASX and AIM may admit the New Shares to Quotation is not to be taken in any way as an indication of the merits of the Company.

Only information in this Prospectus should be relied on as having been authorised by the Company. No person has authority to give any information or to make any representation in connection with the Rights Issue other than what is contained in this Prospectus and any such information or representation should not be relied on. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then only to the extent so required.

Please read this document carefully before you make a decision to invest. In particular, in considering the Company's prospects, please consider the risk factors that could affect the Company's performance and your own unique personal circumstances which may affect the appropriateness of any investment. You should seek advice from your professional adviser before accepting the Offer.

### Risk factors

An investment in the Company has risks that you should consider before making a decision to invest. Prospective investors should carefully consider the potential risk factors which are set out in Section 5.

### Foreign jurisdictions

The Offer is being made in Australia, United Kingdom and New Zealand (**Eligible Jurisdictions**). This Prospectus does not constitute an offer in any overseas jurisdiction where it would be unlawful to make the Offer. You must ensure compliance with all laws of any country relevant to your Application. Return of a duly completed Entitlement and Acceptance Form will be taken by us as a representation by you that there has been no breach of any laws and that you are an Eligible Shareholder.

The Offer to New Zealand Shareholders is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). In accordance with that Act, a person who, on the Record Date was registered as a holder of Shares with a New Zealand address but who, as at the time of this Offer no longer holds Shares, is not eligible to participate in this offer. This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand).

Please note that the taxation treatment of Australian securities may not be the same as for New Zealand securities.

This Prospectus is not a prospectus for the purposes of the United Kingdom (UK) Prospectus Rules and has not been prepared in accordance with the Prospectus Rules. Accordingly, this Prospectus has not been, and will not be, reviewed or approved by the Financial Conduct Authority in the UK and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000 (FSMA)) has been published or is intended to be published in respect of the New Shares (or the Shortfall Shares). The New Shares (and Shortfall Shares) referred to in this Prospectus will be offered to shareholders in the UK in circumstances in which an approved prospectus is not required pursuant to section 85(5)(a) and Schedule 11A of the FSMA. No New Shares (or Shortfall Shares) will be offered to investors in the UK otherwise than in circumstances in which such exemption applies or in which another exemption from the requirements to publish an approved prospectus is available. This Prospectus is being communicated to UK Eligible Shareholders in reliance on the exemption in Article 43 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005.

### Electronic prospectus

This Prospectus may be downloaded from our website, [www.metminco.com.au](http://www.metminco.com.au). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to residents of an Eligible Jurisdiction. See Section 6.7 for more information.

The Corporations Act prohibits any person from passing on to another person the Entitlement and Acceptance Form unless it is accompanied by or included in a hard copy, or the complete and unaltered electronic version of this Prospectus. If you wish to obtain a hard copy of this Prospectus free of charge, please contact us.

### Transaction specific prospectus

This Prospectus is a transaction-specific prospectus issued under section 713 of the Corporations Act, which allows the issue of a more concise prospectus for offers of continuously quoted securities. In preparing this Prospectus, consideration has been given to the fact that we are a disclosing entity for the purposes of the Corporations Act, and as a disclosing entity, we are subject to regular reporting and disclosure obligations. Please note that this Prospectus should be read in conjunction with the publicly available information which we have provided to ASIC and the ASX, and that copies of documents we have lodged with ASIC may be obtained from, or inspected at, an ASIC office.

### Forward looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' 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 Prospectus, 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, the Directors and management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention 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 Prospectus, except where required by law. These forward looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5 of this Prospectus.

### INVESTMENT OVERVIEW

Question	Response	Where to find more information
What is the Offer?	We are offering to issue New Shares and Rights Issue Options to Eligible Shareholders by a pro-rata non-renounceable rights issue. Under the Rights Issue, Eligible Shareholders may subscribe for 1 New Share for every 3.25 Shares held on the Record Date. Eligible Shareholders who subscribe for their Entitlement in full may also apply for any Shortfall Shares.	Section 1.1.2  Section 1.1.8
How will the Shortfall Shares be allocated?	Any Entitlement not accepted will form the Shortfall Shares. The Company will seek to allocate Shortfall Shares on a pro rata basis with a first priority to Eligible Shareholders that have subscribed for their full Entitlement and a second priority to unrelated parties applying for Shortfall Shares. However, the Board reserves the right at its sole discretion to allocate the Shortfall Shares.	Section 1.1.8.
What is the Issue Price for the New Shares?	The issue price is A\$0.005 (£0.0026) per New Share.	Section 1.1.2
Who is an Eligible Shareholder?	The Offer is made to Eligible Shareholders only. An Eligible Shareholder is a Shareholder with a registered address in Australia, United Kingdom or New Zealand on the Record Date.	Section 1.1.2
How many New Shares and Rights Issue Options will be issued?	The number of New Shares and Rights Issue Options that will be issued at Full Subscription under the Offer is approximately 540,000,000 New Shares and approximately 540,000,000 Rights Issue Options subject to the number of Shares held by Eligible Shareholders on the Record Date. If holders of Firm and Conditional Options exercise their options prior to the Record Date and elect to participate in the Rights Issue then a further 55,135,739 New Shares and Rights Issue Options will be issued.	Section 1.1.2  Section 2.3
What is the purpose of the Offer?	The purpose of the Offer is to raise funds for: <ul style="list-style-type: none"> <li>• Costs associated with identifying a near term cashflow asset for potential acquisition;</li> <li>• Completion of the planned Preliminary Economic Assessment ("PEA") for a smaller, high grade starter operation at Los Calatos;</li> <li>• Exploration work at Los Calatos (Target TD2);</li> <li>• Legal and corporate costs associated with securing mining</li> </ul>	Section 2.1

	<p>access rights at Mollacas; and</p> <ul style="list-style-type: none"> <li>Working capital.</li> </ul>	
What is the effect of the Offer on the Company's capital structure?	The effect of the Offer is to increase the number of Shares on issue by approximately 540,000,000 New Shares and 540,000,000 Rights Issue Options.	Section 2.3
What is the amount that will be raised by the Company under the Offer?	Based on the Share capital structure of the Company, the amount that may be raised under the Prospectus at Full Subscription is approximately A\$2.7 million (£1.4 million) before expenses. If existing Optionholders exercise their Options before the Record Date so as to participate in the Offer, the amount raised under the Offer may increase by A\$0.29 million (£0.15 million).	Section 2.4
What are the risks of a further investment in the Company?	The Rights Issue should be considered highly speculative. Before deciding to subscribe under the Offer, you should consider the risk factors set out in this Prospectus and all other relevant material including our public announcements and reports. Some of the specific risks relevant to an investment in the Company are set out in section 5 of this Prospectus.	Section 5
How do I accept my entitlement under the Offer?	All Eligible Shareholders are entitled to subscribe for New Shares under the Offer. If you wish to make an Application in respect to your Entitlement, you must complete the Entitlement and Acceptance Form that accompanies this Prospectus. You may accept all or part of your Entitlement. If you do not wish to take up any of your Entitlement, you do not need to take any action and your Entitlement will lapse.	Section 4.2
What happens if Eligible Shareholders don't accept their Entitlement?	Any Entitlement not accepted will form the Shortfall Shares. Eligible Shareholders are entitled to apply for Shortfall Shares. The Shortfall Shares may be placed at the discretion of the Directors within 3 months of the Rights Issue closing date.	Section 4.1
Is the Offer underwritten?	The Offer is not underwritten.	
What are the key dates of the Offer?	Key dates are set out in Table 1 below.	



Table 1: Key dates under the Rights Issue

Key dates under the Rights Issue	
Announcement of Rights Issue and lodgement of Prospectus with ASIC and ASX	1 April 2015
Lodge Appendix 3B	1 April 2015
"Ex" date (date from which Shares commence trading without the entitlement to participate in the Rights Issue)	08 April 2015
Record Date to determine eligibility of Shareholders on the Australian Register to participate under the Rights Issue – 5pm Sydney time	10 April 2015
Record Date to determine eligibility of Shareholders on the UK Register to participate under the Rights Issue – 5pm London time	
Rights Issue Offer Document and Entitlement and Acceptance Form dispatched to Shareholders (and announced to ASX and AIM)	15 April 2015
DI CREST Entitlements issued	15 April 2015
Closing Date for eligible Shareholders on the Australian Register to participate under the Rights Issue – 5pm Sydney time	1 May 2015
Closing Date to determine eligibility of Shareholders on the UK Register to participate under the Rights Issue – 5pm London time	
Securities quoted on a deferred basis	4 May 2015
Notification of results	6 May 2015
Issue and Allotment of New Shares (and despatch of refund payments in respect of any unsuccessful applications)	8 May 2015
Admission to trading of New Shares on AIM and commencement of trading	11 May 2015
Despatch of holding statements for New Shares and trading on ASX	11 May 2015

These dates are subject to change and are indicative only. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to alter this timetable at any time, and in particular, to extend the Closing Date or to withdraw the Offer without prior notice.

## 1. Details of the Offer

### 1.1. Rights Issue

#### 1.1.1 Background

Metminco is incorporated in Australia, with its Shares listed on ASX and cross-listed on AIM. The AIM listing is a listing of Depositary Interests, rather than newly issued stock.

