METMINCO

ANNUAL REPORT 2009

METMINCO

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Chairman's Letter

Dear Shareholder

The 2009 financial year has been a successful year with the Company acquiring a significant interest in a portfolio of South American mineral exploration assets.

In late 2008 the Board formed the view that better outcomes would likely be achieved for shareholders in the medium to longer term through pursuing potentially larger and more advanced projects, located in world class geological terrains, compared to staying with our Australian project portfolio.

This new strategy culminated in Metminco acquiring a 36.5% interest in Hampton Mining Limited ("Hampton"). Hampton is an unlisted Australian company with a significant portfolio of exploration projects located in Chile and Peru. The projects are focussed mainly on copper but include significant exposure to gold. In terms of stage of development they range from mine pre-feasibility, through advanced exploration to grassroots exploration.

Hampton's premier project is the Los Calatos copper-molybdenum porphyry deposit located in southern Peru, near and in a similar geological setting to three large existing copper-molybdenum porphyry mines. Hence the project is located close to established service infrastructure in an existing important mining region.

An initial resource of 262 million tonnes @ 0.43% Cu & 0.042% Mo (0.74% copper equivalent) at a 0.2% copper cut-off grade has already been announced. The mineralised porphyry system is currently open in several directions and at depth. A further substantial drilling program is expected to commence in late 2009

Hampton's other advanced projects are the Mollacas copper leach project and the Vallecillo gold-zinc-silver-lead project, both located in north central Chile. The Mollacas Project comprises 92,000 tonnes of in-situ copper metal.
SRK Consulting, Chile completed a Scoping Study in 2008 indicating a NPV for the project of US$103 million, using a copper price of US$2.50 per pound. Metallurgical test work has commenced on ores from the Mollacas Project to provide information for a feasibility study as a precursor to mining.

Similar to Mollacas, Vallecillo is a porphyry related mineralised system, with identified gold-zinc-silver-lead resources of over 10 million tonnes grading approximately 2.2g/t Au equivalent. Metallurgical testwork on the Vallecillo ore is being undertaken to determine ultimate metal recoveries and whether saleable concentrates can be achieved as a forerunner to a scoping study.

Hampton's other projects in Chile are in geological settings similar to other porphyry related deposits, albeit at an early exploration stage. They also show good potential for the discovery of economic mineralisation.

Reflecting Metminco's focus on Chile and Peru, the Company's Australian exploration projects will undergo progressive review and the Company is seeking joint ventures or outright sale of these projects.

In late September 2009, Metminco put in place a strategy to acquire a controlling interest in Hampton by entering into an option agreement with Junior Investment Company (holder of a 31.9% interest in Hampton). If the option is exercised, Metminco would increase its interest in Hampton from 36.5% to a minimum of 53.6% and up to a maximum of 68.4%, depending on the extent to which other Hampton shareholders exercise their pre-emptive rights.

In keeping with this new strategy and following the acquisition of a significant interest in Hampton, the composition of the Board has changed with the appointment of new experienced directors to reflect the changed shareholding and to progress the Company's South America interests.

In closing, I would like to thank our shareholders, fellow Board members and consultants for their support throughout this year of change. I am looking forward to the Company moving through into further advanced exploration and potential development, particularly through the progression of the Los Calatos project.

John Fillmore
Chairman

Review of Operations

EVENTS POST BALANCE DATE

On 8 July 2009, Metminco Limited ("Metminco") acquired a 36.5% interest in Hampton Mining Limited ("Hampton") via a scrip for scrip offer. Subsequently, on 25 September 2009, Metminco announced the signing of an option agreement between Junior Investment Company ("JIC") and Metminco, giving Metminco the right to acquire all of JIC's shares in Hampton. Completion of the purchase option will give Metminco control of Hampton and to optimally manage the project development activities of Hampton, thereby growing value for shareholders.

The major asset of Hampton is a significant portfolio of Projects located in Chile & Peru. These projects, which are primarily focussed on porphyry style copper deposits also include exposure to gold, molybdenum and zinc. Consequently, Metminco will now concentrate its exploration efforts on South America. The Australian exploration projects will undergo progressive review throughout the remainder of 2009 and the Company is seeking Joint Ventures or outright sale of these projects. Discussions have commenced with a number of parties in this regard.

A summary of Hampton's projects in South America is given below; they range from mine pre-feasibility, through advanced exploration and grassroots projects. The two most advanced projects are the Los Calatos copper-molybdenum porphyry deposit in Southern Peru and the Mollacas copper leach deposit in north central Chile.

South American Project Locations

SOUTH AMERICAN PROJECTS

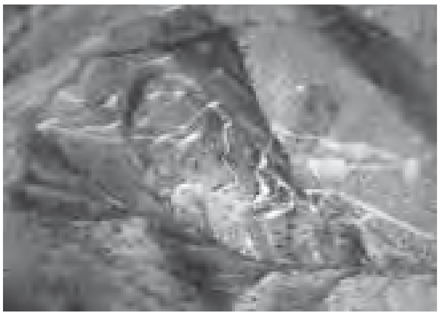
Los Calatos – Southern Peru

The Los Calatos project is located in southern Peru, in the Moquegua district and close to the city of Arequipa. It occurs in dry desert topography near the coast, at an elevation of approximately 2,900 metres.

The project occurs near established infrastructure in an existing important mining region. Southern Copper Corporation owns and operates two large open pit copper mines to the south east (Cuajone and Toquepala) and large copper smelting and refining operations at the port of Ilo, approximately 160 kilometres to the southwest. Freeport McMoran owns and operates the large Cerro Verde copper mine, to the northwest.

Los Calatos is well positioned for potential development, being located near considerable service infrastructure and close to a skilled workforce resident in the mining town of Moquegua.

Review of Operations (continued)



← *Los Calatos deposit with exploration camp on right*

↑ *Mollacas deposit - aerial view*

Hampton holds tenements covering 177 sq km of ground surrounding the Los Calatos project of which approximately 149 sq km is held through a wholly owned subsidiary, Hampton Peru SAC and 28 sq km held under an option agreement. This option, acquired in September 2007, awards 100% of the rights to those tenements to Hampton, subject to Hampton meeting a number of obligations, including payment of USD$0.5 million on or before 1 August 2010 and payment of US$0.005 per lb copper equivalent in reserves, as defined by a Scoping Study or Feasibility Study after drilling 9,000 metres.

Mineral Resources

The Los Calatos Deposit has existing JORC compliant mineral resources.

At a cut-off grade of 0.2% Cu, total resources are estimated by Hampton at 261.6 million tonnes @ 0.43% Cu and 0.042% Mo, or 0.74% CuEq (copper equivalent) comprising:

- Indicated Resources 69.2 million tonnes at 0.44% Cu & 0.051% Mo
- Inferred Resources 192.4 million tonnes at 0.42% Cu & 0.038% Mo

Copper equivalence calculations assume a ratio of molybdenum to copper prices of 7.5:1 and do not allow for metal recoveries or smelting and refining terms.

This resource estimation was based on 12,639 metres of drilling, out of total combined drilling on the project to date of 14,709 metres.

Approval has recently been granted by the Peruvian Government for a substantial diamond drilling program. The drilling will consist of a combined program of 26 diamond holes comprising 10,000 metres of infill drilling, to be followed by a further 10,000 metres focussed mainly on extending resources. Drilling is expected to commence in late October 2009.

In addition, Hampton is currently undertaking a comprehensive surface geological mapping and sampling program at Los Calatos, focussed on the northwest-southeast trending zone of alteration, that surrounds the main mineralised zone. A number of new targets have been identified that warrant follow up exploration.

Chilean Projects – North Central Chile

Mollacas

The Mollacas Project is located approximately 65 kilometres east of the town of Ovalle, or approximately 450 kilometres north of Santiago. Hampton holds a 50% interest in the project, with the balance beneficially held by Chilean corporation MN Ingenerios Limitada.

The Mollacas project is located along a north south trending volcanic sequence, which has been subsequently intruded by sub volcanic porphyritic rocks. The deposit occurs within an alteration zone approximately 1000 x 700 metres in size. The copper mineralisation is present in both the upper oxide and underlying supergene zone.

Initial drilling of 10 reverse circulation and 46 diamond core drill holes generated JORC compliant Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes @ 0.52% copper, for total copper resources of 17.0 million tonnes.

In November 2008, Hampton completed a 3,970 metre infill drilling program to upgrade the resource classification from Inferred to Measured and Indicated, and to provide material for further detailed leach testing.

