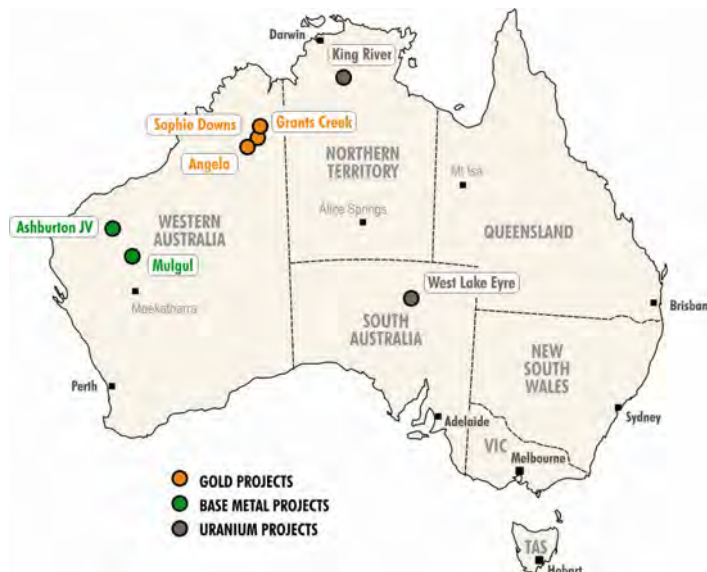


## QUARTERLY ACTIVITIES REPORT for the period ending 31 December 2008

### HIGHLIGHTS

- Grants Creek RC drilling returns intercepts including 15m @ 4.2 g/t, 5m @ 5.87 g/t, 6m @ 6.13 g/t and 3m @ 7.88 g/t gold.
- Drilling for base metals on the Ashburton Project reveals broad zones of elevated lead indicating potential for a large mineralised system.
- Metminco announces takeover for Hampton Mining Ltd.
- Hampton's Los Calatos copper project (300 million tonnes) has the capability to develop into a very significant discovery.



### EAST KIMBERLEY PROJECTS

#### GRANTS CREEK - North East of Halls Creek, WA - Gold

This gold project is located in the East Kimberley region of Western Australia, approximately 60 kilometres north of Halls Creek. Tenure over the Grant Creek mining centre is by eight contiguous prospecting licences covering an area of 14.7 square kilometres. The prospecting licences all expire on 8 May 2012. Sporadic exploration over the past 20 years has delineated several small gold resources (non JORC) at attractive grades.

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Historical drilling was to shallow depths and indicated that mineralisation continues at depth. Metminco's JV partner, Pacrim Energy commenced a new phase of exploration activity in 2003 that identified a main target horizon, outlined by anomalous gold and arsenic soil geochemistry, over a 3 kilometre strike and 250 metre width.

Metminco has reviewed past exploration data and commenced a major rock chip and soil sampling program accompanied by geological mapping. This work and additional geophysical interpretation delineated new targets for subsequent drill testing. Metminco believes there is the potential for an increase in the size of the known mineralisation and for the discovery of concealed gold mineralisation in a favourable setting.

Following a review of past exploration data, Metminco embarked upon a geochemical sampling program accompanied by detailed geological mapping. This work, along with additional geophysical interpretation delineated new targets for drill testing. There is likelihood of further economic concentrations of gold within quartz reefs that have no surface expression.

Better rock chip results from the sampling program include; 271.7 g/t, 104.7 g/t (Moody's Prospect) & 56.7 g/t gold (Perseverance Prospect). Reverse Circulation drilling on the project began in September 2008, with 15 holes over the Perseverance prospect and 6 exploration holes on targets along the main structural trends. 14 of the holes returned gold mineralised intercepts of greater than 1 g/t gold in the composite samples.

Many high grade gold assays were returned from zones where composite samples had previously indicated the presence of gold mineralisation. The best intercepts of 15m @ 4.2 g/t, 5m @ 5.87 g/t, 6m @ 6.13 g/t and 3m @ 7.88 g/t gold, included peak one metre split assays of **17.8 g/t, 20.7 g/t, 12.8 g/t and 15.25 g/t** gold respectively.

These single metre results indicate the presence of a main mineralised structure with adjacent lower grade stringer zones. The existence of multiple mineralised zones enhances the project by increasing the potential mineable width.

A list of significant assays is shown in the attached table.

