BDO Kendalls

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PRIVATE AND CONFIDENTIAL

4 February 2009

The Directors
Metminco Limited
Level 2
224 Queen Street
Melbourne VIC 3000

Dear Sirs

INDEPENDENT EXPERT'S REPORT PURSUANT TO ASX LISTING RULE 11.1.2

Introduction

1. Metminco Pty Ltd was incorporated on 18 May 2006. It changed its status to that of a limited company in June 2007, and it was renamed Metminco Limited ("**Metminco or the Company**"). In August 2007 the Company completed an initial public offering and its shares were listed on the Australian Securities Exchange ("**ASX**") in October 2007. Metminco's focus is exploring for and locating potentially valuable mineral deposits through exploration and joint ventures and its current exploration activities are concentrated on gold and uranium.

2. On 3 November 2008, Metminco announced its offer to acquire all of the issued capital of Hampton Mining Limited ("**Hampton**") on the basis of 2.5 Metminco shares for every Hampton share, 1.875 Metminco shares for every Hampton Mar 09 Option ("**Mar 09 Option**") and 0.9 Metminco shares for every Hampton Apr 09 Option ("**Apr 09 Option**"). This offer was subsequently varied in a Supplementary Bidder's Statement dated 29 January 2009 to increase the offer to 4 Metminco shares for every Hampton Share ("**Proposed Takeover**"). The Option offer remained unchanged.

3. The Directors' of Metminco have requested BDO Kendalls Securities (NSW-VIC) Pty Ltd ("**BDO Kendalls**") to prepare an Independent Expert's Report ("**IER**") in connection with the Proposed Takeover which will result in the issue of up to 863,115,704 Metminco shares to Hampton shareholders. Such an issue of shares would result in two shareholders obtaining an interest in the Company of more than 20%. In addition, the Proposed Takeover would result in a change in the scale of the Company's activities.

4. A brief summary of the offer is set out in Section II of our report and a detailed outline is included in the Explanatory Memorandum that this report accompanies.

5. The offer is subject to a number of key conditions, including:

- Metminco obtaining acceptances that will entitle it to not less than 51% of the issued capital of Hampton on a fully diluted basis.

- That no material adverse change occurs or is announced in relation to Hampton and its business.

- No material transactions, claims or changes in the Hampton Group.

6. The directors of Metminco have requested BDO Kendalls to independently assess whether the Proposed Takeover is fair and reasonable to the shareholders of Metminco. This report has been prepared by BDO Kendalls to accompany the Notice of the Meeting of Metminco to be held on 16 March 2009 to seek shareholder approval for the Proposed Takeover.

7. This report has been prepared solely for the purpose of assisting Metminco shareholders in considering the Proposed Takeover. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose, including but not limited to investment or lending decisions in relation to Metminco.

Summary and Conclusions for Metminco Shareholders

8. In our opinion, the Proposed Takeover is, on balance, **not fair but it is reasonable** to the shareholders of Metminco.

9. Our opinion is based solely on information available at the date of this report as detailed in Appendix B.

10. The principal factors that we have taken into account in forming our opinion are set out in Section XII of this report.

Other Matters

11. The decision of each shareholder as to whether to approve the Proposed Takeover is a matter for individual shareholders. This decision should be based on each shareholder's views as to matters including value and future market conditions, risk profile, liquidity preferences, investment strategy, portfolio structure and tax position. In particular, taxation consequences may vary from shareholder to shareholder. If in any doubt, shareholders should consult an independent professional adviser.

