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**26 September 2011**

## **ASX ANNOUNCEMENT**

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### **CHILE PROJECT UPDATE:**

- **Mollacas – Drilling comprising 24 diamond drill holes for resource definition and metallurgical testwork, and 14 reverse circulation holes for infrastructure condemnation drilling, completed at Mollacas.**
- **Vallecillo - 9,000 metres of diamond drilling and 4,000 metres of reverse circulation drilling commenced in 41 holes at Vallecillo on 25 September 2011.**

**(On completion of drilling at Vallecillo, RC drilling rig to be relocated to the Camaron and La Piedra projects to commence planned programs).**

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Metminco commissioned drilling programmes in June 2011 comprising 16,000 metres of Reverse Circulation (“RC”) drilling and 12,000 metres of Diamond Drilling (“DD”) at the Mollacas, Vallecillo, Camaron and La Piedra projects. This drill program is expected to be completed during the first quarter 2012.

### **Mollacas Project**

The Company has completed drilling of 24 DD holes (2,250 metres) at Mollacas to provide information for an updated JORC resource estimate, expected to be completed by December 2011, and additional metallurgical testwork (Figures 1 and 2).

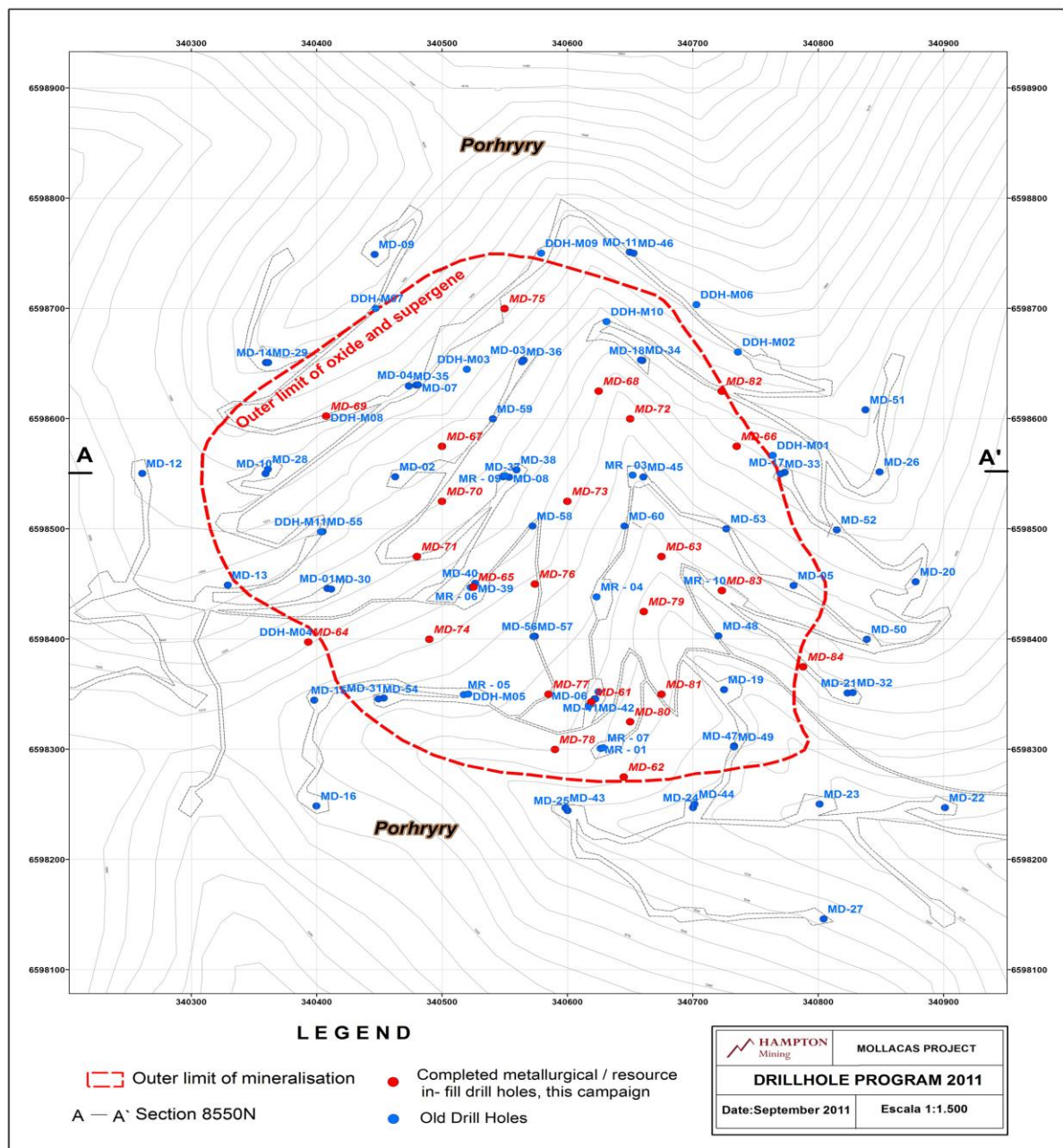
Condemnation drilling in areas to be affected by future leach pads, process and mine infrastructure and waste dumps comprising 1,158 metres of RC drilling in 14 drill holes was completed as part of the same program.