As announced on 18 February 2015, we have completed a fundraising to raise gross proceeds of approximately A\$1.0 million (approximately £0.5 million) through a placing of 179,191,151 Shares (**Placing Shares**) with professional and sophisticated investors at an issue price of A\$0.006 (£0.003) per Share with attached 179,191,151 **Placing Options** to acquire an additional Share at an exercise price of A\$0.006 (£0.003) per Share expiring 3 calendar months after date of issue (**Placement**). The Placement comprised 2 tranches, including:

- (i) 75,335,833 Placing Shares (**Firm Shares**) with attached Options (**Firm Options**), which were placed firm and issued pursuant to the Directors' existing authority under the Listing Rules; and
- (ii) 103,855,318 Placing Shares (**Conditional Shares** with attached **Conditional Options**), approved by Shareholders at an extraordinary general meeting held on 24 March 2015.

At the date of this Prospectus, we have 2,054,752,432 Shares on issue (including the Firm Shares and the Conditional Shares, which have been issued, as at the date of this Prospectus).

We have also granted Options which remain unexercised over 188,691,151 Shares (including the Firm Options and the Conditional Options) as at the date of this Prospectus. Where Optionholders with an address in an Eligible Jurisdiction exercise their Options before the Record Date, they will be entitled to participate in the Offer. Accordingly, the number of New Shares to be issued and the funds raised as a result of the Rights Issue may vary.

### 1.1.2 Overview of Rights Issue

As announced on 1 April 2015 we make the Offer, which consists of a pro-rata non-renounceable rights issue, of approximately 540,000,000 New Shares with attached 540,000,000 Rights Issue Options to Shareholders with a registered address in Australia, United Kingdom or New Zealand on the Record Date (**Eligible Shareholders**) on the basis of 1 New Share with attached Rights Issue Options for every 3.25 Shares held by Eligible Shareholders at the Record Date (**Rights Issue**).

The offer price is A\$0.005 (£0.0026) per New Share with attached Rights Issue Option to acquire an additional Share at an exercise price of A\$0.005 (£0.0026) per Share expiring 12 calendar months after the date of issue of the New Share. There are many different methods for valuing options and the Company makes no representation whatsoever with respect to the potential value or otherwise of the Rights Issue Options. Each Eligible Shareholder should seek their own expert advice in this regard. Using one of these methods, the Black and Scholes Valuation Method, with a volatility of 80%, the estimated value of each Rights Issue Option as at the date of this Prospectus is approximately A\$ 0.00235 at a Share price of A\$0.006 and A\$0.00160 at a Share price of A\$0.005.

The Rights Issue, if fully subscribed, will raise approximately A\$2.7 million (approximately £1.4 million) with a further A\$2.7 million (approximately £1.4 million) being subject to the Rights Issue Options being exercised in full.

Additionally, in accordance with the Listing Rules, the Company will give notice to Optionholders of the Rights Issue before the Record Date.

The Rights Issue is made on the following basis that:

- (i) you are entitled to subscribe for 1 New Share with attaching Rights Issue Option for every 3.25 Shares held as at the Record Date (being 5.00pm Sydney time for the Australian Register and 5.00pm London time for the UK Register on 10 April 2015);
- (ii) the Issue Price is payable in full on Application;
- (iii) an Entitlement and Acceptance Form setting out your Entitlement accompanies the Prospectus sent to you;
- (iv) the Rights Issue is conditional on the ASX accepting our application for Quotation of the New Shares; and
- (v) your Entitlement and Acceptance Forms must be received by the Closing Date (being 5.00pm Sydney time on 1 May 2015 for the Australian Register and 5.00pm London time on 1 May 2015 for the UK Register).

### 1.1.3 New Shares to rank equally

New Shares and Shares obtained by exercising Rights Issue Options will rank equally with the Shares and Shares obtained by exercising Rights Issue Options already on issue as at the date the New Shares are issued. The New Shares will participate fully in any dividends we declare and pay after the date of their issue. A summary of the rights attaching to the New Shares is set out in Section 6.1.

### 1.1.4 Rights Issue Options

A summary of the rights attaching to the Rights Issue Options are set out in Section 6.2.

### 1.1.5 How to accept the Rights Issue

Your Entitlement is shown on the personalised Entitlement and Acceptance Form accompanying this Prospectus.

If you wish to accept your Entitlement, you should complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in the form and in accordance with the steps set out in Section 4.

If you subscribe for your Entitlement in full, you may apply for Shortfall Shares.

### 1.1.6 Non-renounceable

The Rights Issue is non-renounceable, which means your Entitlement or part thereof is not transferable and cannot be sold.

### 1.1.7 Not underwritten and no minimum subscription

The Rights Issue is not underwritten. There is no minimum subscription to be raised pursuant to the Rights Issue.

### 1.1.8 Shortfall Offer

Any New Shares under the Rights Issue that are not applied for will form the Shortfall Shares. Information on how to apply for Shortfall Shares is set out in Section 4.2. Any Shortfall Shares may be allotted and issued at the sole discretion of the Board in accordance with the Corporations Act and the Listing Rules.

The Shortfall Shares may be placed at the discretion of the Directors within 3 months of the Rights Issue closing date. The issue price of any Shortfall Shares will be no lower than A\$0.005 (£0.0026) per New Share with attached Rights Issue Option, being no lower than the price at which the New Shares have been offered to Eligible Shareholders under the Rights Issue.

However, as a general principle the Board will seek to allocate Shortfall Shares on a pro rata basis in accordance with the following priorities:

- (i) first priority will be given to Eligible Shareholders that have subscribed for their full Entitlement and applied for Shortfall Shares prior to the Closing Date provided that the issue of the Shortfall Shares will not result in the applicant's voting power in the Company exceeding 20%.
- (ii) second priority will be given to unrelated parties to the Company applying for Shortfall Shares.

#### **1.1.9 Shareholders outside Australia, United Kingdom and New Zealand**

The Rights Issue is not being extended to any Shareholder whose registered address at the Record Date is not in an Eligible Jurisdiction (**Ineligible Shareholder**) and does not constitute an Offer in any place in which, or to any person to whom, it would not be lawful to make such an Offer.

The Directors note the small number of such Ineligible Shareholders, the cost of complying with applicable regulations in jurisdictions outside the Eligible Jurisdictions and the small number of Shares held by Ineligible Shareholders as reasons why the Rights Issue is not being extended to other jurisdictions.

If you reside in the United Kingdom or New Zealand you should consult your professional advisers as to whether any government or other consents are required, or other formalities need to be observed, to enable you to exercise your Entitlements under the Rights Issue.

#### **1.1.10 Closing Date**

We may, at our absolute discretion, reject any Entitlement and Acceptance Form we receive after the Closing Date. In the event that we reject your Application, you will receive a full refund of any payment of Application Money without interest.

#### **1.1.11 Fractional Entitlements**

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

#### **1.2. Allotment of New Shares**

New Shares and Rights Issue Options issued pursuant to the Rights Issue will be allotted as soon as practicable after the Closing Date. We will allot the New Shares and Rights Issue Options on the basis of your Entitlement. Where the number of New Shares issued to you is less than the number applied for, or where no allotment is made, surplus Application Money will be refunded to you, without any interest, as soon as practicable after the Closing Date.

Pending the allotment and issue of the New Shares and Rights Issue Options or payment of refunds pursuant to this Prospectus, we will hold all Application Money on trust for the Applicants in a separate bank account. We will, however, be entitled to retain all interest that accrues on any Application Money we hold and you waive your right to claim any interest.

#### **1.3. Listing and admission to trading**

Within 7 days of the date of this Prospectus, we intend to apply for Quotation of the New Shares (and any Shortfall Shares) on the ASX and AIM. If the ASX and AIM accepts our application, Quotation of the New Shares will commence after the allotment of the New Shares. The Company will not be applying for quotation of the Rights Issue Options.

If any New Shares are not granted Quotation on the ASX and AIM within 3 months after the date of this Prospectus, we will not issue those New Shares and the Application Money in respect to those New Shares will be refunded to the Applicant without interest within the timeframe prescribed by the Corporations Act.

#### **1.4. Investment risks**

As with any investment, there are risks. An investment of this kind involves a number of risks, including risks that are specific to the Company and the industry in which it operates.

The Rights Issue should be considered speculative. As such, before deciding to invest in the Company, you should read this Prospectus in its entirety, consider all factors in light of your individual circumstances, and seek appropriate professional advice.

In particular, you should carefully read the risk factors outlined in Section 5.

#### **1.5. Taxation**

There may be taxation implications in relation to the Rights Issue and subscribing for New Shares and Rights Issue Options. These taxation implications will vary depending on your individual circumstances. You should seek and rely on your own taxation advice regarding an investment in the Company. Neither the Company nor any of its officers, employees, agents and advisers accept any liability or responsibility with respect to the taxation consequences connected with the Rights Issue, the New Shares or the Rights Issue Options.

#### **1.6. CHESS**

We participate in the security transfer system known as CHESS. ASX Settlement operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHESS, you will not receive a share certificate but will receive a statement of holding of New Shares. If you are broker sponsored, and you take up all or part of your Entitlement and any Shortfall Shares, ASX Settlement will send you a CHESS statement.

