



# Target's Statement

in response to the Offer by

**Metminco Limited ACN 119 759 349**

to acquire all the securities issued by

**Hampton Mining Limited**

**The Directors of Hampton Mining Limited have unanimously decided not to make a recommendation in respect of the Offer at this time.**

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document, you should contact your financial or legal adviser.

# IMPORTANT INFORMATION

## **Target's Statement**

This is a Target's Statement dated 22 January 2009 issued by Hampton Mining Limited (**Hampton**) in accordance with the Corporations Act and in response to the Bidder's Statement dated 10 December 2008 and the Supplementary Bidder's Statement dated 24 December 2008.

A copy of this Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for the contents of this Target's Statement.

## **Disclaimer regarding forward looking statements**

This Target's Statement contains various statements that are forward-looking in their nature. All statements other than statements of historical fact are forward looking statements. Shareholders and Optionholders should note that all forward looking statements are subject to uncertainties, risks, variables and factors, whether known or unknown, which could cause actual values or results, performance or achievements to differ materially from expectations set out in such forward looking statements.

None of Hampton, any of its officers, any person named in this Target's Statement or any person involved in the preparation of this Target's Statement makes any representation or warranty (whether express or implied) or gives any express or implied assurance that the anticipated values, results, performance or achievements will actually be achieved. Shareholders and Optionholders are cautioned against placing reliance on such forward looking statements.

## **No investment advice and no account of personal circumstances**

The information in this Target's Statement does not constitute financial product advice. It is not possible for the Directors of Hampton to take into account the personal circumstances of each Shareholder and Optionholder. Accordingly, this Target's Statement has been prepared without reference to the investment objectives, taxation position and financial situation of any particular Shareholder or Optionholder. The Directors recommend that Shareholders and Optionholders read this Target's Statement and the Bidder's Statement in full prior to making any decision relating to the Offer. Shareholders and Optionholders are encouraged to consult their own professional advisers regarding investment, taxation and financial matters relevant to their particular situation.

**KEY DATES**

<b>Date of Metminco Offer</b>	<b>10 December 2008</b>
<b>Date of this Target's Statement</b>	<b>22 January 2009</b>
<b>Last day to send Hampton Board the Transfer Notice and Waiver, advising of:</b> <ul style="list-style-type: none"> <li>• Intention to accept Metminco Offer</li> <li>• Intention to waive pre-emptive rights</li> </ul>	<b>If you have made a decision, please send your Transfer Notice and Waiver to Hampton by 5pm on 29 January 2009</b>
<b>Despatch of Pre-Emption Notices to Non Transferring Shareholders</b>	<b>30 January 2009</b>
<b>Last day to notify Board of Exercise of Pre-Emption Rights – 1<sup>st</sup> round</b>	<b>19 February 2009</b>
<b>Repeat offer date (2<sup>nd</sup> round)</b>	<b>20 February 2009</b>
<b>Last day to notify Board of Exercise of Pre-Emption Rights – 2<sup>nd</sup> round</b>	<b>13 March 2009</b>
<b>Notification to shareholders able to accept Metminco Offer</b>	<b>14 March 2009</b>
<b>Offer closes (unless extended or withdrawn)</b>	<b>7pm 24 February 2009</b>

**These dates are indicative only and are subject to change without notice. The timetable presumes that all shareholders who intend to accept the Metminco Offer (or otherwise transfer their Shares) issue a Transfer Notice and Waiver by 5pm on 29 January 2009. All times indicated above refer to AEDT.**

**The Directors note that they make no recommendation in relation to the Metminco Offer at this time.**

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## CHAIRMAN'S LETTER

22 January 2009

Dear Shareholders and Optionholders,

As advised in Hampton's Shareholder Update Number 17 emailed to Shareholders on 4 November 2008, Metminco announced on 3 November 2008 an intention to make a takeover offer to acquire all the issued capital of Hampton Mining Limited for the following consideration:

- 2.5 fully paid Metminco shares for each fully paid Hampton Share;
- 1.875 fully paid Metminco shares for each Hampton Option on issue exercisable at \$0.125 per Share on or before 30 March 2009; and
- 0.9 fully paid Metminco shares for each Hampton Option on issue exercisable at \$0.32 per Share on or before 28 April 2009.

Metminco lodged with ASIC a Bidder's Statement (which includes the terms of the Offer) on 10 December 2008 and a Supplementary Bidder's Statement on 24 December 2008, and advised Hampton on 24 December 2008 that a copy of the Bidder's Statement had been forwarded to all Hampton Shareholders and Optionholders.

The Directors of Hampton have prepared this Target's Statement in response to the Bidder's Statement. This Target's Statement, together with the Bidder's Statement and Supplementary Bidder's Statement from Metminco, will assist Hampton Shareholders and Optionholders to make an informed decision on whether or not to accept the Offer from Metminco.

As you would be aware, there are certain pre-emptive rights provisions applicable to Hampton Shares and these will have to be complied and dealt with before Shareholders can accept Metminco's Offer.

In assessing the Offer, Shareholders are encouraged to consider the Offer in light of their particular circumstances and also the overall commercial outcome for Hampton Shareholders and Optionholders. Making a decision on the Offer is not necessarily a straightforward exercise and will require judgement which weighs the advantages and the disadvantages of the Metminco Offer.

Shareholders and Optionholders are encouraged to closely read the Bidder's Statement prepared by Metminco together with the Target's Statement before making any decision in relation to their securities.

The Directors advise Shareholders and Optionholders that they have unanimously agreed not to make a recommendation in respect of the Offer at this time. The Directors of Hampton intend to take no action in respect of any Shares and Options they presently hold. The Directors are unable to make a recommendation due to:

- directors having an inadequate amount of time to analyse the results of the initial resource estimation for the Los Calatos project, which were received by Hampton on 20 January 2009; and
- the imminent release of assay results from a recent and ongoing drilling program at the Victoria copper-molybdenum deposit which is part of the Loica-Victoria project in Chile.

The Directors consider that this information may be material to assessing the value of the Offer.

If you have any questions please contact Philip Killen, Company Secretary, Hampton Mining Limited: 0408 609 916, (email [pwk@hamptonmining.com.au](mailto:pwk@hamptonmining.com.au)) or Phillip Wing, Chairman, Hampton Mining Limited: 0412 254 704.

Yours sincerely

Phillip Wing  
**Chairman**

## 1. DIRECTORS' RECOMMENDATIONS

### 1.1 Directors of Hampton

The Directors of Hampton as at the date of this Target's Statement are:

- Dr Phillip John Wing (Non Executive Chairman)
- Mr William James Howe (Managing Director)
- Mr Hector Alegría (Non Executive Director)
- Mr Rodney Thomas Hudspeth (Non Executive Director)
- Mr William Stirling Etheridge (Executive Director)

### 1.2 Directors of Hampton and their interests

As at the date of this Target's Statement the Directors of Hampton held relevant interests, beneficially and non-beneficially, in Shares and Options as summarised below:

NAME OF DIRECTOR	SHARES	MARCH 09 OPTIONS (\$0.125)	APRIL 09 OPTIONS (\$0.32)	TOTAL
Phillip Wing	3,133,334			3,133,334
William Howe	12,266,667	200,000		12,466,667
Hector Alegría	66,393,750		20,000,000	86,393,750
Rodney Hudspeth	59,110,954	9,500,000		68,610,954
William Etheridge	15,600,000	2,000,000		17,600,000

### 1.3 Directors' dealings in Hampton securities

There have been no dealings by Hampton Directors in Hampton securities in the **4 month period** ending on the date immediately before the date of this Target's Statement other than those set out below.

Chile Copper Mine Pty Ltd (in which Phillip Wing has a relevant interest), transferred 10,266,666 Hampton Shares to Tangarry Pty Ltd on 30 September 2008. In addition, Chile Copper Mine Pty Ltd transferred Hampton Shares to the following related companies:

- PJ Wing Pty Ltd 5,000 Shares on 23 October 2008;
- Bellafont Investments Pty Ltd 50,000 Shares on 23 October 2008; and
- Kirin Corporation Pty Ltd 50,000 Shares on 23 October 2008.

#### **1.4 Directors' interests and dealings in Metminco securities**

No Hampton Director has a relevant interest in any securities issued by Metminco and there have been no dealings by Hampton Directors in Metminco securities in the **4 month period** ending on the date immediately before the date of this Target's Statement.

#### **1.5 Directors' recommendations**

After taking into account the matters set out in the Bidder's Statement and this Target's Statement the Directors make no recommendation in respect of the Offer at this time due to:

- directors having an inadequate amount of time to analyse the results of the initial resource estimation for the Los Calatos project which were received 20 January 2009; and
- the imminent release of assay results from a recent and ongoing drilling program at the Victoria copper-molybdenum deposit which is part of the Loica-Victoria project in Chile.

The Directors consider this information may be material to assessing the value of the Offer.

When all these results are available Hampton will communicate them directly to Shareholders and Optionholders through further Shareholder updates. Should Hampton Directors form a view on the Offer following the reporting of Hampton's drilling results, Hampton Directors may provide a recommendation to Shareholders and Optionholders. In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- ensure you understand the consequences of the Metminco Offer, as noted in this Target's Statement;
- consider the alternatives noted in section 2.6 below; and
- obtain financial advice from your financial or legal adviser on the effect of accepting the Offer if you are in any doubt as to what to do.

#### **1.6 Key reasons for accepting the Metminco Offer**

##### **1.6.1 Greater access to and a wider range of capital raising opportunities**

An ASX listing will enable Hampton, as part of the Merged Entity, to issue ASX listed shares to raise cash funds and/or to acquire assets.

##### *(a) Potential subscribers to a capital raising*

An ASX listing would increase the pool of potential investors through increased communication channels to investors and remove some of the current limitations that preclude or restrict potential investors.

An ASX listing would enable Hampton, as part of the Merged Entity, to reach and communicate with a large and diverse audience of potential investors more effectively than if Hampton remains unlisted. Further, there is a large body of potential investors who are precluded from investing in unlisted entities as part of their investment charter.



Currently, Hampton is largely reliant on its existing Shareholder base to provide cash funds. Attracting and raising funds from other investors is complicated by Hampton not being listed and also the Constitution, in particular the pre-emptive rights under the Constitution. The process is time consuming and expensive and many prospective investors may be discouraged by the relative lack of liquidity, and/or are precluded from doing so by their investment charters.

*(b) Potential to issue ASX listed shares*

Hampton, as part of the Merged Entity, would be able to issue ASX listed shares to acquire assets.

This may apply to circumstances within Hampton's existing suite of exploration projects:

- i) Hampton may be able to increase its equity interests in Hampton's existing projects;
- ii) Hampton may be able to buy out royalties in Hampton's existing projects; and/or
- iii) Hampton may be able to purchase additional mineral resources within economic proximity to existing projects which would enhance the value of those projects.

In addition, the Merged Entity may also be presented with opportunities to make other acquisitions that enhance shareholder value. The recent weakness in global equity markets may deliver attractive acquisition opportunities to Hampton, either through the acquisition of projects which may compliment existing Hampton projects or the acquisition of companies with cash reserves but weak projects.

#### **1.6.2 Potentially more favourable terms for new issues of capital**

The terms of a new issue of equity capital to new Shareholders and the costs associated with that issue are generally more favourable for a listed company than for an unlisted company, because the capital raising process for listed companies is generally more competitive, transparent and efficient.

#### **1.6.3 Remove restrictions on fund raising**

The complexities and restrictions of the current Hampton Constitution would be replaced with Metminco's constitution which is compliant with the ASX Listing Rules (assuming that Metminco acquires all Hampton securities). Hampton's Shareholder structure, together with the implications of the current Hampton Constitution as amended by subscription agreements with Takoradi Limited and Junior Investment Company, inhibit fund raising from parties other than the current Shareholder base.

#### **1.6.4 Hampton Shareholders retain control of the post acquisition Metminco**

The Metminco Offer is a scrip Offer which, subject to 100% acceptance by Hampton Share and Optionholders and approval by Metminco shareholders, would result in Hampton's existing Shareholders holding approximately 91.3% of the Merged Entity.

Metminco stated in its Bidder's Statement at section 2.2 that it plans to appoint Hampton Directors to the board of Metminco (assuming they agree to appointment), upon which up to two current Metminco Directors will resign, so that current Hampton

Directors would form a majority on the board of the Merged Entity.

On a fully diluted basis, subject to Metminco optionholders exercising their Metminco options, Hampton Shareholders would hold approximately 87.5% of the Merged Entity, implying total dilution of approximately 12.5%.

However, the Metminco options exercise price of \$0.25 per Metminco share (on or before 4 December 2012) is, equivalent to a price for existing Hampton Shares of \$0.625, implying a fully diluted value for Hampton's existing assets of \$140.7 million, net of funds from assumed exercise of existing Hampton Options.

#### **1.6.5 Enhance liquidity for Shareholders**

Subject to the success of the Metminco Offer, existing Hampton Shareholders and Optionholders would have ASX listed Metminco shares readily tradable on the market and not subject to pre-emption rights and restrictions.

Further, in the event of future capital raising offers to Shareholders (eg rights issues or bonus issues), Shareholders would have the option of participating in that issue or crystallising any benefits of that offer through sale on the market.

Under the Constitution, a Shareholder who determines not to participate in a capital raising offer may find it difficult to crystallise any benefits associated with that offer. The Shareholder would need to identify an off market potential purchaser of that interest and then navigate through the pre-emption requirements of the Constitution as amended by the Takoradi Limited and Junior Investment Company subscription agreements.

#### **1.6.6 Greater market visibility**

As an ASX listed entity the Merged Entity would have a higher profile in the resources sector which may:

- increase the number of prospective investors in the Merged Entity;
- attract the interest of other entities interested in acquiring Hampton's portfolio of projects; and/or
- attract the interest of other entities interested in participating in or contributing to Hampton's portfolio of projects.

#### **1.6.7 Enhanced Shareholder protection**

ASX Listing Rules provide greater protection for shareholders and increased disclosure of information through compliance with ASX Listing Rules.

#### **1.6.8 Terms of the Metminco Offer favourable to Hampton Shareholders**

The terms of the Metminco Offer that may be favourable to Hampton Share and Optionholders include:

##### *(a) Market Valuation*

The Metminco Offer valued Hampton Shares at \$0.50 per Share, March 09 Options at \$0.375 per Option and April 09 Options at \$0.18 per Option based on the last recorded trading price of Metminco shares on the ASX on the last trading day prior to the lodgement of the Bidder's Statement which was \$0.20.

The Bidder's Statement sets out the implied value of the Offer based on the volume weighted average price of Metminco shares (**VWAP**) in the one month, three months and six months prior to 17 October 2008 (the last trading day prior to the announcement of the Offer). Refer to section 5.4 of the Bidder's Statement for further details.

The way in which these implied values are calculated is as follows:

Value of Hampton Share = VWAP x 2.5

Value of March 09 Options = VWAP x 1.875

Value of April 09 Options = VWAP x 0.9

The last recorded trading price on the ASX on the last trading day prior to lodgement of this Target's Statement was \$0.15 for Metminco Shares.

Based on the same formula, the implied values as at the date of this Target's Statement are:

Value of Hampton Share = \$0.15 x 2.5 = \$0.375

Value of March 09 Options = \$0.15 x 1.875 = \$0.281

Value of April 09 Options = \$0.15 x 0.9 = \$0.135

If you accept the Offer, the value of the Offer at the time you receive Metminco Shares may in fact be more or less than the implied value as at the date of this Target's Statement.

(b) *Metminco assets*

Metminco has a portfolio of early stage exploration assets in Australia (refer section 4.3 of the Bidder's Statement).

(c) *Metminco has no material liabilities or contractual obligations*

Metminco is a relatively recently ASX listed company (2 October 2007) and has no material liabilities or contractual obligations apart from service contracts (refer section 8 of the Bidder's Statement).

(d) *Metminco has a supportive shareholders base*

Metminco's share price has been relatively stable during the recent market volatility. As at the date of the Bidder's Statement, Metminco had a shareholder base of 437 shareholders.

(e) *Time to complete transaction and risk of failure*

The Offer is current and may be able to be completed expeditiously, in otherwise difficult market conditions. This means the time to complete the transaction is likely to be relatively quick as compared with other alternatives (refer section 3.10 below).

(f) *Cost to complete transaction*

It is likely that the cost to complete an ASX listing by accepting the Offer

would be significantly lower than the costs of seeking an ASX listing through an IPO.

Direct costs associated with seeking an IPO include legal, accounting, technical, prospectus artwork, printing, distribution, broking fees, management fees, underwriting fees and ASX listing fees.

Indirect costs associated with seeking an IPO include the cost of executive and director time and focus during the listing process (which may take a number of months), and the potential opportunity cost of not being listed (including access to equity funds on likely more attractive terms and potential purchase of distressed assets which add shareholder value).

Determining whether the terms of the Metminco Offer are favourable means balancing the advantages of accepting the Offer against the disadvantages.

In particular, it depends on a judgment as to whether the dilution of Hampton Shareholders' interests in the existing Hampton assets by their merger with the existing assets of Metminco to form the Merged Entity is outweighed by the potential benefits of the transaction, including:

- the important advantages of achieving a stock exchange listing (especially the facilitation of equity raisings);
- avoiding the likely costs of, and the uncertain timing of listing via a renewed IPO process;
- Metminco shareholders likely being supportive of a post acquisition Metminco, compared with new shareholders who might be introduced via an IPO; and
- the value contributed by the Metminco assets, including approximately \$1.6 million in cash reserves.

## **1.7 Key reasons for rejecting the Metminco Offer**

### **1.7.1 Potentially important developments**

Hampton is expecting the imminent reporting of results from exploration work programs which the Directors consider may be material to assessing the value of the Offer.

This refers to assay results from a recent and ongoing drilling program at the Victoria copper-molybdenum deposit, part of the Loica-Victoria property in Chile.

### **1.7.2 Metminco Offer advantages March 09 and April 09 Optionholders**

If the Offer is fully successful then March 09 Optionholders receive 1.875 Metminco Shares and April 09 Optionholders receive 0.9 Metminco Shares without having to outlay any cash.

If Metminco acquires all or any of the Options under the Offer, Metminco may chose to exercise those Options. Hampton would forego the potential to raise additional capital of \$7,912,500 pursuant to the exercise of Hampton's outstanding March 09 and April 09 Options with exercise prices of \$0.125 and \$0.32 respectively if Metminco does not exercise the Options (refer to sections 7.6 and 7.7 of the Bidder's Statement for further details).

Hampton Shareholders who are not Optionholders would only be diluted to the extent that Options are exercised and cash received by the Company.

### **1.7.3 Possible overhang of stock**

Significant contributions of equity capital to Hampton were made by existing Hampton Shareholders in the period from late 2005 onwards.

This capital was contributed at prices which, on the adjusted basis, and depending on the future share prices of the Merged Equity, might be significantly lower than prices for the Merged Entity.

Existing Hampton Shareholders would own a large majority of the Merged Entity and there may be an inclination among such shareholders to sell shares, given the length of time their capital has been contributed to Hampton as a relatively illiquid unlisted entity, and the possible significant capital gains which may be offered in the market by the share price of the Merged Entity.

### **1.7.4 Shareholder exposed to market valuation of their Hampton investment**

Acceptance of the Offer will effectively value Hampton on the “market” with a valuation reflected in the price of the quoted securities of the Merged Entity. That “market valuation” may be more or less than the expectations of current Hampton investors. In the current volatile market, it is difficult to take any view as to whether the post-transaction merger price of the listed securities of the Merged Entity will be a fair reflection of the value of the underlying assets of the Merged Entity.

Non cash-flow producing resource companies have been heavily discounted in the market and some Shareholders may have the view that the advantages of being listed do not apply in the current market. In such a market it may be difficult to attract new investors and the issue price of any such issue is likely to be heavily discounted.

### **1.7.5 Potential hostile takeover**

Hampton, as part of the Merged Entity, may be exposed to a potentially hostile on market takeover offer without the protection of the current pre-emptive rights (refer to section 2.4 below).

However, it should be noted that any takeover process would be subject to the ASX Listing Rules as well as the Corporations Act and shareholders of the Merged Entity would be able to judge for themselves whether or not such an offer was fair and reasonable. To be successful, such a takeover offer would require majority support from Hampton’s existing Shareholder base and a takeover offer is likely to realise a higher sale price for shareholders of the Merged Entity than would be achievable if Hampton remained unlisted with the current pre-emptive rights in place.

### **1.7.6 Higher cost structure**

An ASX listed entity has a higher cost and administration structure than an unlisted entity due to share registry costs, ASX listing fees, increased ASIC fees and increased costs associated with the corporate reporting and compliance requirements of an ASX listed company.

### **1.7.7 Terms of the Offer inadequate**

Hampton Shareholders and/or Optionholders may form the view that the value implied

by the terms of the Offer for the contribution of Metminco assets is excessive.

### **1.7.8 Metminco Assets**

The Directors believe that Metminco's assets are early stage exploration assets. These assets may not be consistent with, or compliment Hampton's current portfolio of assets.

In particular, Metminco's projects are located throughout Australia, geographically distant from Hampton's South American projects, and are generally less advanced than Hampton's exploration projects.

## **1.8 Other considerations**

### **1.8.1 Junior Investment Company Subscription Agreement**

Under the Junior Investment Company Subscription Agreement dated 28 April 2008 the Company committed to use its best endeavours to apply for and obtain a listing on the ASX within 3 months of the date of that agreement.

Junior Investment Company has not provided any comment as to its intention in respect of the Offer

### **1.8.2 Equity fund raising in current weak global equity market conditions**

It may be difficult for the Merged Entity to raise equity in the current market and there is no guarantee it will be able to do so on acceptable terms. Equity market conditions are historically depressed, reflecting ongoing uncertainty as to future market direction.