SGS laboratories in Santiago have been commissioned to undertake the metallurgical testwork program comprising eight 6-metre columns to determine the definitive leach characteristics of the various Mollacas ore types as part of a Feasibility Study which is expected to be completed by mid-2012.

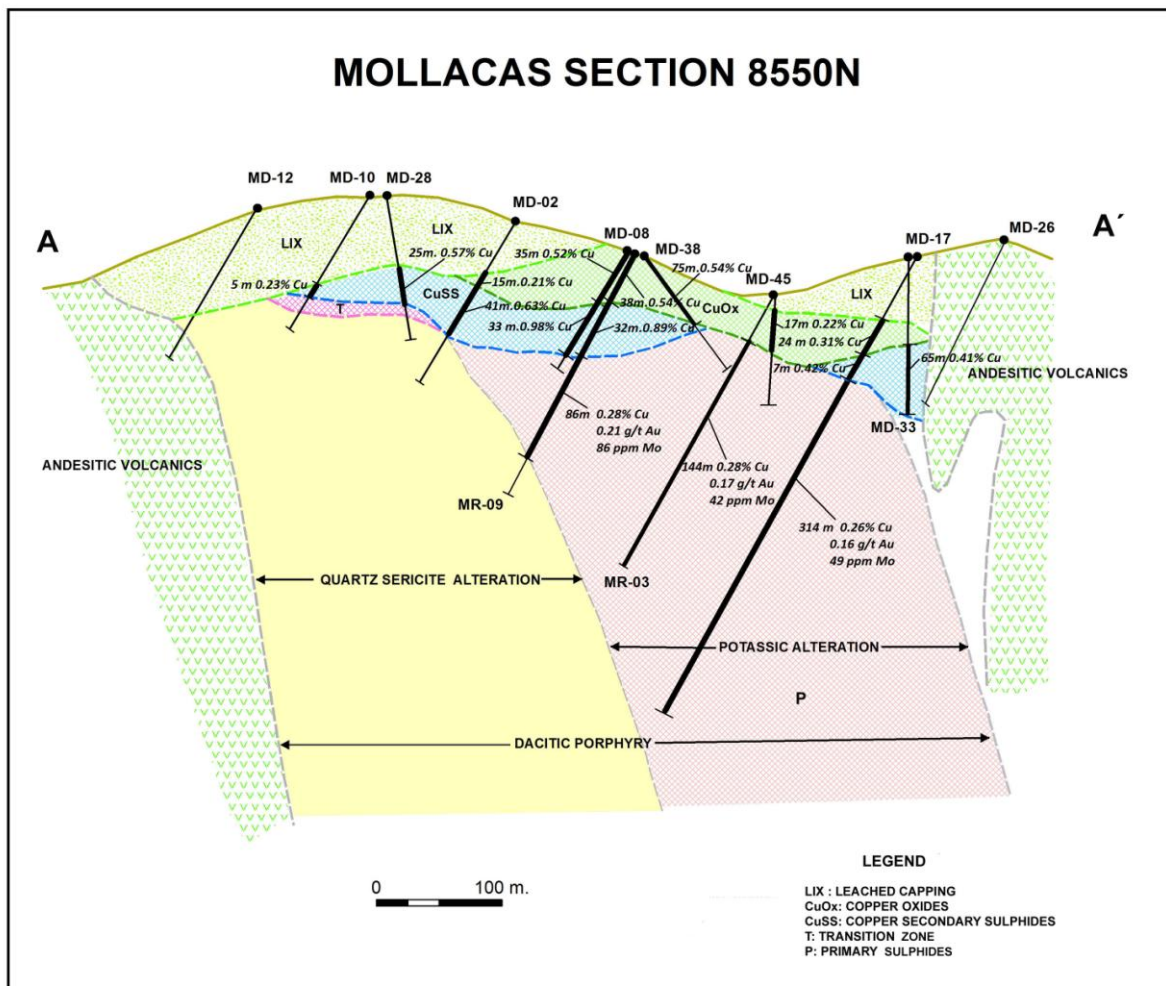
In April 2008, SRK Consulting Chile completed a Scoping Study for the Mollacas copper leach project, the key results of which were as follows:

- Open pit copper leach operation
- Approximately six year life of mine producing 13,500 tonnes per annum of copper cathode (29.8million lbs per annum)
- Estimated capital cost: US\$56 million
- Life of mine strip ratio: 1.3 to 1
- Life of mine operating costs: US\$0.91 per lb copper
- NPV of US\$103 million at US\$2.50/lb copper and 8% discount rate
- IRR >70%

**Figure 1: Geological map of the Mollacas porphyry deposit with drill hole locations and mineralised envelope.**



**Figure 2: East-west cross section through the Mollacas supergene enrichment zone and primary porphyry mineralisation.**



### Vallecillo Project

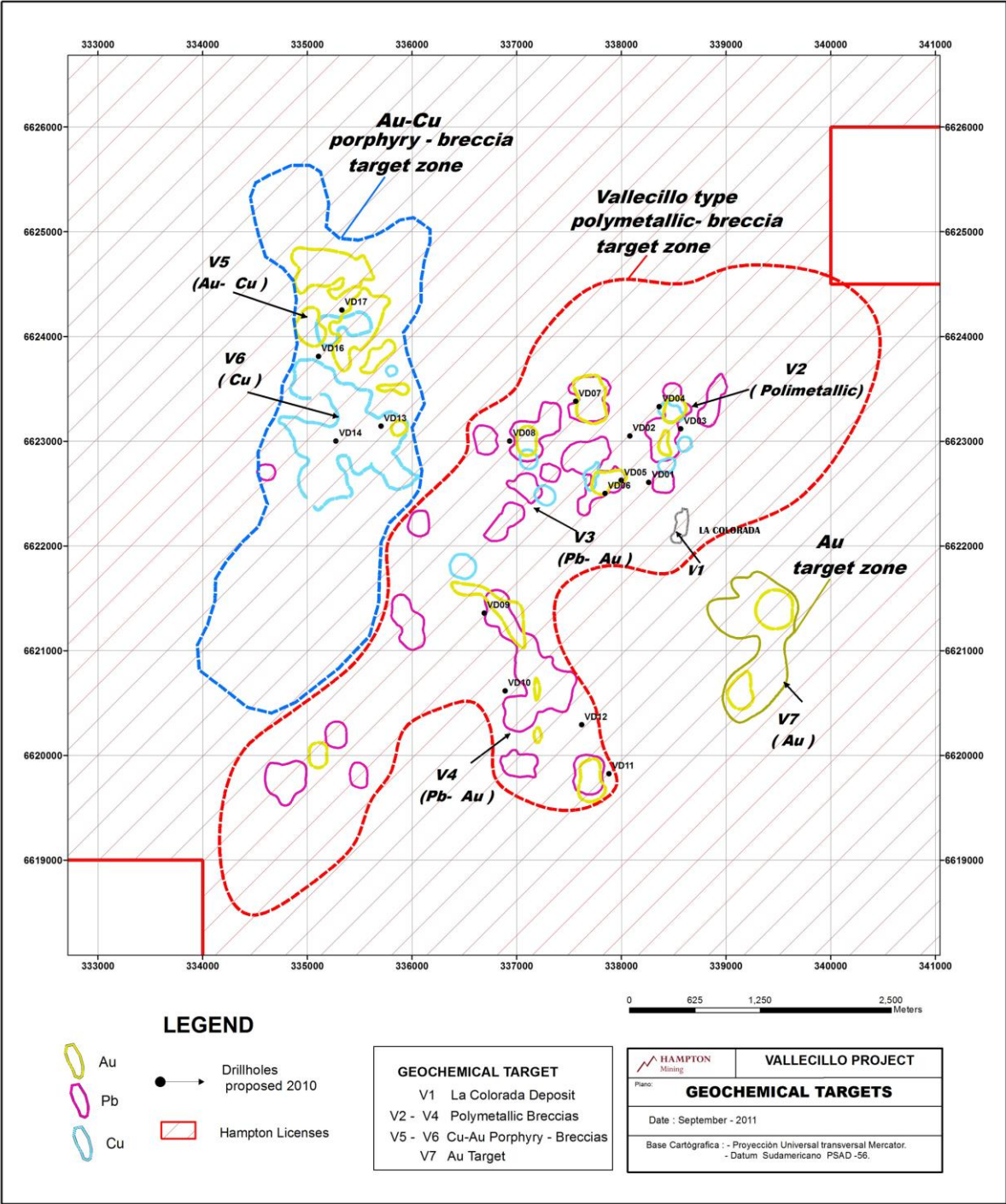
Drilling has now commenced at the Vallecillo project, which comprises 6,000 metres of DD drilling at the La Colorada deposit (V1 target) for resource definition purposes, and 3,000 metres of DD drilling to test the Au-Pb geochemical targets identified as V2, V3 and V4 in Figure 3. This will form the basis of a Scoping Study to be completed on La Colorada and the surrounding polymetallic targets during 2012.

A further 4,000 metres of RC drilling has been initiated to test the geochemical anomalies (V5 and V6) associated with the Cu-Au porphyry in the northwest of the Vallecillo project area.

The Company is currently completing a ground magnetic and IP (Induced Polarisation) geophysical survey in support of the drilling program, the results of which are expected shortly.



Figure 3: Vallecillo Project - Geochemical targets to be drilled.



William Howe  
Managing Director

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## About Metminco:

Metminco is a dual ASX and AIM listed company with a portfolio of copper and gold projects in Peru and Chile. The Los Calatos project, located in southern Peru, has a JORC compliant resource of 927 million tonnes, comprising Indicated Resources of 111 million tonnes at 0.39% Cu and 380ppm Mo, and an Inferred Resource of 816 million tonnes at 0.37% Cu and 260ppm Mo (at a 0.2% copper cut-off grade).

The Chilean assets include the Mollacas copper leach project with 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 at 0.52% copper (at a 0.2% copper cut-off grade); and the Vallecillo gold zinc project with a JORC compliant resource of 10.1 million tonnes consisting of Indicated Resources of 7.9 million tonnes at 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes at 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3g/t Au).

## 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.

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