

QUARTERLY ACTIVITIES REPORT for the period ending 31 December 2009

- Current drill campaign supports geological model and current JORC compliant resources of 262 million tonnes at 0.43% Cu and 420 ppm Mo (at a 0.2% Cu cut-off).
- Metallurgical testwork on Los Calatos and Vallecillo ores indicate good recovery of all metals into commercial grade concentrates.
- Metminco secures irrevocable option to gain control of Hampton Mining Limited from Junior Investment Company.
- Right to acquire 100% of North Hill - the beneficial owner of the Los Calatos tenements.



Figure 1 - View north-west across exploration camp at Los Calatos.

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BACKGROUND

Metminco Limited ('Metminco') is a diversified mineral explorer with a focus on South America, through a 36.5% shareholding in Hampton Mining Limited ('Hampton').

Hampton has a significant portfolio of porphyry copper style projects located in Chile and Peru, with exposure to gold, molybdenum, zinc, silver and lead. Refer Appendix for project locations.

Hampton's main project is the Los Calatos copper-molybdenum project in southern Peru, supported by a number of pre development, advanced exploration and grass roots projects in central Chile.

The quarterly focus for the Company was streamlining control of both Hampton and the Los Calatos tenements. A 10,000 metre drilling program at Los Calatos also commenced. Meanwhile, initial metallurgical testing of the La Colorada and Los Calatos deposits returned good results.

SOUTH AMERICAN PROJECTS

Los Calatos Project - diamond drilling

Existing JORC compliant resources (Indicated plus Inferred categories) at Los Calatos are 262 million tonnes and can be subdivided into an Indicated Resource of 69.2 million tonnes at 0.44% Cu and 0.051% Mo, and an Inferred Resource of 192.4 million tonnes at 0.42% Cu and 0.038% Mo.

In September 2009, following required submission of an Environmental Impact Statement, Metminco announced Peruvian Government approval for drilling to resume at Los Calatos, and that Hampton planned to drill up to another 20,000 metres in 26 diamond drillholes, starting with an initial 10,000 metres in 13 holes.

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Drilling recommenced at Los Calatos during November 2009, employing two diamond drill rigs. By the end of the quarter three holes had been completed, CD 14, 15 and 16, (see table in appendix), totalling 3,600 metres, and holes CD 17 and 18 were in progress.

Diamond drill holes CD 14 and 15 both encountered significant copper and molybdenum mineralisation, broadly consistent with the geological model.

Significant intersections from CD 14 and 15 are as follows;

- CD 14 :between 665m to 1,200m, 397m @ 0.40% Cu and 277ppm Mo (cumulative intercept refer table in Appendix for details), including 1,170m to 1,200m, 30m @ 0.66% Cu and 420ppm Mo.
- CD 15 :from 796m to 1,200m, 404m @ 0.32% Cu and 260ppm Mo (including) 1,107m to 1,200m, 93m @ 0.69% Cu and 710ppm Mo



Figure 2 – Satellite Image of Los Calatos showing relationship to other deposits in the area

Los Calatos Project - metallurgical testwork

Concurrent with the drilling, a program of initial metallurgical testwork has been undertaken on Los Calatos copper-molybdenum mineralisation samples extracted from diamond drill core from earlier drilling programs. Eleven composite samples were tested.

Averaged results for the tests include:

- Concentrate grades: Cu 24.0% and Mo 2.5 %
- Metal recoveries into concentrates: Cu 87.5% and Mo 79.1%

The concentrate grades for copper are lower than expected in a commercial operation, owing to the presence of pyrite. However, it is believed the grade can be readily increased by modifications to the flotation conditions. By 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 - metallurgical testing

Hampton owns 50% of the Vallecillo gold-zinc project, which covers an area of 54.5 km². There are currently four identified prospects within the tenement area. The most advanced of these prospects is La Colorada, which has current JORC compliant resources (Indicated plus Inferred categories) of 10.1 million tonnes subdivided into an Indicated Resource of 7.89 million tonnes at 1.14g/t Au, 1.32% Zn, 11.4g/t Ag and 0.29% Pb, and an Inferred Resource of 2.21 million tonnes at 0.78g/t Au, 0.58% Zn, 8.2g/t Ag and 0.26% Pb.

Hampton commissioned metallurgical testwork on samples of mineralisation from La Colorada, extracted from diamond drill core, using gravity concentration and flotation, to assess optimal economic recovery of gold and zinc. These tests showed excellent recovery of gold through

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gravity concentration and also that remaining gold reporting into a zinc concentrate is suitable for recovery by leaching. These preliminary results from the Vallecillo testing are very encouraging, suggesting:

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

It is encouraging that a commercial grade zinc concentrate is likely to be achieved from a modest zinc head grade.