Share prices of non cash-flow producing companies have in general been more heavily discounted than companies with operating cash-flows.

However, share market treatment of non cash-flow producing companies does not appear to be indiscriminate. Depending on relevant project characteristics and status some companies are still being accorded value beyond the value of their net cash reserves.

Further, market conditions change with time and can change quickly. In being ASX listed, Hampton, as part of the Merged Entity, would be in a position to take advantage of such changes in the market if they are positive. Hampton, by contrast, as an unlisted company and with the pre-emptive rights in place would not be in a position to take advantage of positive changes in equity market sentiment unless such a change was sustained. The time between a decision to seek a public listing and successfully completing a listing is likely to be a number of months.

## **1.9 Consequences if the Metminco Offer is not accepted**

If the Metminco Offer is not successful then Hampton will remain a public unlisted company governed by the Constitution as amended by the Takoradi Limited and Junior Investment Company subscription agreements.

The Company has sufficient funds to maintain its interest in the Los Calatos and/or Victoria properties to the end of the 2009 calendar year, subject to relinquishing some of its other properties. However, Hampton would need to raise additional funds in late 2009 or early 2010 at the latest in order to be in a position to exercise its option to purchase the Los Calatos and/or Victoria properties.

As Hampton has no operating cash flows, it is likely that Hampton would need to raise equity funds from existing Shareholders, successfully complete a public raising and/or seek funds from a sophisticated/professional investor by early 2010.

The timing and cost of successfully achieving an alternative public listing is uncertain and there is no guarantee that such an alternative listing could be achieved on acceptable terms in the required timeframe. In the absence of such a public listing, any funding to be undertaken by Hampton would need to be in accordance with the terms of Hampton's Constitution.

## **1.10 Benefits and agreements**

### **1.10.1 Retirement benefits as a result of the Offer**

As a result of Metminco's Offer, no person has been or will be given any benefit in connection with the retirement of that person, or someone else, from the Board of Hampton or a subsidiary of Hampton.

### **1.10.2 Agreements connected with or conditional on the Offer**

There are no agreements or arrangements between any Director of Hampton and any other person in connection with, or conditional on, the outcome of the Metminco Offer.

### **1.10.3 Interests of Directors in contracts with Metminco**

None of the Directors of Hampton has any interest in any contract entered into by Metminco.

## **1.11 Insurance and indemnities**

To the extent permitted by law and without limiting the powers of Hampton, Hampton must indemnify each person who is and has been an officer of Hampton against any liability which results from facts or circumstances relating to the person serving or having served in that capacity provided that it does not arise out of conduct involving a lack of good faith, for costs and expenses incurred by the person defending proceedings in which judgment is given in favour of the person or in which the person is acquitted or in connection with an application in which the Court grants relief to the person under the law.

As permitted by the Constitution, Hampton has entered into a deed of indemnity and access with each Director. The indemnity is subject to restrictions prescribed in the Corporations Act.

In summary the deed:

- indemnifies a Director, while they are a Director and for seven years thereafter, against liabilities incurred as a result of acting as a Director subject to certain exclusions and provides for related legal costs to be paid by Hampton;
- requires Hampton to maintain an insurance policy against any liability incurred by a Director in their capacity as a Director during that person's term of office and seven years thereafter; and
- provides a Director with a right of access to Board papers and other documents while in office and for 7 years thereafter.

## 2. IMPORTANT OFFER INFORMATION

### 2.1 Metminco Offer

The Metminco Offer is 2.5 Metminco shares for each Hampton Share, 1.875 Metminco shares for each Hampton March 09 Option and 0.9 Metminco shares for each Hampton April 09 Option. The terms and conditions of the Offer, as summarised in Metminco's announcement dated 3 November 2008, are set out in detail in section 12 of Metminco's Bidder's Statement.

The Metminco Offer valued Hampton Shares at \$0.50 per Share, March 09 Options at \$0.375 per Option and April 09 Options at \$0.18 per Option based on the last recorded trading price of Metminco shares on the ASX on the last trading day prior to the lodgement of the Bidder's Statement which was \$0.20.

The Bidder's Statement sets out the implied value of the Offer based on the VWAP of Metminco shares in the one month, three months and six months prior to 17 October 2008 (the last trading day prior to the announcement of the Offer). Refer to section 5.4 of the Bidder's Statement for further details.

The way in which these implied values are calculated is as follows:

Value of Hampton Share = VWAP x 2.5

Value of March 09 Options = VWAP x 1.875

Value of April 09 Options = VWAP x 0.9

The last recorded trading price on the ASX on the last trading day prior to lodgement of this Target's Statement was \$0.15 for Metminco Shares.

Based on the same formula, the implied values as at the date of this Target's Statement are:

Value of Hampton Share = \$0.15 x 2.5 = \$0.375

Value of March 09 Options = \$0.15 x 1.875 = \$0.281

Value of April 09 Options = \$0.15 x 0.9 = \$0.135

If you accept the Offer, the value of the Offer at the time you receive Metminco Shares may in fact be more or less than the implied value as at the date of this Target's Statement. For the purposes of the pre-emptive rights process (refer to section 2.4) the implied value of the Offer will remain at \$0.375 in respect of Shares.

### 2.2 Conditions of Metminco Offer

The Metminco Offer is subject to a number of defeating conditions as set out in sections 12.2, 12.5 and 12.8 of the Bidders' Statement. These are summarised as follows:

- Metminco obtaining minimum acceptance of a Controlling Interest of at least 50.1% on a fully diluted basis;
- no material adverse change in Hampton (including Hampton having less than USD\$9 million as at 10 December 2008) before the end of the Offer Period, occurs, is discovered, announced or disclosed or otherwise becomes known to Metminco (whether or not becoming public);



- no transactions, claims or changes in the Hampton Group in excess of \$100,000 except as disclosed in any public announcement by Hampton prior to 3 November 2008;
- no action by a Public Authority that adversely affects the Offer or requires divestiture by Metminco of any Hampton Shares or assets;
- the Hampton pre-emptive rights are complied with;
- no "Prescribed Occurrence" (as defined in the Bidder Statement) occurs;
- before the end of the Offer Period, the Board of Hampton unconditionally undertakes to Metminco that the Board will not refuse to register the transfer of the Hampton Shares to Metminco pursuant to the Share Offer, under Rule 50.1 of Hampton's Constitution or any amendment of it; and
- by 17 February 2009, the shareholders of Metminco have approved the takeover of Hampton by Metminco, being the acquisition of at least a Controlling Interest in Hampton by the issue of shares in Metminco substantially in accordance with the Offer, and (if considered necessary or desirable by Metminco) the March 09 Option Offer and/or the April 09 Option Offer (as varied at the date of the shareholders' meeting).

### 2.3 Likelihood of defeating conditions being satisfied

As at the date of this Target's Statement, Hampton is not in a position to state whether the defeating conditions will be satisfied.

As at 10 December 2008, Hampton had the equivalent of USD\$9.2 million in bank accounts in Australia, Chile and Peru. Hampton is continuing its exploration activities and as at 31 December 2008 Hampton had USD\$8.7 million in cash reserves.

### 2.4 Hampton Shareholders Pre-Emptive Rights

The Metminco Offer to acquire Hampton Shares is subject to pre-emptive rights as set out in schedule 11 of Hampton's Constitution. A Shareholder (**Selling Shareholder**) who wishes to accept the Metminco Offer must first offer its Shares to other Shareholders who do not intend to accept the Metminco Offer (**Non-Transferring Shareholder**) under the same terms and conditions as the Metminco Offer.

The Selling Shareholder must deliver a notice in writing (**Transfer Notice** see enclosed Transfer Notice and Waiver) to Hampton setting out:

- (i) the number of Shares the Selling Shareholder proposes to transfer (**Transfer Shares**); and
- (ii) the price per Share at which it is willing to transfer such Shares (**Transfer Price**) and any terms and conditions to apply to such sale.

Upon receipt of a Transfer Notice from a Shareholder, the Company (acting as irrevocably appointed agent for the Selling Shareholder) must offer the Transfer Shares to each Non-Transferring Shareholder at the Transfer Price and, so far as practicable, in the same proportion which the Shares held by each Non-Transferring Shareholder bears to the total number of Shares held by all of the Non-Transferring Shareholders to whom offers are made (**Pre-Emption Offer**).

Within 21 days of the date of the Transfer Notice (**Pre-Emption Offer Close Date**), each Non-Transferring Shareholder must provide Hampton and the Selling Shareholder with a written notice setting out whether it accepts or rejects the Pre-Emption Offer in whole or in part and if it accepts the Pre-Emption Offer, the number of Transfer Shares it wishes to purchase (**Pre-**

**Emption Offer Acceptance Notice**), and failure to provide such a written notice within 21 days will be deemed to be a rejection of the Pre-Emption Offer by that Non-Transferring Shareholder.

If after the Pre-Emption Offer Close Date, any Non-Transferring Shareholder does not accept all of the Transfer Shares offered to it, any Transfer Shares which have not been accepted by the Non-Transferring Shareholders must be offered (**Repeat Pre-Emption Offer**) to each other Non-Transferring Shareholder which has accepted all the Shares offered to it under the Pre-Emption Offer, in the same proportion which the number of Shares held by each such Shareholder bears to the total number of Shares held by all the Shareholders to whom the Pre-Emption Repeat Offer is made at the date the Pre-Emption Repeat Offer is made (and for these purposes, each such Non-Transferring Shareholder is deemed to hold the Shares which it has accepted in the Pre-Emption Offer Acceptance Notice).

Within 21 days of the date of the Pre-Emption Repeat Offer (**Pre-Emption Repeat Offer Close Date**), each Non-Transferring Shareholder must provide the Company and the Selling Shareholder with a written notice setting out whether it accepts or rejects the Pre-Emption Repeat Offer in whole or in part and if it accepts the Pre-Emption Repeat Offer, the number of Transfer Shares it wishes to purchase, and failure to provide such a written notice within 21 days will be deemed to be a rejection of the Pre-Emption Repeat Offer by that Non-Transferring Shareholder.

If there are any Transfer Shares remaining after the process set out above in this section has been undertaken, the Selling Shareholder may accept the Metminco Offer, but not at a price less than the Transfer Price or on terms and conditions more favourable to a buyer than those set out in the Transfer Notice.

#### **2.4.1 What to do if you want to accept the Metminco Offer**

Pre-emption rights do not apply to March 09 or April 09 Options.

If Shareholders wish to accept the Metminco Offer for all of their Shares they should, in addition to accepting the Offer, complete the enclosed Transfer Notice and Waiver form and tick the first box in part 1.

If Shareholders accept the Offer they will receive 2.5 Metminco Shares for each Hampton Share, or the implied value of \$0.375 (as calculated, based on the last trading price of Metminco shares as at the date of this Target's Statement) where Shares are transferred to existing Shareholders in accordance with their pre-emptive rights (refer to section 2.4).

#### **2.4.2 What to do if you don't want to accept the Metminco Offer but you don't want further Hampton Shares**

If Shareholders do not wish to accept the Metminco Offer but do not wish to acquire further Hampton Shares, they should complete the enclosed Transfer Notice and Waiver form and tick the second box in part 1.

#### **2.4.3 What to do if you don't want to accept the Metminco Offer and you do want further Hampton Shares pursuant to your pre-emptive rights**

If Shareholders do not wish to accept the Metminco Offer but do wish to acquire further Hampton Shares pursuant to their pre-emptive rights then there is no need to complete or return the enclosed Transfer Notice and Waiver form.

## 2.5 Offer Period

The Metminco Offer is scheduled to close at 7.00pm (AEDT) on 24 February 2009, but it may be extended or withdrawn by Metminco in accordance with the Corporations Act.

If the Metminco Offer is withdrawn or lapses then Hampton Shareholders and Optionholders who have accepted the Metminco Offer, subject to any prior exercise of pre-emptive rights by Non-Transferring Shareholders (refer to section 2.4 above), will retain their Hampton Shares and Options.

## 2.6 Choices for Shareholders and Optionholders

Shareholders and Optionholders have a range of choices available to them which are set out below. In considering these alternatives, the Directors encourage Shareholders and Optionholders to read this Target's Statement and the Bidder's Statement in their entirety. Shareholders and Optionholders should:

- have regard to their individual risk profiles, tax positions and financial circumstances;
- consider each alternative carefully before deciding what to do; and
- obtain their own independent financial and other professional advice before making a decision on which choice is appropriate for them.

### 2.6.1 Accept the Metminco Offer or an equivalent offer (Shareholders Only)

You may choose to accept the Metminco Offer or an equivalent offer by another Hampton Shareholder who exercises their pre-emptive rights in respect of your Shares in accordance with section 2.4. Prior to accepting the Metminco Offer you must first offer your Shares to other Shareholders for a consideration equivalent to the Metminco Offer.

The procedure for offering your Shares first to other Shareholders, and should that offer not be accepted in full, to then accept the Metminco Offer in respect to your remaining Shares is as follows:

- Complete the Transfer Notice and Waiver (enclosed with this Target's Statement) and forward it to Hampton as per the instructions.
- In due course (potentially up to 45 days from the date of receipt by the Board of your Transfer Notice) you will be notified by Hampton that other Hampton Shareholders have either not exercised their pre-emptive rights, or have exercised their pre-emptive rights in respect to part or all of your Shares.
- If other Hampton Shareholder(s) not intending to accept the Metminco Offer exercise their pre-emptive rights to part or all of your Shares then these Shares will be transferred to those Shareholders and you will receive consideration equivalent to the Metminco Offer for each of those Shares.
- Once you have complied with your obligations under the pre-emptive rights you will be able to accept the Metminco Offer in respect to your remaining Shares (if any) subject to obtaining Foreign Investment Review Board (**FIRB**) approval (if applicable) as per section 2.7.

However, you are able to accept the Metminco Offer in respect to Options (if you hold any). Pre-emptive rights do not apply to Options.

### **2.6.2 Accept the Metminco Offer (Optionholders Only)**

As set out in sections 12.6 and 12.9 of the Bidder's Statement you may accept the Metminco Offer at any time during the Offer Period, subject to you accepting the Share Offer in compliance with the conditions set out in the Bidder's Statement.

### **2.6.3 Do nothing**

Shareholders who do not wish to accept the Metminco Offer and do not intend to exercise their pre-emptive rights in respect to the Offer may do nothing. However, the Directors request that if you do not intend to exercise your pre-emptive rights that you advise Hampton by completing and returning the enclosed Transfer Notice and Waiver and ticking the second box in part 1.

Shareholders who do not intend to accept the Metminco Offer should note that if Metminco acquires:

- 90% of Hampton Shares, Metminco will be entitled to compulsorily acquire the Shares that it does not already own (see section 3.3 for further details); or
- more than 50% but less than 90% of Hampton's Shares, and the other defeating conditions of the Offer are either satisfied or waived, Shareholders who do not accept the Offer will become minority Shareholders in Hampton which in those circumstances would be controlled by Metminco (see section 3.2 in relation to minority ownership consequences).

### **2.6.4 Exercise your pre-emptive rights in respect to the Metminco Offer**

Shareholders who do not issue a Transfer Notice and Waiver as per sections 2.6.1 above and do not waive their pre-emptive rights in respect to the Metminco Offer will be advised by the Hampton Board of the number of Hampton Shares they are entitled to purchase for a consideration equivalent to the Metminco Offer (**First Round Offer**).

On receipt of the First Round Offer you have up to 21 days to provide the Board with a written notice advising the Board of the number of Shares you wish to purchase together with cheque to cover the cost of those Shares.

If you do not respond within 21 days to the First Round Offer then you will be deemed to have waived your pre-emptive rights.

If you purchase Shares under the First Round Offer then you will receive a Share Certificate in respect of Shares within 21 days of receipt of written advice and payment (subject to the provisions of the Corporations Act, including Chapter 6).

If you purchase your full pre-emptive entitlement from the First Round Offer and not all Shareholders entitled to exercise their pre-emptive rights do so, then you will receive a Second Round Offer.

On receipt of the Second Round Offer you have up to 21 days to provide the Board with a written notice advising the Board of the number of Shares you wish to purchase together with a cheque to cover the cost of those Shares.

If you do not respond within 21 days to the Second Round Offer then you will be deemed to have waived your pre-emptive rights.

If you purchase Shares under the Second Round Offer then you will receive a Share Certificate in respect of those Shares within 21 days of receipt of written advice and payment (subject to the provisions of the Corporations Act, including Chapter 6).

Prior to purchasing Shares under the First or Second Round Offer, Shareholders should obtain legal advice in respect to Section 606(1) of the Corporation Act (refer section 3.4).

Shareholders who do not intend to accept the Metminco Offer should note that if Metminco acquires:

- 90% of Hampton Shares, Metminco will be entitled to compulsorily acquire the Shares that it does not already own (refer section 3.3 for further details); or
- more than 50% but less than 90% of Hampton's Shares, and the other defeating conditions of the Offer are either satisfied or waived, Shareholders who do not accept the Offer will become minority Shareholders in Hampton which in those circumstances is controlled by Metminco (refer section 3.2 in relation to minority ownership consequences).

## 2.7 FIRB approval

A Hampton Shareholder or Optionholder who is a foreign resident with a 15% or greater interest in Hampton may need to notify the Treasurer and seek approval for the investment through FIRB, prior to accepting the Metminco Offer.

The post acquisition entity may have total assets in excess of \$100 million, subject to 90% or more of Shareholders accepting the Metminco Offer. Under the Foreign Acquisitions and Takeovers Act 1975 any Shareholder or Optionholder wishing to accept the Offer who is a foreign resident with a 15% or greater interest in Hampton, must notify the Treasurer and seek approval for the investment, through FIRB.

## 2.8 Substantial Shareholders

The following is a list of the substantial shareholders in Hampton, being Shareholders holding greater than 20 % of the Hampton Shares on issue:

Shareholder	Number of Shares held	Percentage of issued Shares
Junior Investment Company	66,393,750	32.3%
Takoradi Limited	56,511,906	27.5%

Junior Investment Company has not provided any comment as to its intention in respect of the Offer. Takoradi Limited has indicated that it has not decided whether to accept the Offer at this time.

### 3. ADDITIONAL INFORMATION

#### 3.1 Overview of Metminco

Metminco is an ASX listed company with exploration projects concentrating on gold, uranium and base metals located in Western Australia, South Australia and the Northern Territory. Metminco obtained a listing on ASX in October 2007. Details of Metminco's projects are contained in the Bidder's Statement.

Metminco announced its intention to make a takeover bid for Hampton on 3 November 2008 and lodged with ASIC its Bidder's Statement on 10 December 2008 and a Supplementary Bidder's Statement on 24 December 2008.

The last recorded trading price of Metminco shares on the ASX on the trading day before the date on which this Bidder's Statement was lodged with ASIC was \$0.20.

On this basis the Bidder's Statement indicates that:

- the Metminco Offer had an implied value of \$0.50;
- the March 09 Option Offer had an implied value of \$0.375; and
- the April 09 Option Offer had an implied value of \$0.18,

as at the date of the Bidder's Statement.

The Bidder's Statement sets out the implied value of the Offer based on the VWAP of Metminco shares in the one month, three months and six months prior to 17 October 2008 (the last trading day prior to the announcement of the Offer). Refer to section 5.4 of the Bidder's Statement for further details.

The way in which these implied values are calculated is as follows:

Value of Hampton Share = VWAP x 2.5

Value of March 09 Options = VWAP x 1.875

Value of April 09 Options = VWAP x 0.9

The last recorded trading price on the ASX on the last trading day prior to lodgement of this Target's Statement was \$0.15 for Metminco Shares.

Based on the same formula, the implied values as at the date of this Target's Statement are:

Value of Hampton Share = \$0.15 x 2.5 = \$0.375

Value of March 09 Options = \$0.15 x 1.875 = \$0.281

Value of April 09 Options = \$0.15 x 0.9 = \$0.135

If you accept the Offer, the value of the Offer at the time you receive Metminco Shares may in fact be more or less than the implied value as at the date of this Target's Statement.

If Shareholders accept the Offer they will receive 2.5 Metminco Shares for each Hampton Share, or the implied value of \$0.375 (as calculated, based on the last trading price of Metminco shares as at the date of this Target's Statement) where Shares are transferred to existing Shareholders in accordance with their pre-emptive rights (refer to section 2.4).

The latest price for Metminco Shares may be obtained from the ASX website [www.asx.com.au](http://www.asx.com.au) using the code 'MNC'.

### **3.2 Summary of Hampton's Assets**

Hampton has 7 main projects, 6 located in Chile and 1 in southern Peru. The projects located in Chile are Loica/Victoria, Mollacas, Vallecillo, Camaron, Isidro, Kamikase and the project located in southern Peru is Los Calatos. Refer Appendix of Update 18, in section 4, for a map showing the project locations.

Three of the projects, namely Loica/Victoria, Vallecillo and Mollacas are the subject of an agreement with EMINVERSIONES EM DOS Limitada (**EM DOS**) whereby Hampton holds a 50% interest in the projects and is funding all exploration. The Victoria licence is the subject of an Option agreement between Minera Hampton Chile Limitada, a wholly owned subsidiary of Hampton Mining Limited, and Compania Minera Y Comercial Sali Hochschild S.A. ("Hochschild") whereby Minera Hampton has the right to earn 100% of the licence by paying Hochschild USD\$5 million by September 2010. Minera Hampton has an obligation to offer EM DOS participation in the licence under the MN agreement.