Your CHESSE statement will set out the number of New Shares issued to you under this Prospectus and provide details of your holder identification number and the participant identification number of the sponsor. If you are registered on the issuer sponsored sub-register, and you take up all or part of your Entitlement, your statement will be despatched by the Share Registry and will contain the number of New Shares issued to you under this Prospectus and a security holder reference number. A CHESSE statement or issuer-sponsored statement will routinely be sent to holders of Shares at the end of any calendar month during which the balance of their holding of Shares changes. Holders of Shares may request a statement at any other time. However, a charge may be made for additional statements.

### 1.7. CREST

To be traded on AIM, securities must be able to be transferred and settled through the “CREST” system, a UK computerised paperless share transfer and settlement system which allows shares and other securities, including Depositary Interests, to be held in electronic form rather than paper form.

For certain foreign securities, such as the New Shares (and any Shortfall Shares) to be issued and settled through CREST, they need to be in the form of Depositary Interests. Therefore, Metminco, through its UK Depositary, has a facility where Depositary Interests (representing the underlying New Shares and any Shortfall Shares), will be issued by the UK Depositary to Shareholders who currently hold their Shares as Depositary Interests.

It is intended that the Company will apply for these Depositary Interests to be admitted to CREST with effect from AIM Admission. Accordingly, settlement of transactions in Depositary Interests representing the New Shares (and any Shortfall Shares) following AIM Admission, may take place within CREST if the relevant Shareholder so wishes.

Subject to the CREST Regulations and the ASX Settlement and Operating Rules, Shares held through CREST on the UK Depositary register may be transferred into Shares held through CHESSE on the Register and vice versa. Shareholders wishing to transfer stock, from CHESSE to a Depositary Interest on CREST can do so through an Australian broker on a same day basis. Movements from CREST to CHESSE can be made on a next day basis.

### 1.8. Withdrawal of Prospectus

The Directors may at any time withdraw this Prospectus, in which case we will repay, as soon as practicable and without interest, all Application Money we received from you.

### 1.9. Enquiries

If you have any questions regarding this Prospectus please contact us on +61 (0) 2 9460 1856.

## 2. Use of Funds and effect of the Rights Issue

### 2.1 Use of Funds

The Rights Issue will raise approximately A\$2.7 million (£1.4 million) assuming all Entitlements are taken up. If all the Rights Issue Options are subsequently exercised prior to expiry (raising approximately A\$2.7 million (£1.4 million)) then the total funds raised will increase to approximately A\$5.4 million (£2.8 million).

The proceeds from the Placement together with funds raised from the Rights Issue will be applied to costs associated with identifying a near term cashflow asset, completion of the planned Preliminary Economic Assessment (“PEA”) for a smaller, high grade, starter operation at Los Calatos, exploration work on TD2 (an exploration target adjacent to the existing Los Calatos resource), legal and corporate costs associated with securing mining access rights at Mollacas and working capital. The Company is in various stages of discussions with third parties in relation to a number of merger and acquisition opportunities located in Australia and South America in line with its stated objectives of acquiring a near term cash flow asset. These discussions may or may not result in a successful transaction for the Company. Table 2 below provides a summary for the proposed application of funds.

**Table 2: Proposed application of Total Raising (New Shares)**

Application of funds	Rights Issue (A\$ 000)
Fund Los Calatos PEA for smaller high grade mining scenario	500
Exploration work at Los Calatos focussing on TD 2 as announced 26 March 2015.	500
Expenditure related to a potential acquisition	500
Legal and corporate costs associated with gaining mining access at the Mollacas Project	500
Expenses of the Offer and working capital	700
<b>Total</b>	<b>2,700</b>

### 2.2 Effect on Shareholders' equity and cash reserves

Assuming that all New Shares offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (i) Increase cash reserves by approximately up to A\$2.7 million (£1.4 million) (see Section 2.4), before taking into account the costs of the Rights Issue (see Section 6.12);
- (ii) Provide additional capital for the purposes referred to in Section 2.1;
- (iii) Increase the total number of Shares on issue (see Section 2.3), and,
- (iv) Increase the total number of Options on issue (see Section 2.3).

Further information summarising the effect of the Rights Issue on the Company is provided in Section 2.5, which includes pro-forma consolidated historical financial information of the Company.

### 2.3 Effect on capital structure

Assuming that all New Shares offered under the Rights Issue are issued in full and Optionholders exercise their Firm Options prior to the Record Date in order to participate in the Rights issue, the effect of the Offer on the Company's issued share capital will be as shown in the following Table 3.

**Table 3: Shares and Options on Issue**

	Before Offer	After Offer		
		Half Subscription*	Full Subscription**	Options Exercised***
<b>SHARES</b>				
Number of Existing Shares	2,054,752,432	2,054,752,432	2,054,752,432	2,054,752,432
Number of New Shares		270,000,000	540,000,000	595,135,739
<b>Total Shares</b>	<b>2,054,752,432</b>	<b>2,324,752,432</b>	<b>2,594,752,432</b>	<b>2,649,888,171</b>
<b>OPTIONS</b>				
Exercisable at A\$0.175 per Share expiring 15 June 2015	2,000,000	2,000,000	2,000,000	2,000,000
Exercisable at A\$0.21 per Share expiring 15 June 2015	2,000,000	2,000,000	2,000,000	2,000,000
Exercisable at A\$0.075 per Share expiring 28 January 2016	250,000	250,000	250,000	250,000
Exercisable at A\$0.089 per Share expiring 28 January 2016	250,000	250,000	250,000	250,000
Exercisable at A\$0.0302 per Share expiring 1 August 2017	5,000,000	5,000,000	5,000,000	5,000,000
Exercisable at A\$0.006 per Share expiring 20 May 2015	50,335,833	50,335,833	50,335,833	
Exercisable at £0.003 per Share expiring 20 May 2015	25,000,000	25,000,000	25,000,000	
Exercisable at A\$0.006 per Share expiring 27 June 2015	93,855,318	93,855,318	93,855,318	
Exercisable at £0.003 per Share expiring 27 June 2015	10,000,000	10,000,000	10,000,000	
Rights Issue Options exercisable at A\$0.005 (£0.0026) per Share expiring 8 May 2016		270,000,000	540,000,000	595,135,739
<b>Total Options</b>	<b>188,691,151</b>	<b>458,691,151</b>	<b>728,691,151</b>	<b>604,635,739</b>

\* Half Subscription refers to a situation where half the Entitlements are taken up and no Options are exercised.

\*\* Full Subscription refers to a situation where all the Entitlements are taken up and no Options are exercised.

\*\*\* Options Exercised refers to a situation where all the Entitlements are taken up and all the in the money / close to the money Options as at the date of this Prospectus are exercised.

### 2.4 Effect on cash reserves

Assuming that all New Shares offered under the Rights Issue are issued, the principal effects of the Rights Issue on the Company will be to:

- (a) increase our cash reserves by approximately A\$2.7 million (£1.4 million), before taking into account the costs of the Rights Issue if the Rights Issue is taken up in full (see Section 6.12);
- (b) if existing Optionholders exercise their Options before the Record Date so as to participate in the Offer, the amount raised under the Offer may increase by A\$0.29 million (£0.15 million). However, 9,500,000 Options are out of the money and are unlikely to be exercised with the net result that the funds raised from exercising of existing Options is likely to be no more than A\$0.28 million (£0.14 million).
- (c) provide the Company with additional capital for the purposes referred to in Section 2.1.

Further information summarising the effect of the Rights Issue on the Company is provided in Section 2.5, which includes pro-forma consolidated historical financial information of the Company.

If holders of Rights Issue Options subsequently exercise their Options then an additional approximately A\$2.7 million (£1.4 million) will be raised increasing the Company's cash reserves by approximately A\$5.4 million (£2.8 million), before taking into account the costs of the Rights Issue (see Section 6.12).

## 2.5 Pro forma consolidated statement of financial position

To illustrate the effect of the Rights Issue on the Company, a pro forma consolidated statement of financial position, shown in the following Table 4, has been prepared based on the audited consolidated statement of financial position as at 31 December 2014 (see Column A in Table 4).

Column B of Table 4 below shows the adjustments if the Rights Issue is fully subscribed and column C of Table 4 below shows the effect of the Rights Issue as if it had been made on 31 December 2014 (and taking into account its anticipated costs) and assumes that the maximum number of New Shares are issued under the Rights Issue.

The accounting policies adopted in preparation of the pro-forma consolidated statement of financial position are consistent with the policies adopted for the year ending 31 December 2014.

