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**Metminco - Corporate Update**

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**Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC)** provides the following corporate update.

- The Company’s activities remain focused on the 100% owned Los Calatos copper-molybdenum project in southern Peru.
- Discussions in relation to the introduction of a strategic investor for the development of Los Calatos continue to progress.
- The Company’s South American offices will be consolidated into a single technical and administrative base located in Lima.
  - A key element of the restructuring will be the closure of Metminco’s office in Santiago, Chile, which has until now been its principal operational office in South America.
  - The Company will centralise its corporate management team, including its Managing Director, in its existing Sydney office.
  - This action will generate considerable cost savings, whilst maintaining a regional presence in South America.
- As at 31 May 2013, the Company’s cash position was approximately A\$13 million which, following the introduction of the aforementioned cost savings initiatives, should be sufficient to fund the Company well into 2015.

In Chile, Metminco is continuing with the final metallurgical testwork for the Mollacas copper leach project. On completion of this work, the options being considered for the project include its development by Metminco, the introduction of a joint venture partner, or an outright sale. The Company will also seek to joint venture or divest its other Chilean projects.

Mr William Howe, Managing Director, commented:

“The Board of Directors remains firmly focused on advancing Los Calatos, recognising the need for a financially strong strategic partner in the current market environment. To this end, our strategic process is ongoing as we remain in discussions with suitable partners. We will keep the market informed of further developments.

As foreshadowed earlier this year, our project related expenditure has declined with the completion of the Los Calatos Scoping Study, and given current global market conditions, we have decided to consolidate our two offices in South America into our Lima office.

The restructuring presents an opportunity to significantly reduce costs and align expenditure to current equity market conditions, extending our capability to fund the business well into 2015.

We are strong supporters of our key assets in Peru and Chile. We have scale at Los Calatos, and the opportunity to generate medium-term cash flows at the smaller Mollacas copper leach project, which we continue to investigate further.

In terms of our early stage projects in Chile, we will seek to secure joint venture partners, or look to realise the prospective value of these projects.”

**Los Calatos in perspective**

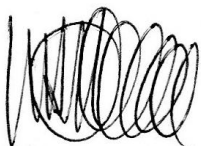
In March 2013 the Company announced the results of an independent Scoping Study on Los Calatos. The study confirmed the potential of Los Calatos as a long-life (+31 years), low cost (US\$1.09/lb) mining operation producing approximately 83kt (184mm lbs) of copper in concentrate per annum.

The preferred mining scenario evaluated as part of the Scoping Study provides for an open pit with a life of 7-years, and a subsequent underground block cave operation with a life of 24-years, with an average life of mine production rate of 60,000 tonnes per day.

In addition, the prospectivity of the broader tenement holding position is such that it has the potential to contribute additional material to any future mining operation developed in context of the preferred mining scenario. The Company has only drill tested two of the eight targets identified to-date over a total project area of 224 km<sup>2</sup>, where the latter is located in a recognised mining district characterised by the development of porphyry clusters.

Peru is proving to be an investment friendly jurisdiction, in which the Government is actively encouraging responsible mine development with a projected, significant, increase in long term copper production supported by competitive power costs. Mining investment in Peru over the period 2012 to 2020 is estimated to be US\$53 billion, of which 70% relates to new copper mines, and extensions to existing mines. Los Calatos remains highly deliverable, being located on State-owned land in a desert environment without competing land usage, its status as Project of National Interest, and its proximity to existing infrastructure and the coast. Metminco's strategy to access seawater for metallurgical processing purposes has been widely accepted by both local and regional authorities.

From a commodity perspective, the long-term fundamentals of the copper market remain sound, and it is anticipated that global copper production will struggle to keep pace with demand growth. With the support of a funding partner, Los Calatos has the ability to deliver copper into the global market at a time when incremental supply-demand dynamics will be dictated by production emanating from new 'possible' projects, the success of which will be heavily influenced by factors such as socio-political issues, restrictive legislation and technical issues (e.g. unit operating costs). Against the global backdrop of diminishing long life copper projects in mining friendly jurisdictions, and with the benefit of low unit operating costs, Los Calatos is well placed to command significant strategic interest.



**William Howe**  
**Managing Director**

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## Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

The Los Calatos Project, located in southern Peru, has an open pittable mineral resource of 304 million tonnes at 0.44% CuEq at a cut-off grade of 0.15% CuEq to a vertical depth of 500 metres below surface and an underground bulk mining mineral resource of 1,058 million tonnes at 0.61% CuEq at a cut-off grade of 0.35% CuEq commencing at an elevation of 2,500 metres (approximately 500 metres below surface).

The Chilean assets include the Mollacas Project with a mineral resource of 34.3 million tonnes consisting of a measured resource of 19.4 million tonnes at 0.45% Cu and 0.16g/t Au, an indicated resource of 9.4 million tonnes at 0.34% Cu and 0.16g/t Au, and an inferred resource of 5.5 million tonnes at 0.26% Cu and 0.15g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a mineral resource of 8.9 million tonnes consisting of a measured resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an indicated resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an inferred resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

*Note: Copper equivalent (CuEq) for Los Calatos is based on the recovered value of the non-copper by-products (molybdenum) relative to the recovered value of copper. At a long term copper price of US\$2.75/lb with a Cu recovery of 87% and a molybdenum price of US\$15.00/lb with a recovery of 68%, 1 pound of molybdenum is equivalent to 4.2633 pounds of copper (Cu:Mo ratio of 1:4.2633).*

## 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 Executive General Manager.

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 the information in the form and context in which it appears herein.

## SRK Consulting (Chile) S.A.

Metminco supplied SRK with a geological model and the drill data. Copper and molybdenum grades were estimated into a block model using ordinary kriging with GEMCOM software.

The information provided in this ASX Release as it relates to Exploration Results and Mineral Resources is based on information compiled by George G. Even, Principal Geologist of SRK Consulting in Santiago, Chile. Mr Even, a Qualified Person for JORC compliant statements, reviewed the technical information presented in this document. Mr Ernesto Jaramillo, Principal Resource Geologist with SRK Santiago, performed the resource estimation. Mr Even has sufficient experience that is relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear.

Mr Even and Mr Jaramillo have consented to be named in this announcement, and have approved of the inclusion of the information attributed to them in the form and context in which it appears herein.

## Forward Looking Statement

All statements other than statements of historical fact included in this announcement including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as

“anticipate”, “believe”, “could”, “estimate”, “expect”, “future”, “intend”, “may”, “opportunity”, “plan”, “potential”, “project”, “seek”, “will” and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this announcement, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this announcement, except where required by applicable law and stock exchange listing requirements.

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