The Camaron Project includes an agreement with Sociedad Legal Minera Genesis ("Genesis") and considerable other licences applied for and granted to Minera Hampton. Minera Hampton has a right to earn 100% of the Genesis licences by paying USD\$10,000/month in option fees and paying USD\$0.005 cents/lb copper equivalent metal established in reserve by an independent engineer in a feasibility study.

The Isidro Project includes agreements with Sociedad Legal Minera Santa Berta ("Santa Berta") on the Santa Berta licences where Minera Hampton are making option payments of USD\$7,000/month and must pay Santa Berta USD\$0.005 cents/lb copper equivalent metal established in reserve by an independent engineer in a feasibility study; Minera Cerro Plata ("Cerro Plata") on the Cerro Plata licences where Hampton must pay a total of USD\$10 million in option payments over 5 years to earn 100% of the licences. Hampton has made the first option payment of USD\$300,000; Sociedad Legal Minera San Lorenzo ("San Lorenzo") whereby Hampton payed San Lorenzo USD\$3 million for 50% of the Company. Hampton can earn a further 20% of the Company by completing a feasibility study by 2013 and considerable licences applied for and granted to Minera Hampton.

The Kamikase Project which is the subject of an agreement with Sociedad Contractual Minera Kamikase ("Kamikase") to earn 100% of the licences by paying a total of USD\$1.1 million in option fees over 3 years and paying Kamikase 1% of the gross value of the contained metal and a royalty of USD\$0.15/ ton Fe produced.

The Los Calatos Project is the subject of an agreement with North Hill Holdings Group Inc. ("North Hill") whereby Hampton Mining Peru SAC can earn 100% of the project through the payment of a total of USD\$1.75 million in option payments over 3 years, a bonus payment on completion of a Bankable Feasibility Study of USD\$1.5 million, USD\$0.005/lb copper equivalent metal defined by a Scoping/Feasibility Study and a NSR of 2%.

The current status of the projects is as follows;

#### **1. Loica/Victoria**

The Company has completed a phase of drilling on the Loica licences and is currently completing a 2,400 metre 6 hole drilling program on the Victoria licence. Results are pending for the Victoria drilling.

## 2. Mollacas

The Company has established JORC compliant Indicated Resources of 7.2 million tonnes @ 0.56% Cu and Inferred Resources of 9.83 million @ 0.52% Cu at a 0.2% copper cut-off. A recent in-fill drilling program of 4,000 metres was completed to increase the level of confidence in the resource model and to provide sufficient material for column leach testwork.

A Scoping Study completed by SRK Consulting, Chile in 2008 determined that at a copper price of USD\$1.60/lb the NPV of the project was approximately USD\$22 million and at USD\$2.00/lb the NPV was USD\$60 million.

## 3. Vallecillo

The Company has established JORC compliant Inferred Resources at Vallecillo of 8.45 million tonnes grading 0.76g/t Au, 1.42% Zn, 8g/t Ag and 0.25% Pb at a 0.5% Zn cut-off.

A recent drilling program of 5,780 metres completed in late 2008 is currently being integrated into the existing block model to update the resources at Vallecillo. Significant intersections from the recent drilling program are as follows;

VD 05 : 79 metres @ 1.0g/t Au; 16.9g/t Ag; 2.03% Zn and 0.49% Pb  
 VD 08 : 184 metres @ 2.1g/t Au; 27.0g/t Ag; 2.10% Zn and 1.29% Pb  
 VD 12 : 100 metres @ 0.91g/t Au; 8.2g/t Ag; 1.27% Zn and 0.25% Pb  
 VD 14 : 54 metres @ 1.4g/t Au; 8.0g/t Ag; 1.55% Zn and 0.48% Pb

## 4. Camaron

At Camaron extensive surface geological mapping and sampling shows significant gold anomalism over an area exceeding 20 sq.km. The Au anomalism reflects hot springs / sinter style low sulphidation type gold mineralisation. Three main zones of gold anomalism has been identified and planning of a drilling program is currently in progress.

## 5. Isidro

This project area is at an early stage of exploration. Surface sampling conducted in 2007 established the occurrence of copper and gold anomalism over a large distance on the San Lorenzo and Cerro Plata licences. Follow up work is planned for 2009.

## 6. Kamikase

This project area is at an early stage of exploration. A recent surface mapping and sampling program is currently being analysed.

## 7. Los Calatos

The Company has recently completed a 6,385 metre drilling program to test the mineralised porphyry identified by others. SRK Consulting, Chile completed a JORC compliant Resource estimation for the project on 20<sup>th</sup> January 2009. At a 0.2% copper cut-off Mineral Resources are:

- Indicated Resources: 73.6 million tonnes @ 0.44% Cu and 504 ppm Mo
- Inferred Resources: 224.3 million tonnes @ 0.39% Cu and 332 ppm Mo



### 3.3 Minority ownership consequences

Metminco's Offer is subject to a 50.1% minimum acceptance condition. Accordingly, Shareholders and Optionholders who do not accept the Offer may remain minority security holders in Hampton. This has a number of possible implications, including:

- Metminco will be in a position to cast the majority of votes at a general meeting of Hampton. This will enable it to control the composition of Hampton's Board of Directors and senior management and control the strategic direction of the businesses of Hampton and its subsidiaries;
- the liquidity of Hampton Shares may be lower than at present due to a smaller number of Shareholders;
- existing pre-emptive rights remain in place whereby prior to transferring shares to a third party a Selling Shareholder must first offer its Shares to other Non Selling Shareholders in accordance with the procedures set out in section 2.4 above; and
- if Metminco acquires 75% or more of Hampton Shares it will be able to pass a special resolution of Hampton. This will enable Metminco to, among other things, change Hampton's Constitution.

### 3.4 Compulsory acquisition

#### 3.4.1 Compulsory acquisition following takeover

Metminco has indicated in section 7.3 of its Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding Hampton Shares. Metminco will be entitled to compulsorily acquire any Hampton Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, Metminco has a relevant interest in at least 90% of Hampton Shares.

If this threshold is met, Metminco will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Hampton Shareholders and Optionholders who have not accepted the Offer. Hampton Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant Shareholder to establish to the satisfaction of a Court that the terms of the Offer do not represent 'fair value' for their Hampton Shares.

#### 3.4.2 Compulsory acquisition by 90% holder

Alternatively, it is also possible that Metminco will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Shares. Metminco would then have rights to compulsorily acquire Shares not owned by it within six months of becoming the holder of 90%. An independent expert would need to consider and provide a report on the price to be paid by Metminco to Hampton Shareholders and Optionholders under this procedure.

### 3.5 Takeover provisions

Under section 606(1) of the Corporations Act, a person must not acquire a relevant interest in the voting shares in a company if the company is an unlisted company with more than 50 members, and because of the transaction, that person's or someone else's voting power in the company increases:

- from 20% or below to more than 20%; or

- from a starting point that is above 20% and below 90%.

However, the person may acquire the relevant interest under one of the exceptions set out in section 611 without contravening section 606(1) of the Corporation Act. These exceptions include the making of a takeover bid as Metminco has done under the Bidder's Statement.

### **3.6 Taxation consequences of accepting the Offer**

A general outline of the Australian taxation considerations of accepting the Offer is set out in section 9 of Metminco's Bidder's Statement. It should be noted that the outline is not an exhaustive discussion of all the income tax considerations which apply to the circumstances of any given Hampton Shareholder or Optionholder. In particular, special rules apply to certain Shareholders (such as persons not resident in Australia for income tax purposes, insurance companies, superannuation funds, banks, employees of Hampton or their associated companies who acquires their Hampton Shares and Options in respect of their employment). The taxation consequences of accepting the Offer depend on a number of factors and will vary according to your particular circumstances.

Hampton Shareholders should be mindful that the 'scrip for scrip' CGT rollover relief is not automatically available and is dependent, among other things, upon Metminco becoming the owner of at least 80% of Hampton Shares. If Metminco secures the minimum level of acceptances but does not become the owner of at least 80% of Hampton Shares, 'scrip for scrip' CGT rollover relief will not be available to Hampton Shareholders accepting the Offer. If this should arise, those Hampton Shareholders who have accepted the Offer will realise a capital gain or capital loss on the disposal of their Hampton Shares for Metminco Shares. A capital gain will arise to the extent the capital proceeds from the disposal of Hampton Shares exceeds the cost base of Hampton Shares. A capital loss will be realised to the extent that the capital proceeds are less than the reduced cost base of the Hampton Shares.

Furthermore, it should be noted that 'scrip for scrip' CGT rollover relief is only available to Hampton Shareholders and not to Hampton Optionholders. However, should a Hampton Optionholder decide to exercise their Options and hold Hampton Shares before the Offer becomes unconditional, they may be able to avail themselves of 'scrip for scrip' CGT rollover relief if Metminco becomes the owner of at least 80% of Hampton Shares. If 'scrip for scrip' CGT rollover relief is not available, Hampton Optionholders who have exercised their Options and have accepted the Offer will realise a capital gain or capital loss in respect of the disposal of their Hampton Shares for Metminco Shares.

### **3.7 Effect of acceptance**

You will only have limited rights to withdraw your acceptance.

You may withdraw your acceptance if Metminco varies the Offer in a way that postpones, for more than one month, the time when Metminco has to meet its obligations under the Offer. This will occur if Metminco extends the Offer Period by more than one month and the Offer is still conditional.

The effect of acceptance of the Metminco Offer is set out in section 12.13 of the Bidder's Statement. You should read these provisions in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Shares and Options, and representations and warranties that you give by accepting the Offer.

As stated in section 2.6.1 of this Target's Statement, if you accept the Offer, you will also give up your right to sell your Shares or Options to anyone else or accept any superior proposal that may emerge.

### 3.8 Lapse of Offer

The Offer will lapse if the Offer conditions are not satisfied or waived by the end of the Offer Period. In this case, all contracts resulting from acceptance of the Offer and all acceptances that have not resulted in binding contracts are void.

### 3.9 Capital structure

As at 22 January 2009, Hampton has:

- 205,607,051 Shares on issue;
- 12,100,000 March 09 Options exercisable at \$0.125 per fully paid Share on or before 30 March 2009; and
- 20,000,000 April 09 Options exercisable at \$0.32 per fully paid Share on or before 28 April 2008.

Shareholders and Optionholders holdings as at the date of this Target's Statement were as follows:

SHAREHOLDER NAME	Number of Shares Held	% Held	Number of March 09 Options Held	Number of April 09 Options Held
Junior Investment Company (Limited Liability)	66,393,750	32.3%	-	20,000,000
Takoradi Limited	56,511,906	27.5%	9,500,000	-
Mining Investment Services Pty Ltd (ATF for WSE Superannuation Fund)	12,400,000	6.0%	2,000,000	-
Tangarry Pty Ltd (transferred from Chile Copper Mine Pty Ltd)	10,266,666	5.0%	-	-
Ms NJ and Mr WJ Howe ATF The Howe Superannuation Fund	7,500,000	3.6%	200,000	-
Wilnic Pty Ltd (As trustee for the Wilnic Family Trust)	4,766,667	2.3%	-	-
Maxwell James Green	4,313,333	2.1%	330,000	-
Eureka Investors Inc.	3,960,715	1.9%	-	-
Rahn & Bodmer	3,300,595	1.6%	-	-
Mining Investment Services Pty Ltd	3,200,000	1.6%	-	-
Beatinvest Limited	3,183,929	1.5%	-	-
Monetti Pty Ltd	2,640,477	1.3%	-	-
Notesan Pty Ltd	2,599,048	1.3%	-	-
Mr MJ Green and Ms RL Green (ATF The Green Superannuation Fund)	2,566,667	1.2%	-	-
Chile Copper Mine Pty Ltd	2,566,667	1.2%	-	-
Villaret Holdings Pty Ltd (ATF The Philipsohn Unit Trust)	1,848,334	0.9%	-	-
AJ Holdings Corporation	1,600,000	0.8%	-	-
JBN Holdings Pty Limited	1,516,667	0.7%	-	-
Neville Joel Katz	1,320,238	0.6%	-	-
Mr Michael H J Cowie & Ms Mary Cowie (ATF Michael Howard John Cowie Private Superannuation Fund)	1,155,000	0.6%	-	-
GDEH Investments Pty Ltd	1,048,926	0.5%	-	-

Mary Cowie	1,026,667	0.5%	-	-
Vito Ignazzi	962,500	0.5%	-	-
Sanarra Pty Ltd (ATF Keating Family Trust)	898,333	0.4%	-	-
Maria Edith Jaureguiberry	800,000	0.4%	-	-
JBN Holdings Pty Limited as nominee for Beatinvest	750,000	0.4%	-	-
Locope Pty Ltd	690,867	0.3%	-	-
Sanperez Pty Ltd	660,120	0.3%	-	-
Pluteus (No.164) Pty Ltd	641,667	0.3%	-	-
Stuart Grimshaw	641,667	0.3%	-	-
Hollycroft Investments Pty Ltd (ATF Winton Family Trust)	564,667	0.3%	-	-
Hammerfest Investments Pty Ltd	551,667	0.3%	-	-
Wood Park Australia Pty Ltd ATF Wood Park Superannuation Fund	525,000	0.3%	-	-
Mr Colin Sinclair and Ms Maria Jaureguiberry (ATF Sinclair Family Super Fund)	513,333	0.2%	-	-
Peter Gome	373,333	0.2%	-	-
Dijon Nominees Pty Ltd ATF Magowan Family Superannuation Fund C/- J Quaine & Associate	285,714	0.1%	-	-
RG Pearson ATF The Pearson Family Trust	266,667	0.1%	-	-
Transcontinental Air Links Pty <E&N TAL Family A/C>	212,263	0.1%	-	-
Warman Investments Pty Ltd	142,857	0.1%	-	-
Pottercorp P/L atf The Potter Family Trust No 2	142,857	0.1%	-	-
Ian Fullerton	71,429	0.0%	-	-
Gina Pty Limited	71,429	0.0%	-	-
Blayney Engineering Services Pty Ltd	51,429	0.0%	-	-
Gordon Vernon Lewis	37,143	0.0%	-	-
Lacapelle Pty Ltd	28,571	0.0%	-	-
Barkly Super Pty Ltd For Gerrard Family S/F	14,286	0.0%	-	-
Bellafont Investments Pty Ltd	5,000	0.0%	-	-
P J Wing Pty Ltd	5,000	0.0%	-	-
Kirin Corporation Pty Ltd	5,000	0.0%	-	-
Seniorita Pty Ltd	4,000	0.0%	-	-
Dostill Pty Ltd	4,000	0.0%	-	-
Tanic Pty Ltd	-	0.0%	70,000	-
	<b>205,607,051</b>	<b>100%</b>	<b>12,100,000</b>	<b>20,000,000</b>

### 3.10 Financial information

The financial position of Hampton as at 30 June 2008 (audited) and 30 November 2008 (un-audited) is summarised below.

When considering the financial position of Hampton, Shareholders should note the following:

- Hampton has held the majority of its funds in USD\$ denominated bank accounts. As at 30 June 2008 Hampton had cash of USD\$17.8 million (AUD/USD exchange rate was 0.9615) compared to USD\$9.6 million at 30 November 2008 (AUD/USD exchange rate was 0.6555).
- During the five month period to 30 November 2008 approximately USD\$8.2 million was spent on major work programs at Los Calatos (including a 6,385 metre diamond drill program); Vallecillo (including a 5,780 metre diamond drill program); Mollacas (including a 4,000 metre infill drilling program) projects; option and mining licence payments in respect to its property portfolio, capital equipment purchases; fundraising and acquisition of a 50% interest in the San Lorenzo licences (part of Isidro Project) and IPO related costs and other overheads.

**HAMPTON MINING LIMITED**

**Consolidated balance sheet as at**

	<b>Un-audited 30 November 2008 (AUD)</b>	<b>Audited 30 June 2008 (AUD)</b>
<b>Current Assets</b>		
Cash and cash equivalents	14,664,775	18,517,591
Trade and other receivables	277,518	104,253
Other	195,518	414,307
<b>Total Current Assets</b>	<u>15,137,811</u>	<u>19,036,151</u>
<b>Non Current Assets</b>		
Receivables	1,600,901	628,321
Financial assets	2,254,809	1,627,351
Property, plant and equipment	924,533	134,584
Exploration and evaluation expenditure	25,314,543	10,026,849
<b>Total Non Current Assets</b>	<u>30,094,786</u>	<u>12,417,105</u>
<b>TOTAL ASSETS</b>	<u><b>45,232,597</b></u>	<u><b>31,453,256</b></u>
<b>Current Liabilities</b>		
Trade and other payables	1,397,433	566,116
<b>Total Current Liabilities</b>	<u>1,397,433</u>	<u>566,116</u>
<b>TOTAL LIABILITIES</b>	<u><b>1,397,433</b></u>	<u><b>566,116</b></u>
<b>NET ASSETS</b>	<u><u><b>43,835,164</b></u></u>	<u><u><b>30,887,140</b></u></u>
<b>Equity</b>		
Issued capital	35,467,770	35,092,770
Reserves	6,418,335	(1,723,414)
Accumulated losses	1,949,059	(2,482,216)
<b>TOTAL EQUITY</b>	<u><u><b>43,835,164</b></u></u>	<u><u><b>30,887,140</b></u></u>

### 3.11 Hampton funding obligations and strategies

Hampton is currently an exploration company with a portfolio of projects located in Chile and Peru but without an operating cash flow.

As at the date of this Target's Statement, Hampton had a 50% equity interest in the MN Projects (Mollacas, Vallecillo and Loica), a 50% interest in San Lorenzo (part of the Isidro Project) and has a 100% interest in some of the tenements that form part of the Camaron and Isidro Projects.

Hampton also has a right to acquire an equity interest in Los Calatos, Victoria (part of the Loica-Victoria Project), Cerro Plata and Santa Berta (part of the Isidro Project), Genesis (part of the Camaron Project) and Kamikaze and to increase its equity interest in San Lorenzo. To exercise these rights Hampton must meet certain conditions including the payment of option monies, acquisition payments and government licence fees. If Hampton does not exercise its right to acquire or fails to make payments in respect to any property within the timetable set out in the respective agreement then Hampton forgoes its interest in respect to that property. It may be possible to renegotiate some of these agreements but there is no guarantee that this will be successful. Hampton's ability to renegotiate the agreement under more favourable terms is likely to be influenced by the success or otherwise of work programs taken to date. Hampton elected not to increase its equity in the MN projects by the payment of USD\$6 million by the end of December 2008. However, Hampton is in ongoing discussions with MN concerning possible alternatives for Hampton increasing its equity position in the MN Projects.

**HAMPTON MINING OPTION PAYMENT SCHEDULE (Excluding resource based acquisition payments)**

Option	Agreement date	Annual option payments 2007 – 2013 (USD \$ 000)										Total Payments	Last Option Payment Date
		2007	2008	2009	2010	2011	2012	2013					
MN Agreement*	30.12.05	2000										2000	30.6.07
Genesis	23.8.07	40	120	120	80							360	23.8.10
Cerro Plata	28.1.08		300	500	700	900	1100	6500				10000	28.1.13
Santa Berta	25.2.08		56	84	84	28						252	10.4.11
Kamikase	4.3.08		200	400	500							1100	3.3.10
Los Calatos	5.9.07	250	500	500	500							1750	1.8.10
Victoria	7.9.07			1000	4000							5000	7.9.10
San Lorenzo	19.5.08		3000									3000	23.8.08
<b>TOTAL</b>		<b>2290</b>	<b>4176</b>	<b>2604</b>	<b>5864</b>	<b>928</b>	<b>1100</b>	<b>6500</b>				<b>23462</b>	

## Notes:

\* The MN option payment of USD \$6 million due 31/12/08 (which together with the commitment to pay USD\$6.5 million on the earlier of the completion of a feasibility study and 31/12/11) to increase Hampton's interest in the MN Projects from 50% to 75% was not paid.



Hampton will need to raise additional capital to fund its exploration program, renew licences and exercise outstanding option agreements (refer Table above). The level of funding required will depend on which projects Hampton decides to keep and the work programs Hampton decides to undertake.

Additional capital will be required in 2010 if Hampton elects to exercise its option to acquire either the Los Calatos and/or Victoria projects. If Hampton does not exercise its options, it will forgo any interest in these projects.

Capital raising strategies generally take time to implement and Hampton will need to have plans well underway during 2009 if it is going to fund the acquisition of either Los Calatos and/or Victoria.

To increase the potential sources of funding available to the Company, Hampton has been seeking an ASX listing. On 28 July 2008, Hampton lodged a prospectus with ASIC in respect of a proposed IPO. On 23 October 2008 Hampton withdrew the IPO, due to adverse market conditions. If the Metminco Offer is successful, this affords the opportunity for Hampton, via the Merged Entity, to become an ASX listed entity. If the Offer is not successful, Hampton will need to continue to source additional capital through alternative sources such as those listed below.

### **3.11.1 Resurrect the IPO**

Approximately \$0.7 million was expended in progressing the IPO to the stage where a prospectus was issued and subsequently withdrawn (due to adverse market conditions). To refresh the IPO would require significant additional costs to update and restate the contents of the prospectus including accounts, legals and an independent expert's report. The capital markets have significantly deteriorated since the prospectus for the IPO was written and information inputs to the prospectus have significantly changed, in particular commodity and currency market pricing, and consequent asset valuations. The price of copper has fallen from USD\$3.50 per pound, as per the prospectus, to USD\$1.45 per pound most recently.

If the IPO were to be resurrected it is estimated that it may take several months to prepare a new prospectus, to navigate the process through the regulatory authorities, and the drain on management time and resources would be substantial. There is no clear reason to be confident that equity markets will significantly improve over the short term. Additionally there is the risk that if there is an improvement in the equity market it may not follow that there is a similar improvement in commodity prices, wherein resource and mining companies continue to find it difficult to attract investors.

