



1 April 2015

Dear Optionholder

Notice to Optionholders of Metminco in relation to the Rights Issue

We write to you as the registered holder of Metminco Limited (ACN 119 759 349) (**Metminco** or the **Company**) options as at today's date.

As announced on 18 February 2015, the Directors of Metminco have resolved to offer a pro-rata non-renounceable rights issue of up to approximately 540,000,000 Shares (**New Shares**), on the basis of one New Share for every 3.25 Shares held on the **Record Date** (5:00 pm on 10 April 2015 Sydney time for Australian and New Zealand shareholders and 5:00 pm on 10 April 2015 London time for UK registered shareholders) at an issue price of \$0.005 (£0.0026) per New Share, with one free attaching unlisted option exercisable at \$0.005 (£0.0026) per Share on or before 12 calendar months after date of issue of the New Share (**Rights Issue Option**) under the Prospectus to raise approximately A\$2.7 million (£1.4 million) before costs (**Rights Issue**). New Shares will rank equally with all fully paid ordinary shares in the capital of the Company (**Shares**) already on issue.

The Company intends to apply for quotation of the New Shares but not quotation of the Rights Issue Options.

The funds raised from the Rights Issue are intended to be used for:

- Costs associated with identifying a near term cashflow asset for potential acquisition;
- Completion of the planned Preliminary Economic Assessment ("PEA") for a smaller, high grade starter operation at Los Calatos;
- Exploration work at Los Calatos on a target adjacent to the existing Los Calatos resources;
- Legal and corporate costs associated with securing mining access rights at Mollacas; and
- Working capital.

Participation in the Rights Issue is available to Metminco shareholders registered on the Record Date and whose registered address is in Australia, United Kingdom or New Zealand (**Eligible Shareholders**).

The Rights Issue is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission and the ASX on 1 April 2015 (**Prospectus**). The Prospectus is available at the Company's website: www.metminco.com.au or on the ASX website (company announcements section, ASX code: MNC) at www.asx.com.au.

Following completion of the Rights Issue, and assuming 100% uptake of the Rights, the Company will have issued approximately 2,594,752,432 New Shares and 540,000,000 Rights Issue Options; 75,335,833 options exercisable at A\$0.006 (£0.003) per Share no later than 20 May 2015; 103,855,318 options exercisable at A\$0.006 (£0.003) per Share no later than 27 June 2015; 2,000,000 options exercisable at A\$0.175 per Share no later than 15 June 2015; 2,000,000 options exercisable at A\$0.21 per Share no later than 15 June 2015; 250,000 options exercisable at A\$0.075 per Share no later than 28 January 2016; 250,000 options exercisable at A\$0.089 per Share no later than 28 January 2016; and, 5,000,000 options exercisable at A\$0.0302 per Share no later than 1 August 2017.

If Eligible Shareholders take up the entitlement in full and no options are exercised prior to the Record Date then the total Shares on issue will be approximately 2,594,752,432 and the total options to acquire Shares on issue of approximately 728,691,151.

A copy of the Prospectus is available on the ASX and the Company's website; and will be sent to you on 15 April 2015, if you are an Eligible Shareholder.

Your Entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus. For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded down to the nearest whole number of New Shares and Rights Issue Options. If you wish to participate in the Rights Issue, it will be necessary for you to complete an Entitlement and Acceptance Form, which will accompany your Prospectus, and return it with the appropriate application monies, to the Company before the Closing Date.

Eligible Shareholders may take up all or some of your Entitlement, or, do nothing. Shares not taken up will form part of the Shortfall Shares and Eligible Shareholders who take up their full Entitlement will be able to apply for Shortfall Shares. Details on how to take up all or part of your Entitlement and apply for Shortfall Shares are contained in the Prospectus and accompanying Entitlement and Acceptance Form.

If you do nothing, your Entitlement will lapse and while you will continue to hold the same number of shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

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.

Under the terms of the options you currently hold, there is no entitlement in relation to your options to participate in the Rights Issue unless you exercise your options, and are entered onto the register as a Eligible Shareholder on or before the Record Date.

If you wish to participate in the Rights Issue with respect to your options, it will be necessary for you to exercise all or part of your options. Accordingly, you should complete a Notice of Exercise of Options (**Notice**) and lodge the Notice with the Company, together with your payment for the number of shares you wish to take up. To ensure that your new shares are issued prior to the Record Date, the above Notice must be received by 5.00pm Sydney time no later than 10 April 2015. If received after this date, the issue of new shares prior to the Record Date cannot be assured. If you have not been entered on the Company’s register of members on or before the Record Date, you will not be able to participate in the Rights Issue.

If you do not wish to participate in the Rights Issue (in respect of your options), you do not need to take any action. Before deciding whether to exercise any or all of your options, you should consider the terms of the Rights Issue carefully. If in any doubt, consult with your professional adviser. Each New Share issued as a result of the exercise of an option will rank pari-passu with all other ordinary shares of the Company on issue.

If you have any queries in relation to the Rights Issue, or the action you are required to take to subscribe for New Shares, please do not hesitate to contact Phil Killen, the Company Secretary on (02) 9460 1856.



Yours sincerely

Philip W Killen

Company Secretary