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ASX ANNOUNCEMENT

DRILLING AT LOS CALATOS CONFIRMS MINERALIZATION TO DEPTHS IN EXCESS OF 1,700 METRES

Drilling at Metminco Limited's 100% owned Los Calatos copper/molybdenum project in Peru has indicated the existence of significant mineralization close to surface which has the potential to enhance early cash flows from any future development.

The drilling program has also confirmed that the Los Calatos mineralization extends to at least 1,700 metres below surface.

Metminco has now received all assay data from two deep drill holes, CD 27 and CD 31, which are part of an extensive program to assess the full extent of the porphyry system at Los Calatos.

The full intersections for these holes are summarised below:

CD 27 (EOH 1940 metres)	1,037 metres @ 0.42% Cu and 226ppm Mo <i>Including: 406 metres @ 0.65% Cu and 442 ppm Mo</i> (intersection from 877 metres to 1,283 metres down hole)
CD 31 (EOH 1769 metres)	1,690 metres @ 0.60% Cu and 346 ppm Mo <i>Including: 255 metres @ 1.68% Cu and 310 ppm Mo</i> (intersection from 59 metres to 314 metres down hole)

Los Calatos Project

The main area of interest at Los Calatos is defined by the “LIX capping” (Figure 1), which correlates with an underlying, near vertical, porphyry system that is developed to depths in excess of 2,000 metres. Furthermore, the width of the system increases from some 700 metres near surface, to in excess of 1,000 metres at a vertical depth of 1,500 metres as defined by drill holes CD27 and CD31 and demonstrated in figures 1 and 2. Both drill holes ended in strong mineralization. Results from CD31 indicate the existence of significant mineralization close to surface over a reasonably large width which may enhance the early cash flows of any possible future development at the Los Calatos Project.

Five drill rigs are currently operating on site, with a further drill rig being requested in order to expedite the completion of the phase 3 drill program of which 12 holes have been completed for a total of 18,200 metres (Table 1). Four drill holes are in progress for a further 6,400 metres, and a further 9 drill holes are planned, totalling 13,200 metres to define the mineralisation limits for a total of 37,800 metres for the phase 3 drill program. This program is expected to be completed by the end of 2011.

The Company will complete the current drill program (Figure 1) to test the full strike length of the porphyry system (delineated by the “LIX capping”), as well as the broad geometry of the system and associated mineralization. Figure 2 graphically depicts key geological attributes of the porphyry system, in addition to some of the drill hole results returned to-date.

On completion of these drill holes, Metminco expects to be in a position to commence an in-fill drill program of the mineralized porphyry system with a view to completing an updated Mineral Resource estimate during 2012. On completion of this drill program the Company will then commission a pre-feasibility study on the project.

Chilean Projects Update

In Chile, Metminco has commenced a drilling program comprising 2,000 metres of RC drilling and 3,000 metres of diamond drilling at the Mollacas Project to provide ore for further metallurgical testwork and additional information for a final resource estimate. Two drill rigs are currently operating at Mollacas with a third scheduled to commence during August 2011. On completion of the Mollacas drilling, 14,000 metres of RC drilling and 9,000 metres of diamond drilling will be completed at the Vallecillo, Camaron and La Piedra projects. These drill programs are expected to be completed by the first quarter 2012.

A geophysical survey comprising IP and ground magnetics has recently been initiated at Camaron to assist in refining existing drill targets. A similar geophysical program will be conducted at the Vallecillo Project prior to the commencement of drilling.

Drilling Programs Fully Funded

The Los Calatos, Mollacas, Vallecillo, Camaron and La Piedra drilling programs are fully funded from existing cash reserves. As announced in the Company’s June 11 Quarterly, the Company had cash reserves of A\$31.5 million as at 30 June 2011.

Figure 1: Los Calatos Project: Surface geological plan showing the “LIX capping” and location of planned drill holes (1 to 15).