**Table 4: Pro-forma consolidated statement of financial position**

	(A) 31 December 2014 (Audited) \$	(B) Pro-forma consolidated 31 December 2014	(C) Pro-forma consolidated 31 December 2014
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	1,192,693	2,700,000	3,892,693
Trade and other receivables	316,471		316,471
Other assets	30,990		30,990
<b>TOTAL CURRENT ASSETS</b>	<b>1,540,154</b>	<b>2,700,000</b>	<b>4,240,154</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	4,878,723		4,878,723
Property, plant and equipment	4,124,135		4,124,135
Exploration and evaluation expenditure	193,531,440		193,531,440
<b>TOTAL NON-CURRENT ASSETS</b>	<b>202,534,298</b>		<b>202,534,298</b>
<b>TOTAL ASSETS</b>	<b>204,074,452</b>	<b>2,700,000</b>	<b>206,774,452</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	472,705	50,000	522,705
Short-term provisions	308,888		308,888
<b>TOTAL CURRENT LIABILITIES</b>	<b>781,593</b>		<b>781,593</b>
Long term provisions	47,224		47,224
<b>LONG TERM LIABILITIES</b>	<b>47,224</b>		<b>47,224</b>
<b>TOTAL LIABILITIES</b>	<b>828,817</b>		<b>828,817</b>
<b>NET ASSETS</b>	<b>203,245,635</b>	<b>2,650,000</b>	<b>205,895,635</b>
<b>EQUITY</b>			
Issued capital	318,677,036	2,650,000	321,327,036
Reserves	(26,640,427)		(26,640,427)
Accumulated losses	(88,790,974)		(88,790,974)
<b>TOTAL EQUITY</b>	<b>203,245,635</b>	<b>2,650,000</b>	<b>205,895,635</b>

## 2.6 Substantial Shareholders

Based on publicly available information as at the date of this Prospectus, the Shareholders with a relevant interest in 5% or more of the Shares on issue are as follows:

**Table 5: Substantial Shareholder**

Shareholder	Number of Shares	%
Junior Investment Company	131,487,500	6.4%

## 3 Company Overview

As at the date of this Prospectus the Company has complied with the provisions of Chapter 2M of the 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 is contained in the Company's Financial Report for the year ended 31 December 2014 released 11 March 2015. This report should be read in conjunction with the Los Calatos Project Update released 26 March 2015. All information on the Company can be downloaded from the Company's website [www.metminco.com.au](http://www.metminco.com.au).

## 4 Actions required by Eligible Shareholders

### 4.1 Your Entitlement under the Rights Issue

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form (where applicable) and has been calculated as 1 New Share for every 3.25 Shares held by you on the Record Date, rounded up to the nearest whole share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

As the Rights Issue is non-renounceable, Entitlements cannot be traded on ASX or AIM or any other exchange, or privately transferred. Any Entitlement which you do not take up will lapse and form part of the Shortfall Shares.

### 4.2 How to Apply for your Entitlement and Shortfall Shares

If you decide to take up all or some of your Entitlement then you will need to complete the enclosed Entitlement and Acceptance Form. If you take up your Entitlement in full, you may also apply for Shortfall Shares by completing the relevant section of the Entitlement and Acceptance Form. Please return the completed Entitlement and Acceptance Form and the requisite application monies.

It is your responsibility to ensure that you will not breach the takeovers provisions in the Corporations Act by applying for Shortfall Shares.

Eligible Shareholders on the ASX will also be entitled to pay their application monies via BPAY pursuant to the instructions set out on the Entitlement and Acceptance Form and described in more detail in Section 4.3 below. If you take no action you will not be allocated New Shares and your Entitlement will lapse.

Application Monies received by Metminco in excess of the amount in respect of your Entitlement (Excess Amount) may be treated as an application to apply for as many Shortfall Shares as your Excess Amount will pay for in full, subject to any scale-back the Company may determine to implement, in its absolute discretion, in respect of Shortfall Shares. Metminco's decision on the number of Shortfall Shares to be allocated to you will be final.

Metminco reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if their nominees fail to provide information to substantiate their claim.

### 4.3 How to make payment for Shareholders on the Australian Register

Eligible Shareholders on the Australian Register must pay with Australian currency by cheque, bank draft, money order or BPAY.

#### 4.3.1 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, your completed Entitlement and Acceptance Form must be accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Metminco Limited Rights Issue" and crossed "Not Negotiable". Any agreement to issue New Shares (including any Shortfall Shares if applicable) to you following receipt of your Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the Application Monies for those New Shares (including any Shortfall Shares if applicable) being honoured on first presentation.

Your cheque, bank draft or money order must be:

- (i) for an amount equal to A\$0.005 multiplied by the number of New Shares (and any Shortfall Shares if applicable) that you are applying for; and

(ii) in Australian currency drawn on an Australian branch of a financial institution.

It is important to note that the Offer for Eligible Shareholders on the Australian Register closes at 5.00pm (Sydney Time) on the Closing Date. In order to participate in the Rights Issue, your payment must be received no later than this date. Shareholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with acceptance monies as follows:

**By post:**

Metminco Limited  
 C/- Link Market Services Limited  
 GPO BOX 3560  
 Sydney South NSW 1235  
 Australia

**By hand:**

delivering it to Link Market Services Limited  
 1A Homebush Bay Drive  
 Rhodes NSW 2138

If mailed from within Australia, you can use the reply-paid envelope which is enclosed with your Entitlement and Acceptance Form. If mailed outside Australia, correct postage must be affixed.

Please note that Entitlement and Acceptance Forms and Application Monies will not be accepted at Metminco's registered or corporate offices.

All acceptances must be received by the Closing Date.

**4.3.2 Payment by BPAY**

For payment by BPAY please follow the instructions on the Entitlement and Acceptance Form. Payment must be received via Bpay® before 5:00pm (Sydney Time) on 1 May 2015. You should check the processing cut off-time for Bpay® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time.

If you pay by BPAY, you do not need to lodge an Entitlement and Acceptance Form with the Australian Registry. By making a payment of Application Monies through BPAY, however, you will be deemed to have made the declarations set out in the Entitlement and Acceptance Form.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

**4.3.3 More than one shareholding**

If you have more than one shareholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your entitlement in respect of one of those shareholdings, only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form.

Do not use the same CRN for more than one of your shareholdings. This can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid or excess Application Monies being applied solely to an application for Shortfall Shares rather than your Entitlement).

**4.4 How to make payment for Shareholders on the UK Register**

**4.4.1 General**

Each Eligible Shareholder on the UK Register will receive a credit to their stock account in CREST of their Entitlement equal to the basic number of New Shares for which they are entitled to apply under the Rights Issue (including any Shortfall Shares) of one (1) New Share for every 3.25 Shares held (see below for further details). The CREST stock account to be credited will be an account under the "Participant ID" and "Member Account ID" that apply to the Depository Interests held on the Record Date by the Eligible Shareholder.

If for any reason the New Shares (including any Shortfall Shares) cannot be admitted to CREST, or the stock accounts of Eligible Shareholders cannot be credited, an "Entitlement Form" will be sent out to each Eligible Shareholder in substitution for the New Shares and/or Shortfall Shares which should have been credited to the stock account in CREST. In these circumstances the expected timetable as set out in this document may be adjusted as appropriate.

CREST members who wish to apply for some or all of their Entitlements and any Shortfall Shares to New Shares should refer to the CREST Manual for further information on the CREST procedures referred to below.

Should you need advice with regard to these procedures, please contact the UK Depository, Computershare Investors Services PLC, at Corporate Actions Projects, Bristol BS99 6AH or by telephone between 9.00 a.m. and 5.00 p.m. Monday to Friday (except



UK public holidays) on 0870 702 0000 from within the UK or + 44 870 702 0000 if calling from outside the UK. Calls to the helpline number cost approximately ten pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded and randomly monitored for security and training purposes. The UK Depositary cannot provide advice on the merits of the Rights Issue nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

#### 4.4.2 Market Claims

The New Shares and any Shortfall Shares will constitute a separate security for the purposes of CREST. Although New Shares and any Shortfall Shares will be admitted to CREST and be enabled for settlement, applications in respect of New Shares and any Shortfall Shares may only be made by the Eligible Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the New Shares and any Shortfall Shares will generate an appropriate market claim transaction and the relevant Entitlements and any entitlement to Shortfall Shares will thereafter be transferred accordingly.

#### 4.4.3 Shortfall Offer

Qualifying DI Shareholders who have taken up their Entitlement in full may apply to acquire Shortfall Shares, should they wish. The Shortfall Offer enables Eligible Shareholders to apply for Shortfall Shares in excess of their Entitlement. An Eligible Shareholder should not make an application under the Shortfall Offer unless such Eligible Shareholder has applied for their Entitlement in full. An entitlement to Shortfall Shares may not be sold or otherwise transferred. The CREST accounts of Eligible Shareholders will be credited in order for any applications for Shortfall Shares to be settled through CREST.

Eligible Shareholders should note that, although the New Shares and the Shortfall Shares will be admitted to CREST, they will have limited settlement capabilities (for the purposes of bona fide market claims only). Neither the rights to New Shares nor the Shortfall Shares will be tradeable or listed, and applications in respect of the Rights Issue may only be made by the Eligible Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim.

To apply for Shortfall Shares pursuant to the Rights Issue, Eligible Shareholders should follow the instructions below and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Entitlement and the relevant Entitlement is transferred, the Shortfall Shares will not transfer with the New Shares, but will be transferred as a separate claim. Should an Eligible Shareholder cease to hold all of their Depositary Interests as a result of one or more bona fide market claims, the Shortfall Shares credited to CREST and allocated to the relevant Eligible Shareholder will be transferred to the purchaser.