12. The opinion should be read in conjunction with the full text of this report, which sets out our scope and findings.

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Structure of Report

13. The balance of this report is set out in the following sections:

I FINANCIAL SERVICES GUIDE

II TERMS OF THE OFFER

III BASIS FOR OUR EVALUATION OF THE OFFER

V PROFILE OF METMINCO

VI SHARE CAPITAL AND OWNERSHIP OF METMINCO

VII PROFILE OF HAMPTON

VIII PROFILE OF MERGED ENTITY

IX VALUATION METHODOLOGIES

X VALUATION OF METMINCO

XI VALUATION OF HAMPTON

XII ASSESSMENT OF WHETHER THE PROPOSED TAKEOVER IS FAIR AND REASONABLE TO METMINCO'S SHAREHOLDERS

APPENDIX A – QUALIFICATION, LIMITATION AND CONSENTS

APPENDIX B – SOURCES OF INFORMATION RELIED UPON IN THIS REPORT

Yours faithfully

PHILLIP RUNDLE	**DAVID FERRIER**
Director	**Director**

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Glossary

Term	Definition
%	Percent
Act	Corporations Act 2001 (Cth)
AFSL	Australian Financial Services Licence
Apr 09 Option	An option to acquire a Hampton Share by paying $0.32 per share exercisable on or before 28 April 2009
ASX	Australian Securities Exchange
ASIC	Australian Securities and Investment Commission
AUD or $	Australian Dollar
Bidder's Statement	Bidder's Statement dated 10 December 2008 issued by the directors of Metminco offering to acquire all shares and options in Hampton Mining Limited
BDO Kendalls or BDO Corporate Finance	BDO Kendalls Securites (NSW-VIC) Pty Ltd or its predecessor BDO Kendalls Corporate Finance (NSW-VIC) Pty Ltd
Company	Metminco Limited
Bluekebble Agreement	Declaration of Trust and Agreement to Assign entered into by Metminco with Bluekebble Pty Ltd on 13 July 2007 under which Bluekebble Pty Ltd will hold Exploration Licence Applications ("ELA's") for King River and West Lake Eyre on trust for the Company and acquire all rights, title and interest in any tenements granted if either or both ELA's are successful.
Explanatory Memorandum	The Explanatory Memorandum to be issued by Metminco to its shareholders in February 2009 seeking approval of the Proposed Takeover.
Hampton	Hampton Mining Limited
Hampton Group	Hampton and its Subsidiaries
IER	This Independent Expert's Report prepared by BDO Kendalls
IPO	Initial Public Offering
JORC	Joint Ore Reserves Committee
Mar 09 Option	An option to acquire a Hampton Share by paying $0.125 per share exercisable on or before 30 March 2009
Merged Entity	Entity following the acceptance/conclusion of the Proposed Takeover
Metminco	Metminco Limited
Option Offer	The offer by Metminco of 1.875 shares and 0.9 shares for each March 09 option and April 09 option held respectively.
Offer Period	The period during which Metminco's offer will remain open for acceptance
Peak	Peak Resources Ltd
Share Offer	The offer by Metminco of 4 shares for every Hampton share
SRK Consulting	Independent consulting practice commissioned by Hampton to prepare a Technical Expert's Report on Hamptons' exploration assets.
Supplementary Bidder's Statement	Supplementary Bidder's Statements issued by the directors of Metminco offering to acquire all shares and options in Hampton Mining Limited as follows: • Supplementary Bidder's Statement dated 24 December 2008; • Supplementary Bidder's Statement No 2 dated 29 January 2009; and • Supplementary Bidder's Statement No 3 dated 2 Febuary 2009.
Takoradi	Takoradi Limited
Target's Statement	Target's Statement issued by the director's of Hampton in reponse to the offer by Metminco to acquire all the securities issued in Hampton.

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The Proposed Takeover or the Takeover Offer	Takeover bid for all the shares in Hampton on the basis of 4 Metminco shares for every Hampton share, 1.875 Metminco shares for every Hampton Mar 09 Option and 0.9 Metminco shares for evey Hampton Apr 09 Option.
USD or US$	United States Dollar
VWAP	Volume Weighted Average Share Price

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I FINANCIAL SERVICES GUIDE

Dated 3 October 2008

BDO Kendalls Securities (NSW-VIC) Pty Ltd ABN 82 065 203 492 ("**BDO Kendalls**" or "**we**" or "**us**" or "**ours**" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

1 FINANCIAL SERVICES GUIDE

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 222438
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our complaints handling procedures and how you may access them.

2 FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide general financial product advice to retail and wholesale clients on securities and interests in managed investment schemes.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

3 GENERAL FINANCIAL PRODUCT ADVICE

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

4 FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement.

Except for the fees referred to above, neither BDO Kendalls, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

5 REMUNERATION OR OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

6 REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

7 ASSOCIATIONS AND RELATIONSHIPS

BDO Kendalls is a wholly owned subsidiary of BDO Kendalls (NSW-VIC) Pty Ltd, which is a member of an Australian association of independent accounting and management consulting firms trading under the name of "BDO Kendalls".

From time to time BDO Kendalls Securities or BDO Kendalls and/or BDO related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

8 INDEPENDENCE

BDO Kendalls is independent of the entity that engages it to provide a report. The guidelines for independence in the preparation of reports are set out in the Regulatory Guide 112 issued by the Australian Securities and Investments Commission in October 2007. BDO Kendalls operates independently of the other members of BDO International in Australia.

9 COMPLAINTS RESOLUTION

9.1 INTERNAL COMPLAINTS RESOLUTION PROCESS

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, BDO Kendalls, GPO Box 4736, Melbourne VIC 3001.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

9.2 REFERRAL TO EXTERNAL DISPUTE RESOLUTION SCHEME

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("**FOS**"). FOS is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Kendalls is a member of FOS (Member Number 11281).

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
GPO Box 3
MELBOURNE VIC 3001

Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399

10 CONTACT DETAILS

You may contact us using the details set out at the top of our letterhead of this FSG.