There is a significant risk that in the current market a resources IPO will not receive the attention it would receive in a more favourable market where commodity prices are strong and more predictable. Resources stocks generally are being heavily discounted to their book value, regardless of where the company may be on the exploration, development and production curve. Consequently, a new, relatively small IPO may struggle to gain traction given the current market sentiment. Nevertheless, it cannot be discounted that given the right conditions and management's ability to "sell" Hampton's projects to the market that a different outcome is possible.

### **3.11.2 Seek alternative offer**

Hampton could seek or invite other entities to make an offer in respect of Hampton securities or assets. There may be other parties interested in such a transaction that are also listed on the ASX and that may meet Hampton's criteria, but that are not aware of Hampton, and vice versa. Such companies, if identifiable, could potentially bring to Hampton better synergies. That said, there is no certainty that another offer will materialise which is on equal or better terms than the Offer.

Pursuing such an alternative strategy will incur the requisite research, marketing, negotiation and structuring time and costs which are a normal feature of all such corporate finance transactions.

### **3.11.3 Source other equity investors**

In normal circumstances if the Offer is not successful, Hampton, as an unlisted company, may seek to raise additional equity to fund its commitments and expansion from investors other than the current Hampton Shareholders, with the consequent dilution of existing Shareholders. Such other investors could be private equity investors, or other private or public companies or funds, whether in synergistic businesses or otherwise. However, Hampton's shareholder structure, together with the implications of the current Hampton Constitution as amended by two subscriptions agreements, inhibit fund raising from other parties other than the current Shareholder base.

Hampton may choose to remain an unlisted public company or postpone seeking an ASX listing altogether until financial markets settle and equity markets improve. In pursuing this strategy a number of issues would need to be addressed. As new funding is essential to enable Hampton to meet its exploration and expansion commitments, it may be necessary for the Hampton Constitution to be updated to enable other avenues of funding (outside the existing Shareholder base) to be investigated.

### **3.11.4 Offshore equity markets**

As an alternative to listing on the ASX, the Company may wish to consider other offshore equity markets. Hampton's current projects are in Chile and Peru and there is no particular reason why the ASX is a natural listing jurisdiction, other than perhaps familiarity and convenience. Accordingly, it may be worth exploring the viability of listing, via IPO or other method, on exchanges such as the Canadian TSX or the American AMEX, which, like the ASX, commonly list mining exploration companies such as Hampton.

As Australia's capital markets are only small in comparison to overseas markets (in particular, those of North America), an offshore listing would grant access to much larger capital markets. However, having access to such markets will not guarantee the success of a capital raising and the normal transaction costs of such a listing will be substantial.

### **3.11.5 Fund upcoming commitments through debt**

At this early stage of exploration the nature of Hampton's assets (exploration), reinforced by the uncertain state of the credit markets will mean that funding Hampton's short to medium term commitments through the debt markets may not be in the best interests of Shareholders.

### 3.11.6 Adjust/restructure asset priorities

Whether or not the Offer is successful, Hampton or the Merged Entity will need to adjust asset commitments and priorities if capital raising conditions continue to be constrained. This will involve prioritising projects and relinquishing some projects in order to maintain or acquire an interest in other projects.

### 3.12 Recent developments

Refer to Shareholder Updates 17, 18 and 19 set out in section 4 for recent developments.

### 3.13 Consents

The following persons have given and have not, before the date of this Target's Statement, withdrawn their consent:

- to be named in this Target's Statement in the form and context in which they are named;
- for the inclusion of their respective statements (if any) and the references to those statements in the form and context in which they are included in this Target's Statement; and
- the inclusion of other statements in this Target's Statement which are based on or referable to statements made by those persons in the form and context in which they are included.

<b>Name of person</b>	<b>Named as</b>	<b>Reports or statements</b>
Gadens Lawyers	Legal adviser	N/A
Philip Killen	Company Secretary	N/A
Takoradi Limited	Substantial Shareholder	Yes
Chapman Eastway	Accountants	N/A
SRK Consulting (Chile) S.A.	Independent Consultants	Yes

Each of the above persons:

- does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with the person's consent.

As permitted by ASIC Class Order 01/1543 (**Class Order**), this Target's Statement may include or be accompanied by certain statements which are made, or based on statements made, in documents lodged with ASIC or the ASX. Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for the inclusion of such statements in this Target's Statement.

Any Shareholders who would like to receive a copy of any of the documents (or parts of documents) that contain statements which have been included pursuant to the Class Order may obtain a copy free of charge by contacting the Company Secretary, Philip Killen, on 0408 609 916 Monday to Friday between 9am and 5pm.

As permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication. Pursuant to this Class Order, the consent of persons such statements are attributed to is not required for the inclusion of such statements in this Target's Statement.

### **3.14 Other information**

This Target's Statement is required to include all the information that Shareholders and Optionholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any of the Directors.

The Directors are of the opinion that the information that Shareholders and Optionholders and their professional advisers would reasonably require to make an informed assessment of whether to accept the Offer is:

- the information contained in the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- the information contained in releases by Hampton to its Shareholders, and in documents lodged by Hampton with ASIC, prior to the date of this Target's Statement; and
- the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it. In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- the nature of the Shares;
- the matters Shareholders may reasonably be expected to know;
- the fact that certain matters may be expected to be known to the professional advisers of Shareholders; and
- the time available to Hampton to prepare this Target's Statement.

**3.15 Authorisation**

This Target's Statement has been approved by a resolution passed by the Board. No Director voted against the resolution authorising this Target's Statement.

**SIGNED** for and on behalf of **Hampton Mining Limited**.

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Phillip J Wing  
**Chairman/Director**

Dated: 22 January 2009



## SHAREHOLDERS UPDATE – No 17

Tuesday 4<sup>th</sup> November 2008

### SUMMARY

#### Offer by Metminco Limited

- Metminco Limited ("MNC"), an ASX listed company, announced Monday 3<sup>rd</sup> November that *"it has offered to acquire all of the issued capital of Hampton Mining Limited ('Hampton') on the basis of the last sale of Metminco shares at 20 cents each and valuing Hampton shares at 50 cents each."* (This implies an issue ratio of 2.5 MNC shares for each issued Hampton ordinary share)
- The offer includes the acquisition of all outstanding Hampton options after adjusting for the exercise prices of those options.

#### Recent exploration activity

##### Los Calatos

- Significant results from the new 13 hole / 6,800 metre drill program, completed October 2008.
- Exploration work is still at an early stage
- Drilling and recent geological mapping suggest the **Los Calatos deposit now has potential to emerge as a large mineralised Cu-Mo porphyry, with a surface expression of 3 km long and up to 1 km wide.**
- Geologically analogous to known large nearby porphyries, eg Cuajone and Toquepala mines.
- Results suggest the mineralisation carries significant copper and molybdenum grades.
- Intersections from 4 of 5 new holes to hand so far, testing mainly the top of the system, include:
  - **139 metres** at 0.60% Cu, 0.045% Mo (**1.05% CuEq**)
  - **163 metres** at 0.35% Cu, 0.053% Mo (**0.88% CuEq**)
  - **283 metres** at 0.39% Cu, 0.050% Mo (**0.89% CuEq**)
  - **590 metres** at 0.29% Cu, 0.054% Mo (**0.83% CuEq**)

##### Vallecillo

- Significant results from the new 17 hole / 5,780 metre drill program, completed August 2008.
- Drilling shows extensions to known mineralisation, especially to the north and at depth.
- Drilling and surface mapping indicates that the mineralised breccia is continuous over a strike length of at least 700 metres.
- Weighted average grades of the new drilling are broadly in line with average grades reported in the 2006 resources estimate by SRK : Inferred Resources of **8.5mt @ 1.42% Zn, 0.76g/t Au, 8.1g/t Ag and 0.25% Pb** (using a cutoff grade of 0.5% Zn).
- Drill results suggest resources will increase significantly from the previously reported estimate.
- Results suggest a scoping study might look at an open pit / flotation operation treating approximately 2 million tonnes pa, recovering Au, Zn, Ag and Pb in sulphide concentrates.
- attractive surface sampling results (2007) and some drilling (mid 1960s).

**SUMMARY (contd)****Mollacas**

Approximately 4,000 metres of infill drilling being completed as part of a feasibility study.

**Victoria**

Hampton plans 6 x 400m holes starting Nov. 2008, towards the north of the Cu-Mo porphyry system, following up attractive surface sampling results (2007) and some drilling (mid 1960s)

**Camaron & Isidro**

- At **Camaron** extensive mapping and sampling shows **significant gold anomalism** over an area exceeding 20 sq.km. Geological mapping suggests the Au anomalism reflects **hot springs / sinter style low sulphidation type gold mineralisation**.
- At **Isidro** hot springs / sinter style low sulphidation type gold mineralisation is now also evident on prospects in the south west of the tenements.

**Projects: update on ownership**

- Acquired 50% of the **San Lorenzo** licences (part of the **Isidro** project) at a cost of USD\$3 million.
- Application submitted for new licences (**El Sauce**), with porphyry style potential, north of Isidro.
- The Atun, Jaiba and Maria tenements have been relinquished.

**Funding: update**

- IPO withdrawn 23 October 2008.
- Cash at 31 December 2008 forecast to be approximately USD\$9 million.
- The cash buffer provides a valuable cushion, but spending plans are being tailored to reflect weak market conditions.

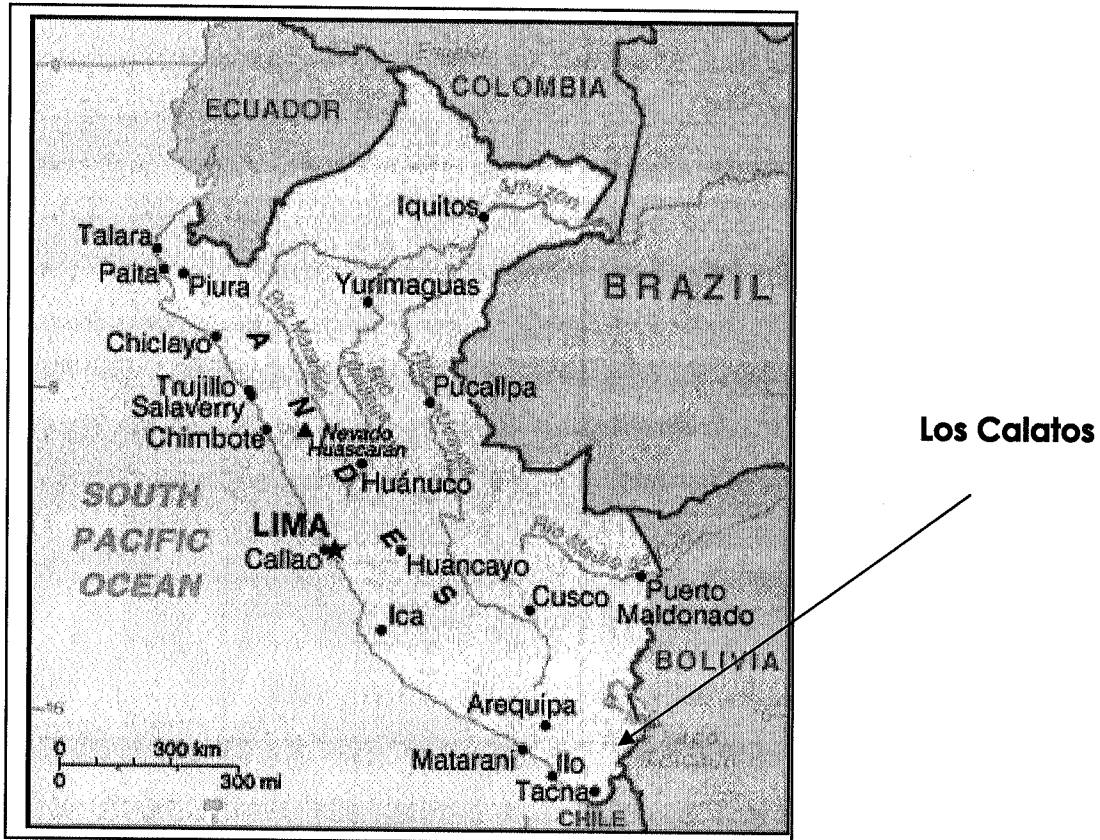
**Update on exploration activity**

Following the raising of USD\$20 million through a private placement in April 2008 and \$1.825 million from the exercise of Hampton options, the Company resumed exploration activities late June 2008.

**Los Calatos**

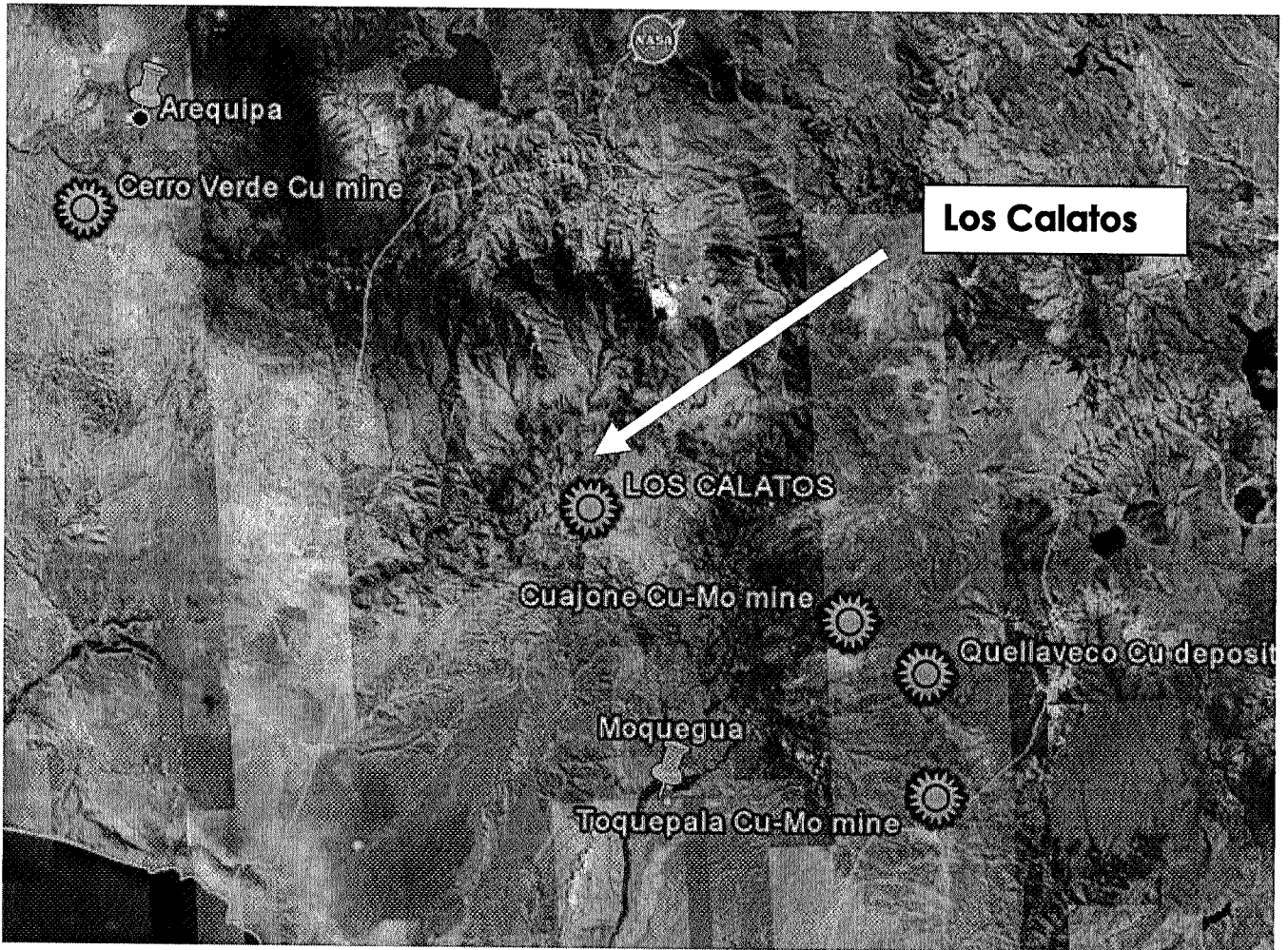
The offer includes the acquisition of all outstanding Hampton options after adjusting for the exercise prices of those options.

**Figure 1 Los Calatos – location in Peru**





**Figure 2 Los Calatos – location near other porphyry deposits**



### **Los Calatos – drill results**

The Company has completed approximately 6,800 metres of diamond (core) drilling in 13 holes at the Los Calatos Project, located in far south Peru (refer Figures 1 and 2), near to and in the same regional geology as the large Cujone and Toquepala copper-molybdenum (Cu-Mo) mines.

Results have been received for 5 of the 13 holes completed, shown in Table 1b. Results from the remaining eight holes will be available within the next few weeks. Table 1a includes, for comparison, results from diamond drilling at Los Calatos in 1995 and 1996.

All holes were drilled towards the south at an angle of approximately 50-60 degrees below the horizontal.

**Table 1: Los Calatos Project - Drilling results**

Hole No	Angle degrees	Depth metres	Intersections					
			From m	To m	Intercept m	Cu %	Mo %	CuEq %

**Table 1a: Historic drilling (1995 and 1996)**

DDH 02	90	680	50	180	<b>130</b>	<b>0.93</b>	<b>0.029</b>	<b>1.22</b>
DDH 04	90	810	60	772	<b>712</b>	<b>0.53</b>	<b>0.044</b>	<b>0.97</b>
DDH 29	90	252	28	252	<b>224</b>	<b>0.22</b>	<b>0.047</b>	<b>0.69</b>
DDH 32	90	184	90	184	<b>94</b>	<b>0.52</b>	<b>0.038</b>	<b>0.90</b>
DDH 33	90	258	34	258	<b>224</b>	<b>0.42</b>	<b>0.050</b>	<b>0.92</b>
DDH B	90	224	82	204	<b>122</b>	<b>0.54</b>	<b>0.044</b>	<b>0.98</b>
Average grades (weighted by intercept length)						<b>0.50</b>	<b>0.044</b>	<b>0.94</b>

**Table 1b: Hampton Mining drilling (July to October 2008)**

1	60	450	74	213	<b>139</b>	<b>0.60</b>	<b>0.045</b>	<b>1.05</b>
2	55	340	84	247	<b>163</b>	<b>0.35</b>	<b>0.053</b>	<b>0.88</b>
3	50	258	No significant intersections, drilled above mineralised porphyry					
4	50	431	137	420	<b>283</b>	<b>0.39</b>	<b>0.050</b>	<b>0.89</b>
5	60	801 including:	211	801	<b>590</b>	<b>0.29</b>	<b>0.054</b>	<b>0.83</b>
			238	613	<b>375</b>	<b>0.32</b>	<b>0.078</b>	<b>1.11</b>
6		600	Awaiting results					
7		850	Awaiting results					
8		747	Awaiting results					
9		450	Awaiting results					
10		500	Awaiting results					
11		500	Awaiting results					
12		500	Awaiting results					
Average grades (weighted by intercept length)						<b>0.36</b>	<b>0.052</b>	<b>0.88</b>

**Total drilling**

Average grades (weighted by intercept length)						<b>0.44</b>	<b>0.047</b>	<b>0.91</b>
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**Note:** Copper equivalent (CuEq) grades are calculated assuming  $CuEq \% = Cu \% + Mo \% \times 10$ . Actual copper equivalence of Mo grades will depend on: (1) the ratio of received Mo and Cu prices, (2) % recoveries of Cu and Mo into saleable Cu and Mo concentrates respectively, and (3) the commercial terms for payment of Cu and Mo contained in saleable concentrates.

**Los Calatos – comment**

Significant Cu-Mo mineralisation was discovered at Los Calatos in the mid 1990s by Arequipa Resources. Drilling by Phelps Dodge in early 1996 included a vertical hole intersecting **712 meters at 0.53% Cu and 0.044% Mo**. However, Arequipa Resources was acquired by the large gold producer Barrick Gold Corporation in mid 1996 and consequently the encouraging initial exploration results have not been followed up until now.

Although not all the assay results from the recent drilling are to hand, it is already becoming clear that this drilling, together with drilling from the mid 1990s and, in particular, the important recent surface mapping, have fundamentally changed the Company's technical understanding of the occurrence of Cu-Mo mineralisation at the Los Calatos deposit.

The inherited geological interpretation suggested that mineralisation was hemmed against the north side of an east-west fault extending approximately 500 metres. It is now believed this fault, if it exists, does not control the mineralisation. This is evidenced by the occurrence of significant mineralisation to the south of the previously proposed fault line.

**The Los Calatos deposit now appears to be a large classic Cu-Mo porphyry expressing at surface over an area up to approximately three (3) km long and up to one (1) km wide**, along a NW-SE orientation, or the same orientation as applies regionally, and locally, for all the main porphyry deposits in southern Peru.

**Los Calatos appears subject to the same regional and local controls as the other large porphyry systems in southern Peru.** However, overall drilling to date is still very limited, and much exploration work, especially drilling, remains to be done. Further exploration effort will be guided by final interpretation of all the data when it is to hand and will likely be drill focussed.

Figure 3 shows a schematic SW-NE cross section through the Los Calatos porphyry, looking northwest. The deposit is intensely leached (as at Cuajone and Toquepala), exhibiting a secondary enriched (chalcocite) zone near the surface and overlying the main body of primary mineralisation.