A Scoping Study undertaken by SRK Consulting in 2007 estimated that current resources at Mollacas could be mined over a 7 year mine life producing approximately 13,500 tonnes pa cathode at a unit operating cost of approximately US$0.91 per lb. At copper prices of US$2.50/lb the Net Present Value of the project is US$103 million with an Internal Rate of Return of 70%. Hampton has been actively looking at opportunities to extend the life of the Mollacas project through the acquisition of satellite resources located in close proximity to Mollacas.

Metallurgical test work has commenced on oxide and supergene ores from the Mollacas Project to provide information for leaching and solvent extraction/electrowinning design as part of a final feasibility study. The test-work is expected to be completed by early 2010.

Vallecillo

The Vallecillo project is located approximately 50 kilometres northeast of Ovalle and some 25 kilometres north of the Mollacas deposit. Vallecillo is a porphyry related mineralised breccia system, comprising 4 discrete hydrothermal alteration zones, known as Chiflon, Potrero Colorado, Las Pircas and La Colorada respectively. As with Mollacas, Hampton holds a 50% interest in the project, with the balance beneficially held by MN Ingenerios Limitada.

Hampton drilled 12 reverse circulation holes on the La Colorada deposit during 2006, totalling 2,170 metres. This generated an initial Inferred Resource of 8.5 million tonnes @ 1.42% zinc, 0.76 g/t gold, 8.1 g/t silver and 0.25% lead.

Following a second round of drilling in 2008 of 17 diamond holes totalling 5,782 metres, a revised Resource Estimation for the La Colorada Au-Zn-Ag-Pb deposit at Vallecillo was completed by SRK Consulting. Contained metal has

← *La Colarada prospect, Vallecio deposit*

↑ *Cameron area showing characteristic alteration*

increased by approximately 40% on the previous estimate (2006). At a cut-off grade of 0.3g/t Au, total resources are estimated as 10.1 million tonnes and can be broken down into;

- Indicated Resources: 7.9 million tonnes @ 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb
- Inferred Resources: 2.2 million tonnes @ 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb

Hampton has commenced preliminary metallurgical test-work on the Vallecillo ore to determine ultimate metal recoveries and whether saleable zinc and lead concentrates can be achieved as a precursor to a scoping study. The test-work will also look at the possible extraction of gold and silver as Dore. Hampton has also commenced detailed mapping and surface sampling of the extensive licences held at Vallecillo with a view to generating further base metal and gold targets on the Project.

Loica

The Loica Project is located approximately 100 kilometres south east of Ovalle. It comprises a large ellipse shaped area of alteration approximately 4 x 1.5 kilometres in size, oriented north south in a spur valley. The Loica tenements cover the southern part of the alteration zone. Like both Mollacas and Vallecillo the project is jointly held by Hampton and MN Ingenerios Limitada.

Previous exploration includes significant drilling and anomalous surface sampling results. Drilling completed by Hampton at Loica during 2006, intersected significant widths of lower grade copper mineralisation (Table 1).

Loica is still in an early exploration phase, being only partly drilled; however, initial work shows typical characteristics of a large copper molybdenum porphyry system. Future exploration will comprise mapping and geochemical sampling of the breccia zones as a prelude to possible drill testing.

Camaron

Camaron is a large, predominantly gold mineralised system that may be related to a porphyry hydrothermal system. The Camaron project is located to the north of the Vallecillo project, some 20 kilometres south of the town of Vicuna. Hampton has an extensive tenement holding of some 215 square kilometres. Hampton holds most of these tenements in its own right and has an option to purchase 100% of the Genesis tenements.

The project contains many surface gossans and large areas of hydrothermal alteration. No known exploration work has been done on the property, except for a few small prospecting pits. However, the regional Vicuna Fault transects the area, and this feature is a known controlling feature on mineralisation further to the south.

Broad spaced geochemical sampling along 400 metre spaced lines has returned anomalous copper, gold and molybdenum values. Visible copper oxide mineralisation has been observed on the traverses and in the prospecting pits.

The Camaron Project is prospective for hosting copper-gold-molybdenum mineralisation. The presence of large alteration zones and intrusives along a major regional fault trend, suggests good potential for porphyry style or related mineralisation.

Future exploration includes RC drilling of a number of significant low-sulphidation Au anomalies identified by surface geochemical sampling.

Isidro

Isidro is a predominantly copper gold manto (blanket) style early exploration project, located 85 kilometres east of La Serena. Hampton owns 100% of the Isidro tenements, a 50% interest in the San Lorenzo tenements and has an option to purchase the Santa Berta tenements, all forming part of the Isidro Project area.

Like Camaron, the north trending Vicuna Fault bisects the Project area. The Vicuna Fault is the major regional control on mineralisation. The area is characterised by small copper-gold-silver bearing hydrothermal hematitic breccias as well as larger manto style deposits.

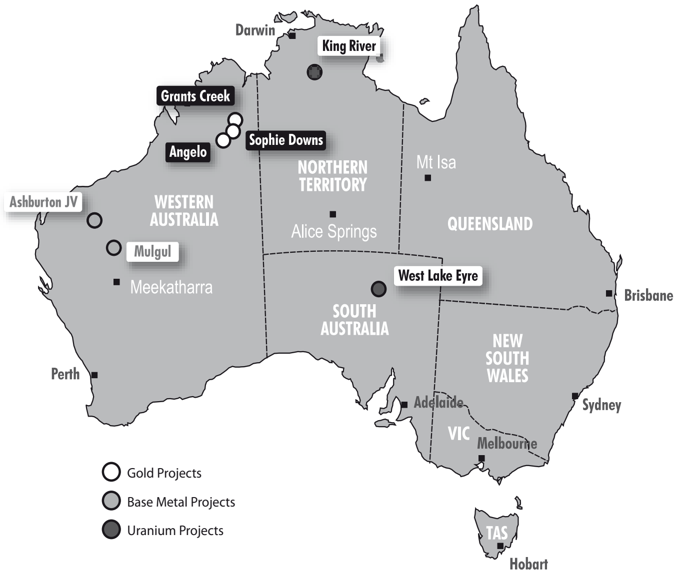
Hampton has completed a wide spaced surface sampling program over two main manto style prospects, San Lorenzo and Santa Berta. Future exploration will comprise prospect scale mapping, as well as broader reconnaissance mapping, assisted by satellite imagery and broad scale geochemical sampling.

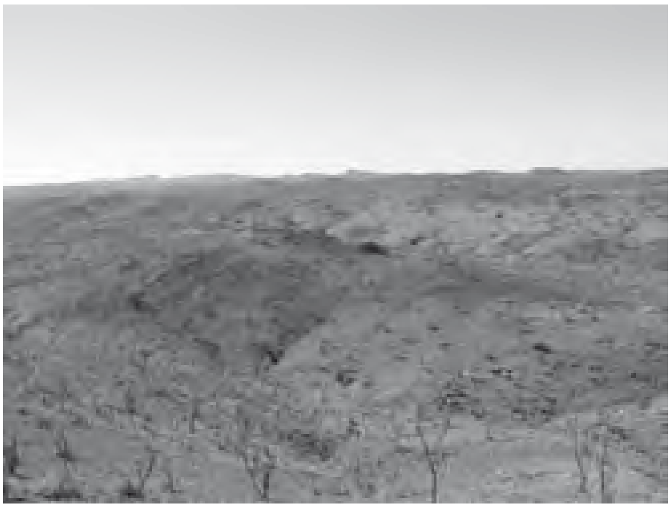
Table 1 Diamond drilling results – South Loica

Hole No	Azimuth	Dip	From	To	Total depth	Intercept
LD 01	90o	-60o	0	471	660	471 metres @ 0.19% Cu & 234 ppm Mo
LD 02	120o	-60o	0	592	682	592 metres @ 0.12% Cu & 154 ppm Mo
LD 03	225o	-60o	0	659	659	659 metres @ 0.12% Cu & 193 ppm Mo

Note all holes drilled from a common collar location at approximately 341720 mE & 6562110 mN UTM Zone 19.

AUSTRALIAN PROJECTS





← *Australian Project Locations*

↑ *Sophie Downs Rare Earth Prospect*

Angelo JV (Metminco earning up to 70%)

The Angelo Project is located approximately 40km south-west of Halls Creek and 5km south of the Great Northern Highway. The Project is a Joint Venture with Pacrim Energy Ltd.
There are two main prospects; Leonardo, outlined by geochemistry plus previous RAB drilling and Figaro, located by soil geochemistry. The exploration target is epithermal style of gold mineralisation, indicated by the large stratiform (>7 kilometres long) gold & arsenic soil anomalies which appear to be related to quartz stock work veining and reefs in carbonaceous sediments.