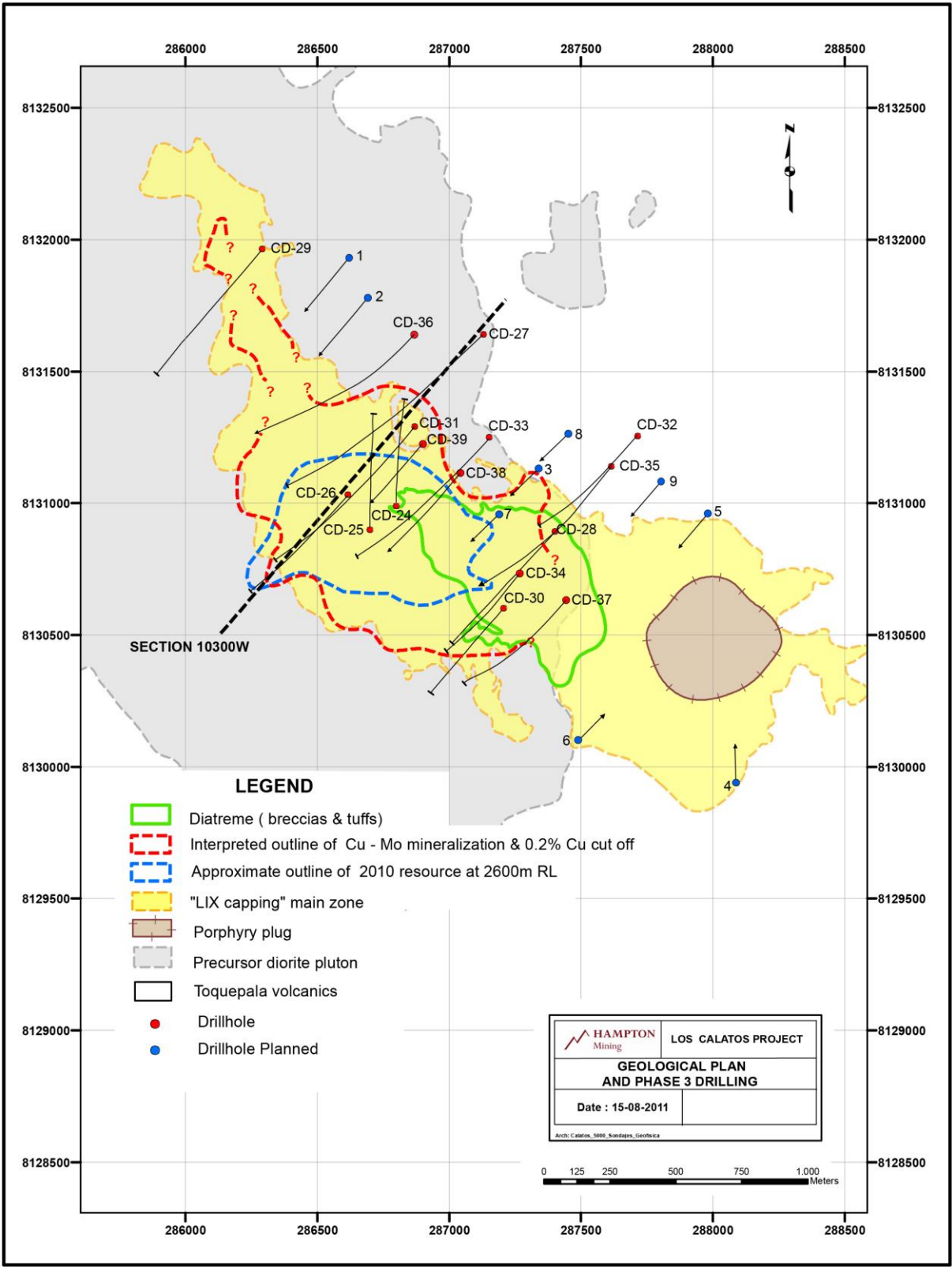


Figure 2: Los Calatos Project: Section 10,300W showing the porphyry zone, alteration halo, and drill holes with associated assay data.