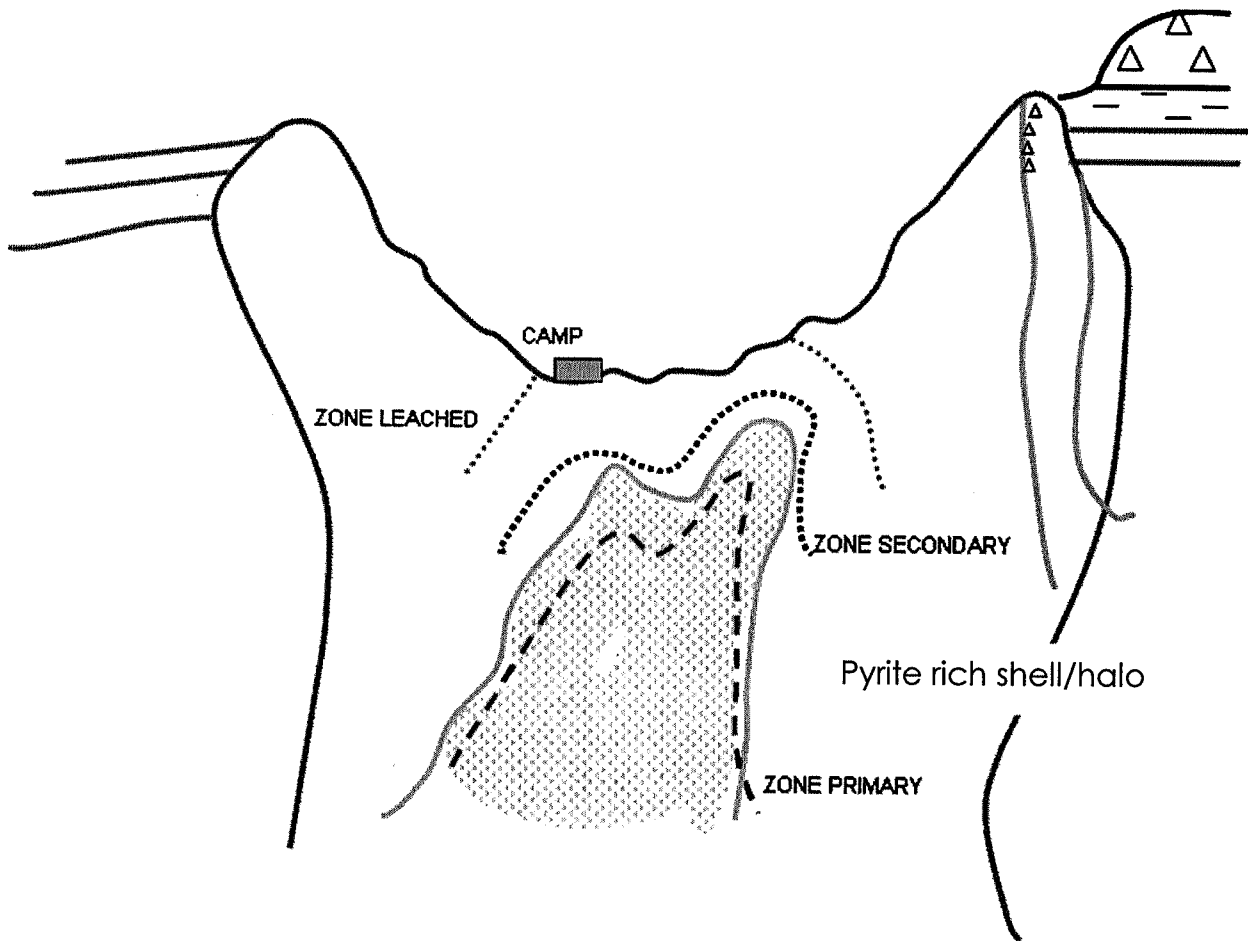
Holes 1, 2 and 4 (refer Table 1b above) appear to have penetrated the top of a classic large Cu-Mo porphyry system. Hole 3 was drilled outside and to the west of the main mineralised system.

The deep Hole 5 appears to have intersected an extensive mineralised pyrite halo before crossing a sharp boundary and continuing through chalcopyritic porphyry. Thus the hole appears to have passed through a

pyrite rich zone on the southern side of the porphyry system. This fits the now well known model for classic copper porphyries, ie that a pyrite rich shell or annulus surrounds the mineralised porphyritic core. Thus in Figure 3 (above) the pyritic shell sits each side of the copper/molybdenum mineralised core. Moreover the grades evident in the pyritic halo zone in hole 5 are well above any economic cutoff that would be used for this type of deposit.

As is typical for these systems the Company now expects, from the drilling and surface mapping, that the mineralised porphyry at Los Calatos expresses as an inverted blunted 'V' such that the mineralisation widens out at depth. A feature of all the holes is relatively high molybdenum grades.

**Figure 3 Los Calatos Cu-Mo porphyry deposit: schematic SW-NE cross section, looking north-west**



### **Los Calatos – cut off grades at Cujajone and Toquepala**

The US SEC Form 10-K report for Southern Peru Copper for 2007 reports reserves (short tons and average grades) at end December 2007 for the Cujajone and Toquepala mines (refer Table 2 above). The reserves are reported for two cases:

- Case 1: prices assumed at end 2007
- Case 2: assumed long term prices

The cutoff grades for Case 1 are 0.134% Cu and 0.133% Cu for Cuajone and Toquepala respectively, for Case 2, 0.32% Cu and 0.35% Cu respectively.

For comparison purposes, the average Cu and Mo grades from drilling to date at Los Calatos, weighted by intercept length are contained in Table 1b (refer above).

Using the metal prices assumed in Case 1 from Table 2 (refer above) the gross value per tonne for Los Calatos mineralisation is USD\$56 using weighted average grades of 0.44% Cu and 0.047 % Mo from Table 1 (refer above) for total drilling at Los Calatos.

**Table 2. Cuajone and Toquepala mines - Reserves at end December 2007**

		<b>Case 1: Assumed prices, end 2007</b>		<b>Case 2: Assumed long term prices</b>	
<b>Metal prices</b>	<b>Cu price</b>	<b>2.66</b>	<b>2.66</b>	<b>1.20</b>	<b>1.20</b>
	<b>Mo price</b>	<b>29</b>	<b>29</b>	<b>9</b>	<b>9</b>

		<b>Cuajone</b>	<b>Toquepala</b>	<b>Cuajone</b>	<b>Toquepala</b>
<b>Sulphide reserves</b>	million short tons	<b>2404</b>	<b>4373</b>	<b>1595</b>	<b>1940</b>
	Cu %	<b>0.52</b>	<b>0.44</b>	<b>0.57</b>	<b>0.60</b>
	Mo %	<b>0.019</b>	<b>0.021</b>	<b>0.02</b>	<b>0.036</b>
	<b>USD\$/tonne gross value</b>	<b>42.7</b>	<b>39.3</b>	<b>18.9</b>	<b>23.0</b>
<b>Cut off grades</b>	Cu %	<b>0.134</b>	<b>0.133</b>	<b>0.318</b>	<b>0.348</b>
	USD\$/tonne gross value	7.9	7.8	8.4	9.2
<b>Strip ratio</b>		2.94	3.34	2.36	5.07

**Source:** Southern Peru Copper, SEC Form-10K, 2007

**Note:**

Production started at Toquepala in 1960 and at Cuajone in 1976. At end 2007 the Toquepala and Cuajone pits were approximately 700 metres and 800 metres deep, respectively. Under the present mine plan configuration both pits will reach a depth of 1,200 metres.

Information on Cuajone and Toquepala has been included in this Shareholder Update for the sole purpose of providing the reader with background on the mineralisation of the geological area and magnitude of nearby porphyry deposits. It is no way intended to imply that at this stage, Los Calatos mineralisation is on a similar scale to Cuajone and Toquepala.

**Vallecillo**

**Vallecillo – drill results**

The Company has completed 5,780 metres of diamond (core) drilling in 17 holes at the Vallecillo Project. This drill program tested extensions to the south and north, and at depth.

Significant intersections are shown in Table 3 below. Results are awaited for two holes.

### Vallecillo – comment on drill results

Results from 12 of the 15 holes received to date indicate that the mineralisation contained within the current (2006) resources estimate by SRK has been significantly extended, to the north and at depth, and remains open in both these directions. Significant mineralisation has now been encountered by drilling over a total strike of 350 metres, compared to 200 metres previously.

The drilling and surface mapping indicates that the mineralised breccia is continuous over a strike length of at least 700 metres – of which only 350 meters has been tested by drilling to date - although indications from the recent drilling suggests that the breccia is narrowing northwards.

Hence the new data suggests that a revision of the resources estimate by SRK in 2006 should result in a significant increase in estimated resources.

The new drilling program follows up 2,710 metres of reverse circulation (RC) drilling, in 12 holes, by the Company in 2006. Based on 8 of these 12 holes, over a strike of 200 metres, SRK Consulting, Chile then estimated Inferred Resources of **8.45 million tonnes at 1.42% Zn, 0.76 g/t Au, 8.1 g/t Ag and 0.25% Pb** at a cut off grade of 0.5% Zn.

The gold equivalent (**AuEq**) average grade for this resource is **2.3 g/t**, and the copper equivalent (**CuEq**) grade is **1.26%**, assuming metal prices shown in the footnote to Table 3 (refer below).

**Table 3. Hampton Mining Limited**

#### Vallecillo Project - Drilling results

Hole no	Depth metres	From m	To M	Intercept m	Au g/t	Ag g/t	Zn %	Pb %	Cu %	AuEq g/t
VD 01	350	No significant intersection								
VD 02	490	No significant intersection								
VD 03	360	No significant intersection								
VD 04	485	265	344	<b>79</b>	0.1	5	0.45	0.05	0.05	<b>0.68</b>
VD 05 *	340	91	229	<b>79</b>	1.0	16.9	2.03	0.49	0.08	<b>3.41</b>
VD 06 *	200	57	113	<b>44</b>	0.77	13.4	0.83	0.66	0.02	<b>2.12</b>
VD 07 *	350	149	257	<b>17</b>	0.61	7.4	0.55	0.33	0.03	<b>1.44</b>
VD 08	400	77	261	<b>184</b>	2.1	27	2.1	1.29	0.01	<b>5.09</b>
VD 09	389	248	250	<b>2</b>	1.5	20	1.27	1.56	0.04	<b>3.92</b>
VD 10	120	Awaiting results								
VD 11	426	179	284	<b>105</b>	0.36	5.4	0.96	0.03	0.1	<b>1.44</b>
VD 12 *	150	22	150	<b>100</b>	0.91	8.2	1.27	0.25	0.07	<b>2.38</b>
VD 13 *	530	70	253	<b>75</b>	0.1	2.2	0.75	0.03	0.03	<b>0.83</b>
VD 14	120	47	101	<b>54</b>	1.4	8	1.55	0.48	0.03	<b>3.17</b>
VD 15	140	32	141	<b>109</b>	0.6	6	0.95	0.24	0.02	<b>1.67</b>
VD 16	440	Awaiting results								
VD 17 *	489	204	321	<b>80</b>	0.38	6.8	0.59	0.38	0.02	<b>1.25</b>

\* For these holes intersections shown are cumulative, between the limits of From (m) and To (m))

**Note:** Gold equivalent (AuEq) grades are calculated assuming  $\text{AuEq g/t} = \text{Au g/t} + \text{Ag g/t} \times 0.016 + \text{Zn \%} \times 0.85 + \text{Pb \%} \times 0.50 + \text{Cu \%} \times 4.0$ , taking account only of assumed metal prices as follows: Au USD\$750/oz, Ag USD\$12/oz, Zn 2000 USD\$/t, Pb USD\$1500/t and Cu USD\$4410 /t (USD\$2.0/lb). In practice actual gold equivalence of Ag, Zn, Pb and Cu grades will depend on: (1) respective received metal prices, (2) % recoveries of metals into saleable concentrates and (3) the commercial terms for payment of metals contained in saleable concentrates.

Average grades intersected by the new drilling vary significantly from section to section but, for comparison, the average **AuEq grade**, weighted by length of intercept, is **2.5 g/t** (or 1.35% CuEq), or approximately equivalent to average grades in the 2006 SRK resources estimate, noted above.

Three holes drilled near the south end (VD 01 – 03) did not intersect the mineralised breccia, but this does not necessarily close off the mineralisation to the south. Geological interpretation suggests mineralisation may in fact extend to the southwest due to the intrusion of a porphyry dyke into the interpreted position of the breccia where drilling was directed.

This new data would seem to significantly advance the project towards commerciality but further drilling will be required in due course to infill the drilling to date, and to test extensions of mineralisation to the north and possibly still to the south.

In broad terms the results to date suggest that a scoping study might look at an open pit / flotation operation treating approximately 2 million tonnes pa, recovering Au, Zn, Ag, Pb and probably Cu into sulphide concentrates, bearing in mind past preliminary metallurgical testing suggests good flotation characteristics.

### **Vallecillo – metallurgy**

Preliminary metallurgical testing was undertaken for Vallecillo by Rio Algom in the 1980s suggesting the mineralisation shows good flotation characteristics. In due course the Company will undertake further relevant testing.

### **Mollacas**

As part of its feasibility study for the Mollacas copper leach project the Company is now completing approximately 4,000 metres of infill drilling at Mollacas, mainly to improve the resource classification to measured and indicated and to obtain material for further detailed leach testing.

### **Victoria**

Following completion of the infill drilling at Mollacas drilling is planned to start at Victoria, towards the north end of the 4km long north-south Loica-Victoria Cu-Mo porphyry system, subject to final local regulatory approvals.

Hampton drilled the south end of this system in 2006, higher up the valley at Loica, and intersected significant widths of lower grade Cu-Mo mineralisation, around 0.4% CuEq (copper equivalent). The Victoria deposit was first explored in the mid 1960s, including 4 shallow core holes. Following negotiation in 2007 of an option to acquire the Victoria tenements, sitting within the Loica tenements, the Victoria deposit was surface sampled, achieving significant Cu and Mo grades.

The grades from the early drilling and the recent surface sampling suggest the tenor of mineralisation at Victoria may be higher than further up the valley. Also the apparent surface area of the deposit is at least 600 metres x 600 metres, prospective for mineralisation exceeding 500 million tonnes. Hence Victoria is an attractive drill target.

## **Camaron and Isidro**

The Company has undertaken significant geological mapping and sampling programs over parts of these two large exploration projects.

At Camaron extensive surface geological mapping and sampling shows significant gold anomalism over an area exceeding 20 sq.km. The Au anomalism reflects hot springs / sinter style low sulphidation type gold mineralisation.

Surface mapping and sampling continues at Isidro. Hot springs / sinter style low sulphidation type gold mineralisation like that at Camaron is evident on prospects in the south west of the tenements.

### **Projects: update on ownership**

#### **Isidro – San Lorenzo**

The Company made a payment of USD\$3 million to purchase a 50% interest in the San Lorenzo tenements, within the Isidro Project. Refer to the Company's July 2008 Prospectus. The tenements are regarded as prospective for significant discoveries of Cu-Au mineralisation, based on an understanding of the local geology and on results of Cu-Au surface sampling in particular. The Isidro Project comprises over 350 sq.km of tenements.

#### **Los Calatos**

The Company has applied for 53 sq.km of additional tenements at Los Calatos, which if granted will be 100% owned by Hampton. Current tenements cover 28 sq.km.

#### **El Sauce**

The Company has applied for licenses at El Sauce, immediately north of the Isidro Project and prospective for a copper porphyry system. In an area with intense argillic silicification and various stages of silicification two systems of veins outcrop with a surface area of 50 km<sup>2</sup>. The area is located at the intersection of two important crustal fault systems, with intense hydrothermal alteration of volcanic and volcanoclastic sequences. The access roads are in relatively good condition.

#### **Atun, Jaiba and Maria**

The Company has dropped or withdrawn from three projects included in the July 2008 Prospectus, being Atun, Jaiba and Maria. They were small grassroots exploration projects.

### **Funding: update**

The Directors announced on 23 October 2008 the withdrawal of the Initial Public Offer scheduled to close 24 October. This was disappointing but reflected the sudden further deterioration in an already weak equity markets.

The Company forecasts its cash at 31 December 2008 to be approximately USD\$9 million, after completing planned exploration programs (as disclosed above). The Company is currently reviewing its longer term strategies in the light of current economic climate.

### **Offer from Metminco**

Metminco Limited ("MNC"), an ASX listed company, announced Monday 3<sup>rd</sup> November that

*"it has offered to acquire all of the issued capital of Hampton Mining Limited ('Hampton') on the basis of the last sale of Metminco shares at 20 cents each and valuing Hampton shares at 50 cents each."*



This implies an issue ratio of 2.5 MNC shares for each issued Hampton ordinary share, and issue ratios for acquiring issued Hampton options adjusted for the exercise prices of the options. Hampton has issued options exercisable at 12.5 cents and at 32 cents.

The release by MNC continues, "*Full details of the offer will be made available after confirmatory due diligence has been completed.*"

*In addition... the offer will be subject to MNC obtaining acceptances which will entitle it to not less than 51% of the issued capital of Hampton on a fully diluted basis.*"

A copy of the ASX release by Metminco is being dispatched to Hampton shareholders with this Shareholders Update, and is also available through the ASX website.

### **Conclusion**

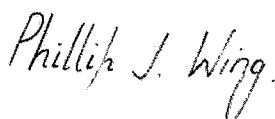
The Directors are pleased with the results emerging from the recent important new phase of exploration work, especially the drilling at Los Calatos and Vallecillo. This drilling appears to have significantly shifted the Vallecillo project towards a scoping study, while at Los Calatos the Company has gained invaluable knowledge of the mineralised porphyry system which will help determine future drilling campaigns.

The Directors will be respond to the offer by MNC to acquire all Hampton's issued capital once the formal offer has been received by the Company.

### **Further Information**

If you have any questions or need further clarification please contact Bill Etheridge at [wse@optusnet.com.au](mailto:wse@optusnet.com.au) or on 0419 400 919 or Phil Killen at [pwk@hamptonmining.com.au](mailto:pwk@hamptonmining.com.au) or on 61 (0) 408 609 916.

**Regards,**



**Phillip Wing, Chairman**

**[pwing@bigpond.net.au](mailto:pwing@bigpond.net.au)**

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**Note:** this report is for the information of Hampton Mining shareholders only and is not for dissemination to the public, in this form, without the authority of Hampton Mining Limited.



## SHAREHOLDERS UPDATE – No 18

Tuesday 4<sup>th</sup> November 2008

### SUMMARY

#### Further drill results from Los Calatos and Vallecillo

##### Los Calatos

- All results have now been received for the recent 13 hole / 6,385 metre drill program, completed October 2008.
- New intersections (from holes 6 to 12) include:
  - Hole 6 \*: **347 metres** at 0.22% Cu, 0.018% Mo (**0.40% CuEq**)
  - Hole 7 \* (ended in mineralisation): **371 metres** at 0.26% Cu, 0.020% Mo (**0.46% CuEq**)
  - Hole 8 \* (ended in mineralisation): **256 metres** at 0.71% Cu, 0.050% Mo (**1.21% CuEq**)
  - Hole 9 \* (ended in mineralisation): **287 metres** at 0.33% Cu, 0.042% Mo (**0.75% CuEq**)
  - Hole 11 (ended in mineralisation): **470 metres** at 0.49% Cu, 0.083% Mo (**1.32% CuEq**)
- \* Cumulative intercept
- 10 holes have intersected significant Cu-Mo mineralisation, of which 6 ended in mineralisation.
- Two holes were drilled peripheral to the mineralisation.
- Drilling and recent geological mapping suggest the Los Calatos deposit now has potential to emerge as a large mineralised Cu-Mo porphyry deposit.
- Hampton will commission an initial JORC Code compliant estimate of mineral resources.

##### Vallecillo

- Hampton completed August 2008 a new 17 hole / 5,780 metre drill program.
- Drilling shows **significant extensions to mineralisation**, especially to the north and at depth.
- Hole VD 08 intersected 184m @ 2.1 g/t Au, 27g/t Ag, 2.1% Zn and 1.29% Pb.
- Drilling and surface mapping indicates that the breccia is continuous over a strike of at least 700 metres, of which 350 metres has been drill tested so far.
- Hampton will commission a revision of the 2006 resources estimate by SRK (Inferred Resources, 8.5mt @ 1.42% Zn, 0.76g/t Au, 8.1g/t Ag and 0.25% Pb, using a cutoff grade of 0.5% Zn).

##### Mollacas

- Approximately 4,000 metres of infill drilling is now completed, to upgrade resources as part of a **feasibility study**.
- Detailed leach testing is planned to start early 2009.

##### Drilling started at Victoria

- A revised **diamond drill program of 2400 metres** (6 x 400m holes on a 200 x 200m grid) has started at Victoria, towards the north of the 4km long Cu-Mo porphyry system, following up encouraging Cu and Mo surface sampling results (2007) and limited past drilling (mid 1960s).

### **Offer by Metminco Limited**

- Further to Metminco Limited's ("MNC") announcement of Monday 3<sup>rd</sup> November, MNC are expected to lodge a Bidder's Statement within 2 months of this announcement.

### **Appointment of Director**

- Aquiles Alegria has been appointed to the Board of Hampton Mining Limited as Junior Investment Company's ("JIC") nominee as per the subscription agreement with JIC.

### **Update on exploration activity**

#### **Los Calatos**

#### **Los Calatos – drill results**

The Company has completed a 13 hole / 6,385 metres diamond (core) drilling program at the Los Calatos Project, located in far south Peru (refer Figure 1), near to and in the same regional geology as the large Cujone and Toquepala copper-molybdenum (Cu-Mo) mines.