Earlier RAB drilling at Leonardo prospect, returned 4 metres @ 2.5 g/t Au & 4 metres @ 3.4 g/t Au on lines 400 metres apart. Metminco undertook a Reverse Circulation drilling program of 25 holes at the Leonardo prospect during mid 2008. Gold values returned were of a similar tenor to earlier drilling; 3 metres @ 1.97g/t Au & 2 metres @ 4.31 g/t Au, with a peak value of 8 g/t Au. The drilling indicates that mineralisation at Leonardo is nuggetty in nature and occurs in a series of discontinuous strata bound reefs with peripheral low grade stock-work zones.

Following the drilling program, the full geochemical database was reviewed by geochemical consultants, ioGlobal, who merged and levelled all of the previous soil geochemistry and identified sites for follow up sampling.

This work highlighted the Figaro area, due to the co – incidence of gold and arsenic anomalism. A field program in May 2009 confirmed earlier geochemical results and extended the Figaro prospect towards the northeast.

Recently, the Company obtained restricted magnetic and radiometric geophysical data, collected by previous explorers, Panorama Resources NL in 1994. Images produced from this data reveal elevated potassium, indicative of hydrothermal alteration, at the Figaro prospect. The elevated potassium defines a southwest – north-east trend.

The sizes of the geochemical anomalies on the Angelo project indicate the potential for discovery of significant gold resources. While the initial drilling did not upgrade the Leonardo prospect, recent exploration has highlighted the Figaro area as being worthy of continued work. The enhanced geological understanding gained from Figaro can then be applied to the balance of the licence area. The licence is less than 15 kilometres to the Nicolson's gold treatment plant and this infrastructure could be used to process ore from Angelo.

Grants Creek JV (Metminco earning up to 70%) & Wilsons Reef (Metminco 100%)

This project of 14.7 square kilometres covers the historic Grants Creek Mining Centre, 60 kilometres north east of Halls Creek. Wilsons Reef is a small prospecting licence just to the east of Grants Creek. Like Angelo, the Project is a Joint Venture with Pacrim Energy Ltd.

Previous exploration has largely focussed on the historic workings of the known reefs, with only limited examination on the strike extensions. This style of deposit typically occurs where there is remobilisation of low order strata bound mineralisation into structurally controlled sites during regional deformation events.

Exploration by Metminco has identified the prospective horizon (Perseverance trend), which lies in the clastic sediments of the Olympio Formation, just above the contact of the volcanic dominated Biscay Formation. A thinner mineralised horizon occurs within the Biscay formation, known as the Star of Kimberley trend. Gold mineralisation occurs in glassy blue quartz veins containing abundant pyrite and galena.

Following geological mapping and accompanying geochemical sampling, RC drilling over the first prospect (Perseverance) returned a number of promising intersections. These include 15m @ 4.2 g/t, 5m @ 5.87 g/t, 6m @ 6.13 g/t and 3m @ 7.88 g/t gold, including 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 confirm earlier drilling in the 1980's over the same area. Down hole survey of the holes would be required to bring the results up to JORC standard.

Grants Creek is viewed as a high grade adjunct to the Angelo Project. Ore could be trucked offsite to the Nicolson's plant for treatment.


Angelo Project Area


Quartz Reef - Sophie Downs Area

The next site identified for drilling (Moody's prospect) may be affected by Native Title issues. The Company has received verbal advice that a 500 metre buffer zone is proposed around a landscape feature and Moody's prospect lies within this buffer.

Future exploration would consist of RC drilling at the Moody's & Moody's West prospects and RAB drilling on geochemical anomalies along the main mineralised horizon.

Sophie Downs (Metminco 100%)

This exploration licence lies to the northeast of Halls Creek, just below the Grants Creek project. The area is considered to be prospective for a wide variety of mineralisation styles ranging from Volcanogenic Massive Sulphide deposits; vein & stock-work hosted gold mineralisation, roll front style uranium through to felsic igneous related Rare Earth Element occurrences.

Initial work comprised interpretation of multi-client geophysical data and reconnaissance exploration. This work highlighted the Sophie Downs Rare Earth Prospect and a number of VMS targets in the northern part of the licence that have affinities with similar deposits in the East Kimberley.

Several samples collected from the Sophie Downs Rare Earth prospect revealed anomalous Niobium and Rare Earth values, listed in Table 2 below. These initial results from the Rare Earth Prospect highlight the potential of the area and additional mapping and sampling work is warranted.

Mulgul (Metminco 100%)

The Mulgul exploration licence is located some 200 km north of Meekatharra and is prospective for large base metals deposits. The area lies only 25km southwest of the Abra deposit (93 million tonnes @ 4% lead & 10g/t silver), and Mulgul has potential for similar deposits as well as secondary fault & fissure hosted copper-gold and base metal mineralisation.

Metminco has reviewed previous exploration data and undertaken an interpretation of the available aeromagnetic and radiometric data for the project. A field visit undertaken during early March 2008 included the collection of stream sediment samples and an orientation geochemical survey over the historic Mulgul copper prospect.

Table 2 Rock chip assay results – Sophie Downs rare earth occurrence

Sample_id	Easting	Northing	Niobium (ppm)	Thorium (ppm)	Cerium (ppm)	Lanthanum (ppm)	Dysprosium (ppm)	Neodymium (ppm)	Praseodymium (ppm)
SD03	379558	7989297	161.3	17.3	166.2	105.2	8.7	95.4	27.0
SD04	379557	7989290	383.5	34.5	280.5	153.6	22.5	155.4	42.6
SD05	379570	7989288	291.9	11.4	104.8	56.9	14.7	40.5	12.0
SD06	379560	7989280	1158.3	76.8	1244.2	1158.0	184.1	680.8	196.5
SD07	379608	7989332	1324.4	68.8	67.3	42.2	26.6	41.1	11.8
SD08	379705	7989486	1301.3	90.8	940.4	615.0	91.6	367.1	110.7
SD09	379525	7989188	254.4	11.9	92.4	54.6	10.4	62.3	16.4
SD10	379531	7989192	344.4	20.9	386.5	207.3	35.4	201.2	52.0
SD11	379903	7989744	29.6	23.0	122.2	90.4	6.1	47.6	15.6
SD12	379906	7989741	1531.2	39.8	17.8	20.7	17.1	17.6	5.2
Average Crustal Abundance (ppm)			**20**	**10**	**60**	**30**	**3**	**28**	**8**

Analysis by ICP – MS by KalAssay Laboratories Perth
All Locations Zone 52 – GDA94

Further geophysical data (GEOTEM) was acquired and interpreted in early 2008, which highlighted five targets for additional exploration work. These targets comprise coincident magnetic and electromagnetic anomalies, adjacent to major structural trends.

Additional field visits to inspect these targets were frustrated by Native Title access issues. A 'Heritage Protection Agreement' was ratified with the Native Title representative group in late January 2009.

The Company is currently seeking a Joint Venture partner on the project.

Ashburton Joint Venture

In mid 2008, Metminco entered into Joint Venture farm-in agreement with Peak Resources Ltd on the Ashburton Project. The Ashburton Project is located midway between Paraburdoo and Meekatharra. The Project consists of two granted exploration licences E08/1239 (Mt Vernon) and E08/1240 (Pingandy).

Due to Metminco's current focus on base metal exploration in South America, the Company has withdrawn from the Joint Venture.

West Lake Eyre (Metminco 100%)

This licence lies to the west of Lake Eyre in South Australia. It is prospective for both deeply buried Iron Ore Copper Gold (+Uranium) Deposits similar to Olympic Dam and Prominent Hill and shallower palaeo-channel deposits in the overlying Cretaceous sediments. There has been limited prior exploration over the area.

In early 2008 Metminco completed an additional gravity survey over the eastern portion of the licence area. This survey meshes with and extends the regional gravity data collected by the South Australian Government.

The regional gravity survey, along with three detailed traverses, revealed two prominent deep gravity features. The probable depths to these sources are 550 metres and 675 metres below surface.

Metminco's plan is to drill two deep holes, RC pre collar with diamond tails, over the shallower target. Supplementary funding would be sought from the South Australian Government's PACE program. Drilling in this area is technically difficult as the overlying sediments are part of the Great Artesian basin and high water pressures encountered can cause problems with the drilling equipment.

The Company also completed a scintillometer survey over two surficial uranium anomalies revealed during an analysis of regional radiometric data. The scintillometer survey found uranium levels up to 5 times background associated with a north south fault.

Metminco has recently applied for renewal of the licence over a reduced area of 350 square kilometres. The next phase of exploration planned is shallow drilling around the surficial uranium anomalies. As this is ground disturbing work, a site visit and clearance will be required by the local Aboriginal Representative group (Arrabunna Indigenous Land Use Agreement). A land use agreement with the Representative group was recently registered and exploration is planned to commence in late 2009, following site clearances.

