



METMINCO LIMITED

ACN 119 759 349

NOTICE OF EXTRAORDINARY GENERAL MEETING AND EXPLANATORY MEMORANDUM

TO ASSIST SHAREHOLDERS IN THEIR CONSIDERATION OF RESOLUTIONS TO BE PUT AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY TO BE HELD AT RYDGES HOTEL, 54 McLAREN STREET, NORTH SYDNEY ON WEDNESDAY 4 JANUARY 2012 AT 10:00 AM

THIS DOCUMENT IS IMPORTANT

This Notice of Meeting and Explanatory Memorandum should be read in their entirety. If you do not understand these documents or are in any doubt as to how to deal with them, you should consult your stockbroker, solicitor, accountant or other professional adviser immediately.

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METMINCO LIMITED

ACN 119 759 349

(Metminco or Company)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Shareholders of the Company will be held at:

Location Rydges Hotel, 54 McLaren Street, North Sydney

Date Wednesday 4 January 2012

Time 10:00 am (AEDT)

An Explanatory Memorandum accompanies this Notice and provides additional information on the Resolutions proposed to be considered at the Meeting. The Explanatory Memorandum forms part of this Notice and should be read in conjunction with it. We refer Shareholders to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

AGENDA

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

Resolution 1 – Ratification of Firm Placement	“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 211,850,000 new Shares to selected institutional and sophisticated investors at a subscription price of A\$0.14 per new Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”
Resolution 2 – Approval of Conditional Placement	“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 73,864,286 new Shares to selected institutional and sophisticated investors at a subscription price of A\$0.14 per new Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

VOTING EXCLUSION

The ASX Listing Rules require the Company to include a Voting Exclusion Statement in respect of the Resolutions.

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on the respective Resolutions by the following persons:

Resolution 1	Any person who participated in the Firm Placement or any associate of such a person.
Resolution 2	Any person who intends to participate in the Conditional Placement or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Conditional Placement if Resolution 2 is passed or any associate of such a person.

However, in accordance with the ASX Listing Rules, the Company need not disregard a vote if:

- it is cast by a person as a proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form; or
- if it is cast by the Chairman of the Meeting as proxy for a Shareholder who is entitled to vote, in accordance with the directions on the proxy form.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that Shareholders recorded on the Company's register at 10:00 am (AEDT) on Monday 2 January 2012 (Record Date) will be entitled to attend and vote at the Meeting. If you are not a registered Shareholder at the Record Date, you will not be entitled to vote in respect of that Share.

If you cannot attend the Meeting in person, you are encouraged to sign and deliver the accompanying proxy form and return it in accordance with the instructions set out below.

NOMINEE SHAREHOLDERS

The Voting Exclusion Statement effectively precludes the votes of a nominee Shareholder, who holds Shares on behalf of both participating and non-participating beneficiaries, from being counted:

- (a) in relation to Resolution 1, even if some beneficiaries did not participate in the Firm Placement; and
- (b) in relation to Resolution 2, even if some beneficiaries do not intend to participate in the Conditional Placement.

This result is an unintended consequence. The Company has sought a waiver from the ASX which seeks to permit nominee Shareholders to:

- (a) in relation to Resolution 1, vote the Shares of beneficiaries who did not participate in the Firm Placement (even if those beneficiaries intend to participate in the Conditional Placement); and
- (b) in relation to Resolution 2, vote the Shares of beneficiaries who do not intend to participate in the Conditional Placement (even if those beneficiaries participated in the Firm Placement).

APPOINTMENT OF PROXIES

A Shareholder entitled to attend and vote at the Extraordinary General Meeting may appoint an individual or a body corporate as a proxy to attend the meeting and, on a poll, vote on the Shareholder's behalf. A proxy need not be a Shareholder.

A Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. The enclosed proxy form provides further details on proxies and lodging proxy forms.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of that item on a poll.