Mollacas Project – leach test work

Hampton owns 50% of the Mollacas copper leach project. The Mollacas Project has current JORC compliant resources (Indicated plus Inferred categories) of 17 million tonnes at 0.54% Cu at a 0.2% Cu cut-off for 92,000 tonnes of copper metal in-situ. Initial leach test work on representative samples from Mollacas drill core commissioned produced good leach results and copper recovery.

Hampton is currently proceeding with further and more detailed metallurgical leach test work for the Mollacas deposit, to assist with a feasibility study. The additional work will refine copper recoveries and provide more accurate estimates of operating and capital costs.

Hampton is currently completing sample preparation ahead of column leach test work.

Camaron Project

Hampton holds 100% of some tenements and an option to acquire 100% of other adjacent tenements, covering a total of 215 square kilometres.

RC drilling is planned over a number of significant low-sulphidation Au anomalies identified by initial geochemical sampling.

AUSTRALIAN PROJECTS

Reflecting Metminco's focus on its South American assets, the Company's Australian exploration projects will undergo progressive review and divestment. Metminco has entered into discussions with a number of parties in respect to Joint Ventures or sale of these projects.

CORPORATE

Junior Investment Company Option

In September 2009 Metminco, signed an option agreement to purchase Junior Investment Company's ("JIC") 31.9% interest in Hampton for up to US\$12 million in cash and up to 132.8 million fully paid ordinary shares in Metminco ("Shares"). Metminco may elect to pay US\$200,000 to extend the term of the option, currently expiring 17 February 2010 to 17 March 2010 ("JIC Option").

If Metminco shareholders approve the exercise of the JIC Option, Metminco's interest in Hampton 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 all 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.

Convertible Note

On 7 December 2009 Metminco announced that it had signed a A\$14 million convertible note term sheet. The terms and documentation are being finalised with the underwriter.

Share Purchase Plan (SPP)

On 18 December 2009 the Company submitted to ASIC an application for relief in accordance with Regulatory Guide 125.59, as permitted by S741(1) of the Corporations Act 2001, to undertake an SPP offer to all Metminco shareholders to purchase fully paid ordinary shares in the Company up to \$15,000 in value without issuing a disclosure document.

On 28 January 2010, ASIC advised that the relief sought by the Company had been declined at this time. Consequently the Company has decided not to proceed with the SPP offer at this time.

Purchase of Los Calatos Project

Highland Holding Resources Inc. ("HHR") is the beneficial holder of exploration rights to tenements Alfa, Gamma and Nelson at Los Calatos through North Hill Holdings Group Inc ("North Hill") a wholly owned subsidiary of HHR (refer Figure 1), which contain the current drill delineated JORC mineral resources. Hampton holds 100% of the Nicky 1 – 18 tenements that surround the HHR tenements and has an option to acquire the HHR tenements through a deal with North Hill.

Metminco in December 2009 announced it had entered into an agreement to acquire North Hill from HHR. The consideration for the acquisition is US\$0.5 million and issue of 150,000,000 million fully paid ordinary shares in Metminco on settlement; and a payment of US\$ 1.5 million on or before 1 August 2010 (Metminco-HHR Agreement").

The Agreement is subject to:

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

The Hampton option with North Hill to acquire the Los Calatos tenements, summarised below, 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. North Hill would then receive:

- An option payment of US\$ 0.5 million on 1 August 2010.
- US\$ 0.05 /lb equivalent copper in reserves based on a scoping study; and,
- A bonus payment of US\$ 1.5 million upon decision to mine.

Hampton must complete a further 2,700 metres of drilling to satisfy the option terms with North Hill. This drilling was completed during the quarter. Metminco will seek shareholder approval to complete the transaction and issue HHR the Metminco Shares.

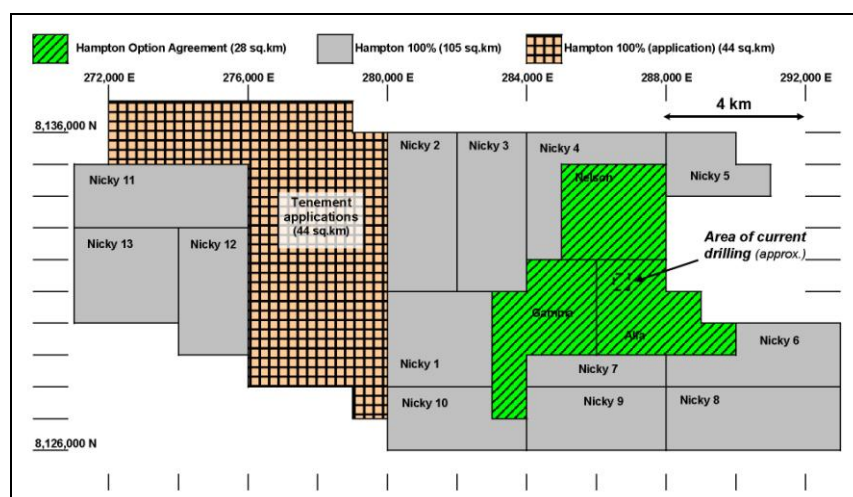


Figure 3 – Los Calatos Project – Tenement plan and area of current drilling

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Issue of Shares

At the end of December 2009 Metminco had on issue 380,747,933 shares compared to 356,940,737 at end September 2009. Shares issued during the quarter were:

- 7,140,529 issued at A\$ 0.17 per share
- 16,666,667 issued at A\$ 0.15 per share

Gross funds raised of approximately A\$ 3,713,890 before fees, will be applied to general corporate activities. In addition 1,000,000 December 2012 Options, each exercisable at A\$ 0.25 were issued. There are now 27,230,017 such Options on issue.

A handwritten signature in black ink, appearing to read 'J Fillmore'.

John Fillmore

Chairman, 29 January 2010

If you have any questions or need further clarification please contact Bill Etheridge at wse@optusnet.com.au or 0419 400 919 or Phil Killen at phil.killen@metminco.com.au or 0408 609 916.

The information in this report that relates to Exploration Results is based on information compiled by Keith Weston, BSc(hons) MAusIMM, who is a Member of the Australasian Institute of Mining and Metallurgy. Keith Weston is a full time employee of Metminco Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves" Keith Weston consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

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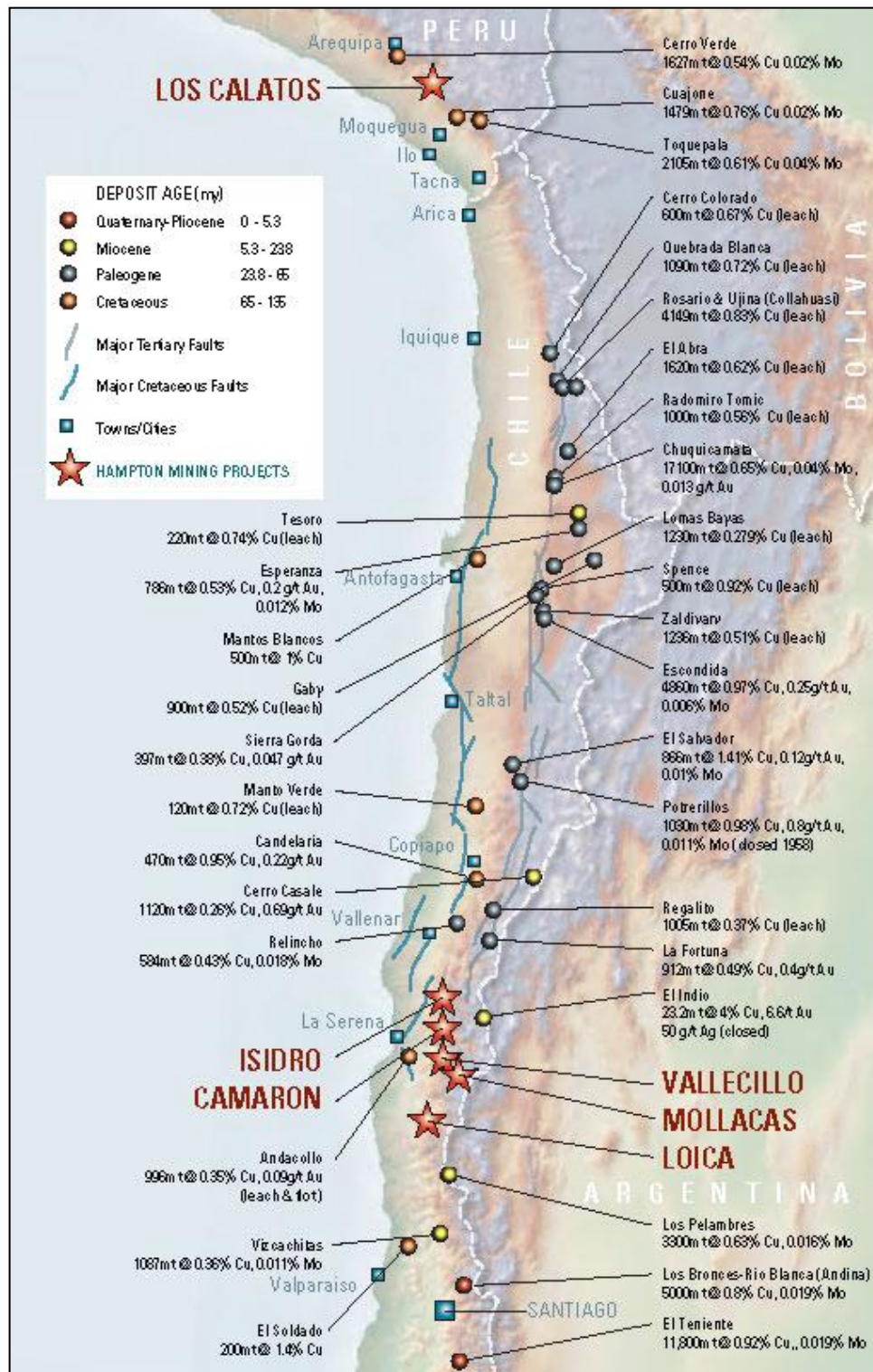
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APPENDIX: Hampton Mining Limited – Proximity of Projects in Chile and Peru to major known copper deposits.