King River (Metminco 100%)

This licence is located in the Daly River Basin region in the Northern Territory. It covers sediments of Cretaceous age and is prospective for sandstone and unconformity hosted uranium and rock phosphate deposits.

In 2007, re-interpretation and reprocessing of radiometric data delineated untested anomalies within the Cretaceous sandstone units. This lent support to previous work by the Australian Atomic Energy Commission that concluded there was the possibility of a uranium source in the Cretaceous Jinduckin Formation.

Reconnaissance field inspection during 2008, including an orientation scintillometer survey and rock chip sampling, revealed uranium levels between 10 and 15 ppm.

The Company is currently seeking a Joint Venture partner on the project.

Report of the Directors

Your directors present their report, together with the financial statements of the company, for the financial year ended 30 June 2009.

Principal Activities and Significant Changes in Nature of Activities

The principal activities of the company during the financial year were:

- Mineral Exploration and the development of Mineral Tenements

There were no other significant changes in the nature of the company's principal activities during the financial year.

Operating Results and Review of Operations for the Year

Operating Results

The loss of the company amounted to $1,245,134 (2008 loss $2,420,778) after providing for income tax. Further discussion on the company's operations now follows.

Review of Operations

The activities during the period are set out in a separate Review of Operations report on pages 2 to 7.

Financial Position

The net assets of the company have decreased by $1,195,134 from 30 June 2008 to $1,956,438 in 2009. This decrease is largely due to the following factors:

- Write off 100% of Ashburton tenement due to decision to withdraw from Joint Venture having met all requirements up to date of withdrawal, $452,159; write off 41% of West Lake Eyre tenement due to decision to relinquish 41% of area, $93,728 and costs associated with the Takeover of Hampton Mining Limited, $370,082.

These above decisions are based on assessing the value of current tenements and pursuing the takeover of Hampton Mining Limited.

The directors believe the current capital raising in conjunction with signing the Option to acquire JIC's shares in Hampton, so that the company can achieve a majority shareholding in Hampton, places the company in a strong and stable financial position to expand and grow its current operations.

Significant Changes in State of Affairs

The following significant changes in the state of affairs of the company occurred during the financial year:

i. On 10 December, 2008 the company announced a Takeover of Hampton Mining Limited. The offer was revised on 2 February 2009 to 4 Metminco shares for every Hampton share, 1.875 Metminco shares for every Hampton March 2009 Option and 0.9 Metminco shares for every Hampton April 2009 Option. The Offer was closed on 8 July 2009. Further details are noted in after balance date events.

ii. On 5 March, 2009 the company issued 250,000 ordinary shares in consideration of being transferred the licence of West Lake Eyre project.

Dividends Paid or Recommended

The company has not paid or declared for payment any dividends during the financial year.

After Balance Date Events

On 8 July, 2009 the company closed its Takeover Offer for Hampton Mining Limited ("Hampton"), achieving 36.5% of the shares of Hampton.
On 29 July, 2009, the company issued 303,690,732 shares in consideration for the Hampton shares acquired.

On 18 September 2009, the company signed an option agreement with Junior Investment Company ("JIC") giving the company the right to acquire all of JIC's 31.9% shareholding in Hampton. If the company exercises the option it can increase its shareholding in Hampton from 36.5 % to 53.6% if other Hampton shareholders exercise their pre-emption right, or increase shareholding in Hampton to 68.4% if no pre-emption rights are exercised by other Hampton shareholder.

On 24 September 2009 the company completed a successful capital raising of $2,500,000 by issue of 16,666,666 ordinary shares at an issue price of $0.15 to sophisticated and professional investors. These funds will be applied to meet JIC option fees, working capital and increase cash reserves.

On 17 July, 2009 the company appointed as non executive directors William Howe, William Etheridge and Phillip Wing. Mr. Howe and Dr. Wing are current directors of Hampton and Mr. Etheridge is a recently retired director of Hampton. These appointments are as a result of the recent takeover offer of Hampton and bring to the Board significant experience to assist in the future developments of the company.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future Developments, Prospects and Business Strategies

The company will endeavour to exercise the JIC option and gain control of Hampton.

If control is achieved, the company will be in a position to manage the project development activities of Hampton.

Environmental Issues

The company's operations are subject to significant environmental regulations under the laws of the Commonwealth and State. Details of the company's performance in relation to environmental regulations follow.

In the course of its exploration, the company carries out sampling and drilling operations that have environmental implications both by way of in situ activities and also gaining access to sites. In such cases, rehabilitation of land and the elimination of any dangerous earthworks are a normal requirement. The directors are not aware of any breaches of environmental regulations.

Information on the Directors

John Fillmore	–	Non Executive Chairman
Qualifications	–	LLB, Bcomm
Experience	–	Appointed Chairman in May, 2007. Board member since May, 2007. John has practised as a Lawyer continuously since his admission in 1977. In 1985 he established his own firm, J.A. Fillmore & Co. That firm continues under his control today as a boutique legal firm providing advice and services to a range of business enterprises both within and outside Australia. John is chairman or director of a number of unlisted companies in agriculture, financial services, investment, property and several private investment companies. John holds Bachelor of Commerce and Bachelor of Laws degrees from the University of Melbourne and is a fellow of the Tax Institute of Australia. John's involvement in the boards has become a substantial component of his professional life in recent years.
Interest in Shares and Options	–	2,200,000 ordinary shares in Metminco Limited and options to acquire a further 1,099,999 ordinary shares
Keith Weston	–	Managing Director and Chief Executive Officer
Qualifications	–	BSc (hons) MAusIMM
Experience	–	Appointed July, 2007. Board member since July, 2007. Keith is a Geologist with over 23 years experience in the minerals industry in Victoria, New South Wales and Western Australia. This includes working for North Kalgurli Mines, Planet Resources Group and an extended period within the Mineral Resources section of the Geological Survey of Victoria and Department of Minerals and Energy. Keith was the Exploration Manager of Goldminco NL prior to consulting to the Victorian and Western Australian minerals industry. Since 2001, Keith has worked in the Extractive Industries sector for a number of quarrying operations, in both a managerial and technical capacity; prior to his appointment as managing director of the company.
Interest in Shares and Options	–	550,000 ordinary shares in Metminco Limited and options to acquire a further 274,999 ordinary shares
Shane Turner	–	Non Executive Director
Qualifications	–	CA, BBus
Experience	–	Appointed April, 2008. Board member since April, 2008. Shane is a Chartered Accountant with 23 years experience. Shane commenced his career in Audit with KPMG, Melbourne in 1987. Between 1990 and 2000, he worked for one of the largest regional public accounting practices in Victoria. In August, 2000 he established his own practice, Shane Turner & Associates. Shane provides Accounting, Taxation and Computing services to a range of small, medium and large businesses across Australia. Shane Turner & Associates are ASIC Registered Agents and assist many other Companies with company secretarial services and provide Accounting services to another Public Company involved in mineral exploration and development of mineral tenements. Shane assists the company with ASIC, ASX and Tax compliance services.
Interest in Shares and Options	–	40,000 ordinary shares in Metminco Limited
Dr Phillip Wing	–	Non Executive Director
Qualifications	–	PhD, MEc, BEc, CPA
Experience	–	Appointed 17 July 2009. Dr Wing is the Executive Chairman of a number of special purpose private equity firms. He is currently Chairman or non executive Director of six investee companies ranging from mining to medical devices. Until January 2006, Phillip was for 7 years a partner of Technology Venture Partners (TVP), a specialist Institutional Information Technology and Telecommunications venture capital firm, and was an active non-executive director on many of TVP's portfolio companies in Australia and overseas. Prior to joining TVP, Phillip was a senior executive in IBM's global and Asia Pacific management team. He held responsibility for a major industry business unit in Asia and was also General Manager of the IBM (Australia and New Zealand) consulting business. His last role in IBM was as General Manager (Global Services) responsible for strategy, marketing and business development including acquisitions, alliances and business partners. Prior to his career at IBM, Phillip was a partner at Ernst and Young, KPMG Peat Marwick and Touche Ross, specializing in strategy and IT and corporate

advisory consulting. Phillip held managing partner roles responsible for the consulting business units and spent two years on secondment as the Chief Information Officer of NSW Health. Phillip has worked extensively in the USA, Asia, and Europe. He has a Bachelor and Masters of Economics and has completed a PhD in Organisational Change. He is a member of the Institute of Chartered Accountants, and also an adjunct lecturer with the Centre for Applied Finance (Macquarie University).