Shareholder Update 17 released 4 November, reported results from the first 5 holes of the program. Results have now been received for holes 6 to 12, shown in Table 1. This Table includes, for comparison, results from diamond drilling at Los Calatos in 1995 and 1996.

All Hampton holes were drilled towards the south at an angle of approximately 50-60 degrees below the horizontal. All past drill holes were vertical. Figure 3 shows the location of drill holes.

Results from the recent drilling program are very encouraging. 10 of the 12 holes intersected significant Cu-Mo mineralisation, of which 6 ended in mineralisation.

The **zone drilled so far**, though only to a limited extent, covers a surface area of **approximately 600 metres x 500 metres** (refer Figure 3), and **to a depth of approximately 500 metres**.

**Los Calatos – location in Peru****Los Calatos****Los Calatos – comment**

Results from the recent drilling by Hampton, together with past drilling from the mid 1990s and also the important recent detailed surface geological mapping by Hampton, have fundamentally changed the Company's technical understanding of the occurrence of Cu-Mo mineralisation at the Los Calatos deposit. Refer to comments in Shareholder Update 17.

**The Los Calatos deposit now appears to be part of a large typical Cu-Mo porphyry system.**

Recent detailed surface mapping by Hampton suggests that the alteration associated with the **Los Calatos porphyry system is approximately 6 km long**, and up to one km wide, along a NW-SE orientation, or the same orientation as applies regionally, and locally, for all the main porphyry deposits in the Paleocene / early Eocene copper porphyry belt in far south Peru, notably Cerro Verde, Cuajone and Toquepala (refer Figure 2)

Hampton will now commission an initial JORC Code compliant estimate of mineral resources, based on relevant past drilling and results from Hampton's recent program.

**Figure 2 Los Calatos – location near other porphyry deposits**



**Notes:** (1). Source for resources estimates: “*Porphyry Copper Deposits of the World: Database, and Grade and Tonnage Models*”, Donald A. Singer, Vladimir I. Berger, and Barry C. Moring; US Geological Survey Open-File Report 2008-1155, Version 1.0; <http://pubs.usgs.gov/of/2008/1155/>

(2). The data shown for the other porphyry deposits is intended for information purposes only and not meant to imply anything about the possible future status of Los Calatos. This will depend on exploration and other work.

**Table 1 Los Calatos Project – drilling results**

Hole No	Angle degrees	Depth metres	Intersections					
			From m	To m	Intercept m	Cu %	Mo %	CuEq %

**Historic drilling (1995 and 1996)**

DDH 02	90	680	50	180	<b>130</b>	<b>0.93</b>	<b>0.029</b>	<b>1.22</b>
DDH 04	90	810	60	772	<b>712</b>	<b>0.53</b>	<b>0.044</b>	<b>0.97</b>
DDH 29 (2)	90	252	28	252	<b>224</b>	<b>0.22</b>	<b>0.047</b>	<b>0.69</b>
DDH 31	90	240	82	220	<b>138</b>	<b>0.36</b>	<b>0.013</b>	<b>0.49</b>
DDH 32 (2)	90	184	90	184	<b>94</b>	<b>0.52</b>	<b>0.038</b>	<b>0.90</b>
DDH 33 (2)	90	258	34	258	<b>224</b>	<b>0.42</b>	<b>0.05</b>	<b>0.92</b>
DDH B	90	224	82	204	<b>122</b>	<b>0.54</b>	<b>0.044</b>	<b>0.98</b>
<b>Average grades (weighted by intercept length)</b>						<b>0.49</b>	<b>0.041</b>	<b>0.90</b>

**Hampton Mining drilling (2008)**

1	60	450	74	213	<b>139</b>	<b>0.60</b>	<b>0.045</b>	<b>1.05</b>
2	55	340	84	247	<b>163</b>	<b>0.35</b>	<b>0.053</b>	<b>0.88</b>
3	50	258	No significant intersections, drilled above mineralised porphyry					
4	50	431	137	420	<b>283</b>	<b>0.39</b>	<b>0.050</b>	<b>0.89</b>
5 (2)	60	801	211	801	<b>590</b>	<b>0.29</b>	<b>0.054</b>	<b>0.83</b>
		including						
		:	238	613	375	0.32	0.078	1.11
6 (1)	55	474	64	468	<b>347</b>	<b>0.22</b>	<b>0.018</b>	<b>0.40</b>
7 (1,2)	65	455	238	426	<b>371</b>	<b>0.26</b>	<b>0.020</b>	<b>0.46</b>
8 (2)	60	750	494	750	<b>256</b>	<b>0.71</b>	<b>0.05</b>	<b>1.21</b>
9 (1,2)	50	450	91	450	<b>287</b>	<b>0.33</b>	<b>0.042</b>	<b>0.75</b>
10	60	745	652	745	<b>93</b>	<b>0.20</b>	<b>0.007</b>	<b>0.27</b>
11 (2)	60	730	260	730	<b>470</b>	<b>0.49</b>	<b>0.083</b>	<b>1.32</b>
		including						
		:	260	375	115	0.92	0.161	2.53
		and:	416	514	98	0.36	0.127	1.63
12	60	303	No significant intersections, drilled peripheral to mineralised porphyry					
<b>Average grades (weighted by intercept length)</b>						<b>0.39</b>	<b>0.048</b>	<b>0.87</b>

**Total drilling**

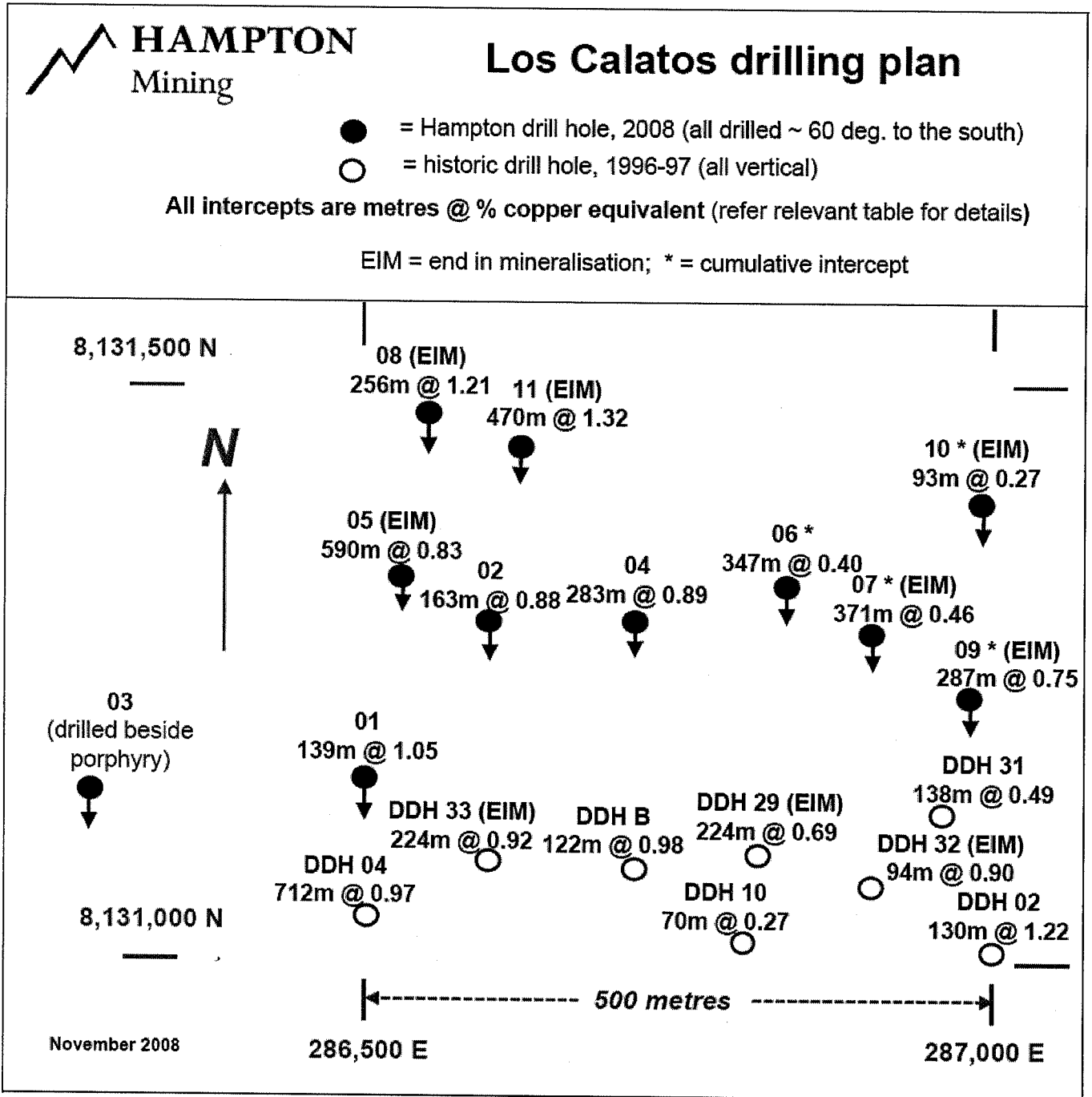
<b>Average grades (weighted by intercept length)</b>						<b>0.43</b>	<b>0.045</b>	<b>0.88</b>
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**Notes:** (1) Cumulative intercept, (2) Hole ends in mineralisation.

**Note on copper equivalence:** Copper equivalent (CuEq) grades are calculated assuming  $CuEq \% = Cu \% + Mo \% \times 10$ .

Actual copper equivalence of Mo grades will depend on: (1) the ratio of received Mo and Cu prices, (2) % recoveries of Cu and Mo into saleable Cu and Mo concentrates respectively, and (3) the commercial terms for payment of Cu and Mo contained in saleable concentrates

Figure 3 Los Calatos – drilling plan



### Vallecillo – comment on drill results

Results from the recent drilling program indicate that the mineralisation reflected in the 2006 resources estimate by SRK has been significantly extended, to the north and at depth, and remains open in both these directions. Significant mineralisation has now been encountered by drilling over a total strike of 350 metres, compared to 200 metres previously. Refer Figure 4.

The drilling and surface mapping indicates that the breccia is continuous over a strike length of at least 700 metres – of which only 350 meters has been tested by drilling to date - although indications from the recent drilling suggests that the breccia is narrowing northwards.

Two holes towards the south intersected significant copper mineralisation at depth:

- VD 11 on section 6,622,050: 71m at 0.32% Cu, from 284m to 355m
- VD 13 on section 6,622,100: 21m at 0.44% Cu, from 258m to 279m

Grades for Zn and Pb over these intercepts were <0.1%, suggesting that the copper porphyry system is located close to the La Colorada project area.

Hampton now plans to update the resource estimate undertaken by SRK Consulting, Chile in 2006 which resulted in estimated Inferred Resources of **8.45 million tonnes at 1.42% Zn, 0.76 g/t Au, 8.1 g/t Ag and 0.25% Pb** at a cut off grade of 0.5% Zn, based on 8 holes from a 2006 program of 12 holes / 2,710 metres of reverse circulation (RC) drilling.

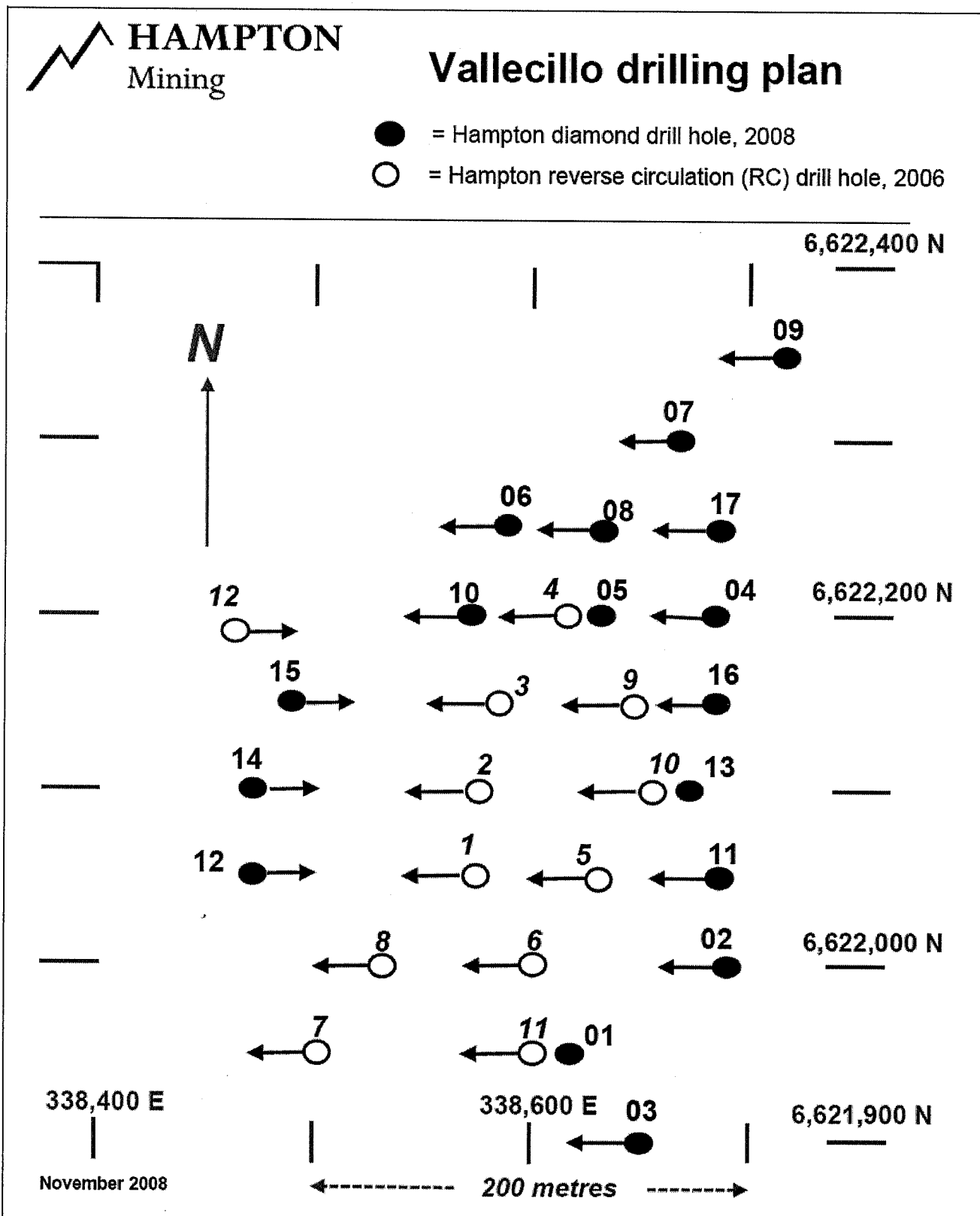
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VD 11	426	179	284	105	0.36	5.4	0.96	0.03	0.1	1.44
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VD 14	120	47	101	54	1.4	8	1.55	0.48	0.03	3.17
VD 15	140	32	141	109	0.6	6	0.95	0.24	0.02	1.67
VD 16	440	165	202	37	0.14	5	0.79	0.41	0.02	1.17
VD 17 *	489	204	321	80	0.38	6.8	0.59	0.38	0.02	1.25

**Note:** Gold equivalent (AuEq) grades are calculated assuming  $AuEq\ g/t = Au\ g/t + Ag\ g/t \times 0.016 + Zn\ \% \times 0.85 + Pb\ \% \times 0.50 + Cu\ \% \times 4.0$ , taking account only of assumed metal prices as follows: Au USD\$750/oz, Ag USD\$12/oz, Zn 2000 USD\$/t, Pb USD\$1500/t and Cu USD\$4410 /t (USD\$2.0/lb). In practice actual gold equivalence of Ag, Zn, Pb and Cu grades will depend on:

1. respective received metal prices,
2. % recoveries of metals into saleable concentrates; and
3. the commercial terms for payment of metals contained in saleable concentrates.



Figure 4 Vallecillo – drilling plan



## **Mollacas**

Approximately 4,000 metres of infill drilling, to upgrade resource classification from Inferred to Measured and Indicated, and to provide material for further detailed leach testing, has now been completed. It is anticipated that sample preparation and column leach testing will commence early 2009

A scoping study undertaken by SRK Consulting, Chile, in 2007 estimated that current resources at Mollacas could be mined over a 6 year operation producing approximately 12,000 tonnes pa cathode at an operating cost of approximately USD\$0.90 per lb. There is **potential to increase mining life beyond 6 years through acquisition of other resources located in close proximity to Mollacas.**

## **Victoria**

At Victoria, Hampton has commenced a 6 hole / 2400 metre diamond drilling program on a 200 x 200 metre grid towards the north end of the 4km long north-south Loica-Victoria Cu-Mo porphyry system.

Hampton drilled the south end of this system in 2006, higher up the valley at Loica, and intersected significant widths of lower grade Cu-Mo mineralisation, around 0.4% CuEq (copper equivalent).

At the Victoria property initial exploration activities, including 4 shallow core holes, were undertaken in the mid 1960s. Following negotiation in 2007 of an option to acquire the Victoria tenements (which are located within the Loica tenements) Hampton undertook surface sampling at the Victoria deposit which resulted in significant Cu and Mo grades.

The grades from the 1960's drilling and the recent surface sampling suggest mineralisation at Victoria may be higher grade than Loica, further up the valley. The apparent surface area of the deposit is 900 metres x 600 metres.

## **Offer from Metminco**

Metminco Limited ("MNC"), an ASX listed company, announced on 3 November 2008 an intention to make a takeover offer ("Offer") to acquire all the issued capital of Hampton by in effect issuing 2.5 MNC fully paid shares for each Hampton fully paid share, 1.875 MNC fully paid shares for each Hampton option on issue exercisable at \$0.125 per share on or before 30 March 2009, and 0.9 MNC fully paid shares for each at \$0.125 per share on or before 28 April 2008.

The Intention to make an Offer is subject to MNC completing due diligence and MNC acquiring 51% or more of Hampton's issued share capital on a fully diluted basis.

The process for making a formal takeover Offer to acquire shares in Hampton is governed by the provisions of the Corporations Act ("Act"), in particular Chapter 6, and, as MNC is an ASX listed company, also the ASX Listing rules ("Rules"). The Act and Rules set down the requirements and timetable that MNC must satisfy in making the Offer.

Under the Act, MNC must forward with the Offer a "Bidder Statement" (as defined in the Act) to all Hampton shareholders within 2 months of announcing the Intention to make an Offer. If

and when the Offer and Bidders Statement are received by Hampton from MNC, the Directors of Hampton must prepare a Target Statement in response to that Offer and Bidders Statement and must send it to all Hampton shareholders within a prescribed time.

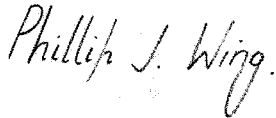
In due course, the Hampton Board anticipates that Hampton shareholders will have a Bidder Statement from MNC and a Target Statement from Hampton which will enable Hampton shareholders to make an informed decision on whether or not to accept any Offer from MNC.

Shareholders should be aware, there are certain pre-emptive rights provisions applicable to the shares in Hampton, and this will have to be complied and dealt with in any Target Statement prepared.

Further Information

If you have any questions or need further clarification please contact Bill Etheridge at [wse@optusnet.com.au](mailto:wse@optusnet.com.au) or on 0419 400 919 or Phil Killen at [pwk@hamptonmining.com.au](mailto:pwk@hamptonmining.com.au) or on 61 (0) 408 609 916.

**Regards,**



**Phillip Wing, Chairman**

**[pwing@bigpond.net.au](mailto:pwing@bigpond.net.au)**

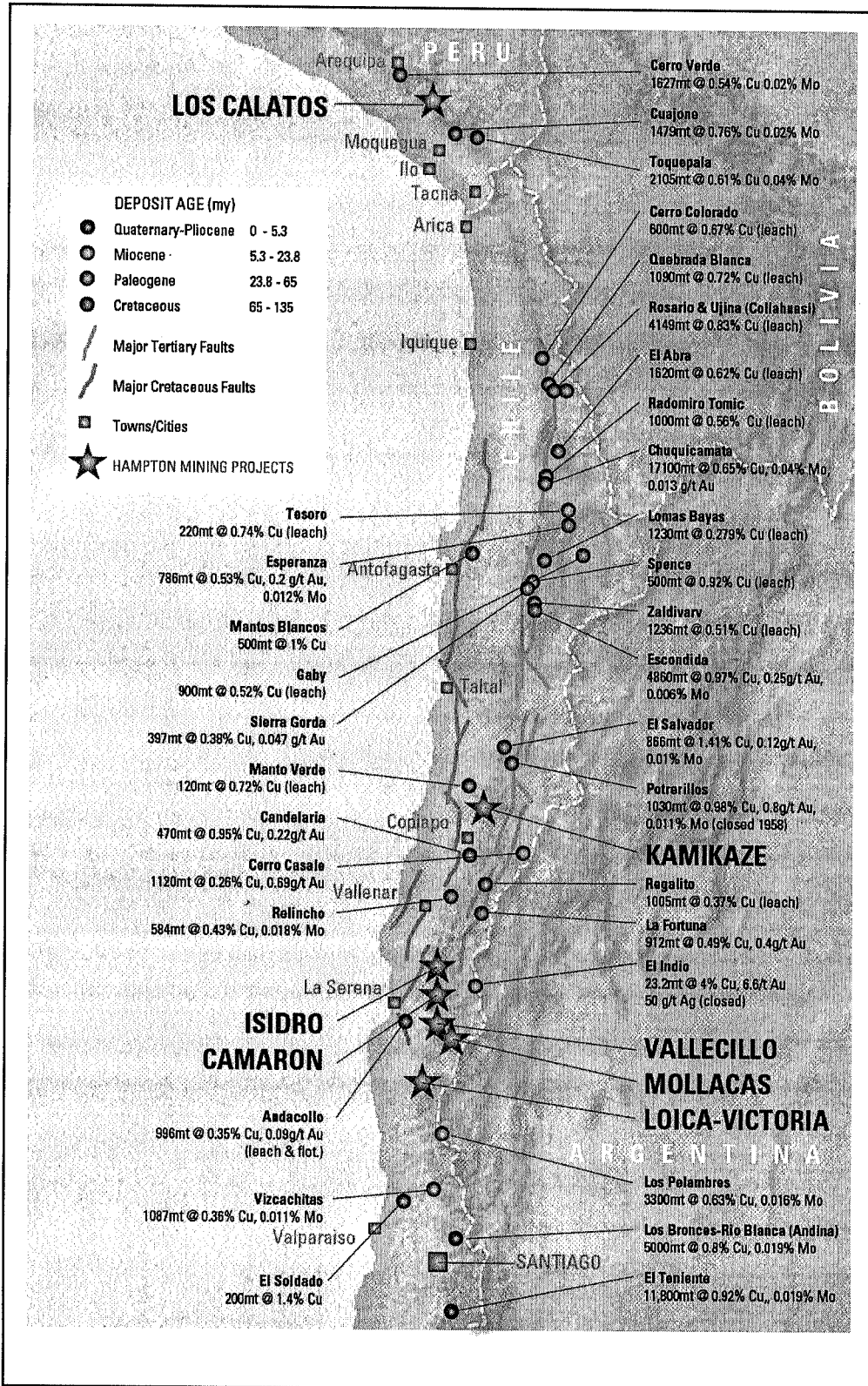
**+61 412 254 704**

**Note:** this report is for the information of Hampton Mining shareholders only and is not for dissemination to the public, in this form, without the authority of Hampton Mining Limited.