For Shareholders registered on the Australian register, section 250B of the Corporations Act stipulates that the proxies must be delivered prior to 10:00 am (AEDT) on Monday 2 January 2012 to:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953

Street address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross Western Australia 6153

QUESTIONS

If you have any questions about any matter contained in the Notice of Meeting, please contact the Company Secretary, Philip Killen, on 0408 609 916 or at phil.killen@metminco.com.au.

Dated 30 November 2011

By order of the Board



Philip Killen
Company Secretary

AGENDA continued

EXPLANATORY MEMORANDUM

IMPORTANT NOTICE

This Explanatory Memorandum is an explanation of, and contains information about, the Resolutions set out in the accompanying Notice, to assist Shareholders in determining how they wish to vote on the Resolutions.

This Explanatory Memorandum forms part of the accompanying Notice and should be read together with the Notice.

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

This Explanatory Memorandum is dated 30 November 2011.

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

FORWARD LOOKING STATEMENTS

Certain statements in this Explanatory Memorandum relate to the future. These statements reflect views only as of the date of this Explanatory Memorandum.

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

BACKGROUND

Metminco Limited is an ASX and AIM listed exploration company with a portfolio of advanced and early stage exploration projects located in well-constrained metallogenic belts in Chile and Peru.

Chile and Peru are respectively the largest and second largest copper producers in the world and 90% of discovered and estimated undiscovered porphyry hosted copper resources in Peru and Chile occur within 5 distinct metallogenic belts.

Metminco's projects are well located within three of these belts, in close proximity to established mining operations (refer Figure 1).

Los Calatos Project

The Los Calatos project, located in southern Peru, has a JORC Compliant Resource of 926 million tonnes, comprising Indicated Resources of 111 million tonnes at 0.39% Cu and 380 ppm Mo, and an Inferred Resource of 815 million tonnes at 0.37% Cu and 260 ppm Mo (at a 0.2% copper cut-off grade).

The current Phase 3 diamond drilling program consisting of 35,000 metres, anticipated to be completed by the end of 2011, has provided detailed information on the extent of the alteration system at Los Calatos, as well as the width and depth potential of the mineralisation associated with the porphyry system.

Drilling results as previously released to the market provide further confirmation that the Los Calatos copper/molybdenum project is a potential world class project with intersections demonstrating mineralisation from close to surface to vertical depths greater than 1,700 metres.

Following the success of the Phase 3 drill program, Metminco plans to commence a 100,000 diamond drilling infill program, which is anticipated to be completed by the end of 2012. This drill program will be undertaken in two phases, namely:

- Phase 4 infill program: This will comprise approximately 30,000 metres of diamond drilling with a drill hole spacing of 100 m x 200 m, to be completed during the second quarter of 2012, followed by an interim resource estimate to be completed by mid-2012.
- Phase 5 infill program: This will involve 70,000 metres of diamond drilling at a drill hole spacing of 100 m x 100 m to be completed by the end of 2012, followed by a further resource estimate (to be completed in early 2013).

On completion of the infill drill program the Company plans to commission a pre-feasibility study on the Los Calatos Project.