Interest in Shares and Options – 15,893,336 ordinary shares in Metminco Limited

William Howe – Non Executive Director

Qualifications – B.Sc. FAusIMM

Experience – Appointed 17 July 2009. Mr Howe, Hampton Mining founder, has over 29 years experience in the mining industry and has worked in Southern and West Africa, Asia, Australia and the USA. He has been instrumental in the development of a number of new mining operations in Australia and Indonesia including the development and management of the first copper heap leach Project in Australia, and an open pit coal mine in South East Kalimantan in Indonesia. He specializes in optimising existing operations and the development of new operations in both underground and open pit mining environments and has extensive experience in mine development, mine management and corporate management. He has worked in many geological and mining environments in several countries around the world and in such commodities as gold, coal, copper, uranium, antimony, chrome and tin. Mr Howe was a founding director of Straits Resources Limited and was Managing Director of Ghana Gold Mines Limited, Hargraves Resources NL and Selwyn Mines Limited

Interest in Shares and Options – 49,866,668 ordinary shares in Metminco Limited

William Etheridge – Non Executive Director

Qualifications – B.Eng, MA (Cantab)

Experience – Appointed 17 July 2009. Mr Etheridge has over 30 years experience in the mining and mining finance industry, based mainly in Sydney and London. He worked as a mining engineer with Hamersley Iron, and as an economist for mining companies in London (Consolidated Gold Fields) and Sydney (Renison Goldfields Consolidated).
He has also worked within mining companies (including Hargraves Resources and Selwyn Mines Limited) focusing on mining project scoping, analysis and appraisal, valuation of internal and external opportunities, cut-off grade analysis, project administration, preparation of company reports, and investor relations. He has also worked in stockbroking (including Merrill Lynch, ABS White and HSBC James Capel) as a resources analyst, covering a range of mining companies, and including experience in research & equity raising. He has consulted on mining investment opportunities in coal, copper, gold, nickel, zinc and vanadium, and has undertaken detailed analysis of a number of mineral commodities, both metals and energy.

Interest in Shares and Options – 62,400,000 ordinary shares in Metminco Limited

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Shane Turner – appointed company secretary in April, 2008.

Meetings of Directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
John Fillmore	8	8	1	1	1	1
Keith Weston	8	8				
Shane Turner	8	8	1	1	1	1

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied for the entire financial year ended 30 June 2009.

Board Composition

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report and their term of office are detailed in the directors' report.

The names of independent directors of the company are:

John Fillmore

When determining whether a non-executive director is independent the director must not fail any of the following materiality thresholds:

– less than 10% of company shares are held by the director and any entity or individual directly or indirectly associated with the director;
– no sales are made to or purchases made from any entity or individual directly or indirectly associated with the director; and
– none of the directors' income or the income of an individual or entity directly or indirectly associated with the director is derived from a contract with any member of the economic entity other than income derived as a director of the entity.

Independent directors have the right to seek independent professional advice in the furtherance of their duties as directors at the company's expense. Written approval must be obtained from the chair prior to incurring any expense on behalf of the company.

The names of the members of the nomination committee and their attendance at meetings of the committee are detailed in the directors' report.

Ethical Standards

The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.

A code of conduct has been established requiring directors and employees to:

- act honestly and in good faith;
- exercise due care and diligence in fulfilling the functions of office;
- avoid conflicts and make full disclosure of any possible conflict of interest;
- comply with the law;
- encourage the reporting and investigating of unlawful and unethical behaviour; and
- comply with the share trading policy outlined in the Code of Conduct.

Directors are obliged to be independent in judgment and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

Trading Policy

The company's policy regarding directors and employees trading in its securities is set by the finance committee. The policy restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Audit Committee

The names and qualifications of those appointed to the audit committee and their attendance at meetings of the committee are included in the directors' report.

Performance Evaluation

An annual performance evaluation of the Board and all Board members was conducted by the Board.

Board Roles and Responsibilities

The Board is first and foremost accountable to provide value to its shareholders through delivery of timely and balanced disclosures.

The Board is ultimately responsible for ensuring its actions are in accordance with key corporate governance principles.

Shareholder Rights

Shareholders are entitled to vote on significant matters impacting on the business, which include the election and remuneration of directors, changes to the constitution and receipt of annual and interim financial statements. Shareholders are strongly encouraged to attend and participate in the Annual General Meetings of Metminco Limited, to lodge questions to be responded by the Board and/or the CEO, and are able to appoint proxies.

Risk Management

The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks. The CEO has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The worsening economic environment has emphasised the importance of managing and reassessing its key business risks.

Remuneration Policies

The remuneration policy, which sets the terms and conditions for the key management personnel, was developed by the remuneration committee after seeking professional advice from independent consultants and was approved by the Board. All executives receive a base salary, superannuation, fringe benefits, performance incentives and retirement benefits. The remuneration committee reviews executive packages annually by reference to company performance, executive performance, comparable information from industry sectors and other listed companies and independent advice. The policy is designed to attract the highest calibre executives and reward them for performance which results in long-term growth in shareholder value.

Executives are also entitled to participate in the employee share and option arrangements.

The amount of remuneration for all key management personnel for the company is detailed in the directors report under the heading Key Management Personnel Compensation. All remuneration paid to executives is valued at the cost to the company and expensed. Shares given to executives are valued as the difference between the market price of those shares and the amount paid by the executive. Options are valued using the Black-Scholes methodology.

The Board expects that the remuneration structure implemented will result in the company being able to attract and retain the best executives to run the consolidated group. It will also provide executives with the necessary incentives to work to grow long-term shareholder value.

The payment of bonuses, options and other incentive payments are reviewed by the remuneration committee annually as part of the review of executive remuneration and a recommendation is put to the Board for approval. The Board can exercise its discretion in relation to approving incentives, bonuses and options and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria.

Remuneration Committee

The names of the members of the remuneration committee and their attendance at meetings of the committee are detailed in the directors' report.

There are no schemes for retirement benefits other than statutory superannuation for non-executive directors.

Other Information

Further information relating to the company's corporate governance practices and policies has been made publicly available on the company's website at www.metminco.com.au.

Remuneration Report

Remuneration Policy

The remuneration policy of Metminco Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the company's financial results. The Board of Metminco Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the company, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the company is as follows:

- The remuneration policy is to be developed by the remuneration committee and approved by the Board in consideration with professional advice from independent external consultants.
- The remuneration committee reviews key management personnel packages annually by reference to the company's performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed with each executive. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

Key management personnel receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits

Upon retirement, key management personnel are paid employee benefit entitlements accrued to the date of retirement

All remuneration paid to key management personnel is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Performance-based Remuneration

The company does not currently have a performance based remuneration scheme for directors.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the company. The table also illustrates the proportion of remuneration that was received in the form of shares and options.

	Position held as at 30 June 2009 and any change during the year	Contract details (duration & termination)	Proportions of elements of remuneration not related to performance	
			Fixed Salary/Fees	Total
			$	$
Key Management Personnel				
Keith Weston	Managing Director & Chief Executive Officer	One year contract commenced 1/7/09	155,000	155,000
John Fillmore	Non Executive Chairman		72,000	72,000
Shane Turner	Non Executive Director & Company Secretary		60,000	60,000

The employment terms and conditions of Mr. Weston are formalised in a contract of employment.

Terms of employment require that the company provide Mr. Weston with a minimum of six months notice prior to termination of contract. A contracted person deemed employed on a permanent basis may terminate their employment by providing at least six months notice. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Non-executive directors are not subject to contracts. Termination payments are at the discretion of the remuneration committee.

Changes in Directors and Executives Subsequent to Year-end

On 17 July, 2009, William Howe, William Etheridge and Phillip Wing commenced as non-executive directors.

Remuneration Details for the Year Ended 30 June 2009

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the company:

Table of Benefits and Payments for the Year Ended 30 June 2009

		Total	Short-term benefits	Post-employment benefits	Equity-settled share-based payments	
			Salary, fees and leave $	Superannuation $	Shares/ Units $	Total $
Key Management Personnel						
Keith Weston	2009		143,497	10,800	-	154,297
	2008		148,528	10,800	100,000	259,328
John Fillmore	2009		-	72,000	-	72,000
	2008		11,009	87,991	100,000	199,000
Shane Turner	2009		58,020	1,980	-	60,000
	2008		11,282	385	-	11,667
Bruce Paterson	2009		-	-	-	-
	2008		40,000	40,000	100,000	180,000
Total Key Management Personnel						
	2009		201,517	84,780	-	286,297
	2008		210,819	139,176	300,000	649,995

Securities Received that are not Performance Related

Shares were acquired by the initial directors of the company when it floated at a nominal value as part of their initial remuneration package.
These shares are held as restricted securities for 24 months.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

There were no bonuses or share-based payments made during the year.

