



7 December 2009

ASX ANNOUNCEMENT SUMMARY

Corporate Strategy Update

- Metminco North Hill Holdings Group Inc signs agreement to purchase tenements. Securing ownership of the Los Calatos Project is a significant step forward for Metminco.
- Metminco previously announced an option to acquire control of Hampton

Capital Raising Update

- Fully underwritten A\$14 million Convertible Note Term Sheet signed.
- Company announces a capital raising of up to A\$10 million through placement to institutional and sophisticated investors and, subject to regulatory approval, a Share Purchase Plan (SPP).

Project Update

Hampton (Metminco currently owns 36.5 %) has announced:

- A 10,000 metre diamond core drilling program at the Los Calatos Project is underway with approximately 2,300 metres (2 holes) of the 13 hole drilling program completed.
- Both the first two holes have encountered mineralization.
- If Metminco gains control of Hampton it plans to employ additional drill rigs at Los Calatos to accelerate drilling.
- Results from initial metallurgical testwork for the Los Calatos Project indicate good recoveries of copper and molybdenum into concentrates.
- Initial metallurgical testwork on the Vallecillo Project Au/Zn mineralisation has identified that excellent gold recovery into Dore bullion will be achieved, and saleable zinc concentrate grades will be achieved.



CORPORATE STRATEGY UPDATE

Metminco signs agreement to purchase the Los Calatos tenements

Metminco has entered into a purchase agreement with Highland Holding Resources K p e 0 " * ð J J T to acquire 100% of the issued capital of North Hill for the payment of US\$0.5 million and issue of 150,000,000 million h w n n { " r c k f " q t f k p c Metminco J Shares ð on " settlement, g v o k and a payment of US\$ 1.5 million on or before 1 August 2010 (Metminco- J J T " C i t g g o g p v ö -

The Metminco-HHR Agreement is subject to:

- § Metminco acquiring a controlling interest in Hampton (via exercising its option to purchase Junior Investment Company ø interest in Hampton); and,
- § Metminco shareholder approval for the issue of the Metminco Shares to HHR

North Hill indirectly owns 100% of the Los Calatos tenements located in southern Peru.

Hampton has an option with North Hill to acquire the Los Calatos tenements, as summarised below, which remains in place and is not affected by the Metminco-HHR Agreement.

If Hampton exercises its option, title to the Los Calatos tenements would pass to Hampton with North Hill receiving the 1 August 2010 option payment of US\$0.5 million, the proceeds of the Hampton option exercise (US\$ 0.005 /lb equivalent copper based on a scoping study) and the bonus payment of US\$1.5 million on decision to mine. Hampton must complete a further 2,700 meters of drilling to satisfy the option terms with North Hill.

Metminco will seek shareholder approval to complete the transaction and issue to HHR the Metminco Shares.

Metminco acquisition of a contolling interest in Hampton

As previously announced (25 September 2009) Metminco, signed an option agreement to purchase L w p k q t " K p x g u v * ð g L K E " E n t e r e s t i n H a m p t o n f o r u p t o U S \$ 1 2 m i l l i o n i n c a s h and up to 132.8 million fully paid ordinary shares in Metminco * ð U j . c The option expires 17 March 2010 * ð L K E " . Q r v k q p ö +

If Metminco shareholders approve the exercise of the JIC Q r v k q p . " O g v o k p e q ø u " k p will increase from 36.5% to a minimum of 53.6% by the issue of 71,197,638 Shares and a cash payment of US\$ 6.4 million (if other Hampton shareholders exercise their pre-emptive rights in full) or up to a maximum of 68.4% by the issue of 132,787,500 Shares and a cash payment of US\$ 12 million (if no other Hampton shareholders exercise their pre-emptive rights).

Metminco will seek shareholder approval to complete the issue of shares in connection with the exercise of the Option.



CAPITAL RAISING UPDATE

As part of its ongoing fund raising strategies, Metminco is pleased to announce the following:

\$14 million Convertible Note

Metminco has signed a A\$14 million convertible note term sheet. The key terms and conditions of the convertible note facility are:

- term note is 3 years from date of issue
- coupon rate of 10% per annum, payable annually in arrears from date of draw down
- convertible at any time at 80 % of the closing share price on the day immediately prior to conversion notice
- redeemable by the Company at an amount equal to 120 % of the face value of the Convertible Note to be redeemed

BBY Limited is the underwriter for the issue. Documentation in respect of the transaction is being finalized.

A\$10 million Capital Raising

The Company has announced it will raise a total of A\$10 million via a placement to institutional and sophisticated investors, and, subject to regulatory approval, a Share Purchase Plan (SPP).

The Company will, subject to ASIC approval, give shareholders the opportunity to participate in its fund raising through a Share Purchase Plan (SPP) offer to shareholders.

Metminco, will seek a waiver from ASIC in accordance with RG 125.29, which if granted, will allow the Company to make a SPP offer to shareholders whereby shareholders may purchase fully paid ordinary shares in the Company up to A\$15,000 in value.