APPENDIX

Proximity of Projects in Chile and Peru to major known copper deposits

Note: tonnages and grades shown are for estimated resources before any extraction by mining operations, but taking account of any resource additions subsequent to start of any operations. Sources: published reports. November 2008.





**SHAREHOLDERS UPDATE – No 19**  
**Wednesday 21<sup>st</sup> January 2009**

**EXECUTIVE SUMMARY**

The Board of Directors of Hampton Mining are pleased to announce significant developments at the Los Calatos project in southern Peru.

The recent drilling program completed in December 2008 and the resource estimation completed by SRK Consulting, Chile has established that the Los Calatos project is clearly developing as a large world class copper/molybdenum porphyry project.

The Company's main focus during 2009 will be to define the potential of this project for early development.

**Initial resources estimate for Los Calatos Cu-Mo porphyry project**

(at 0.2% Cu cutoff grade)

Indicated Resources : 74 million tonnes at 0.44% Cu & 504 ppm Mo

Inferred Resources : 224 million tonnes at 0.39% Cu & 332 ppm Mo

**Drilling underway at Victoria**

Four diamond core holes have been completed for 1,600 metres of a six hole 2,400 metre program. Reporting of the results is expected during February 2009.

**Camaron**

Surface mapping and sampling has identified a number of significant low-sulphidation Au anomalies which Hampton plans to drill test in due course.

**Offer by Metminco Limited**

The Bidder's Statement from Metminco Limited ("MNC") has been received by all shareholders. The Target's Statement must be lodged by 22<sup>nd</sup> January 2009.

**Update on exploration activity**

**Los Calatos**

**Resources estimation**

Hampton is pleased to report an initial resource estimation for the Los Calatos copper-molybdenum project, undertaken by SRK Consulting, Chile (Refer Table 1 and Appendix 1);

- Indicated Resources 74 million tonnes at 0.44% Cu & 504 ppm Mo
- Inferred Resources 224 million tonnes at 0.39% Cu & 332 ppm Mo

Notes: (1) Using a cutoff grade of 0.2% Cu

SRK used drill holes totalling 12,639 metres in estimating the mineral resources (including results from the recent 13 hole / 6,387 metres program by Hampton), and based on vertical sections modelled by Hampton, spaced 100 metres apart. (Appendix 2)

Refer to Figures 3a and 3b for a 3D view of the mineralised porphyry, showing current drill holes.

### **Comment on resources estimation**

The Los Calatos deposit appears to be part of a large typical Cu-Mo porphyry system.

We observe that for the Indicated Resources at a 0.2% Cu cut off grade, the average grade for Cu is 13% higher than for Inferred Resources and 52% higher for Mo grades. For a 0.3% cut off grade the numbers are 27% and 75% respectively. As future infill drilling upgrades Inferred Resources to Indicated status we expect the Inferred resource grades will move closer to the average grades for the Indicated Resources.

Cut off grades down to approximately 0.2% Cu are consistent with the cut off grades applied to large scale open pit copper mining and flotation operations.

### **Tenements and location**

Project tenements at Los Calatos cover 71 sq.km including the new tenements recently granted. The Los Calatos project, in far south Peru (refer Figures 1 and 2), occurs in dry desert topography near the coast at an elevation of approximately 2800-2900 metres.

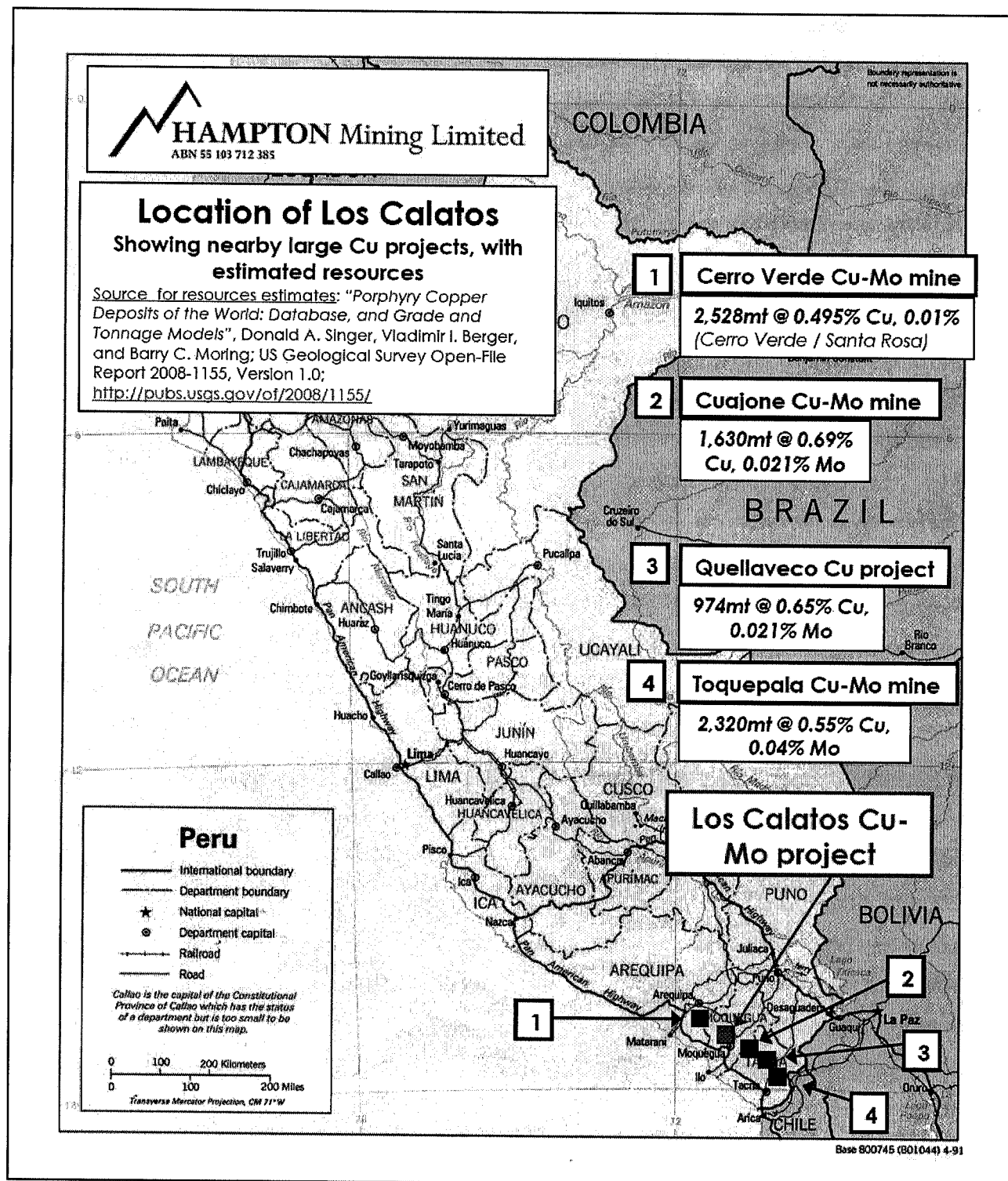
It is located southeast of the important regional city of Arequipa, approximately 100km directly, or approximately 300km by road. The local town of Moquegua is approximately 67km by road to the south, and the port of Ilo approximately 200km south. There are large copper smelting and refining operations at Ilo, owned by Southern Copper Corporation, a subsidiary of Grupo Mexico.

### **Past exploration work**

The project was acquired by Arequipa Resources Ltd ("Arequipa") in the 1990s. In February 1995 Arequipa signed a Joint Venture agreement with Phelps Dodge on Los Calatos. Phelps Dodge drilled 26 RC holes by December 1995 (4,234m) and some diamond holes in early 1996. In July 1996 Barrick Gold Corporation ("Barrick") acquired Arequipa and drilled several more core holes at Los Calatos. Total past core drilling was 12 holes for 3,882m.

Hampton in late 2008 drilled 13 boreholes totalling 6,387 metres.

**Figure 1 Los Calatos – location near other porphyry deposits**



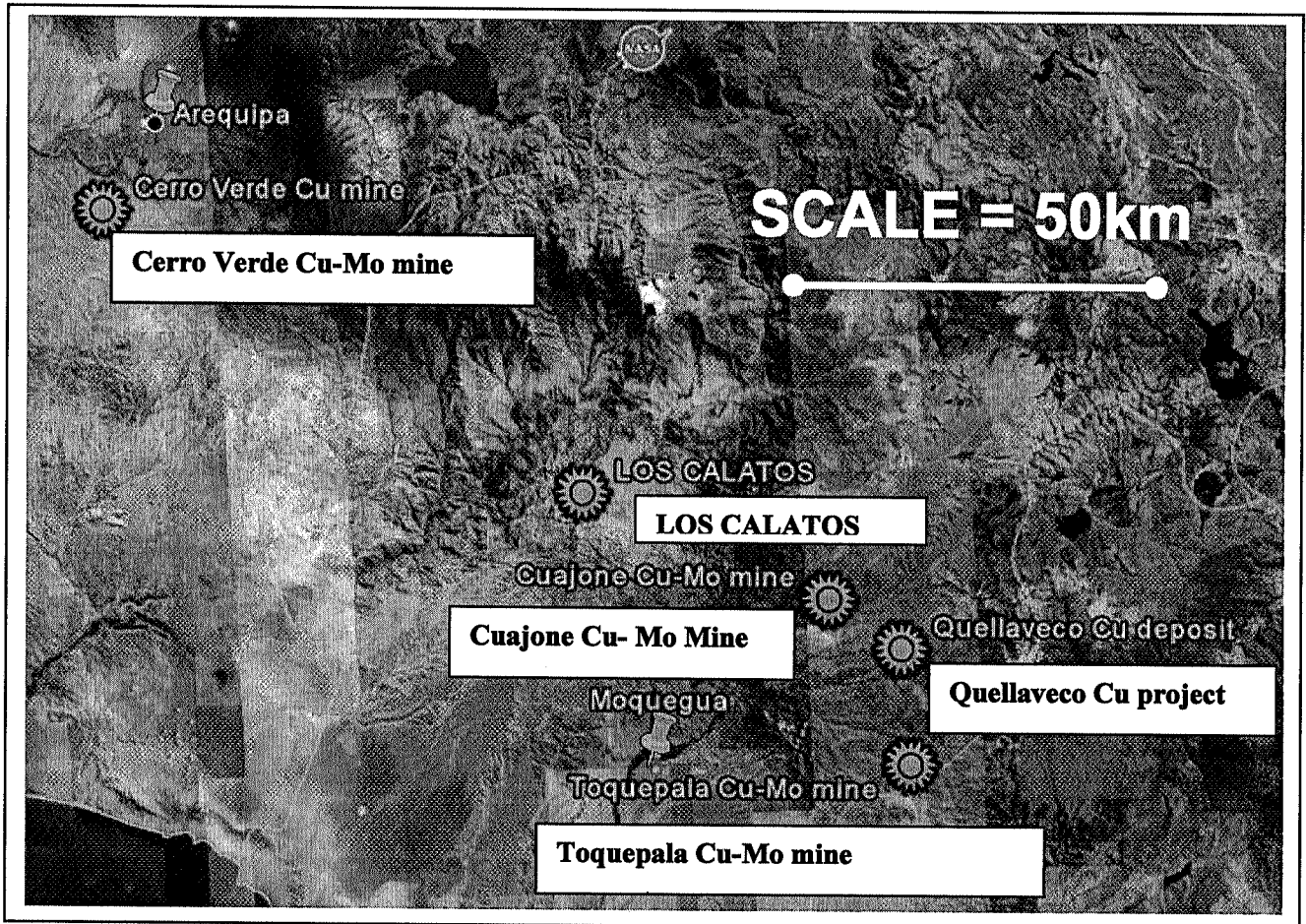
### Regional geological context

The Los Calatos project occurs within the Paleocene / early Eocene copper porphyry belt (mineralization approximately 55 million years old) in far south Peru, related to the major Incapuquio Fault system, running along a northwest-southeast axis.

The belt is well endowed with major copper-molybdenum porphyry projects. (Refer Figure 2) Three of these now host major copper-molybdenum mining and extraction operations: Cerro Verde (northwest of Los Calatos), and Cuajone and Toquepala (both southeast of Los Calatos and both owned by Southern Copper Corporation). A fourth project (Quellaveco) is being considered for development.

Appendix 3 includes data on Cuajone and Toquepala reserves and cut off grades.

**Figure 2 Los Calatos – location near other porphyry deposits**





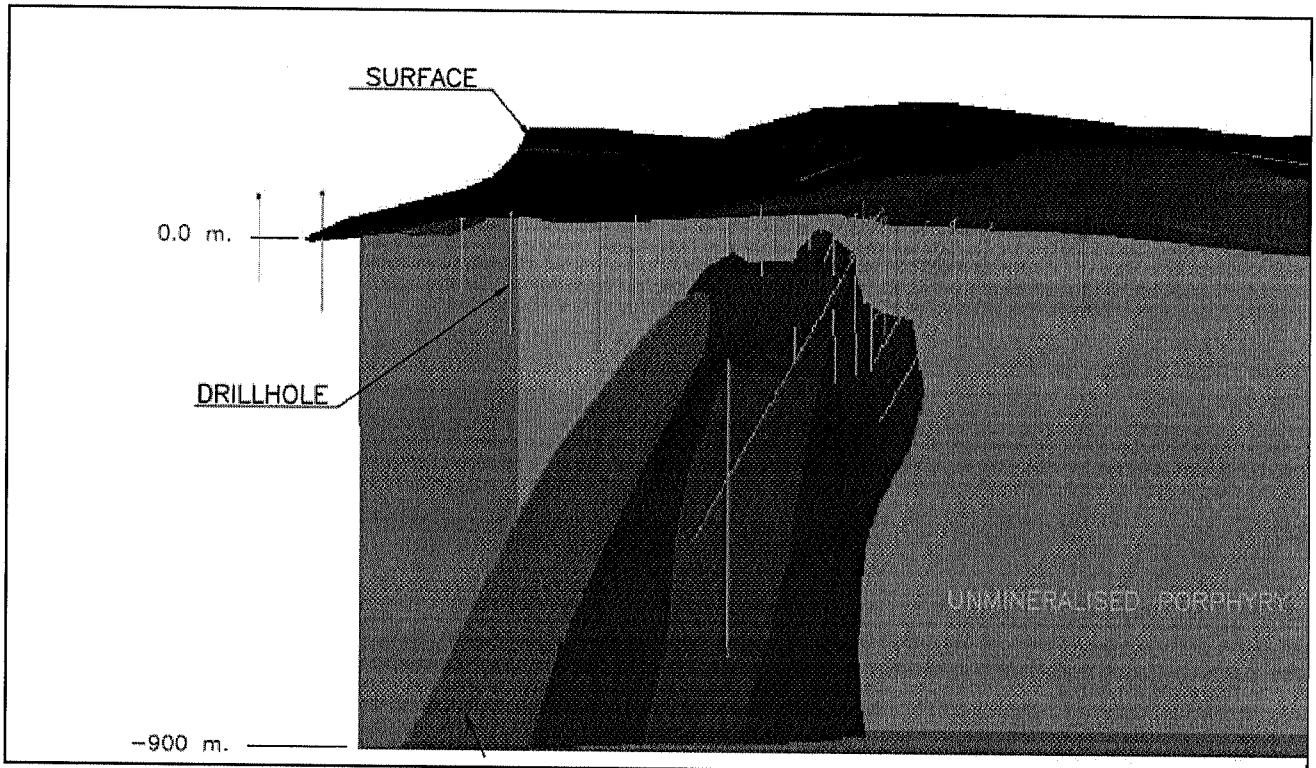
**Table 1 Los Calatos – Mineral Resources by cut off grade**

Source: SRK Consulting, Chile, January 2009

Cutoff Grade	INDICATED			INFERRED			TOTAL		
	Tonnage T x 1000	CuT %	Mo ppm	Tonnage T x 1000	CuT %	Mo ppm	Tonnage T x 1000	CuT %	Mo ppm
1.0	3,087	1.51	1,008	6,228	1.44	1,022	9,316	1.46	1,018
0.9	5,038	1.29	899	7,868	1.34	970	12,907	1.32	942
0.8	7,097	1.17	876	9,476	1.25	920	16,573	1.22	901
0.7	9,262	1.07	813	13,207	1.11	846	22,469	1.09	832
0.6	12,993	0.95	787	17,699	0.99	822	30,691	0.97	807
0.5	18,749	0.83	727	25,449	0.86	779	44,199	0.85	757
0.4	28,312	0.70	680	46,696	0.67	615	75,008	0.68	639
0.3	44,392	0.57	597	157,284	0.45	341	201,675	0.47	398
0.2	73,646	0.44	504	224,295	0.39	332	297,941	0.40	374
0.1	93,854	0.38	450	274,604	0.35	301	368,457	0.35	339
0.0	102,472	0.35	429	291,798	0.33	290	394,271	0.34	326
<b>Total</b>	<b>102,472</b>	<b>0.35</b>	<b>429</b>	<b>291,798</b>	<b>0.33</b>	<b>290</b>	<b>394,271</b>	<b>0.34</b>	<b>326</b>

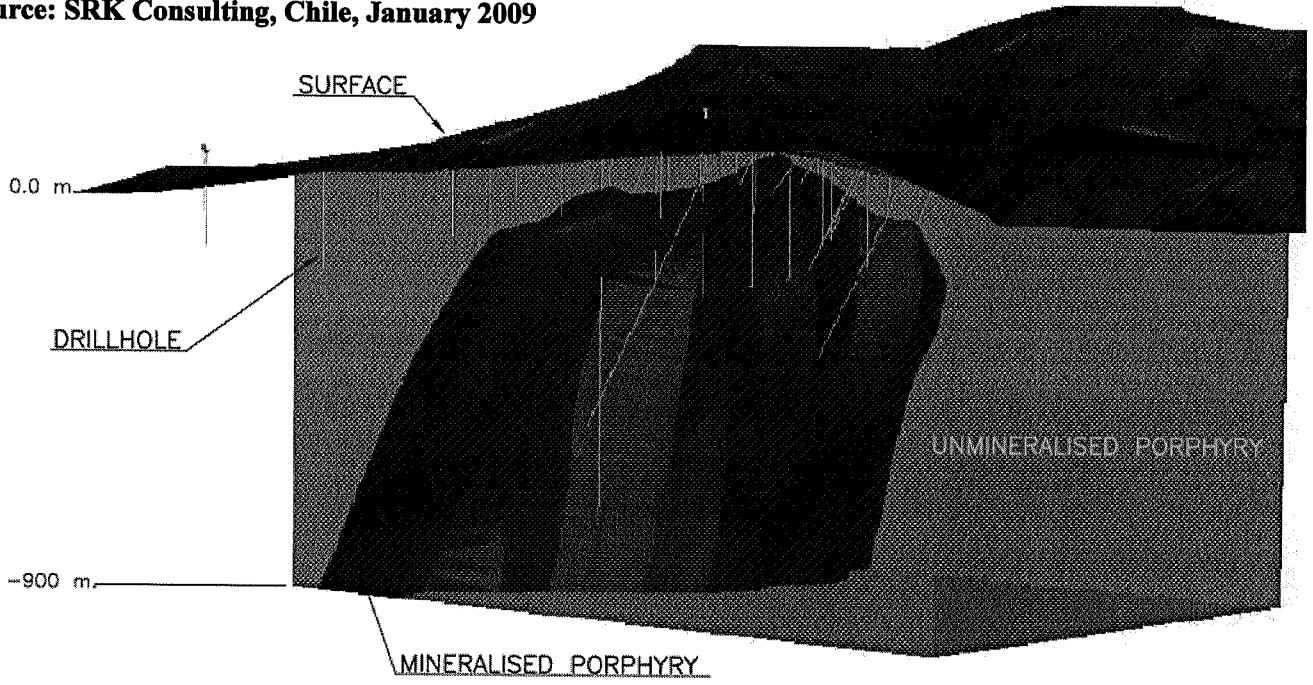
**Figure 3a Los Calatos – 3D view: looking to west**

**Source: SRK Consulting, Chile, January 2009**



**Figure 3b Los Calatos – 3D view: looking to northeast**

**Source: SRK Consulting, Chile, January 2009**



### **Mollacas**

Hampton has now received a proposal for further metallurgical testwork for Mollacas.