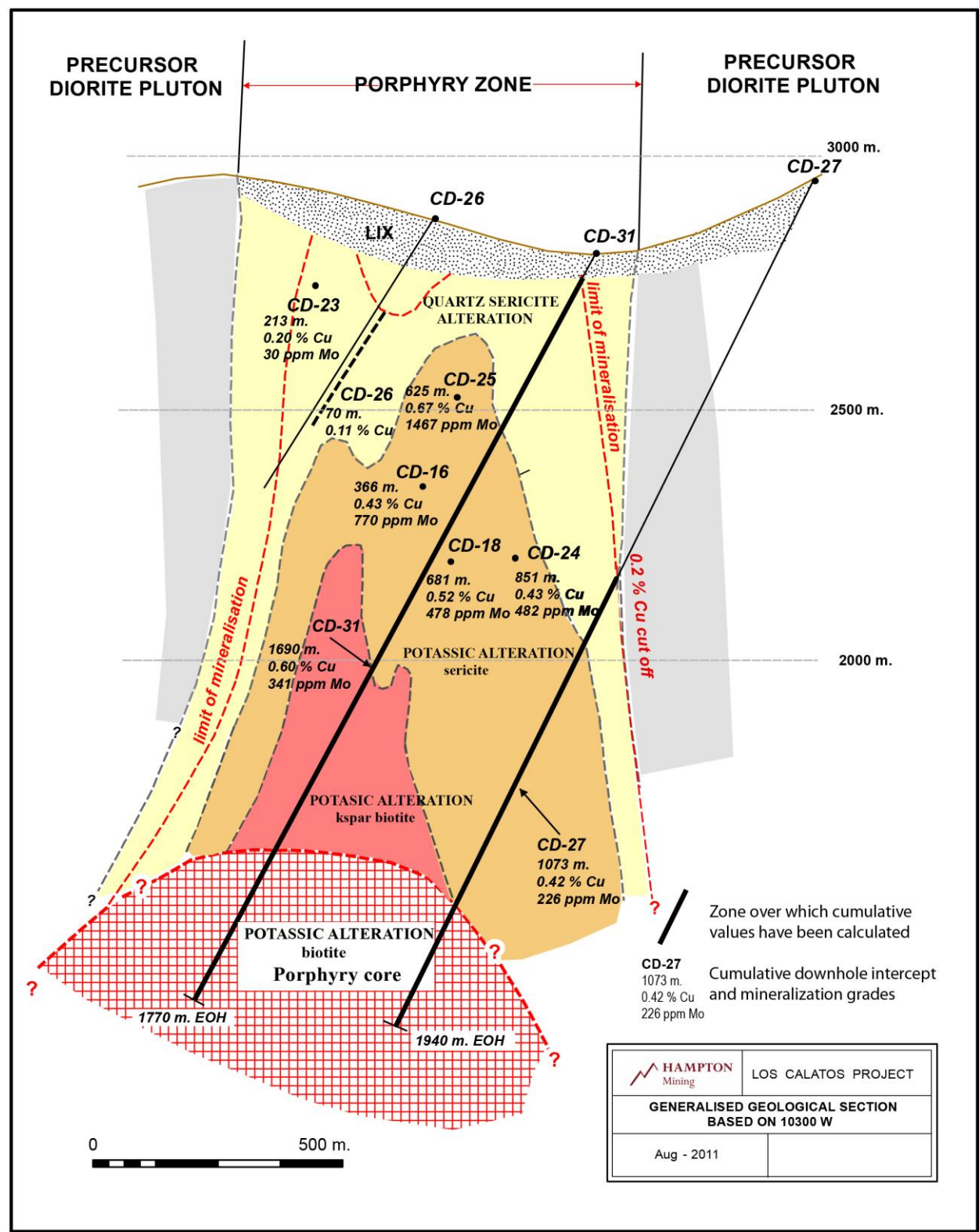


Table 1: Los Calatos Project: Summary of Phase 3 drill hole results (20 August 2011).

Hole ID	Easting	Northing	RL	Azimuth true	Dip	Hole depth	Depth (m)		Interval	Cu	Mo
	(m)	(m)	(m)	(degrees)	(degrees)	(m)	From	To	(m)	(%)	(ppm)
CD 24	286812	8130982	2964	360	-65	1034.6	26	118	92	0.29	20
							118	265	147	0.24	210
							339	907	568	0.49	649
						includes	542	612	70	1.02	620
							918	943	25	0.49	260
							959	972	13	0.55	130
							978	984	6	0.62	90
						cumulative	851m @ 0.43%Cu and 482ppm Mo				
CD 25	286715	8130888	2982	360	-60	908.95	75	94	19	0.01	350
							192	617	425	0.52	1360
							628	833	205	0.98	1690
						includes	637	772	136	1.21	2190
						cumulative	630m @ 0.67%Cu and 1467ppm Mo				
CD 26	286618	8131028	2987	220	-60	1041	94	111	17	0.22	20
CD 27	287124	8131641	3016	220	-60	1940	770	778	8	0.22	0
							816	826	10	0.16	0
							847	869	22	0.39	70
							877	916	39	0.44	720
							931	1037	106	0.51	670
							1037	1124	87	0.83	560
							1139	1940	801	0.37	118
						cumulative	1073m @ 0.42% Cu and 226ppm Mo				
CD 28	287405	8130896	2924	219.9	-60.3	1212	231	274	43	0.20	20
							285	342	57	0.54	60
							370	374	4	0.28	10
							418	434	16	0.2	110
							853	1068	215	0.57	90
						cumulative	335m @ 0.50% Cu and 73ppm Mo				
CD 29	287712	8131257	2924	220	-60	1250	1035	1166	131	0.19	20
CD 30	287207	8130602	2943	220	-60	850	144	177	33	0.43	40

Table 1: Los Calatos Project: Summary of Phase 3 drill hole results (20 August 2011)

(Continued)

Hole ID	Easting	Northing	RL	Azimuth true	Dip	Hole depth	Depth (m)		Interval	Cu	Mo
	(m)	(m)	(m)	(degrees)	(degrees)	(m)	From	To	(m)	(%)	(ppm)
CD 31	286876	8131286	2956	220	-60	1769	16	32	16	0.13	0
							59	314	255	1.68	310
						includes	125	262	137	2.79	520
							328	475	147	0.23	126
							481	944	463	0.31	344
						includes	875	944	69	0.43	1040
							944	1419	475	0.52	512
							1419	1446	27	0.34	250
							1446	1555	109	0.43	190
							1555	1646	91	0.40	240
							1646	1728	82	0.54	350
							1728	1769	41	0.48	450
						cumulative	1,690m @ 0.60% Cu and 346ppm Mo				
CD 32	287715	8131260	2938	220	-70	1463	1338	1436	98	0.14	10
							1448	1463	15	0.29	30
CD 33	287153	8131250		220	-60	1319	537	782	245	0.40	402
							1082	1095	13	0.25	0
							1204	1319	115	0.35	207
						cumulative	373m @ 0.38% Cu and 328ppm Mo				



William Howe
Managing Director

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 926 million tonnes, comprising Indicated Resources of 111 million tonnes at 0.39% Cu and 380ppm Mo, and an Inferred Resource of 815 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 @ 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 @ 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes @ 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 30years) 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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