***Perseverance Single Metre Assay Drilling results >1.0 g/t Au***

Hole ID	Easting	Northing	Azimuth/Dip	From	To	Interval and Assay g/t gold
GRC-001	385001	8028095	328/-75	6	9	3m @ 5.96 g/t Au
				7	8	incl. 1 m @ 15.40 g/t Au
				23	28	5m @ 1.61 g/t Au
GRC-002	385004	8028079	328/-60	30	34	4m @ 5.61 g/t Au
GRC-003	384982	8028076	328/-60	33	41	8m @ 2.14 g/t Au
GRC-004	384988	8028066	328/-60	39	42	3m @ 1.86 g/t Au
				51	66	15m @ 4.2 g/t Au
				58	59	incl. 1 m @ 17.80 g/t Au
GRC-006	384952	8028076	328/-60	19	23	4m @ 2.83 g/t Au
GRC-007	384956	8028067	328/-60	31	36	5m @ 5.87 g/t Au
				31	32	incl. 1 m @ 20.7 g/t Au
GRC-008	384963	8028055	328/-60	57	63	6m @ 2.08 g/t Au
GRC-009	384924	8028071	331/-60	13	19	6m @ 6.13 g/t Au
				16	17	incl. 1 m @ 12.8 g/t Au
GRC-010	384929	8028059	328/-60	26	29	3m @ 7.88 g/t Au
				27	28	incl. 1 m @ 15.25 g/t Au
GRC-012	384900	8028064	328/-60	11	15	4m @ 2.41 g/t Au
GRC-014	384965	8028103	148/-60	8	29	21m @ 2.74 g/t Au

*Zone 52 GDA 94. 1m samples fire assayed by On-site Laboratories*

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The Perseverance prospect is the first of the targets to be drill tested on the Grants Creek project. Previous exploration by Metminco has revealed a mineralised horizon three kilometres in strike length. More strongly mineralised zones are apparent where cross faults intersect this horizon. Further drilling on the Perseverance and Moody's prospects is proposed for early 2009.

## **ANGELO - South West of Halls Creek, WA - Gold**

This gold project is located in the East Kimberley region of Western Australia, approximately 40 kilometres southwest of Halls Creek. The project area is covered by one Exploration Licence covering 75 square kilometres, granted on 3 February 2006 for five years. Previous explorers identified an area of elevated gold in soil in a zone over six kilometres long and up to a kilometre wide. This has been confirmed by recent field work. The north eastern portion of this zone is known as the Leonardo Prospect, while a second zone of elevated gold is also present in the southern part of the licence, the Figaro Prospect.

Metminco undertook a reverse circulation drilling program of 25 holes at the Leonardo prospect in June/July 2008, which highlighted a number of zones of sulphidic quartz. This drilling indicated greater structural complexity to controls on mineralisation, than indicated by previous surface exploration. Elevated assays, including 3m @ 1.97 g/t gold and 2m @ 4.31 g/t gold (including a peak result of 8.03 g/t gold), as well as a bordering stockwork zone of 17m @ 0.24 g/t gold, builds upon earlier RAB drilling and confirms the presence of a promising mineralised system that is only lightly explored. Initial interpretation suggests that nuggetty gold is present in a south easterly dipping quartz veins with a peripheral lower grade stockwork system. Further RAB drilling on this project is proposed for next season, following additional geochemical sampling and prospect scale mapping to further focus on priority targets.

## **SOPHIE DOWNS - North East of Halls Creek, WA Gold & Rare Earth Elements**

This exploration licence granted on 24 April 2008 for a period of 5 years, lies approximately 25 kilometres north east of Halls Creek and is prospective for gold and rare earth elements. The Sophie Downs tenement, while being the subject of some previous exploration, is considered a 'grass roots' exploration area. Earlier exploration was somewhat haphazard, often targeting multiple commodities and various styles of deposit. Metminco plans to concentrate on the gold potential of the Gentle Annie area, as this is a strike extension of the historic Halls Creek goldfield.

Discussions with the Kimberley Land Council, on behalf of the native title claimants and the pastoral lease holder regarding access rights were undertaken in mid 2008 as a prelude to exploration in 2009.

## **BASE METAL PROJECTS**

### **MULGUL - North of Meekatharra, WA - Base Metals**

This base metals project is located 200 kilometres north of Meekatharra and is considered a grass roots area amenable to targeting large base metals prospects. The area lies only 25 kilometres southwest of the Abra deposit, which is the largest undeveloped base-metal deposit in Western Australia. The Mulgul area is considered to have the potential for deposits similar to the Abra mineralisation as well as secondary fault and fissure hosted gold and base metal mineralisation. The exploration licence was granted to Metminco on 31 January 2007 for five years.

Metminco has reviewed previous exploration data and undertaken an interpretation of the available radiometric and aeromagnetic data for the project. This enabled the differentiation of the major rock units and revealed the prospective Tangadee Lineament, a major regional structural feature. Five targets for additional exploration work have been identified and a field program directed at these targets is planned to commence in early 2009.

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## ASHBURTON PROJECT - South of Paraburdoo, WA E08/1239 (Pingandy) & E08/1240 (Mount Vernon) - Base Metals

In early 2008 Metminco Ltd entered into a Joint Venture farm-in agreement with Peak Resources Ltd to earn a 40% interest in the Ashburton Project, in the Murchison region of WA.

The Ashburton Project is located approximately 70 km south of the township of Paraburdoo and 300km NNW of Meekatharra, Western Australia. The Project consists of two granted exploration licences E08/1239 (Mt Vernon) and E08/1240 (Pingandy) covering a combined area of 412 square kilometres.