Options and Rights Issued, Granted & Exercised

No options or rights were issued, granted or exercised during the year.

Indemnifying Officers or Auditor

During or since the end of the financial year, the company has given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

– The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was $6,582.

Options

At the date of this report, the unissued ordinary shares of the company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
5/12/07	4/12/12	$0.25	26,230,017
			26,230,017

Option holders do not have any rights to participate in any issues of shares or other interests in the company.

There have been no unissued shares or interests under option of the company during or since reporting date.

For details of options issued to directors and executives as remuneration, refer to the Remuneration Report.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Non-audit Services

There were no fees paid by the company for non-audit services to the Company's auditors during the year.

Remuneration Report (continued)

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

John Fillmore, Director

Dated: 30 September 2009

Auditor's Independence Declaration

Grant Thornton

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Auditor's Independence Declaration

To The Directors of Metminco Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Metminco Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton
Chartered Accountants

B L Taylor
Partner

Melbourne, 30 September 2009

Income Statement

for the year ended June 2009

	Note	2009 $	2008 $
Revenue			
Other income	2	106,667	178,693
Administration expenses		(55,137)	(46,329)
Corporate expenses	3	(549,796)	(2,004,572)
Employee benefits expense	3	(193,906)	(531,998)
Depreciation and amortisation expense	10	(7,074)	(3,627)
Exploration expenditure written off		(545,888)	(12,945)
Profit/(Loss) before income tax		**(1,245,134)**	**(2,420,778)**
Income tax expense		-	-
Profit/(Loss) for the year		**(1,245,134)**	**(2,420,778)**
Basic earnings per share (cents per share)	8	(2.35)	(4.79)
Diluted earnings per share (cents per share)	8	(2.35)	(4.79)

The accompanying notes form part of these financial statements.

Balance Sheet

as at June 2009

	Notes	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	991,713	2,516,777
Other assets	11	21,280	31,491
TOTAL CURRENT ASSETS		**1,012,993**	**2,548,268**
NON-CURRENT ASSETS			
Property, plant and equipment	10	19,333	24,625
Other including exploration	11	1,035,963	785,737
TOTAL NON-CURRENT ASSETS		**1,055,296**	**810,362**
TOTAL ASSETS		**2,068,289**	**3,358,630**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	107,827	202,530
Short-term provisions	13	4,024	4,528
TOTAL CURRENT LIABILITIES		**111,851**	**207,058**
NON-CURRENT LIABILITIES		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		**111,851**	**207,058**
NET ASSETS		**1,956,438**	**3,151,572**
EQUITY			
Issued capital	14	5,399,061	5,349,061
Reserves	15	249,628	249,628
Retained earnings		(3,692,251)	(2,447,117)
TOTAL EQUITY		**1,956,438**	**3,151,572**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

for the year ended June 2009

	Note	Share Capital Ordinary	Retained Earnings	Option Reserve	Total
		$	$	$	$
Balance at 1 July 2007		5	(26,339)	-	(26,334)
Shares issued during the year		5,600,000	-	-	5,600,000
Transaction costs		(250,944)	-	-	(250,944)
Options issued during the year		-	-	262,300	262,300
Transaction costs		-	-	(12,672)	(12,672)
Profit/(Loss) attributable to members of company		-	(2,420,778)	-	(2,420,778)
Sub-total		**5,349,061**	**(2,447,117)**	**249,628**	**3,151,572**
Dividends paid or provided for	7	-	-	-	-
Balance at 30 June 2008		**5,349,061**	**(2,447,117)**	**249,628**	**3,151,572**
Shares issued during the year		50,000	-	-	50,000
Profit/(Loss) attributable to members of company		-	(1,245,134)	-	(1,245,134)
Sub-total		**5,399,061**	**(3,692,251)**	**249,628**	**1,956,438**
Dividends paid or provided for		-	-	-	-
Balance at 30 June 2009	14	**5,399,061**	**(3,692,251)**	**249,628**	**1,956,438**

The accompanying notes form part of these financial statements

Cash Flow Statement

for the year ended June 2009

	Notes	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,222,566)	(330,323)
Interest received		106,667	178,693
Net cash provided by (used in) operating activities	18	**(1,115,899)**	**(151,630)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,782)	(28,252)
Cash paid for exploration & evaluation		(407,383)	(609,486)
Net cash provided by (used in) investing activities		**(409,165)**	**(637,738)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares & options		-	1,348,684
Net cash provided by (used in) financing activities		**-**	**1,348,684**
Net increase/(decrease) in cash held		**(1,525,064)**	**559,316**
Cash at beginning of financial year		2,516,777	1,957,461
Cash at end of financial year	9	**991,713**	**2,516,777**

The accompanying notes form part of these financial statements.

This financial report includes the financial statements and notes of Metminco Limited.

NOTE 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. **Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTE 1: Statement of Significant Accounting Policies (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20%
Software	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

c. **Exploration and Development Expenditure**

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

d. **Financial Instruments**

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and less any reduction for impairment.

The *effective* interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss

i. Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented

NOTE 1: Statement of Significant Accounting Policies (continued)

risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables

ii. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Held-to-maturity investments

iii. Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Available-for-sale financial assets

iv. Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial liabilities

v. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Derivative Instruments

Metminco Limited and Controlled Entities designates certain derivatives as either:

i. hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or

ii. hedges of highly probable forecast transactions (cash flow hedges).

At the inception of the transaction the relationship between hedging instruments and hedged items, as well as the company's risk management objective and strategy for undertaking various hedge transactions is documented

Assessments, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items, are also documented.

(i) ***Fair value hedge***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of hedged assets or liabilities that are attributable to the hedged risk.

(ii) ***Cash flow hedge***

Amounts accumulated in the hedge reserve in equity are transferred to the income statement in the periods when the hedged item will affect profit or loss.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Financial Guarantees

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition.

The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

– the likelihood of the guaranteed party defaulting in a year period;
– the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
– the maximum loss exposed if the guaranteed party were to default.

NOTE 1: Statement of Significant Accounting Policies (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

e. **Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. **Investments in Associates**

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the company's share of post-acquisition reserves of its associates.

g. **Interests in Joint Ventures**

The company's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the financial statements.

The company's interests in joint venture entities are brought to account using the equity method of accounting in the financial statements.

h. **Intangibles**

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Patents and Trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life.

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

i. **Foreign Currency Transactions and Balances**

Functional and Presentation Currency

The functional currency of the company is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the company's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

NOTE 1: Statement of Significant Accounting Policies (continued)

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

j. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Past services costs are recognised when incurred to the extent that benefits are vested, and are otherwise amortised on a straight-line basis over the vesting period.

Equity-settled Compensation

The company operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

k. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l. **Provision for Warranties**

Provision is made in respect of the company's estimated liability on all products and services under warranty at balance date. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the company's history of warranty claims.

m. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

n. **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax (GST)

o. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

NOTE 1: Statement of Significant Accounting Policies (continued)

All other borrowing costs are recognised in income in the period in which they are incurred.

p. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q. **Government Grants**

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

r. **Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

s. **Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

Key Estimates

Impairment

The company assesses impairment at each reporting date by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgments

Exploration and Evaluation Expenditure

. The company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at $1,035,963.

t. **New Accounting Standards for Application in Future Periods**

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

NOTE 2: Revenue and Other Income

	2009 $	2008 $
Revenue		
Other revenue		
– interest received	106,667	178,693
Total Other Revenue	**106,667**	**178,693**

NOTE 3: Profit for the Year

	Notes	2009 $	2008 $
Corporate Expenses:			
Shares issued to promoter of company		-	1,800,000
Auditors remuneration	6	26,161	25,613
Other expenses		153,553	178,959
Hampton takeover expenses		370,082	-
Total Corporate Expenses		**549,796**	**2,004,572**

Employee Benefits:		
Remuneration to officeholders	286,297	349,995
Less exploration expenses capitalised	(94,272)	(119,496)
Shares issued to directors	-	299,985
Workcover	1,881	1,514
Total Employee Benefits	**193,906**	**531,998**

NOTE 4: Income Tax

Subject to the provisions of the Income Tax Assessment Act, if the company derives assessable income it will be able to utilise carry-forward losses. At 30 June 2009 the company has estimated carry-forward tax losses, after adjusting for temporary differences, of approximately $4,922,896 (2008: $3,216,732) which amounts to an income tax benefit of $1,476,869 (2008: $965,020).

The company has no estimated carry-forward capital loss (2008: $Nil).

Certain losses which have been incurred in the course of mining activities are only available for offset against future mining income. Due to the manner and nature of activities giving rise to these carry-forward tax losses, a detailed analysis would be required should the company return to profits.