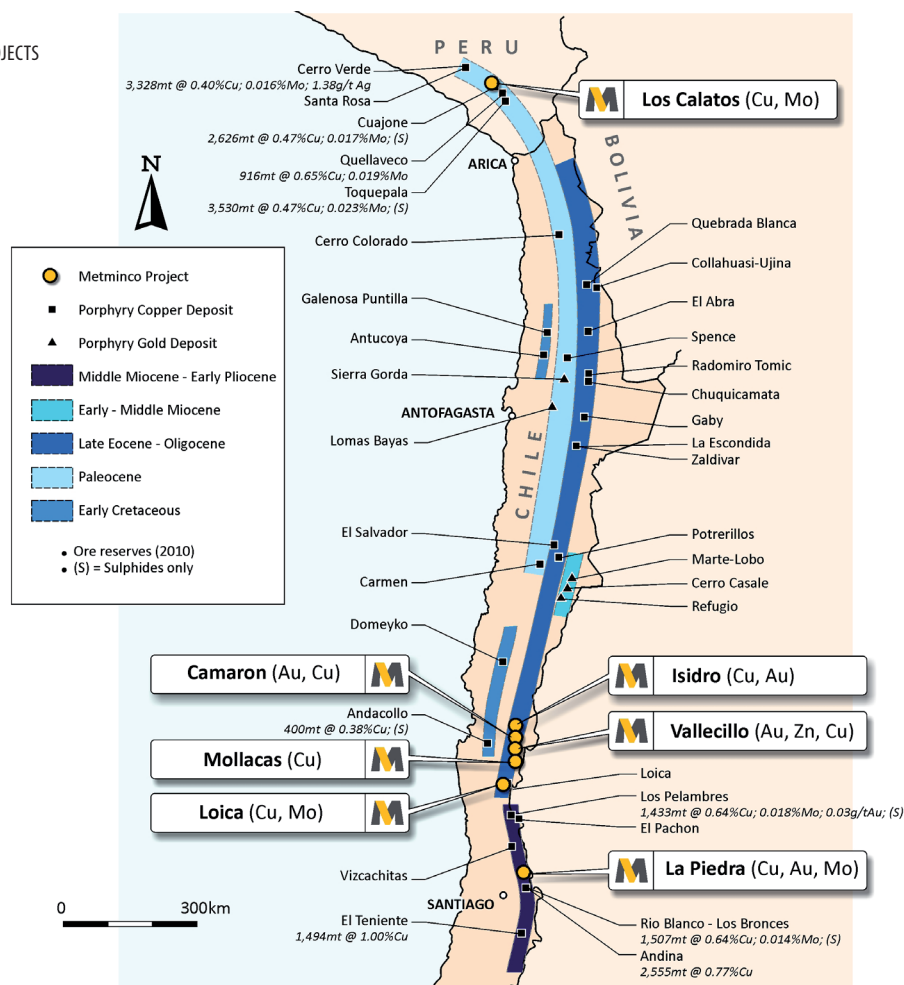
Mollacas Project

The Mollacas copper leach project has a JORC Compliant Resource of 17 million tonnes consisting of Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes @ 0.52% copper (at a 0.2% copper cut-off grade).

Completion of a 2,250 metre diamond drilling program has provided ore for further metallurgical testwork, and additional information for the derivation of a final resource estimate planned for early 2012. A 1,154 metre reverse circulation (RC) drilling program to provide clearance for the planned infrastructure and for hydrogeological studies has also been completed.

Completion of these drilling programs, together with base line environmental studies and metallurgical testwork currently underway, pave the way for the Company to commence the Mollacas definitive feasibility study during the first half of 2012.

FIGURE 1 - LOCATION OF PROJECTS



The Company has purchased the land it requires for the planned development.

Vallecillo Project

The Vallecillo gold zinc project has a JORC Compliant Resource of 10.1 million tonnes consisting of Indicated Resources of 7.9 million tonnes @ 1.14 g/t Au; 11.4 g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes @ 0.78 g/t Au; 8.2 g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3 g/t Au).

Metminco is in the process of completing 6,000 metres of infill diamond drilling designed to convert the presently defined La Colorada polymetallic mineral resource into measured and indicated resource categories leading to a resource upgrade at the end of the first quarter of 2012. Metminco expects to commence a scoping / pre-feasibility study during the first half of 2012 and further metallurgical testwork to support the study.

A further 3,000 metres of diamond drilling will test several Au-Pb (gold-lead) anomalies in the vicinity of the La Colorada deposit.

Other Projects

Exploration at the Company's Camaron and La Piedra projects continues with RC drilling totalling 10,000 metres expected to be completed during the first quarter of 2012, following which the Company would continue with the exploration of these projects subject to results.

