26 March 2018

NOTICE TO INELIGIBLE SHAREHOLDERS

Dear Shareholder

Metminco Limited — Renounceable Entitlement Issue 2018

On 23 March 2018, Metminco Limited (ACN 119 759 340) (ASX: MNC; AIM: MNC) (**Company**) announced to the Australian Securities Exchange (**ASX**) that it would be launching a pro-rata, renounceable entitlement issue to its existing shareholders to raise approximately AUD$5.7 million through an entitlement offer and placement.

Metminco intends to use the funds being raised to enable the Company to focus on driving valuation through advancing two high impact exploration assets in close proximity to the proposed mine site at Miraflores. Drilling is forecasted to commence in May 2018. The incoming board and management will also look to divest non-core assets in Chile and commence a round of initiatives aimed at reducing overheads.

Details of the Entitlement Offer

Each eligible shareholder will be offered 9.5 new shares (**New Shares**) for every two (2) Shares held by Eligible Shareholders (defined below) at an issue price of AUD0.8 cent per New Share, recorded in the Company's register at 5.00pm (AEST) on 28 March 2018 (**Record Date**), together with one (1) New Option for every three (3) New Shares, exercisable at AUD1.1cents on 1 June 2020, to raise A$5.5 million (**Entitlement Offer**).

The Entitlement Offer is renounceable so rights are tradeable on the Australian Stock Exchange (**ASX**). All New shares issued under the Entitlement Offer and placement will rank equally with the Company's existing shares. Metminco intends to seek quotation on ASX for the rights issue shares, placement shares, rights options and attaching Options.

You are not required to do anything in response to this letter. This letter is to inform you that unfortunately you will not be eligible to subscribe for your Entitlement under the Entitlement Offer and to explain why.

This letter is not an offer to issue New Shares to you nor is it an invitation for you to apply for New Shares.

Eligible shareholders

The Company has determined that it would be unreasonable to make an offer of Entitlements to shareholders with registered addresses outside Australia and New Zealand (**Ineligible Shareholders**) after taking into account:

- the relatively small number of shareholders in those countries;
- the small number and value of securities held by Ineligible Shareholders; and
- the potential cost of complying with legal and regulatory requirements of those countries.

This is pursuant to Listing Rule 7.7.1 of the ASX Listing Rules and section 9A of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Shareholders who are eligible to participate in the Entitlement Offer are shareholders who, as at the Record Date:

- are registered as holders of shares in the Company at 5.00pm on the Record Date; and
- have an address in the Company's share register in Australia or New Zealand.

Unfortunately, according to our records, you do not satisfy the eligibility criteria stated above and the Company informs you that you will not:

- be sent a prospectus or other documents relating to the Entitlement Offer; or
- be able to subscribe for New Shares (that is Entitlements) under the Entitlement Offer.

Appointment of nominee

In compliance with Listing Rule 7.7.1 and sections 9A and 615 of the Corporations Act, the Company has appointed Patersons Securities Limited (**Patersons**) as an ASIC approved nominee, to arrange for the sale of the Entitlements pursuant to section 615(c) of the Corporations Act which would have been granted to Ineligible Shareholders.

The Company will issue the Entitlements to the New Shares that would otherwise have been issued to Ineligible Shareholders (had they been Eligible Shareholders) to Patersons. Patersons will not be subscribing for the New Shares but will dispose of the Entitlements at any price necessary to any buyer it procures at its discretion.

Patersons will have the absolute and sole discretion to determine the timing and the price at which the Entitlements are sold and the manner in which any sale is made. The price at which the Entitlements are sold (which may be nominal) will depend on various factors, including market conditions. To the maximum extent permitted by law, neither the Company nor Patersons will be liable for a failure to sell Entitlements at any particular price.

The net proceeds of sale of Entitlements (if any, after the payment of costs) will be remitted to the Company for distribution to the Ineligible Shareholders for whose benefit the Entitlements have been sold in proportion to the number of New Shares they would have been entitled to under the Entitlement Offer had they been Eligible Shareholders (after deducting brokerage and other expenses).

If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding the sale of the Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds.

For further information on the Entitlement Offer, please contact us on 1300 554 474 from 9.00am to 5.00pm (Sydney time) Monday to Friday.

If you have any further questions you should contact your accountant, stockbroker or other professional adviser.

On behalf of the Company board and management, thank you for your continued support.

By order of the Board.

Yours sincerely

Graeme Hogan

Company Secretary