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, Chile, in 2007 estimated that current resources at Mollacas could be mined over a 6 year operation producing approximately 12,000 tonnes pa cathode at an operating cost of approximately USD\$0.90 per lb.

There is potential to increase mining life beyond 6 years through acquisition of other resources located in close proximity to Mollacas.

### **Vallecillo**

Following the recent drilling program Hampton has commissioned a revision of the current JORC resources at Vallecillo.

### **Victoria**

Four holes have now been completed at Victoria (1,600m). Drilling is expected to be completed by the end of January 2009. Results are being checked and will be reported when they are final.

### **Camaron**

An exploration report for Camaron is being finalized to document all exploration to date and make recommendations regarding the next phase of exploration which would include RC drilling of a number of significant low-sulphidation Au anomalies identified at Camaron.

### **Offer from Metminco**

The Bidder's Statement from Metminco Limited ("MNC") has been received by all shareholders. The Target's Statement must be lodged by 22 January 2009.

Metminco Limited ("MNC"), an ASX listed company, announced on 3 November 2008 an intention to make a takeover offer ("Offer") to acquire all the issued capital of Hampton by in effect issuing 2.5 MNC fully paid shares for each Hampton fully paid share, 1.875 MNC fully paid shares for each Hampton option on issue exercisable at \$0.125 per share on or before 30 March 2009, and 0.9 MNC fully paid shares for each at \$0.125 per share on or before 28 April 2008.

The Intention to make an Offer is subject to MNC acquiring 51% or more of Hampton's issued share capital on a fully diluted basis.

Shareholders should be aware, there are certain pre-emptive rights provisions applicable to the shares in Hampton, and this will have to be complied and dealt with in any Target Statement prepared.

### **Concluding comments**

Hampton regards the initial resources estimation for Los Calatos, in far south Peru, as a significant milestone in the Company's progress in advancing its strong portfolio of exploration and development projects in Chile and Peru.

Based on drilling to date, this initial resources estimation, geological mapping of the Los Calatos Cu-Mo porphyry system, and on knowledge of the well endowed mineralised Cu porphyry belt which hosts Los Calatos, Hampton believes Los Calatos has clear potential to emerge as a major Cu-Mo discovery. Also it is well located with respect to access and infrastructure.

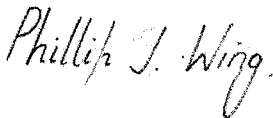
This project is supported by six other significant projects:

- The large Cu-Mo porphyry system at Loica-Victoria.
- Large early stage low sulphidation Au exploration project at Camaron.
- Large early stage Cu-Au exploration project at Isidro.
- Significant polymetallic resources at Vallecillo.
- Significant leachable Cu resources at Mollacas, subject of an encouraging scoping study and moving to feasibility study.

### **Further Information**

If you have any questions or need further clarification please contact Bill Etheridge at [wse@optusnet.com.au](mailto:wse@optusnet.com.au) or on 0419 400 919 or Phil Killen at [pwk@hamptonmining.com.au](mailto:pwk@hamptonmining.com.au) or on 61 (0) 408 609 916.

Regards,



Phillip Wing, Chairman

**[pwing@bigpond.net.au](mailto:pwing@bigpond.net.au)**

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**Note:** this report is for the information of Hampton Mining shareholders only and is not for dissemination to the public, in this form, without the authority of Hampton Mining Limited.

Appendix Letter from SRK Consulting (Chile) SA



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Chile

santiago@srk.cl  
www.srk.cl

Tel: +(56-2) 4890 800  
Fax: +(56-2) 4890 801

January 20, 2009  
Let-042/09  
06-2126-08

**MINERAL RESOURCES STATEMENT FOR THE LOS CALATOS COPPER-MOLYBDENUM DEPOSIT, AREQUIPA, PERU, SRK CONSULTING (CHILE) S.A., JANUARY 9, 2009**

Minera HAMPTON-CHILE Limited (HAMPTON) commissioned SRK Consulting, Chile (SRK), to construct a mineral resources model for the Los Calatos copper-molybdenum mineral deposit located in Arequipa, Peru.

This letter forms part of a more complete report that details the procedures and methodology used by SRK in estimating and classifying the mineral resources for the Los Calatos copper-molybdenum deposit. In summary, HAMPTON drilled 13 core boreholes during 2008 totalling 6,387 metres and have information from 39 boreholes drilled by RTZ totalling 8,322 metres, of which 12,639 metres were used in estimating the mineral resources in the iso-grade ore body model in the porphyry, modelled by HAMPTON in vertical sections spaced every 100 metres. Of the campaigns (52 holes), 26 holes, totalling 4,189 metres, were RC holes and 26 diamond boreholes, totalling 10,520 metres were diamond cored. Assay samples were collected approximately every 1 or 2 metres and analysed for copper, molybdenum and some for gold and silver, by the ACME Analytical Laboratory Ltd. in Lima, Peru. Some samples were analysed for acid soluble copper (CuSu) and cyanide soluble copper (CuCN) content.

The mineral resources statement for the Los Calatos copper-molybdenum deposit reported at a 0.2% Cu cut-off grade, and classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (December 2005), is presented in Table 1.

**Table 1. Mineral Resources Statement\* for the Los Calatos Copper-Molybdenum Project, Arequipa, Peru, SRK Consulting (Chile) S.A., January 9, 2009.**

Resource Classification	Tonnage (Kilotonnes)	Copper Grade (Percent)	Molybdenum Grade (ppm)
Measured	-	-	-
Indicated	73,646	0.44	504
<b>Total Measured and Indicated</b>	<b>73,646</b>	<b>0.44</b>	<b>504</b>
Inferred	224,295	0.39	332

\* reported at a cut-off of 0.20 percent copper.

Let-042-09-SRK\_HAMPTON-20090120



**Group Offices:**

Africa  
Asia  
Australia  
Europe  
North America  
South America

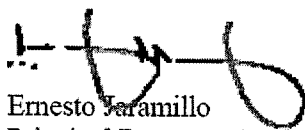
The following tables show the sensitivity of the mineral resources to the copper cut-off grade.


**Table 2. Copper-molybdenum mineral resources by cut-off grade.**

Cutoff Grade	INDICATED			INFERRED			TOTAL		
	Tonnage T x 1000	CuT %	Mo ppm	Tonnage T x 1000	CuT %	Mo ppm	Tonnage T x 1000	CuT %	Mo ppm
1.0	3,087	1.51	1,008	6,228	1.44	1,022	9,316	1.46	1,018
0.9	5,038	1.29	899	7,868	1.34	970	12,907	1.32	942
0.8	7,097	1.17	876	9,476	1.25	920	16,573	1.22	901
0.7	9,262	1.07	813	13,207	1.11	846	22,469	1.09	832
0.6	12,993	0.95	787	17,699	0.99	822	30,691	0.97	807
0.5	18,749	0.83	727	25,449	0.86	779	44,199	0.85	757
0.4	28,312	0.70	680	46,696	0.67	615	75,008	0.68	639
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0.1	93,854	0.38	450	274,604	0.35	301	368,457	0.35	339
0.0	102,472	0.35	429	291,798	0.33	290	394,271	0.34	326
<b>Total</b>	<b>102,472</b>	<b>0.35</b>	<b>429</b>	<b>291,798</b>	<b>0.33</b>	<b>290</b>	<b>394,271</b>	<b>0.34</b>	<b>326</b>

HAMPTON supplied SRK with a geologic model based on interpreted cross-sections separated by 100 metres using the surface geology information and the drill data. Copper and molybdenum grades were estimated into a block model using ordinary kriging with GEMCOM software.

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

  
 Ernesto Jaramillo  
 Principal Resource Geologist  
 SRK Consulting, Chile

  
 George G. Even  
 MAIG, MAusIMM  
 Principal Geologist  
 SRK Consulting, Chile

**Appendix Los Calatos – drilling results**

Hole No	Angle degrees	Depth metres	Intersections					
			From	To	Intercept	Cu	Mo	CuEq
			m	m	m	%	%	%

Historic drilling (Selected core holes, 1995 and 1996)

DDH 02	90	680	50	180	130	0.93	0.029	1.15
DDH 04	90	810	60	772	712	0.53	0.044	0.86
DDH 29 (2)	90	252	28	252	224	0.22	0.047	0.57
DDH 31	90	240	82	220	138	0.36	0.013	0.46
DDH 32 (2)	90	184	90	184	94	0.52	0.038	0.81
DDH 33 (2)	90	258	34	258	224	0.42	0.05	0.80
DDH B	90	224	82	204	122	0.54	0.044	0.87
Average grades (weighted by intercept length)						0.49	0.041	0.80

Hampton Mining drilling (2008)

1	60	450	74	213	139	0.60	0.045	0.94
2	55	340	84	247	163	0.35	0.053	0.75
3	50	258	No significant intersections, drilled above mineralised porphyry					
4	50	431	137	420	283	0.39	0.050	0.77
5 (2)	60	801 including:	211	801	590	0.29	0.054	0.70
			238	613	375	0.32	0.078	0.91
6 (1)	55	474	64	468	347	0.22	0.018	0.35
7 (1,2)	65	455	238	426	371	0.26	0.020	0.41
8 (2)	60	750	494	750	256	0.71	0.05	1.09
9 (1,2)	50	450	91	450	287	0.33	0.042	0.64
10	60	745	652	745	93	0.20	0.007	0.25
11 (2)	60	730 including: and:	260	730	470	0.49	0.083	1.11
			260	375	115	0.92	0.161	2.13
			416	514	98	0.36	0.127	1.31
12	60	303	No significant intersections, drilled above mineralised porphyry					
13	60	200	Drilled to test for water.					



## Total drilling

Average grades (weighted by intercept length)	0.42	0.045	0.76
---	------	-------	------

Notes: (1) Cumulative intercept, (2) Hole ends in mineralisation.

Note on copper equivalence

Copper equivalent (CuEq) grades are calculated assuming  $\text{CuEq \%} = \text{Cu \%} + \text{Mo \%} \times 7.5$ .

Actual copper equivalence of Mo grades will depend on: (1) the ratio of received Mo and Cu prices, (2) % recoveries of Cu and Mo into saleable Cu and Mo concentrates respectively, and (3) the commercial terms for payment of Cu and Mo contained in saleable concentrates

## Appendix Data on Cuajone and Toquepala mines

The US SEC Form 10-K report for Southern Peru Copper (now Southern Copper Corporation) for 2007 reports reserves (short tons and average grades) at end December 2007 for the Cuajone and Toquepala mines (refer Table 2 above). The reserves are reported for two cases:

### Case 1: prices assumed at end 2007

### Case 2: assumed long term prices

The cutoff grades for Case 1 are 0.134% Cu and 0.133% Cu for Cuajone and Toquepala respectively, for Case 2, 0.32% Cu and 0.35% Cu respectively.

**Table 2. Cuajone and Toquepala mines - Reserves at end December 2007**

		Case 1: Assumed prices, end 2007		Case 2: Assumed long term prices	
Metal prices	Cu price	2.66	2.66	1.20	1.20
	Mo price	29	29	9	9

		Cuajone	Toquepala	Cuajone	Toquepala
Sulphide reserves	million short tons	2404	4373	1595	1940
	Cu %	0.52	0.44	0.57	0.60
	Mo %	0.019	0.021	0.02	0.036
	USD\$/tonne gross value	42.7	39.3	18.9	23.0
Cut off grades	Cu %	0.134	0.133	0.318	0.348
	USD\$/tonne gross value	7.9	7.8	8.4	9.2
Strip ratio		2.94	3.34	2.36	5.07

**Source: Southern Peru Copper, SEC Form-10K, 2007**

Note:

Production started at Toquepala in 1960 and at Cuajone in 1976.

At end 2007 the Toquepala and Cuajone pits were approximately 700 metres and 800 metres deep, respectively.

Under the present mine plan configuration both pits will reach a depth of 1,200 metres.

Information on Cuajone and Toquepala has been included in this Shareholder Update for the sole purpose of providing the reader with background on the mineralisation of the geological area and magnitude of nearby porphyry deposits. It is no way intended to imply that at this stage, Los Calatos mineralisation is on a similar scale to Cuajone and Toquepala.

#### 4. GLOSSARY

The following words have the following meanings in this Target's Statement unless the context implies otherwise.

**AEDT** means Australian Eastern Daylight Time;

**April 09 Option** means an Option exercisable at \$0.32 per Share on or before 28 April 2009;

**ASIC** means Australian Securities & Investments Commission;

**ASX** means ASX Limited;

**ASX Listing Rules** means the Listing Rules of ASX Limited;

**Bidder's Statement** means the bidder's statement of Metminco dated 10 December 2008 and the Supplementary Bidder's Statement dated 24 December 2008;

**Company** means Hampton;

**Constitution** or **Hampton Constitution** means the constitution of Hampton;

**Controlling Interest** means an interest in Hampton Shares determined in accordance with 12.2.1 of the Bidder's Statement;

**Corporations Act** means the Corporations Act 2001 (Cth) (as modified or varied by ASIC);

**Directors** or **Board** means the board of directors of Hampton as at the date of the Target's Statement;

**Dollars** or **\$** are references to Australian currency;

**Hampton** means Hampton Mining Limited (ACN 103 712 385);

**Hampton Group** means Hampton and its subsidiaries;

**IPO** means an initial public offering of shares;

**Listing Rules** means the official listing rules of ASX;

**March 09 Option** means an Option exercisable at \$0.125 per Share on or before 30 March 2009;

**Merged Entity** means Metminco after it has acquired Hampton pursuant to the Offer;

**Metminco** means Metminco Limited (ACN 119 759 349);

**MN Ingenieros** means MN Ingenieros, a company incorporated in Chile and it's wholly owned subsidiaries;

**Offer** or **Metminco Offer** means the Share offer and the Option offers pursuant to the Bidder's Statement of Metminco Limited dated 10 December 2008;

**Offer Period** means the period from 24 December 2008 to 7pm on 24 February 2009 or such other date to which the Offer is extended;

**Option** means an option to acquire a Share;

**Optionholder** means a holder of Options;

**Share** or **Hampton Share** means fully paid ordinary share in Hampton;

**Shareholder** means a holder of Shares;

**Target's Statement** means this Target's Statement dated 8 January 2009 as modified or varied by any supplementary Target's Statement made by Hampton and lodged with the ASIC from time to time and any electronic copy of this Target's Statement and supplementary Target's Statement.

## 5. CORPORATE DIRECTORY

### Directors

Dr Phillip John Wing  
(**Non Executive Chairman**)

Mr William Howe  
(**Managing Director**)

Mr Hector Alegria  
(**Non Executive Director**)

Mr Rodney Thomas Hudspeth  
(**Non Executive Director**)

Mr William Stirling Etheridge  
(**Executive Director**)

### Company Secretary

Philip Killen

### Principal place of business & registered office

119 Willoughby Rd  
Crows Nest  
NSW 2065  
Australia  
Ph: +61 2 9956 3845  
Fax: +61 2 9439 2157  
Website: [www.hamptonmining.com.au](http://www.hamptonmining.com.au)

### Chilean office

Avenida Apoquindo 4, 001  
Oficina 504 Los Condes  
Santiago, Chile

### Australian Lawyers

Gadens Lawyers  
77 Castlereagh Street  
Sydney NSW 2000

### Accountants

Chapman Eastway  
Level 12, 10 Barrack Street  
Sydney NSW 2000

### Independent Consultant

SRK Consulting (Chile) S.A.  
Av. Apoquindo 4001, Piso 7°  
Las Condes- Santiago  
Chile



**gadens**  
lawyers

Gadens Lawyers  
Sydney Pty Limited  
ABN 69 100 963 308

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Sally Weatherstone 2849016  
9931 4862  
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Kym Livesley

22 January 2009

The Directors  
Metminco Limited  
C/o John Fillmore  
J.A. Fillmore & Co. Solicitors  
Level 2  
224 Queen Street  
Melbourne VIC 3000

**By email**

Dear Sirs

**Target statement of Hampton Mining Limited in response to the bidder's statement issued by Metminco Limited ACN 119 759 349**

We act for Hampton Mining Limited ACN 103 712 385 (**Hampton**).

We attached Hampton's target's statement and its accompanying materials that were lodged with the Australian Securities and Investments Commission today.

Yours faithfully

Kym Livesley  
for **GADENS LAWYERS**

This is an important document. If you are in doubt as to how to complete this form, please consult your legal or other professional adviser.

## Transfer Notice and Waiver

Use this form to notify Hampton Mining Limited (*Company*) and its Shareholders that, in accordance with the Company's constitution (*Constitution*), you *intend* to transfer your Shares in the Company to Metminco Limited (*Metminco*) pursuant to the Metminco Offer or that you intend to waive your pre-emptive rights under the Constitution in respect of Hampton Shareholders who *do* wish to take up the Metminco Offer.

Words used in this form have the same meaning as in the Constitution and the Company's Target's Statement.

To: **Hampton Mining Limited (and its Shareholders)**  
119 Willoughby Road  
Crows Nest NSW 2065

Date:

### Your details

Name:
Address:

Number of Shares you propose to transfer (*Transfer Shares*):

[Note: if you propose to accept the Offer included in Metminco's Bidder's Statement, please list the total number of Hampton Shares you hold.]

### 1. Notification in relation to pre-emptive rights

This Transfer Notice and Waiver relates to the pre-emptive rights set out in the Company's Constitution and summarised in section 2.4 of the Target's Statement. By ticking the boxes below I/we:

- notify the Company and its Shareholders that I/we intend to transfer my/our Shares to Metminco under the Metminco Offer (*ie, if you wish to sell your Hampton Shares to Metminco under the Metminco Offer*); or
- notify the Company and its Shareholders that I/we waive my/our pre-emptive rights in respect of the Transfer Shares of *other* Hampton Shareholders (*ie, if you do not wish to sell your Hampton Shares to Metminco under the Metminco Offer, but also do not wish to acquire further Hampton Shares from those Hampton Shareholders who do wish to accept the Metminco Offer*)

**Please tick the appropriate box.** Refer to section 2.4 of the Target's Statement for further information in relation to your pre-emptive rights.

### 2. Transfer

This Transfer Notice is in respect of my/our Transfer Shares in the Company.

For the purposes of schedule 11 of the Company's Constitution, this Transfer Notice constitutes written notice of my/our intention to transfer my/our Transfer Shares to Metminco Limited at a Transfer Price of 2.5 fully paid shares in Metminco Limited as set out in Metminco's Bidder's Statement, or to an existing Shareholder pursuant to the exercise of their pre-emptive rights at a price of \$0.375 per Share (the implied value of the Offer as at the date of the Target's Statement).

By signing this Transfer Notice I/we acknowledge that I/we waive my/our right to exercise any pre-emptive rights that would otherwise be accorded to me/us.



**3. Waiver**

I/ we refer to the Transfer Notices received by the Company in respect of the Offer included in Metminco's Bidder's Statement and hereby waive my/our pre-emptive rights as set out in schedule 11 of the Company's Constitution and accordingly relieve, as a Non Transferring Shareholder, the Company and its Shareholders of any obligation to me/us in respect of those pre-emptive rights.

I/we also waive our rights pursuant to section 6.4 of the Subscription Agreement between the Company and Takoradi Limited where those rights would otherwise be accorded to me/us.

**4. Execution**

Please read the instructions below and then sign in the space provided below. If this form is signed under power of attorney, the attorney declares that he has no notice of revocation of that power.

<b>Individual or Securityholder 1</b>	<b>Individual or Securityholder 2</b>	<b>Individual or Securityholder 3</b>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>Director</b>	<b>Director/Company Secretary</b>	<b>Sole Director and Sole Company Secretary</b>
<b>Day</b>	<b>Month</b>	<b>Year</b>
<input type="text"/>		

Please provide a daytime (business hours) telephone number so that we can contact you if we have any questions:

**Telephone number**

**5. Instructions – tick, sign, date and return**

You must **tick the relevant box in section 2** above and **sign and date in the spaces provided in section 4** above as follows:

- Individual**      Where the holding is in one name, the holder must sign.
- Joint holding**      Where the holding is in more than one name, all of the shareholders should sign.
- Power of attorney**      If you are signing under a power of attorney, you must lodge an original or certified photocopy of the appropriate power of attorney with your completed Transfer Notice and Waiver.
- Companies**      Where the company has a sole director who is also the sole company secretary, this Transfer Notice and Waiver must be signed by that person. If the company does not have a company secretary, a sole director can sign alone. Otherwise this Transfer Notice and Waiver must be signed by a director jointly with either another director or a company secretary.

If applicable please **return this completed Transfer Notice and Waiver in the enclosed envelope to:**

Company Secretary  
Hampton Mining Limited  
119 Willoughby Road  
Crows Nest 2065 NSW

by 5pm on 29 January 2009.

**If you have any questions**, please contact Philip Killen of Hampton Mining Limited on 0408 609 916 or by email to [pwk@hamptonmining.com.au](mailto:pwk@hamptonmining.com.au).