Competent Persons Statement

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

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

RIGHTS ISSUE

In addition to the Placement, Metminco has announced its intention to offer new Shares to Shareholders through a non renounceable rights issue of one (1) new Share for every twenty (20) Shares held by Australian and New Zealand shareholders registered on the share register of the Company on 14 December 2011 at A\$0.14 per new Share. The Rights Issue would raise approximately A\$10 million, assuming all Australian and New Zealand domiciled Shareholders and Firm Shares places at the date of this Notice accept their entitlement in full.

Details of the Rights Issue will be provided to Shareholders in due course.

USE OF PROCEEDS

The proceeds of the Firm Placement, the Conditional Placement and the Rights Issue will:

- Fund the ±100,000 metre Phase 4 and 5 drilling programme at Los Calatos – A\$31.5 (approximately US\$31.5) million
- Fund the detailed feasibility study and pre-development work at Mollacas – A\$5.3 (approximately US\$5.3) million
- Fund the pre-feasibility/scoping study at Vallecillo – A\$ 1.5 (approximately US\$1.5) million
- Provide additional funds to allow exploration project development and for working capital – A\$ 11.7 (approximately US\$11.7) million.

EXPLANATORY MEMORANDUM continued

BUSINESS OF MEETING

Resolution 1 – Ratification of the Firm Placement

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the allotment and issue of 211,850,000 new Shares to selected institutional and sophisticated investors at a subscription price of A\$0.14 per new Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 in respect of the Firm Placement. The Firm Placement involved the allocation and issue of 211,850,000 new Shares at an issue price of A\$0.14 per Firm Share to Sophisticated Investors and Professional Investors to raise approximately A\$30 million. The Firm Shares will be allotted on or about Friday 2 December 2011 and rank equally with existing Shares. The Firm Shares represent approximately, but not more than, 15% of the Company’s issued Share capital.

Listing Rule 7.1 prohibits (subject to certain exceptions) Metminco from issuing or agreeing to issue further new securities representing more than 15% of issued Shares during the 12 month period following the issue of the Firm Shares, without Shareholder approval (15% Restriction).

Listing Rule 7.4 provides that the Firm Placement will be deemed to have been made with Shareholder approval as Listing Rule 7.1 was not breached at the time of the Firm Placement if Shareholders subsequently approve the Firm Placement.

By Shareholders ratifying the Firm Placement, the Company is given flexibility to issue further securities up to the 15% limit over the next 12 month period. The Board believes that it is in the best interests of the Company to maintain the ability to issue up to its full placement capacity so that the Company retains financial flexibility and can take advantage of commercial opportunities that may arise.

Listing Rule 7.5 requires that the following information be provided to Shareholders in respect of Resolution 1 for the purposes of Listing Rule 7.4:

- a) **The number of Firm Shares:** 211,850,000 new Shares;
- b) **Issue price:** A\$0.14 per Firm Share;
- c) **Terms of the Firm Shares:** The Firm Shares rank equally with the existing Shares on issue;
- d) **Allottees:** The Firm Shares will be allotted to Sophisticated Investors and Professional Investors;
- e) **Allotment date:** The Shares will be issued on or about Friday 2 December 2011 (AEDT);
- f) **Use or intended use of funds raised:** The purpose of the issue of the Firm Shares is to fund (in part) phases 4 and 5 of the Los Calatos drilling program (as described in this Explanatory Memorandum); and
- g) **Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 1 by any person who has participated in the Firm Placement or any associate of such a person.

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 1.

Resolution 2 – Approval of the Conditional Placement

“That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the allotment and issue of 73,864,286 new Shares to selected institutional and sophisticated investors at a subscription price of A\$0.14 per new Share on the terms and conditions set out in the Explanatory Memorandum accompanying the Notice of Meeting.”

Under Listing Rule 7.1, the prior approval of Shareholders is required in respect of the proposed Conditional Placement as the placement of the Conditional Shares will exceed the 15% Restriction.