Please note that a separate Unmatched Stock Event ("USE") instruction must be sent in respect of any application under the Shortfall Offer.

Fractions of Shortfall Shares will be rounded up to the nearest whole number. The total number of New Shares is fixed and will not be increased in response to any applications under the Shortfall Offer. Applications under the Shortfall will therefore only be satisfied to the extent that other Eligible Shareholders do not apply for their Entitlement in full. Applications under the Shortfall Offer shall be allocated as detailed and no assurance can be given that the applications by qualifying DI holders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the Applicant (at the applicant's risk) without interest within 14 days thereafter, by way of cheque or CREST payment, as appropriate. The interest earned on such monies will be retained for the benefit of the Company.

Eligible Shareholders who wish to apply for New Shares in respect of all or some of their Entitlements and any Shortfall Shares in CREST must send (or, if they are a CREST sponsored member procure that their CREST sponsor sends) a "USE instruction" to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Computershare Investor Services under the Participant ID and Member Account ID specified below, with the Entitlement and any Shortfall Shares corresponding to the number of New Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the UK Depositary in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Shares referred to above.

#### 4.4.4 Content of "USE Instructions" in respect of New Shares and any Shortfall Shares

The "USE Instruction" must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of New Shares (and any Shortfall Shares) for which application is being made (and hence the number of Shares being delivered to the UK Depositary);
- (ii) the ISIN of the Entitlements;
- (iii) the "Member Account ID" of the accepting CREST member from which the Entitlements are to be debited;
- (iv) the "Participant ID" of the accepting CREST Member;
- (v) the "Participant ID" of the UK Depositary, in its capacity as CREST receiving agent – 3RA52;

- (vi) the "Member Account ID" of the UK Depository, in its capacity as CREST receiving agent – "METRIO15";
- (vii) the amount payable by means of a CREST payment on settlement of the "USE instruction". This must be the full amount payable on application for the number of New Shares (and Shortfall Shares) referred to above;
- (viii) the intended settlement date. This must be on or before 5pm (London time) on 1 May 2015; and
- (ix) the "Corporate Action Number" for the Rights Issue. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Rights Issue to be valid, the "USE instruction" must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00am (London time) on the last Business Day before Closing Date.

In order to assist prompt settlement of the "USE Instruction", CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the "USE Instruction" a contact name and telephone number (in the free-format shared note field)

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a "USE instruction" may settle on the last Business Day before Closing Date in order to be valid is 5 pm (London time) on that day.

#### **4.5 Effect of Acceptance**

If you complete and lodge an Entitlement and Acceptance Form, you will be deemed to have accepted the Offer to subscribe, on the terms set out in this Prospectus and in the Entitlement and Acceptance Form, for the number of New Shares specified in the Entitlement and Acceptance Form.

In accordance with the Corporations Act, we will hold the Application Money on trust for you until we issue you with your New Shares. We will retain any interest earned on the Application Money, whether or not the New Shares are issued or allotted to you.

#### **4.6 Brokerage note**

No brokerage fee is payable by Eligible Shareholders who apply for New Shares.

#### **4.7 Further advice note**

If you are in any doubt as to how to complete or deal with your Entitlement and Acceptance Form, you should contact your stockbroker or financial adviser for assistance.

## **5 Risk factors**

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### **5.1 Introduction**

There are a number of risks, both specific to Metminco and of a general nature which may, either individually or in combination, affect the future operational and financial performance of the Company and the mining industry in which it operates, and the value of Shares.

The risk factors summarised below are not exhaustive and do not take into account the individual circumstances of Shareholders. While some of these risks can be mitigated by the use of appropriate safeguards and systems, many are outside our control and cannot be mitigated.

You should carefully consider the risks set out below, the information contained elsewhere in this Prospectus, and all other relevant material, including our public announcements and reports, before you make a decision to invest in the Company by applying for New Shares.

### **5.2 Specific risks**

The following is a list of specific risks relevant to an investment in the Company.

#### **5.2.1 Foreign governments and legal systems**

The Chilean and Peruvian jurisdictions, where all our assets currently reside and the Colombian jurisdiction where we also have a wholly owned subsidiary, differ from the legal systems found in Australia, New Zealand and the United Kingdom. This could lead to exposure to any of the following risks:

- (i) lack of guidance or interpretation of the applicable rules and regulations; and
- (ii) delays in redress or greater discretion on the part of governmental authorities.

We cannot guarantee that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be certain. In addition, political instability and changes in foreign law, including taxation law, may affect our ability to operate successfully, profitably or optimally in foreign jurisdictions.

## 5.2.2 Company Strategies

The Company is in discussion with third parties in relation to a number of strategies with respect to potential acquisition and other transactions. Expenditure in relation to pursuing and evaluating these opportunities may or may not result in a successful transaction for the Company.

## 5.2.3 Project Risks

Project specific risks include the following:

- (i) The results from the planned PEA (Preliminary Economic Assessment) in relation to evaluation of a small high grade development scenario for the Los Calatos Project may be unfavourable.
- (ii) The decision of the Chilean courts (in particular the Chilean Constitutional Tribunal) in relation to mining access for the Mollacas Project may be unfavourable or may be significantly delayed and the Company may not be successful in gaining access for mining through mediation with the landowner.
- (iii) Due diligence with respect to the acquisition of a potential cash flow opportunity may result in the Company incurring due diligence costs, and determining not to pursue the opportunity.

## 5.2.4 Environmental risk

Our operations are subject to risks related to the incidence and recurrence of natural disasters and extreme weather events that could affect both revenue and profitability such as the Chilean earthquakes in February 2010 centred south of Santiago, Chile. These earthquakes did not significantly affect our operations, however, further earthquakes or other natural disasters have the potential to do so. Additionally, our employees and those of our subsidiaries living in risk-prone areas around our tenements could potentially be affected by extreme weather events.

## 5.2.5 Litigation

Legal proceedings may arise from time to time in the course of our business. In particular, Metminco is progressing the granting of land access rights for mining purposes at the Mollacas Project through the courts. There is risk that the decision of the courts will be delayed and/or be unfavourable resulting in delayed and/or higher development costs and/or decision to put the project on hold.

## 5.2.6 Title and tenure

The Company's exploration and development activities are contingent on obtaining and maintaining necessary licences and permits under the applicable jurisdiction. Renewal of licences and permitting for exploration and mining activities may be subject to objections from various parties including local community groups and surface title holders. If renewal and/or permitting for whatever reason is delayed or not granted the Company may suffer a loss of the opportunity to develop and/or further explore affected projects.

## 5.2.7 Financial risk

The Consolidated Group has made a loss for the year of \$12,922,938 including a \$7,204,568 write off of its Vallecillo and Loica projects. Metminco is an exploration company currently without an operating cash inflow and the net cash position of the Group will continue to decrease until such time as the Group has an operating cash inflow. The net cash outflow for the year including payments for exploration was \$7,115,711, and the cash balance at the end of the year was \$1,192,693. These conditions give rise to a material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern.

Notwithstanding the material uncertainty the Directors are of the opinion, having made due and careful enquiry, that there are reasonable grounds to form the view that the Company will, taking into account the successfully completed Placing and the Rights Issue, have sufficient working capital for its present requirements.

In forming this view the Directors have considered in detail a number of potential scenarios including cash raised from the Placing, potential funds raised pursuant to the Rights Offer, the restructure of the Company's operations as well as other merger and acquisition strategies in play. In addition funds pursuant to the exercise of the Placing Options and the Rights Issue Options may provide further funding.

## 5.3 General risks

The following is a list of general risks relevant to an investment in the Company:

### 5.3.1 Exploration activity

Exploration is a process subject to a number risks. It has an inherently high risk stage, with no guarantee of exploration success.

Success in exploration is dependent upon a number of factors including, but not limited to, prospective projects, systematic target generation and follow-up, use of the latest technology, strong management, and project level execution and availability of exploration capital.

Exploration involves numerous specific risks:

- (i) failure to delineate commercial ore reserves;
- (ii) delays in the availability of drilling rigs and the delivery of equipment;
- (iii) hiring rates for drill equipment;

- (iv) failure and/or breakdown of equipment;
- (v) industrial accidents;
- (vi) unexpected drilling conditions;
- (vii) availability of specialised personnel; and
- (viii) adverse weather conditions.

### 5.3.2 Geological risks

The estimation of mineral resources and ore reserves is a complex process requiring input from many areas of specialisation and a high degree of interpretation of results obtained from exploration programs. Even if we employ best industry practice to develop mineral resource estimates, the risk remains that when mining commences the actual geology and ore reserve estimates could vary from that which has previously been interpreted. Further, the risk exists that the actual geological conditions could adversely impact ongoing operations and, in extreme circumstances, result in the abandonment of a project.

### 5.3.3 Mineral resources and ore reserves are estimates only

There is no certainty that the mineral resources, or any ore reserve, will be realised. Until a deposit is actually mined and processed, the quantity of mineral resources and ore reserves and grades must be considered as estimates only. In addition, the value of mineral resources and any ore reserves will depend upon, among other things, commodity prices and currency exchange rates. Any material change in the quantity of mineral resources, or any ore reserves, or grade, may affect the economic viability of any future mines. Any material reductions in the estimates or mineral resources, or ore reserves, or our ability to extract any ore, could have a material adverse effect on our future operational results and on our financial condition.