The net deferred tax asset will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in tax legislation adversely affect the company in realising the benefit from the deduction of the loss.

Consequently, no deferred tax asset has been recognised.

NOTE 5: Key Management Personnel (KMP) Compensation

(a) Names and positions held of the company's key management personnel in office at any time during the financial year are:

Key Management Person	Position
John Fillmore (appointed 10/05/07)	Non Executive Chairman
Keith Weston (appointed 10/07/07)	Managing Director and Chief Executive Officer
Shane Turner (appointed 21/04/08)	Non Executive Director and Company Secretary

The totals of remuneration paid to KMP of the company during the year are as follows:

Notes	2009 $	2008 $
Short-term employee benefits	201,517	210,819
Long-term compensation	-	-
Post employment	84,780	139,176
Equity compensation	-	300,000
	286,297	**649,995**

NOTE 5: Key Management Personnel (KMP) Compensation (continued)

KMP Options and Rights Holdings

The number of options over ordinary shares held by each KMP of the company during the financial year is as follows:

	Balance 30/06/08	Granted as Compensation	Options Exercised	Net Changes Other	Balance 30/06/09	Total Vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
	$				$		$	
John Fillmore	1,099,999	-	-	-	1,099,999	-	1,099,999	-
Keith Weston	274,999	-	-	-	274,999	-	274,999	-
Shane Turner	-	-	-	-	-	-	-	-
Total	**1,374,998**	**-**	**-**	**-**	**1,374,998**	**-**	**1,374,998**	**-**

Options held by KMP were acquired on the same terms and conditions as all shareholders.

KMP Shareholdings

The number of ordinary shares held by KMP

	Balance 30/06/08	Received as Compensation	Options Exercised	Net Changes Other	Balance 30/06/09
	$				$
John Fillmore	2,220,000	-	-	-	2,200,000
Keith Weston	550,000	-	-	-	550,000
Shane Turner	40,000	-	-	-	40,000

Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

For details of other transactions with KMP, refer to Note 20: Related Party Transactions

NOTE 6: Auditors' Remuneration

	2009	2008
	$	$
Remuneration of the auditor of the company for:		
– auditing or reviewing the financial report	26,161	23,513
– taxation services	-	2,100
	26,161	**25,613**

NOTE 7: Dividends

The company resolved not to declare any dividends in the year ended 30 June, 2009.

NOTE 8: Earnings Per Share

	2009	2008
	$	$
Profit/(Loss)	(1,245,134)	(2,420,778)

	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	53,080,827	50,558,748

There are no options which are considered to be potential dilutive ordinary shares and therefore diluted loss per share is the same as basic loss per share.

NOTE 9: Cash and Cash Equivalents

	2009 $	2008 $
Cash at bank and in hand	17,803	48,702
Short-term bank deposits	973,910	2,468,075
	991,713	**2,516,777**

The effective interest rate on short-term bank deposits was 4%

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	**991,713**	**2,516,777**

NOTE 10: Property, Plant and Equipment

Plant and Equipment

Plant and equipment & software:

At cost	30,034	28,252
Accumulated depreciation	(10,701)	(3,627)
	19,333	**24,625**

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

Opening Balance	24,625	-
Additions	1,782	28,252
Disposals	-	-
Revaluation increments/ (decrements)	-	-
Depreciation expense	(7,074)	(3,627)
Closing Balance	**19,333**	**24,625**

NOTE 11: Other Assets

CURRENT

Prepayments	2,370	-
GST Refund receivable	18,910	31,491
	21,280	**31,491**

NON-CURRENT

Exploration expenditure capitalised		
Opening Balance	785,737	26,251
Exploration expenditure capitalised during the year	457,383	759,486
Capitalised expenditure written off during the year	(207,157)	-
Closing balance	**1,035,963**	**785,737**

NOTE 12: Trade And Other Payables

	2009 $	2008 $
CURRENT		
Unsecured liabilities		
Trade payables	83,643	81,821
Sundry payables and accrued expenses	24,184	120,709
	107,827	**202,530**

NOTE 13: Provisions

CURRENT		
Employee Entitlements		
Opening balance at beginning of year	4,528	-
Additional provisions raised during year	-	4,528
Provision expensed during year	(504)	-
Balance at 30 June 2009	**4,024**	**4,528**

NOTE 14: Issued Capital

53,250,005 (2008: 53,000,005) fully paid ordinary shares	5,399,061	5,349,061

Ordinary Shares			
At the beginning of reporting period		53,000,005	5
Shares issued during year			
-1 July 2007	Promoter Allotment	-	9,000,000
-1 July 2007	Seed capital allotment	-	35,000,000
-24 September 2007	Director allotment	-	1,500,000
-24 September 2007	IPO allotment	-	6,750,000
-12 October 2007	Tenement Allotment	-	250,000
-11 January 2008	Tenement Allotment	-	250,000
-20 March 2008	Tenement Allotment	-	250,000
-5 March 2009	Tenement Allotment	250,000	-
At reporting date		**53,250,005**	**53,000,005**

Movements in Ordinary Shares			
Opening Balance		5,349,061	5
Shares issued during year			
-1 July 2007	Promoter Allotment	-	1,800,000
-1 July 2007	Seed capital allotment	-	2,000,000
-24 September 2007	Director allotment	-	300,000
-24 September 2007	IPO allotment	-	1,350,000
-12 October 2007	Tenement Allotment	-	50,000
-11 January 2008	Tenement Allotment	-	50,000
-20 March 2008	Tenement Allotment	-	50,000
-5 March 2009	Tenement Allotment	50,000	-
Cost of capital raising		-	(250,944)
Closing Balance		**5,399,061**	**5,349,061**

Holders of ordinary shares are entitled to participate in dividends when declared and are entitled to one vote per share, either in person or by proxy, at shareholder meetings. In the vent of winding up the company, ordinary shareholders are ranked after all other creditors and are entitled to any proceeds of liquidation in proportion to the number of an amount paid on the shares held.

NOTE 15: Reserves

	2009 $	2008 $
Options Reserve		
26,230,017 (2008:26,230,017) options	249,628	249,628
At the beginning of reporting period	26,230,017	-
Options issued during year		
- 5 December 2007	-	26,230,017
At reporting date	**26,230,017**	**26,230,017**
Movements in Options		
Opening balance	249,628	-
Options issued during year		
- 5 December 2007 Entitlements Issue	-	262,300
Cost of capital raising	-	(12,672)
Closing balance	**249,628**	**249,628**

NOTE 16: Commitments and Contingencies

Tenement expenditure commitments

The company has a portfolio of tenements located in Western Australia, South Australia and Northern Territory. These have a requirement for a certain level of expenditure each year. Further detail on each tenement is shown in Note 21.

At 30 June, 2009 annual expenditure commitments in respect of exploration assets amounted to $351,100 (2008: $557,660). These commitments are subject to the provision of legislation governing the granting of mineral exploration licences. Commitments may vary in accordance with the provisions of governing regulations.

Not later than 1 year	351,100	557,660
Later than 1 year, but not later than 5 years	1,404,400	2,230,640
	1,755,500	**2,788,300**

Capital expenditure commitments

At 30 June, 2009 the company had no capital commitments (2008: $0)

Contingencies

At 30 June, 2009 the company had contingent liabilities of $10,000 in respect of guarantees provided (2008: $10,000).

NOTE 17: Segment Reporting

The company's activities relate to the exploration for mineral deposits in Australia only.

NOTE 18: Cash Flow Information

	2009	2008
	$	$
a. **Reconciliation of Cash Flow from Operations with Profit after Income Tax**		
Profit/(loss) after income tax	(1,245,134)	(2,420,778)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	7,074	3,627
Share based payments expensed	-	2,100,000
Formation costs written off	-	998
Capitalised exploration expenses written off	207,157	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	12,581	(31,491)
(Increase)/decrease in prepayments	(2,370)	11,000
Increase/(decrease) in trade payables and accruals	(94,703)	180,486
Increase/(decrease) in provisions	(504)	4,528
Cash flow from operations	**(1,115,899)**	**(151,630)**

NOTE 19: Events After The Balance Sheet Date

On 8 July, 2009 the company closed its Takeover Offer for Hampton Mining Limited ("Hampton"), achieving 36.5% of the shares of Hampton. On 29 July, 2009, the company issued 303,690,732 shares in consideration for the Hampton shares acquired.