Consequently, Resolution 2 seeks Shareholder approval for the proposed Conditional Placement. The Conditional Placement contemplates the allocation and issue of 73,864,286 new Shares at an issue price of A\$0.14 per Conditional Share to selected Sophisticated Investors and Professional Investors to raise approximately A\$10 million.

The Conditional Shares will be allotted progressively and are anticipated to be issued on or before Friday 6 January 2012, but in any event, no later than Wednesday 4 April 2012, and will rank equally with existing Shares. As Shareholder approval is only being sought under Listing Rule 7.1, the Shares will not be issued to related parties of the Company (as defined in Listing Rule 10.11) including but not limited to Directors and their spouses, entities controlled by Directors and controlling Shareholders of the Company.

The funds raised by the Conditional Placement will be used to pursue identified growth initiatives as set out above.

Listing Rule 7.3 requires that the following information be provided to Shareholders in respect of Resolution 2 for the purposes of Listing Rule 7.1:

- (a) **The number of Conditional Shares:** 73,864,286 new Shares;
- (b) **Issue date:** The issue of the Conditional Shares is anticipated to take place by Friday 6 January 2011, but in any event will occur no later than Wednesday 4 April 2012;
- (c) **Issue price:** A\$0.14 per Conditional Share;

- (d) **Allottees:** The Conditional Shares will be issued and allotted to selected Sophisticated Investors and Professional Investors who are not related parties of the Company;
- (e) **Terms of the Conditional Shares:** The Conditional Shares will rank equally with the existing Shares on issue;
- (f) **Use or intended use of funds raised:** to continue development of the Company's prospective projects within an optimal time frame, in particular, Los Calatos and Mollacas and for working capital purposes;
- (g) **Allotment Date:** the Conditional Shares will be allotted progressively but, in any event, no later than Wednesday 4 April 2012; and
- (h) **Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 2 by any person who intends to participate in the Conditional Placement or any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, from the Conditional Placement if Resolution 2 is passed or any associate of such a person.

The Board unanimously recommends that eligible Shareholders vote in favour of Resolution 2.

ADVANTAGES OF SUPPORTING THE RESOLUTIONS

1. Advantages of approving the Placement

Metminco currently does not have an operating cash flow and is reliant on raising funds in order to advance its projects and increase Shareholder value. Approval of the Resolutions will enable the Company to fund a more aggressive drilling program at the world class Los Calatos project and progress the Mollacas copper leach project and the Vallecillo projects towards development.

2. Broader Shareholder base with increased financial capacity

The Placement will introduce additional "corner stone" AIM-based investors and increase the volume of shares listed on AIM. This may result in increased market interest in, and market support for, Metminco. A wider pool of Shareholders and market exposure may also increase Metminco's capacity to obtain future equity funding to progress development of the Company's interests thereby adding Shareholder value.

3. In line with Metminco's strategic direction

To continue with value creation for shareholders and to fund the continuing development of these multiple prospective projects within the optimal time scales, in particular, Los Calatos and Mollacas, the Company requires the additional funds to be provided by the Placing.

DISADVANTAGES OF SUPPORTING THE RESOLUTIONS

Shareholders are advised that they should balance the reasons to support the Resolutions against the potential disadvantages of supporting the Resolutions.

The risks to Shareholders and disadvantages of approving Resolution 2 include:

1. Dilution

If Resolution 2 is approved then existing Shareholders would be diluted by approximately 4.4%.

2. Issue Price of Conditional Shares may be at a Discount

It is proposed that the placement of Conditional Shares would be at a price of A\$0.14 per Conditional Share which represents a discount of 24% on the VWAP.

RECOMMENDATIONS

The Board unanimously recommends that Shareholders approve the Resolutions.

All Directors have unanimously approved the proposal to put the Resolutions to the Shareholders and the provision of this Explanatory Memorandum.

All Directors unanimously recommend that non-associated Shareholders should approve the Resolutions.