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. Often estimates are appropriate when made, but may change significantly when new information becomes available. There are risks associated with such estimates. Mineral resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to our mineral resources could affect our development, mining plans and financial position.

### 5.3.4 Operating risk

Our operations may be disrupted by a number of events that are beyond our control. These include but are not limited to:

- (i) the availability of suitable water;
- (ii) transportation capacity;
- (iii) geological, geotechnical and seismic factors;
- (iv) industrial and mechanical accidents;
- (v) equipment and environmental hazards;
- (vi) power supply failure; and
- (vii) unscheduled shut downs or other processing problems.

It cannot be guaranteed that any of the exploration projects carried out will bring about any new commercial or profitable mining operations.

As is common with all mining operations, there is uncertainty and risk associated with our operating parameters and costs. These can be difficult to predict and are often affected by factors outside our control. If any such risks actually occur, our business, financial condition and/or results of operations could be materially and adversely affected. In such a case, you may lose all or part of your investment.

### 5.3.5 Development of production operations

Specific risks in relation to the development of a mine, which may affect our financial position, include:

- (i) delays in access to land;
- (ii) title to land;
- (iii) permitting;
- (iv) government regulation;
- (v) access to power; and
- (vi) access to water.

### 5.3.6 Production

If production eventuates, specific production risks, which may affect our financial position, include:

- (i) adverse geological, seismic and geotechnical conditions;

- (ii) failure and/or breakdown of equipment;
- (iii) labour disputes;
- (iv) industrial accidents; and
- (v) other environmental hazards and risks.

### **5.3.7 Environmental regulations**

Our operations are subject to environmental regulation in all of the jurisdictions in which we operate. Such legislation covers a wide array of matters, including waste disposal, protection of the environment, worker safety, mine development, land and water use and the protection of endangered and protected species among others. Existing and possible future environmental legislation, regulations and actions could cause us to incur additional expenses, capital expenditures, restrictions and delays in our activities, the extent of which cannot be predicted.

Although precautions to minimise risk will be taken, operations are subject to hazards which may result in environmental pollution and consequent liability which could have a material adverse impact on our business, operations and financial performance. Damages occurring as a result of such risks may give rise to claims against us which may not be covered, in whole or part, by any insurance taken out. In addition, the occurrence of any of these incidents could result in our current or future operational target dates being delayed or interrupted and result in increased capital expenditure.

### **5.3.8 Health and safety**

Our activities will continue to be subject to health and safety standards and regulations. Failure to comply with such requirements, including by negligence or a failure to act, may result in fines and or penalties being assessed against us.

### **5.3.9 Additional requirements for capital**

Further funds will be required to complete our current proposed programs and crystallise the Company's objective of securing a near term cash flow. Unless and until we develop or acquire income producing assets, we will be dependent upon our cash resources, any funds derived from the exercise of Options, and our ability to obtain future equity or debt funding to support exploration, evaluation and development of the tenements in which we have an interest.

Our ability to raise further equity or debt funding, or to divest part of our interest in a project, and the terms of such transactions will vary and be influenced by a number of factors, including the terms relating to the acquisition of a cash producing asset, securing the requisite permits, the results of mining studies, success of further exploration activities, stock market conditions and commodity prices.

If it is established that a mining production operation is technically, environmentally and economically viable, we may require substantial additional financing to permit and establish mining operations and production facilities. No assurances can be given that we will be able to raise the additional finances that may be required for such future activities. Commodity prices, environmental regulations, environmental rehabilitation or restitution obligations, revenues, taxes, transportation costs, capital expenditures, operating expenses and technical aspects are all factors which may impact on the amount of additional capital that may be required.

Any additional equity financing may be dilutive to Shareholders and debt financing, if available, may involve restrictions on financing and operating activities. There are no assurances that additional financing will be available on terms acceptable to us, or at all. If we are unable to obtain additional financing as needed, we may be required to reduce the scope of our operations or anticipated expansion, forfeit our interest in some or all of our tenements, incur financial penalties, or reduce or terminate our operations.

### **5.3.10 Insurance coverage**

The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability which may exceed our insurance coverage.

### **5.3.11 Key management and staff**

Our success is largely dependent on the abilities of our Directors, senior management and other key personnel. The loss of the services of these persons may have a material, adverse, effect on our business and prospects. There is no assurance that we can retain the services of these persons. Failure to do so could have a materially adverse effect on us and our prospects.

### **5.3.12 Local community**

Positive relationships with local populations and communities cannot be guaranteed. Such relationships are important and can affect our ability to secure, amongst other things, surface rights, access, infrastructural support and the necessary labour required to operate a mine.

### **5.3.13 Economic risk and external market factors**

Factors, such as, but not limited to, world economic conditions, political instability, stock market trends, interest rates, exchange rates, inflation levels, commodity prices, industrial disruption, environmental impacts, international competition, taxation changes and legislative or regulatory changes may all have an adverse impact on our revenues, operating costs, profit margins and share price. These factors are beyond our control and we cannot predict how they will impact on our business.

### 5.3.14 Dividends

Metminco does not currently have any earnings and accordingly does not have any plan to pay dividends. There can be no assurance that the Company will be in a financial position to pay dividends at any time following the issue of New Shares under the Rights Issue.

### 5.3.15 Speculative nature of the investment

The above risk factors are not exhaustive. Other factors may in the future materially affect our financial performance and the value of the New Shares. As an investment in the Company is speculative, there is no guarantee with respect to the payment of dividends, return of capital or the market value of the New Shares at any given time.

## 6 Additional Information

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### 6.1 Rights and liabilities attaching to New Shares

The rights attached to ownership of Shares (including New Shares) arise from a combination of:

- (i) the Company's constitution; and
- (ii) in certain circumstances, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the more significant rights attached to the Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of our Shareholders.

#### 6.1.1 Voting, meeting and notices

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company.

At a general meeting, every Shareholder present in person or by proxy, representative or attorney will have 1 vote on a show of hands and, on a poll, 1 vote for each Share held.

#### 6.1.2 Dividends

The Directors may declare or determine to be payable, such dividends to Shareholders as they appear to the Directors to be justified by our profits. Dividends are payable out of the Company's profits in the form of cash, further Shares or securities in the Company, the grant of Options and the transfer of assets.

#### 6.1.3 Return of capital

On a winding up of the Company, the holders of Shares will participate in any surplus assets (following distribution to secured creditors ranking ahead of shareholders as unsecured creditors) in proportion to the number of Shares held by them at the commencement of the winding up.

#### 6.1.4 Transfer of Shares

A Shareholder may transfer all or any of its Shares in accordance with the Listing Rules and the AIM Rules.

The Directors may decline to register any transfer where permitted to do so by the Listing Rules and must decline to register a transfer of Shares where required by the Listing Rules.

#### 6.1.5 Variation of rights

Subject to the Listing Rules, the rights attached to any Shares (unless otherwise provided by the terms of issue of the Shares) may be varied or abrogated in any way with the approval by way of special resolution passed at a separate meeting of the holders of the Shares or with the consent in writing of the holders of three-quarters of the Shares.

The Directors may, subject to the restrictions on the allotment of Shares imposed by the Company's constitution, the Corporations Act and the Listing Rules, from time to time issue and allot further Shares on such terms and conditions as they see fit.

#### 6.1.6 Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

### 6.2 Rights and liabilities attached to the Rights Issue Options

#### 6.2.1 Exercise Price

The exercise of each Rights Issue Option is A\$0.005 (£0.0026) per Share.

#### 6.2.2 Entitlement

Each Rights Issue Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company.

### 6.2.3 Right Issue Option Period

The Rights Issue Options will expire at 5.00pm (Sydney time) or 5.00pm (London time) 12 calendar months after the date of issue of the New Shares. Subject to Section 6.2.7, Options may be exercised at any time prior to the expiry date and Rights Issue Options not so exercised shall automatically expire on the expiry date.

### 6.2.4 Ranking of Share Allotted on Exercise of Option

Each Share allotted as a result of the exercise of any Rights Issue Option will, subject to the Constitution of the Company, rank in all respects *pari passu* with the existing Shares in the capital of the Company on issue at the date of allotment.

### 6.2.5 Voting

A registered owner of a Rights Issue Option will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Optionholder, a member of the Company.