PROJECTS

Los Calatos Project óresumed diamond drilling

The Los Calatos copper-molybdenum project has JORC compliant resources (Indicated plus Inferred categories) of 262 million tonnes @ 0.43% Cu & 0.042% Mo at a 0.2% copper cut-off grade, based on 12,639 metres of drilling. The Los Calatos Project is located in southern Peru (refer Figure 1), near and in a similar geological setting to three large existing copper-molybdenum porphyry mines.

Hampton re-commenced diamond core drilling at Los Calatos in mid November 2009. The planned program is for 10,000 metres in 13 holes, each hole to be drilled to a depth of up to a maximum of 1200 metres, depending on the geology encountered in each hole. Two drill rigs are being employed.

The first two holes have now been completed to depths of 1,100 meters and 1,200 meters respectively and both drill holes encountered copper and molybdenum mineralisation as expected.

This program follows up an initial drilling campaign of 13 diamond core holes totaling 6,387 metres completed late calendar 2008.

It is Metminco's intention to resume diamond drilling at Los Calatos when it gains control of Hampton.

Los Calatos Project ópreliminary metallurgical testwork

Preliminary metallurgical testwork has been undertaken on the Los Calatos ore. Eleven composite samples were prepared for testing using core from the late 2008 drilling program.

Averaged results for the most promising tests are:

Concentrate grades:	Cu 24.0%	Mo 2.5 %
Metal recoveries into concentrate:	Cu 87.5%	Mo 79.1%

The concentrate grades for copper are lower than one would expect in a commercial operation, owing to the presence of pyrite. However, it is believed the grade can be readily increased by standard modifications to the flotation conditions. For comparison, historically the average concentrate grade for the nearby Cuajone mine has been around 26% Cu, and for the Toquepala mine just over 27% Cu. Historic copper recoveries at these mines have generally been in the 85-90 % range. The molybdenum recoveries achieved are high compared to the rest of the industry,



Vallecillo Project ópreliminary metallurgical testing

Hampton owns 50% of the Vallecillo gold-zinc project. The current JORC compliant resources (Indicated plus Inferred categories) of 10.1 million tonnes at 1.06g/t Au, 1.2% Zn, 11g/t Ag and 0.28% Pb at a 0.3g/t Au cut-off.

Hampton commissioned initial metallurgical testwork on the La Colorada deposit ores, within the Vallecillo tenements.

Nine composite samples were pr g r c t g f " h t q o " f t k n n " e q t g " h t q o " J Vallecillo, undertaken in 2006 and 2008.

Preliminary tests were carried out on gravity concentration of gold and on flotation of gold and zinc in order to assess the process route likely best suited to optimal economic recovery of gold and zinc. These tests showed excellent recovery of gold through gravity and also that remaining gold reporting into a zinc concentrate responded well to leaching.

Subsequently four composite samples were each tested using the following process route:

1. Treat the sample by gravity concentration to obtain a gold-silver gravity concentrate, and then leach this concentrate.
2. Grind the tails from the gravity concentration stage and float a zinc rougher and a zinc cleaner concentrate. Leach gold in both concentrates.
3. Recover leached gold as a Doré bullion (ie containing gold and silver) by treating the gold in solution from leaching the gravity and zinc concentrates: gold in solution is recovered on carbon columns, followed by elution, electrowinning and smelting to produce Doré.
4. Filter the leached zinc concentrates and produce a commercial grade final zinc concentrate in three cleaning stages.

Preliminary results

The preliminary results from the Vallecillo testing are very encouraging, suggesting:

- Total recovery of gold will be approximately 90% into a Dore bullion
- Recovery of zinc will be approximately 90% into a zinc concentrate averaging at least 50% zinc.

It is also encouraging that a commercial grade zinc concentrate can be achieved from what would be a relatively low zinc head grade.

Mollacas Project ódetailed leach testwork

Hampton owns 50% of the Mollacas copper leach project.

Initial leach testwork on Mollacas drill core commissioned by Hampton in 2006 produced encouraging results.

Hampton is currently proceeding with further and more detailed metallurgical leach testwork for the Mollacas deposit, which is designed to become input for a feasibility study. The additional work will refine expected time / copper recovery curves for different components of mineralisation and will allow more accurate estimates of operating and capital costs.

The Company is currently completing sample preparation ahead of column leach testwork.

The Mollacas Project has current JORC compliant resources (Indicated plus Inferred categories) of 17 million tonnes at 0.54% Cu ay a 0.2% Cu cut-off for 92,000 tonnes of copper metal in-situ.

Camaron Project

Hampton holds 100% of some tenements and an option to acquire 100% of other adjacent tenements.

Hampton plans RC drilling of a number of significant low-sulphidation Au anomalies identified by geochemical sampling. Hampton is currently in discussions with landowners to gain access for drilling.

Further Information

If you have any questions or need further clarification please contact

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Phil Killen (Company Secretary) at pwkillen@metminco.com.au Mobile: 61 (0) 408 609 916.

On behalf of the Board,



John Fillmore

Chairman

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**Figure 2. Location of J c o r v l o p C a t o ' s Project in far south Peru
(showing nearby other Cu-Mo deposits)**