On 18 September 2009, the company signed an option agreement with Junior Investment Company ("JIC") giving the company the right to acquire all of JIC's 31.9% shareholding in Hampton. If the company exercises the option it can increase its shareholding in Hampton from 36.5 % to 53.6% if other Hampton shareholders exercise their pre-emption right, or increase shareholding in Hampton to 68.4% if no pre-emption rights are exercised by other Hampton shareholder. The company paid US$700,000 to obtain the option agreement with the right to exercise maturing in four months. The period can be extended for another month by payment of a further US$100,000 and extended for another month by payment of another US$200,000. If the company exercises its option to acquire JIC's shares in Hampton; it must pay JIC US$0.18074 and issue two MNC ordinary shares for every JIC share in Hampton that is acquired.

On 24 September 2009 the company completed a successful capital raising of $2,500,000 by issue of 16,666,666 ordinary shares at an issue price of $0.15 to sophisticated and professional investors. These funds will be applied to meet JIC option fees, working capital and increase cash reserves.

On 17 July, 2009 the company appointed as non executive directors William Howe, William Etheridge and Phillip Wing. Mr. Howe and Dr. Wing are current directors of Hampton and Mr. Etheridge is a recently retired director of Hampton. These appointments are as a result of the recent takeover offer of Hampton and bring to the Board significant experience to assist in the future developments of the company.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE 20: Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those to other parties unless otherwise stated.

Transactions with related parties:

(a) **Key Management Personnel**		
Legal fees paid to J. A. Fillmore and Co.	51,569	12,000
Accounting fees paid to Shane Turner & Associates.	48,429	1,000

NOTE 21: Capital & Financial Risk Management

Capital Risk Management Policies

When managing capital, Management's objectives are to ensure the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also maintains a capital structure that ensures the lowest cost of capital available to the company.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell shares.

The company does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the company as on-going exploration expenditure will be funded via equity or joint ventures with other companies.

The company is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget.

Financial Risk Management Policies

The company's financial instruments consist mainly of deposits with banks and accounts payable.

(i) Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are market risks, interest rate risks, liquidity risks and credit risks.

Market risk

The company is subject to normal economic factors including volatility of stock market prices and interest rates, both of which impact on the availability of equity and debt capital..

Interest rate risk

The company is exposed to interest rate risk through primary financial assets and financial liabilities. The company continually monitors interest rates and financial markets for the company's cash at deposit and regularly reviews future cash flow requirements. The table below summarises the interest rate risk for the company, together with the effective weighted average interest rate for each class of financial assets and liabilities.

Liquidity Risk

The company is exposed to liquidity risk by having to maintain sufficient cash reserves to close out market positions in a timely manner and manages this risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows. The company aims at maintaining flexibility in funding by having plans in place to source additional capital as required.

Credit Risk

The company trades only with recognised, creditworthy third parties. The company does not have any exposure to debtors.

(ii) Financial Instrument Composition and Maturity Analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period of all other financial instruments. As such the amounts may not reconcile to the balance sheet.

NOTE 21: Capital & Financial Risk Management (continued)

	Weighted Average Effective Interest Rate %		Floating Interest Rate $		Within 1 Year $		1 to 5 Years $	
	2009	2008	2009	2008	2009	2008	2009	2008
Financial Assets:								
Cash and cash equivalents	6.00	7.05	488,380	2,516,777	503,333	-	-	-
Total Financial Assets			**488,380**	**2,516,777**	**503,333**	**-**	**-**	**-**

	Non Interest Bearing	
	2009	2008
	$	$
Financial Liabilities:		
Trade and other Payables	107,827	202,530
Total Financial Liabilities	107,827	202,530

(iii) Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk. At 30 June 2009, the effect on profit and equity as a result of changes in interest rate, with all other variables remaining constant would be as follows:

	$
Change in Profit	
Increase in interest rate by 1%	9,917
Decrease in interest rate by 1%	(9,917)
Change in Equity	
Increase in interest rate by 1%	9,917
Decrease in interest rate by 1%	(9,917)

NOTE 22: Interest In Tenements

Currently, the company has interests in tenements as follows:

Project Area	Location	Company's % Interest
Angelo (Company earning up to 70%)	Halls Creek, Western Australia	0%
Grants Creek (Company earning up to 70%)	Halls Creek, Western Australia	0%
Wilsons Reef	Halls Creek, Western Australia	100%
Sophie Downs	Halls Creek, Western Australia	100%
Mulgul	Meekatharra, Western Australia	100%
West Lake Eyre	William Creek, South Australia	100%
King River	Katherine, Northern Territory	100%

Directors' Declaration

NOTE 23: Company Details

The registered office of the company is:

Level 2
224 Queen Street
Melbourne VIC 3000

The principal places of business are:

METMINCO LIMITED
Level 2
224 Queen Street
Melbourne VIC 3000

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 19 to 36, are in accordance with the *Corporations Act 2001* and:
   a. comply with Accounting Standards; and
   b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company;
2. the Chief Executive Officer and Chief Finance Officer have each declared that:
   a. the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
   b. the financial statements and notes for the financial year comply with the Accounting Standards; and
   c. the financial statements and notes for the financial year give a true and fair view;
3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director
John Fillmore

Dated this 30th day of September 2009

Independent Audit Report

Grant Thornton

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To the Members of Metminco Limited

Report on the Financial Report

We have audited the accompanying financial report of Metminco Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Grant Thornton

Independence

In conducting our audit, we complied with applicable independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

a the financial report of Metminco Limited is in accordance with the *Corporations Act 2001*, including:

  i giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to15 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Metminco Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Grant Thornton

GRANT THORNTON

Chartered Accountants

B L Taylor

Partner

ASX Additional Information

The following additional information is required by the Australian Stock Exchange Ltd in respect of listed public companies only.

1. Shareholding

a. **Distribution of Shareholders**

Category (size of holding)	Number Ordinary
1 – 1,000	5
1,001 – 5,000	55
5,001 – 10,000	107
10,001 – 100,000	198
100,001 – and over	124
Total	**489**

b. The number of shareholdings held in less than marketable parcels is 25.

c. The names of the substantial shareholders listed in the holding company's register as at 25 September 2009 are:

Shareholder	Number Ordinary	Number Preference
Mining Investment Services Pty Ltd (WSE S/F a/c)	49,600,000	-
Tangarry Pty Ltd	41,066,664	-
N.J. & W.J. Howe (Howe S/F a/c)	30,800,000	-
Wilnic Pty Ltd (Wilnic Fam a/c)	19,066,668	-

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. **20 Largest Shareholders — Ordinary Shares**

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. Mining Investment Services Pty Ltd (WSE S/F a/c)	49,600,000	13.90%
2. Tangarry Pty Ltd	41,066,664	11.51%
3. N.J. & W.J. Howe (Howe S/F a/c)	30,800,000	8.63%
4. Wilnic Pty Ltd (Wilnic Fam a/c)	19,066,668	5.34%
5. Eureka Investors Pty Ltd	17,842,860	4.99%
6. M.J. Green	15,600,000	4.37%
7. Mining Investment Services Pty Ltd	12,800,000	3.59%
8. Beatinvest Pty Ltd	12,469,850	3.49%
9. Monetti Pty Ltd	10,561,908	2.96%
10. M.J. & R. L. Green (Green S/F a/c)	10,400,000	2.91%
11. Chile Copper Mine Pty Ltd	10,266,668	2.88%
12. Villaret Holdings Pty Ltd (Philipsohn Unit a/c)	7,393,336	2.07%
13. Hammerfest Inv Pty Ltd	5,566,668	1.56%
14. N. J. Katz	5,280,952	1.48%
15. M.H.J. & M. Cowie (MHJ Cowie Pvt S/F a/c)	4,500,000	1.26%
16. GDEH Inv Pty Ltd	4,195,704	1.18%
17. M. Cowie	4,000,000	1.12%
18. V. Ignazzi	4,000,000	1.12%
19. Wood Park Aust. Pty Ltd (Wood Park S/F a/c)	3,949,836	1.11%
20. Sanarra Pty Ltd (Keating Fam a/c)	3,471,632	0.97%
Total	**272,832,746**	**76.45%**
Ordinary shares quoted on ASX	**355,940,737**	
Ordinary shares subject to escrow	**1,000,000**	
Total ordinary shares	**356,940,737**	

ASX Additional Information (continued)

2. The name of the company secretary is Shane Turner.

Telephone 03 5332 8526.

3. The address of the principal registered office in Australia is

Level 2, 224 Queen Street,

Melbourne Victoria 3000.

Telephone 03 9670 8896

4. Registers of securities are held at Security Transfer Registrars Pty Ltd at the following address

770 Canning Highway,

Applecross, Western Australia 6153.

Telephone 08 9315 2333

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares (MNC) and options (MNCO) of the company on all Member Exchanges of the Australian Stock Exchange Limited.

Notes

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