An eleven hole Reverse Circulation drilling program was completed during the quarter, funded by Metminco and managed by Peak Resources, on the Mount Vernon licence. The drilling was designed to test geophysical anomalies revealed by an earlier Induced Polarisation survey and an area of elevated lead soil geochemistry.

Drilling returned encouraging results with broad intersections of elevated lead being encountered in the composite samples, including 65 metres @ 0.17% lead. A peak result of 5 metres @ 1.4% lead from 175 metres was returned from hole MVRC001.

### Mount Vernon drilling results

Hole_ID	Easting	Northing	Dip/Azi	From	To	Interval	Pb %	Remarks
MVRC001	584272	7357569	-60/270	170	175	5	1.40	
MVRC003	584206	7357107	-60/310	15	80	65	0.17	Inc. 5m @ 0.4 % Pb from 15 m
MVRC004	584190	7357118	-60/310	0	65	65	0.10	Inc. 5m @ 0.2 % Pb from 30 m
MVRC007	584119	7357157	-60/310	0	45	45	0.14	
MVRC011	584020	7356900	-60/290	5	65	60	0.15	Inc. 5m @ 0.5 % Pb from 45 m

These results are encouraging for a first pass drill program, however, it is the Company's intention to undertake further geochemical sampling and mapping prior to developing any future drilling programs.



Ashburton Project - Reverse Circulation drilling

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## **WEST LAKE EYRE - West of Lake Eyre, SA - Uranium**

This project is located approximately 150 kilometres northwest of Marree on the western side of Lake Eyre. It is prospective for deeply buried iron ore copper gold deposits, similar to Olympic Dam and Prominent Hill and for shallower uranium palaeo-channel deposits. The exploration licence of over 600 square kilometres was granted to Metminco on 20 September 2007 for a period of two years. There has been limited prior exploration over the area.

During 2008, Metminco completed a regional gravity survey, which revealed two prominent gravity features in the northwest and southern part of the licence area. These gravity anomalies share similar characteristics to those found at of the Prominent Hill and Olympic Dam, associated with iron oxide copper gold uranium mineralisation.

The Company has also completed a scintillometer survey over two superficial uranium anomalies revealed during an analysis of regional radiometric data. This survey found uranium levels up to five times background. Drilling on these anomalies is planned for 2009 to determine whether these features persist at depth. The Company is presently considering its options to facilitate the drilling of the identified targets and is seeking to either joint venture the project with other explorers active in the area or will apply for a grant from the South Australian Government.

## **KING RIVER - Southwest of Katherine NT - Uranium**

The exploration licence was granted to Metminco on 18 December 2007 for 6 years and is located in the Daly River Basin region in the Northern Territory, approximately 45 kilometres south west of the Katherine Township. The licence is prospective for both sandstone and unconformity hosted uranium deposits. Historical exploration has concentrated mainly on phosphate and diamonds and testing conducted by the Australian Atomic Energy Commission concluded that there was the possibility of a high grade uranium source in the Cretaceous Jinduckin Formation. Reinterpretation and reprocessing of past radiometric data completed in 2007 supported this conclusion. A field inspection in late April 2008 revealed uranium levels in sandstone between 10 to 15 parts per million. The significance of these results is being assessed prior to more intensive exploration in 2009.

## **HAMPTON MINING – Chile & Peru South America**

Metminco Ltd announced in November 2008, a proposal to acquire all the issued capital of Hampton Mining Ltd (Hampton). Hampton is an unlisted Australian company with a significant portfolio of assets ranging from mine pre-feasibility, through advanced exploration and grassroots projects located in western South America.

Hampton's portfolio of seven Projects, six in Chile and one in Peru are categorised as follows:

- Mining pre-feasibility and prospective development: Mollacas (copper - gold);
- Advanced exploration: Vallecillo (zinc - gold), Loica - Victoria (copper - molybdenum) and Los Calatos / Peru (copper – molybdenum);
- Early exploration: Camaron (copper – gold - molybdenum), Isidro (copper - gold) & Kamikaze (iron ore).

Hampton undertook substantial drilling on the projects, Mollacas, Vallecillo & Loica in 2006-2007, generating JORC compliant resources at two of these.

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In July 2008, Hampton resumed exploration at several locations. Drilling programs at directed at improved resource definition at Vallecillo (Chile) and Mollacas (Chile) have been completed and drilling commenced at Victoria (Chile). Drilling and mapping at Los Calatos (Peru) in late 2008 enhanced the geological understanding of the deposit and an initial 300 million tonne resource estimation was completed in late January 2009.

The Los Calatos resource calculated by SRK Consulting using a cut off grade of 0.2% copper is:

- Indicated Resources 74 million tonnes @ 0.44% copper & 504ppm molybdenum
- Inferred Resources 226 million tonnes @ 0.39% copper & 332ppm molybdenum

Los Calatos is similar in nature to other large porphyry copper–molybdenum systems located in Southern Peru, such as Cuajone and Toquepala and is likely to develop into a significant copper discovery.

Keith Weston  
Managing Director  
29 January 2009

**For further information please contact Keith Weston, Managing Director on 0428 312 767**

*The information in this report that relates to Exploration Results 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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