Dated: 30 November 2011

EXPLANATORY MEMORANDUM continued

GLOSSARY

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

15% Restriction	means the rule in ASX Listing Rule 7.1 prohibiting a Company issuing more than 15% of its issued Share capital within a 12 month period
A\$	means a dollar in the currency of the Commonwealth of Australia unless otherwise specified
AEDT	means Australian Eastern Daylight Time
ASX	means Australian Securities Exchange
AIM	means AIM, a market operated by the London Stock Exchange
Board	means the board of Directors of the Company
Camaron project	means mining and exploration tenements located approximately 500 km north of Santiago, Chile covering an area of 130 square kilometres
Company or Metminco	means Metminco Limited (ACN 119 759 349)
Conditional Placement	means the proposed placement of the Conditional Shares to selected Sophisticated Investors and Professional Investors to raise approximately A\$10 million
Conditional Shares	means the 73,864,286 new Shares proposed to be issued under the Conditional Placement
Constitution	means the constitution of the Company
Corporations Act	means <i>Corporations Act 2001</i> (Cth)
Director	means a director of the Company
Explanatory Memorandum	means the Explanatory Memorandum accompanying the Notice of Meeting
Extraordinary General Meeting or Meeting	means the extraordinary general meeting of Shareholders convened for the purposes of considering the Resolutions to be held at 10:00 am on Wednesday 4 January 2012
Firm Placement	means the placement of the Firm Shares to selected Sophisticated Investors and Professional Investors to raise approximately A\$30 million
Firm Shares	means approximately 211,850,000 new Shares issued under the Firm Placement
Isidro project	means the mining and exploration tenements located immediately north and east of Vicuna, covering an area of approximately 250 square kilometres
JORC Compliant Resources	means reporting of resources in accordance with the JORC Code (AusIMM)
La Piedra project	means mining and exploration tenements covering an area of 60.5 square kilometres located approximately 75 kilometres northeast of Santiago.
Listing Rules	means the listing rules of ASX
Loica project	means mining and exploration tenements located approximately 500 km north of Santiago, Chile covering an area of 35 square kilometres
Los Calatos project	means mining and exploration tenements located in southern Peru covering an area of 214 square kilometres consisting of a number of tenements including the Alpha, Gamma and Nelson tenements owned by Minera CN SAC
Metminco Group	means Metminco and its subsidiaries
Mollacas copper leach project	means mining and exploration tenements located approximately 500 kilometres north of Santiago, Chile covering an area of 32 square kilometres
Notice of Meeting or Notice	means the notice of meeting which accompanies the Explanatory Memorandum
Placement	means the Firm Placement and Conditional Placement
Placing Agreement	means the Placing Agreement dated on or about 25 November 2011 between the Company, Canaccord Genuity Limited and Liberum Capital Limited
Professional Investors	has the meaning given to that phrase in section 708(11) of the Corporations Act
Record Date	means 10:00 am (AEDT) on Monday 2 January 2012
Resolution(s)	means a resolution or resolutions referred to in the Notice
Rights Issue	means the offer of new Shares to Shareholders through a non renounceable rights issue of one (1) new Share for every twenty (20) Shares held by Australian and New Zealand shareholders registered on the share register of the Company at 5:00 pm on 14 December 2011 at A\$0.14 per new Share to raise approximately A\$10 million
Share or Shares	means a fully paid ordinary share(s) in the capital of the Company
Shareholder	means a holder of Shares
Sophisticated Investors	has the meaning given to that phrase in section 708(8) of the Corporations Act
Vallecillo project	means mining and exploration tenements located approximately 500 kilometres north of Santiago, Chile covering an area of 200 square kilometres
Voting Exclusion Statement	means the statement of excluded persons which the ASX Listing Rules (rule 7.5.6 in relation to Resolution 1 and rule 7.3.8 in relation to Resolution 2) require to be included in the Notice
VWAP	means the weighted average A\$ sale price of Shares over the 30 trading days immediately preceding the date indicated