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II TERMS OF THE OFFER

14. On 3 November 2008 Metminco announced its intention to initiate a takeover bid for all issued shares in Hampton on the basis of 2.5 Metminco shares for every Hampton Share, 1.875 Metminco shares for every Hampton Mar 09 Option and 0.9 Metminco shares for every Hampton Apr 09 Option. On 29 January 2009, Metminco issued a Supplementary Bidder's Statement that increased the Share Offer to 4 Metminco shares for every Hampton Share. The Option Offer remained unchanged.

15. The Share Offer is subject to a number of key conditions, including:

- Metminco obtaining acceptances that will entitle it to not less than 51% of the issued capital of Hampton on a fully diluted basis;
- That no material adverse change occurs or is announced in relation to Hampton and its business (including Hampton having less than USD$9 million as at 10 December 2008);
- No material 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;
- Third Parties giving their consents to the Merger;
- That no prescribed occurrences as set out in Section 652C(1) and 652C(2) of the Corporations Act 2001 ("**the Act**") occur during the Offer Period; and
- By 16 March 2009, the shareholders of Metminco have approved the takeover of Hampton by Metminco, being the acquisition of at least a controlling interest in Hampton.

16. The Option Offer is subject to a number of key conditions. These include similar conditions as summarised above plus:

- Acceptance of the Share Offer;
- ASIC granting relief from section 606(1) of the Act; and
- Conditions required for grant of ASIC relief from section 606(1) of the Act are fulfilled.

17. In the event that Metminco acquires more than 90% of Hamptons' shares, we are advised that Metminco will seek to compulsorily acquire all remaining Hampton shares on issue in accordance with the Act and reconstitute the board of directors of Hampton with its own nominees.

18. Further details on the Proposed Takeover are set out in the Explanatory Memorandum that this report accompanies.

III BASIS FOR OUR EVALUATION OF THE OFFER

Purpose of the Report

19. Listing Rule 11.1.2 of the ASX Listing Rules states that where an entity proposes to make a significant change to the nature or scale of its activities, it must, if required by the ASX obtain approval of its shareholders.

20. The Company has received notification from the ASX that it is required to comply with Listing Rule 11.1.2 and that it must provide to shareholders relevant information including geological data and financial information pertaining to Hampton, a pro forma balance sheet of the merged entity and any other relevant information for the Company's shareholders to make an informed decision regarding the Proposed Takeover

21. The directors have requested BDO Kendalls to independently assess whether the Proposed Takeover is fair and reasonable to shareholders to satisfy the obligations of Listing Rule 11.1.2.

Our Approach

22. The term "fair and reasonable" does not have any statutory definition, although, over time, a commonly accepted meaning has evolved. Regulatory Guides issued by ASIC, in particular Regulatory Guide 111 provide some guidance to the use of that term.

23. Regulatory Guide 111 attempts to provide a precise definition of fair and reasonable. The Regulatory Guide continues earlier regulatory guidelines that created a distinction between "fair" and "reasonable". Fairness is said to involve a comparison of the consideration paid with the value that may be attributed to the securities or assets that will be issued based on the value of the underlying businesses and assets. Reasonableness is said to involve an analysis of other factors that shareholders might consider prior to approving the issue of shares, such as:

- the allottee's existing voting power in securities in the company;
- other significant shareholdings;
- the probability of an alternative offer and the value to an alternative allottee;
- benefits achieved through 100% holding of the company such as tax losses or cash flow;
- any special value of the company to the allottee such as particular technology or the potential to write off outstanding loans;
- the liquidity of the market for the company's shares; and
- the likely market price if the offer is unsuccessful.

24. Regulatory Guide 111 states that what is fair and reasonable for non-associated members should be judged in all the circumstances of the proposal. The likely advantages and disadvantages for the non-associated members, should the proposal proceed, should be compared with the advantages and disadvantages should it not. The effect of the proposed changes on shareholder value is only one element of this assessment. Accordingly, fair and reasonable must be capable of broad interpretation to meet the particular circumstances of each transaction. This involves a judgement on the part of the expert as to the alternatives available and on this basis, a proposal will be fair and reasonable if the non-associated shareholders will, on balance, be better off if the proposal is accepted.

25. For the purpose of this report, BDO Kendalls has treated “fair” and “reasonable” as separate concepts in accordance with Regulatory Guide 111. Fairness is a significantly higher and more demanding test than reasonableness. The Regulatory Guide states that a “fair” offer will always be reasonable but a “reasonable” offer will not necessarily be “fair”.

26. For the purpose of our opinion, market value is defined as the price that could be negotiated in an open and unrestricted market between a willing, knowledgeable but not anxious buyer and a willing, knowledgeable but not anxious vendor acting at arm’s length, each believing that they have complete information with respect to the asset being sold.