### 6.2.6 Transfer of a Right Issue Option

Right Issue Options are not listed and are not transferable prior to the expiry date. This right is subject to any restrictions that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

### 6.2.7 Method of Exercise of a Right Issue Option

- (i) The Company will provide to each Rights Issue Optionholder a notice that is to be completed when exercising the Rights Issue Options (Notice of Exercise of Options). Rights Issue Options may be exercised by the Optionholder by completing the Notice of Exercise of Options and forwarding the same to the Company Secretary to be received prior to the expiry date. The Notice of Exercise of Options must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted, which number of Options must be a multiple of 100,000 if only part of the Optionholder's total Options are exercised, or if the total number of Options held by an Optionholder is less than 100,000, then the total of all Options held by that Optionholder must be exercised.
- (ii) The Notice of Exercise of Options by an Optionholder must be accompanied by payment in full for the relevant number of shares being subscribed, being an amount of \$0.005 per Share for Australian and New Zealand Optionholders and £0.0026 for United Kingdom Optionholders.
- (iii) Subject to paragraph 6.27 (i) above, the exercise of less than all of an Optionholder's Options will not prevent the Optionholder from exercising the whole or any part of the balance of the Optionholder's entitlement under the Optionholder's remaining Options.
- (iv) Within 14 days from the date the Optionholder properly exercises Options held by the Optionholder, the Company shall issue and allot to the Optionholder that number of Shares in the capital of the Company so subscribed for by the Optionholder.

### 6.2.8 ASX Listing

The Company will not apply for quotation of the Rights Issue Options on the ASX.

### 6.2.9 Reconstruction

In the event of a reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Optionholder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

### 6.2.10 Participation in New Share Issues

There are no participating rights or entitlements inherent in the Rights Issue Options to participate in any new issues of capital which may be made or offered by the Company to its Shareholders from time to time prior to the expiry date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least nine (9) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Optionholder an opportunity to exercise the Options held by the Optionholder.

### 6.2.11 No Change of Options Exercise Price or Number of Underlying Shares

There are no rights to change the exercise price of the Rights Issue Options or the number of underlying Shares.

## 6.3 Transaction specific prospectus and continuous reporting obligations

We are a disclosing entity and are therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, we are obliged to comply with all applicable continuous disclosure and reporting requirements in the Corporations Act and the Listing Rules. In particular, we must comply with the requirement to disclose to the ASX any information held by us which a reasonable person would expect to have a material effect on the price or value of the Shares.

As this Prospectus is a transaction-specific prospectus issued under section 713 of the Corporations Act, it is not required to contain all the information that you and your professional advisers would reasonably require to make an informed assessment of the effect of the Rights Issue on the Company, and the rights and liabilities attaching to the New Shares. In particular, this Prospectus is not required to provide information regarding our assets and liabilities, financial position and performance, profits and losses and

prospects on the basis that such information is available through continuous disclosure notices we have given in accordance with our obligations under the Listing Rules and the Corporations Act.

Copies of the documents lodged by us with ASIC may be obtained from, or inspected at, an office of ASIC.

We will provide an electronic copy of any of the following documents, free of charge, to any person who asks for a copy before the Closing Date:

- (i) our financial report for the year ended 31 December 2014 being our most recently lodged annual report before the date of this Prospectus;
- (ii) any of our half year financial reports lodged with ASIC after the lodgement of our annual financial report and before the lodgement of this Prospectus with ASIC; and
- (iii) any other financial statements lodged in relation to us with ASIC, and any continuous disclosure notices given by us to the ASX, for the period starting immediately after lodgement of our annual financial report for the year ended 31 December 2014 with ASIC and before the lodgement of a copy of this Prospectus with ASIC.

All documents referred to above are separate documents to this Prospectus and are not incorporated by reference in this Prospectus.

Since we lodged our annual financial report for the year ended 31 December 2014, we have made the following announcements to the ASX, shown in Table 6.

**Table 6: Announcements to the ASX**

Date	Description of Document
24 March 2015	Results of Extraordinary Meeting
25 March 2015	Los Calatos Project Update
30 March 2015	Appendix 3B and Cleansing Notice
31 March 2015	Change of Directors' Interest
31 March 2015	Change of Directors' Interest

#### **6.4 Market price of Shares**

The highest and lowest recorded closing market sale prices of the Shares quoted on the ASX during the 3 month period prior to the date of this Prospectus was 0.9 cents on 20 January 2015 and 0.5 cents on 26 March 2015.

The last closing market sale price of the Shares quoted on the ASX on the last day trading took place in the Shares before the date of this Prospectus was 0.6 cents on 31 March 2015.

#### **6.5 Material Contracts**

As at the date of this Prospectus, we have not entered into any material contracts that have not been disclosed to the ASX.

#### **6.6 Litigation**

We are not aware of any legal proceedings which have been commenced against us or our subsidiaries in any jurisdiction, except as disclosed in the Company's 2014 Annual Report released 11 March 2015.

Please visit our website at [www.metminco.com.au](http://www.metminco.com.au).

#### **6.7 Electronic Prospectus**

Pursuant to ASIC Class Order 00/044, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus on the basis of a paper prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please contact us and we will send you either a hard copy or a further electronic copy of the Prospectus free of charge.

We reserve the right not to accept an Entitlement and Acceptance Form from you if we have reason to believe that when you accessed the electronic version of the Entitlement and Acceptance Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

#### **6.8 Board and management**

The Board consists of:

- (i) Timothy Philip Read (Chairman);
- (ii) William James Howe (Managing Director);
- (iii) Francisco Vergara-Irarrazaval (Non-Executive Director);



- (iv) Phillip John Wing (Non-Executive Director);
- (v) Roger John Higgins (Non-Executive Director);
- (vi) Stephen Tainton (Executive Director).

Philip Walter Killen is the Company Secretary and Chief Financial Officer.

For further information on our Board and management team, please visit our website at [www.metminco.com.au](http://www.metminco.com.au).

## 6.9 Directors' interests

### 6.9.1 Interests of Directors

Other than as disclosed in this Prospectus, no Director or proposed Director of the Company holds, or has held at any time during the last 2 years, any interest in:

- (i) the formation or promotion of the Company;
- (ii) property acquired or to be acquired by the Company in connection with the formation or promotion of the Offer; or
- (iii) the Offer,

and no amounts, whether in cash or Shares or securities or otherwise, have been paid or agreed to be paid, and no-one has given or agreed to give a benefit, to any Director or proposed Director of the Company either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with the promotion or formation of the Company or the Rights Issue.

### 6.9.2 Interests in securities as at the date of this Prospectus

As at the date of this Prospectus, the Directors (and their respective associates) have relevant interests in the Shares and Options of the Company as set out in Table 7 below. Interests include those held directly and indirectly.

Each Director who is an Eligible Shareholder will be entitled to participate in the Rights Issue.

**Table 7: Directors' and Company Secretary's interests in the Company**

Director	Number of Shares	Number of Options
William James Howe	83,333,333	33,333,333 Options exercisable at A\$0.006 per Share no later than 27 June 2015
Francisco Vergara-Irarrazaval	53,890,000	3,750,000 Options exercisable at A\$0.006 per Share no later than 27 June 2015
Phillip John Wing	19,643,336	3,750,000 Options exercisable at A\$0.006 per Share no later than 27 June 2015
Timothy Philip Read	11,400,000	1,000,000 Options exercisable at A\$0.175 per Share no later than 15 June 2015 1,000,000 Options exercisable at A\$0.210 per Share no later 15 June 2015 10,000,000 Options exercisable at £0.003 per Share no later than 27 June 2015
Roger John Higgins	2,475,000	1,875,000 Options exercisable at A\$0.006 per Share no later than 27 June 2015
Stephen Tainton	1,966,667	1,666,667 Options exercisable at A\$0.006 per Share no later than 27 June 2015
Philip Walter Killen <sup>1</sup> .	12,678,169	8,333,333 Options exercisable at A\$0.006 per Share no later than 27 June 2015

<sup>1</sup>. Company Secretary.

### 6.9.3 Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders at a general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$600,000 per annum.

Details of remuneration for each Director for the financial year ended 31 December 2014 with 31 December 2013 comparative are set out in the Remuneration Report which forms part of Metminco's Financial Report for the year ended 31 December 2014 released 11 March 2015.

Please visit our website at [www.metminco.com.au](http://www.metminco.com.au).

#### **6.10 Interests of experts and advisers**

Other than as set out below or elsewhere in this Prospectus, no person named in this Prospectus performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or has had in the two (2) years prior to the lodgement of this Prospectus, an interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Rights Issue; or
- (iii) the Rights Issue,

and no benefit (whether in cash or Shares or otherwise) has been given or agreed to be given to such persons for services provided in connection with the promotion or formation of the Company or the Rights Issue.

Gadens Lawyers (Australia) and Reed Smith (UK) have acted as lawyers to the Company in relation to the Rights Issue. We estimate that we will pay approximately \$8,000 for their services. In the past 2 years, we have paid fees totalling approximately \$73,000 (excluding GST and disbursements) to Gadens Lawyers and £5,000 (excluding GST and disbursements) to Reed Smith.

#### **6.11 Corporate governance and the Board**

The Board is responsible for our corporate governance and strives for high standards in this regard. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council, to monitor our business and affairs on your behalf. Whilst the Board attempts to adhere to the principles proposed by the ASX, it is mindful that there may be some instances where compliance is not practicable for a company of our size.

For a full overview of our corporate governance policies, please visit our website at [www.metminco.com.au](http://www.metminco.com.au).

#### **6.12 Expenses of the Rights Issue**

All expenses connected with the Rights Issue payable by the Company are estimated at approximately A\$50,000. These estimated expenses include prospectus printing and mailing, legal fees and other miscellaneous expenses directly attributable to the Rights Issue.

