
MARKET UPDATE – LOS CALATOS AND MOLLACAS

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) is pleased to announce that it is making excellent progress on the Los Calatos Mining Study which is expected to be completed during July 2015 and the Company is continuing to pursue the granting of mining access for its Mollacas Project.

Los Calatos Update:

The Los Calatos study is focussing on developing a smaller, high grade operation which is expected to deliver pre-production capital costs significantly lower than the previous study completed in 2013. The Company is focussing on a mining operation that will produce approximately 50,000tpa of copper metal in concentrate.

Metminco previously announced a 2012 JORC compliant resource for the Los Calatos project as follows:

- Total Mineral Resources of 352 million tonnes at 0.76% Cu and 318ppm Mo at a 0.5% copper cut-off which comprises all resource categories.
- The Mineral Resources at a 0.5% copper cut-off are;
 - Measured Mineral Resources of 73 million tonnes at 0.73% copper and 513ppm Mo
 - Indicated Mineral Resources of 64 million tonnes at 0.73% copper and 345ppm Mo
 - Total Measured and Indicated Mineral Resources of 137 million tonnes at 0.73% copper and 434ppm Mo
 - Inferred Mineral Resources of 216 million tonnes at 0.78% copper and 245ppm Mo

At a 0.75% copper cut-off the Total Mineral Resources are 126 million tonnes at 1.03% copper and 351ppm Mo which comprises all resource categories.

The study has at this point confirmed that the preferred mining methods will likely be a combination of open pit and underground mining (using the sub-level caving method) at significantly higher copper cut-off grades than used in 2013, thus targeting lower volume, higher grade feed to a mill at Los Calatos. Capital, operating costs and a life of mine financial model are currently being finalised.

On completion of the mining study Metminco, subject to the outcome of the study, will look to commence detailed in-fill drilling, metallurgical testwork and environmental baseline monitoring as part of the requirements for the eventual completion of a Feasibility Study on the Los Calatos Project.

Mollacas Update:

As previously announced, Minera Hampton Chile Limitada (“MHC”), a wholly owned subsidiary of Metminco Limited, requires access for mining activities to its 21 Exploitation Concessions covering the Mollacas deposit in order to progress development of the Mollacas Project.

MHC is seeking to overturn a ruling by the Court of Appeal of the IV Region, Chile (the Court of Appeal), as announced on 28 March, 2014. The challenged court decision ruled that MHC's First Easement Extension, which would have enabled MHC to engage in mining activities at the Mollacas Project, was established over “planted” lands, without the surface title owner's permission and, thus, was invalid.

MHC has filed an annulment remedy of the decision of the Court of Appeal before the Chilean Supreme Court ("Supreme Court"). In processing of that annulment remedy, MHC challenged the application of the legal provisions that required the land owner's permission before the Chilean Constitutional Court ("Constitutional Court"). This challenge suspended the processing of the annulment remedy before the Supreme Court.

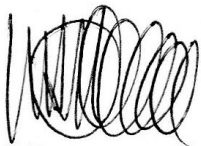
The Constitutional Court has now ruled that the legal requirement to obtain the permission of the owner of the "planted" land in order to get a mining easement does not violate the Chilean Constitution. However, the Constitutional Court did not undertake any analysis of the constitutionality of the application of those legal provisions to this case in particular to consider the abusive motivation of the land owner in "planting" the lands subject to the First Easement Extension. A minority vote of the Constitutional Court accepted all MHC's arguments, declaring that it is part of the Chilean courts' duty to guarantee that land owners and mining concession owners do not abuse their rights. MHC has argued that the land owner has abused his rights in this respect therefore this finding of the Constitutional Court is significant and goes to the core of MHC's argument.

The annulment remedy filed before the Supreme Court will now be heard. Any final decision from the Supreme Court on the annulment remedy will not affect MHC's mining concession property rights.

MHC and the Company are now evaluating additional legal actions in parallel to seeking a negotiated settlement with the land owner for mining access to its 21 Exploitation Concessions.

Land Holdings and Access Rights

The Company holds title to 21 Exploitation Concessions covering the Mollacas deposit and surrounding area, and owns 179 ha of land adjacent to the proposed open pit operation, which is located on private land. The infrastructure for the mining operation will be located on Company owned land. In addition, Metminco also owns water rights to approximately 175 litres/sec from two canals, albeit that the estimated water usage for the mining operation will be 40 litres/sec.



William Howe
Managing Director

For further information please contact:

METMINCO LIMITED

Stephen Tainton / Phil Killen

Office: +61 (0) 2 9460 1856

NOMINATED ADVISOR AND BROKER**RFC Ambrian**

Australia

Will Souter/ Nathan Forsyth

Office: +61 (0) 2 9250 0000

United Kingdom

Samantha Harrison / John van Eeghen

Office: +44 (0) 20 3440 6800

FINANCIAL PUBLIC RELATIONS**Buchanan (UK)**

Gordon Poole/Bobby Morse

Office: +44 (0) 207 466 5000

Company Background

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

Projects and Mineral Resources

The Los Calatos Project, located in southern Peru, has a total estimated mineral resource of 352 million tonnes at 0.76% Cu and 318 ppm Mo at a cut-off grade of 0.5% Cu, comprising a Measured and Indicated Mineral Resource of 136 million tonnes at 0.73% Cu and 434 ppm Mo, and an Inferred Mineral Resource of 216 million tonnes at 0.78% Cu and 244 ppm Mo.

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/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.

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 currently employed by the Company in Chile.

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.

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.