Note: tonnages and grades shown are for estimated resources before any extraction by mining operations, but taking account of any resource additions subsequent to start of



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APPENDIX: Hampton Mining Limited – Drill hole assay data

Hole ID	Easting	Northing	Azimuth	Dip	Total Depth	From	To	Interval	Assay
CD 14	286468	8130683	360	60	1200m	47	54	7m	0.12% Cu, 0 ppm Mo
						79	83	4m	0.17% Cu, 50 ppm Mo
						103	152	49m	0.12% Cu, 30 ppm Mo
						435	444	9m	0.10% Cu, 30 ppm Mo
						621	628	7m	0.12% Cu, 20 ppm Mo
						665	679	14m	0.13% Cu, 30 ppm Mo
						679	763	84m	0.45% Cu, 170 ppm Mo
					Including	720	763	43m	0.61% Cu, 290 ppm Mo
						784	803	19m	1.55% Cu, 140 ppm Mo
						811	817	6m	0.41% Cu, 130 ppm Mo
						861	881	20m	0.28% Cu, 380 ppm Mo
						892	910	18 m	0.26% Cu, 250 ppm Mo
						931	943	12 m	0.14% Cu, 150 ppm Mo
						962	1200	238m	0.32% Cu, 330 ppm Mo
					Including	1090	1200	110m	0.47% Cu, 300 ppm Mo
					Or including	1170	1200	30m	0.66% Cu, 420 ppm Mo
					Cumulative intercept	665	1200	427m	0.38% Cu, 226 ppm Mo
CD 15	286473	8130460	360	60	1200m	796	1200	404 m	0.32% Cu 260 ppm Mo
					including	1107	1200	93 m	0.69% Cu 710 ppm Mo
CD 16					1200m				Assay Results awaited
CD 17					In progress				
CD 18					In progress				

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

METMINCO LIMITED

ABN

43 119 759 349

Quarter ended ("current quarter")

31 December, 2009

Consolidated statement of cash flows

		Current quarter	Year to date
		\$A'000	(6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(40)	(74)
	(b) development		
	(c) production		
	(d) administration	(382)	(554)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	17	24
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (consulting fees)	(393)	(480)
	Other (takeover costs)	-	(26)
Net Operating Cash Flows		(798)	(1,110)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments (purchase of JIC option)	-	(814)
	(c) other fixed assets	(1)	(1)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
Net investing cash flows		(1)	(815)
1.13	Total operating and investing cash flows (carried forward)	(799)	(1,925)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(799)	(1,925)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,735	3,492
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	1,735	3,492
	Net increase (decrease) in cash held	936	1,537
1.20	Cash at beginning of quarter/year to date	1,621	990
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,557	2,557

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	198
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

K. Weston - \$12,900 salary/allowance/directors fees (resigned as a director 31 Oct 09)
J. Fillmore - \$21,189 director/legal fees
S. Turner - \$13,704 director/secretary/accounting fees(resigned as a director 31 Oct 09)
W J Howe - \$14,516 director fees
W S Etheridge – \$38,226 salary/directors fees
P J Wing – \$97,779 director /consulting fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

+ See chapter 19 for defined terms.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	
Total	20

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,557	1,621
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,557	1,621

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A			
6.2 Interests in mining tenements acquired or increased	N/A			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	380,747,933	380,747,933		
7.4 Changes during quarter (a) Increases through release from escrow (b) Increases through issue of shares (c) Decreases through returns of capital, buy-backs		23,807,196		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	27,230,017	27,230,017	<i>Exercise price</i> 25 cents	<i>Expiry date</i> 4 Dec 2012
7.8 Issued during quarter	1,000,000	1,000,000	<i>Exercise price</i> 25 cents	<i>Expiry date</i> 4 Dec 2012
7.9 Exercised during quarter				
7.10 Expired during quarter				

+ See chapter 19 for defined terms.

7.11	Debentures (totals only)		
7.12	Unsecured notes (totals only)		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 29 January 2010

Print name: Phil Killen

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** [ASX](#) will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.