#### **6.13 Privacy**

As an Eligible Shareholder, we (and the Share Registry on our behalf) hold personal information about you. We do this to process and administer your investment and to provide related services to you. We may disclose your personal information, including any information you provide on an Entitlement and Acceptance Form for purposes related to your investment, to our agents or service providers, including your sponsoring broker (if any) government and regulatory bodies and the Share Registry.

This includes the requirement that information about Shareholders, including their name, address and details of Shares or Options held, must be recorded in the Company's public register, even after a Shareholder ceases to hold Shares or Options.

If you do not provide the correct information required on the Entitlement and Acceptance Form the Company may not be able to issue you with your Entitlement.

In accordance with privacy laws, information collected in relation to you can be obtained by you by contacting us or the Share Registry.

#### **6.14 Consents and disclaimers**

Each of the parties referred to in this Section:

- (i) does not make, or purport to make, any statement in this Prospectus, and is not aware of any statement in this Prospectus which purports to be based on a statement by any of them, other than as specified in this Section; and
- (ii) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Each of the following parties has consented to being named in this Prospectus in the capacity as noted below in the form and context in which any statement made by them appears and have not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (i) Gadens Lawyers (Australia) as solicitors for the Company in respect of the Rights Issue;
- (ii) Reed Smith (United Kingdom) as solicitors for the Company in respect of the Rights Issue;
- (iii) Link Market Services Limited as the share registry in respect of the Rights Issue; and,
- (iv) Computershare as register of Depository Interest in the UK.

#### **6.15 Directors' Authorisation**

This Prospectus is issued by Metminco and its issue has been authorised by the Board.

Each Director has, in accordance with section 720 of the Corporations Act, given, and has not withdrawn, before the date of this Prospectus, his consent to the lodgement of this Prospectus with ASIC, and this Prospectus has been duly signed on behalf of the Directors of the Company.

A handwritten signature in black ink, consisting of several overlapping loops and a vertical line on the left side.

Signed for and on behalf of  
Metminco Limited

## 7 Glossary

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<b>A\$</b>	the currency of the Commonwealth of Australia
<b>£</b>	the currency of the United Kingdom
<b>AIM</b>	the London Stock Exchange's international market for smaller growing companies
<b>AIM Admission</b>	admission of New Shares issued pursuant to the Rights Issue to trading on AIM in accordance with the AIM Rules.
<b>AIM Rules</b>	AIM Rules for Companies, as published by the London Stock Exchange PLC, governing admission to and the operation of AIM dated February 2010.
<b>Applicant</b>	a person who submits an Entitlement and Acceptance Form
<b>Application</b>	an application for New Shares under the Rights Issue
<b>Application Money or Application Monies</b>	the Issue Price multiplied by the total number of New Shares applied for by an Applicant under an Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities & Investments Commission
<b>ASX</b>	ASX Limited ACN 008 624 691, and the Australian securities exchange it operates
<b>ASX Settlement</b>	ASX Settlement Pty Ltd ACN 008 504 532
<b>ASX Settlement Operating Rules</b>	the operating rules of ASX Settlement
<b>Australian Register</b>	Link Market Services Limited
<b>CHES</b>	the Australian Clearing House Electronic Subregister System
<b>Closing Date</b>	the time and date at which the Offer expires, being 5.00pm Sydney time, 1 May 2015 for eligible Shareholders on the Australian Register and 5.00pm London time, 1 May 2015, for eligible Shareholders on the UK Register
<b>Company or Metminco</b>	Metminco Limited ACN 119 759 349
<b>Conditional Options</b>	the meaning given in Section 1.1.1
<b>Conditional Shares</b>	the meaning given in Section 1.1.1
<b>Corporations Act</b>	the Corporations Act 2001 (Cth)
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) operated by Euroclear UK & Ireland Limited in accordance with which securities may be held and transferred in uncertificated form.
<b>CREST Regulation</b>	uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended
<b>CRN</b>	Customer Reference Number
<b>Depository Interests or DI</b>	the depository interests representing Shares issued by the UK Depository on the terms and conditions of a deed executed by the UK Depository and Metminco
<b>Depository Interest Holder</b>	an Eligible Shareholder who is registered as a holder of a Depository Interest
<b>Directors or Board</b>	the board of directors of the Company for the time being
<b>Eligible Jurisdiction</b>	Australia, United Kingdom and New Zealand
<b>Eligible Shareholders</b>	Shareholders with a registered address in an Eligible Jurisdiction at the Record Date
<b>Entitlement</b>	the entitlement to take up New Shares under the Rights Issue
<b>Entitlement and Acceptance Form</b>	the entitlement and acceptance form attached to or accompanying a hardcopy of this Prospectus, personalised for each Eligible Shareholder, which allows each Eligible Shareholder to accept the Offer
<b>Firm Options</b>	the meaning given in Section 1.1.1
<b>Firm Shares</b>	the meaning given in Section 1.1.1
<b>Full Subscription</b>	the Right Issue is fully subscribed with 540,000,000 New Shares being issued
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder
<b>Issue Price</b>	A\$0.005 (£0.0026) per New Share, being the price payable per New Share
<b>Issue Date</b>	date on which New Shares are issued

<b>Listing Rules</b>	the official listing rules of the ASX
<b>London time</b>	the time in London, United Kingdom
<b>Los Calatos Project</b>	our mining and exploration tenements located in southern Peru covering an area of 234 square kilometres
<b>Mollacas Project</b>	our mining and exploration tenements located approximately 500 kilometres north of Santiago, Chile covering an area of 32 square kilometres
<b>New Share or New Shares</b>	the Share(s) offered under the Rights Issue
<b>Offer</b>	the offer to Eligible Shareholders of New Shares with attached Rights Issue Options under the Rights Issue
<b>Options</b>	options to acquire Shares
<b>Optionholder</b>	a holder of an Option
<b>Quotation</b>	official quotation on the ASX and AIM
<b>Placing</b>	the meaning given in Section 1.1.1
<b>Placing Options</b>	the meaning given in Section 1.1.1
<b>Placing Shares</b>	the meaning given in Section 1.1.1
<b>Prospectus</b>	this prospectus dated 1 April 2015 modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and any supplementary prospectus
<b>Record Date</b>	being 5.00pm Sydney time, 10 April 2015 for eligible Shareholders on the Australian Register and 5.00pm London time, 10 April 2015, for eligible Shareholders on the UK Register.
<b>RFC Ambrian</b>	RFC Ambrian Limited ACN 009 153 888
<b>Rights Issue</b>	the meaning given in Section 1.1.2
<b>Right Issue Option</b>	unlisted Option to acquire an additional Share at A\$0.005 (£0.0026) per Share expiring no later than 12 calendar months after date of issue of the new Option
<b>Section</b>	a section of this Prospectus
<b>Share Registry</b>	Link Market Services Limited ACN 083 214 537, Level 12, 680 George Street, Sydney NSW 2000 Australia
<b>Shareholders</b>	ordinary shareholders of the Company
<b>Share or Shares</b>	fully paid ordinary share(s) in the issued capital of the Company
<b>Shortfall Offer</b>	Offer to Eligible Shareholders who take up their full Entitlement and apply for Shortfall Shares
<b>Shortfall Shares</b>	the New Shares not taken up by Eligible Shareholders under the Rights Issue, which then become available on application by other Eligible Shareholders in addition to the other Eligible Shareholders' Entitlement
<b>Sydney time</b>	time in Sydney, New South Wales, Australia
<b>Total Raising</b>	the meaning given in Section 2.2
<b>UK</b>	United Kingdom
<b>UK Depositary</b>	Computershare Investor Services PLC.
<b>UK Eligible Shareholder</b>	Shareholders with a registered address in the UK as at the Record Date.
<b>UK Register</b>	The register of Depositary Interests in the UK maintained on behalf of the Company by the UK Depositary.

## 8 Corporate Directory

### Metminco Limited

**Company:**

Level 6, 122 Walker Street  
North Sydney NSW 2060  
Australia

T: +61 (0)2 9460 1856  
F: +61 (0)2 9460 1857

**ASX and AIM Code:**

MNC

### Company Directors and Secretary

**Directors:**

Mr Timothy Philip Read  
Mr William James Howe  
Mr Francisco Vergara-Irarrazaval  
Dr Phillip John Wing  
Dr Roger John Higgins  
Mr Stephen Tainton

**Company secretary:**

Mr Philip Walter Killen

### Nomad and Broker

**RFC Ambrian**

Level 15  
9 Castlereagh Street  
Sydney NSW 2000  
Australia

T: +61 (0)2 9263 2700  
F: +61 (0) 2 9267 0806

### Share Registry

**Link Market Services Limited**

Level 12  
680 George St  
Sydney NSW 2000  
Australia

T: +61 (0) 2 8280 7100  
F: +61 (0) 2 9287 0303

### Lawyers to the Rights Issue

**Gadens Lawyers (Australia)**

77 Castlereagh Street  
Sydney NSW 2000  
Australia

T: +61 (0)2 9931 4999  
F: +61 (0)2 9931 4888

**Reed Smith (United Kingdom)**

The Broadgate Tower  
20 Primrose Street  
London EC2A 2RS  
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DX1066 City / DX18 London