27. In forming our opinion as to whether the Proposed Takeover is fair and reasonable, we have had regard (inter alia) to the following factors:

- the value of the assets being acquired;
- the value of consideration offered;
- the terms and conditions of the Proposed Takeover;
- the potential impact of the Proposed Takeover on the financial performance and financial position of Metminco and the impact on the value of the members’ shareholding; and
- other advantages and disadvantages that may impact the shareholders of Metminco in the event that the Proposed Takeover proceeds or does not proceed.

28. We have also given due consideration to relevant matters in other ASIC guidelines, including Regulatory Guide 112 (Independence of Experts’ Reports) and Regulatory Guide 43 (Valuation Reports and Profit Forecasts). The Regulatory Guides reflect ASIC’s underlying philosophy that the premium for control of a company be shared by all members of that company.

Information Used

29. In preparing this report, we have used and relied upon the information set out in Appendix B and representations made by management of Metminco. We have conducted checks, enquiries and analysis on the information provided to us that we consider appropriate for the purpose of this report. Based on this evaluation, we consider that the information used as the basis for forming the opinions in this report is accurate, complete and not misleading and we have no reason to believe that material information relevant to our report has been withheld. While our work has involved an analysis of financial information, it does not constitute an audit of Metminco in accordance with Australian Auditing Standards and, accordingly, no such assurance is given in this report.

30. BDO Kendalls has been provided with historical information prepared by Metminco and while BDO Kendalls has in part relied upon this information in preparing this report, Metminco remains responsible for all aspects of the information.

31. In our assessment we have not considered the future impact, if any, of the recently announced Carbon Pollution Reduction Scheme on the future operations of Metminco or Hampton. Until the scheme is formally introduced by the Australian Government and is operational, there will remain significant uncertainty as to the impact of the scheme on shareholder value. We are therefore unable to comment on the impact of the scheme and recommend that shareholders consider obtaining independent expert advice on the matter.

32. Our assessment has been made as at the date of our report. Economic conditions, market factors and performance change may result in this report becoming outdated. We reserve the right to review our assessments and, if we consider it necessary, to issue an addendum to our report in light of any relevant material information that subsequently becomes known to us prior to the expiry of the Proposed Takeover offer.

Scope Exclusions

33. This report has been prepared solely for the purpose of assisting the shareholders of Metminco in considering whether to approve the Proposed Takeover. It has not been prepared to provide information to parties considering the purchase or sale of any equity or other security in Metminco. Accordingly, we do not assume any responsibility or liability for any losses suffered as a result of the use of this report contrary to the provisions in this paragraph.

V PROFILE OF METMINCO

Company Overview

34. Metminco was incorporated on 18 May 2006 and changed its status to a limited company on 26 July 2007. Metminco's principal focus is exploring for and locating potentially valuable mineral deposits through exploration and joint ventures. If successful, Metminco intends to take these prospects to the development phase.

35. Metminco is involved in seven projects in Western Australia, South Australia and the Northern Territory. Metminco's current projects are currently concentrated on gold and uranium exploration with the initial focus on ready to drill targets such as Grants Creek and Angelo where previous exploration has already delineated promising results. There is also scope for a rare earth element find within the Sophie Downs licence area.

36. Metminco has a 100% interest in the Sophie Downs, Mulgul, West Lake Eyre and King River Projects.

37. The Company has also entered into two separate joint ventures with Pacrim Energy Limited and one with Peak Resources Limited pursuant to which they are entitled to acquire an ownership interest in the following projects:

- Angelo Joint Venture with Pacrim Energy Limited – Metminco has the right to earn an interest of up to 70% in the field. It does not currently have an interest. The agreement commenced on 24 July 2007 and requires $1 million expenditure over 3 years for a 51% interest and an extra $1 million over another 3 years for an additional 19% interest.

- Grants Creek Joint Venture with Pacrim Energy Limited – Metminco has the right to earn an interest of up to 70% in the field. It does not currently have an interest. The agreement commenced on 24 July 2007 and requires $0.3 million expenditure over 3 years for a 51% interest and an extra $0.5 million over another 3 years for an additional 19% interest.

- Ashburton Joint Venture with Peak Resources Limited - Metminco has the right to earn an interest of up to 40% in the field. It does not currently have an interest. The agreement commenced on 24 July 2008 and requires $1 million expenditure over 2 years for a 40% interest.

38. A summary of the seven main projects currently operated by Metminco is set out below.

Overview of Metminco's Projects

<u>ANGELO JV Project – Western Australia</u>

39. This gold project is located in the East Kimberley region of Western Australia, approximately 40 kilometres southwest of Halls Creek. The project area is covered by one Exploration Licence covering 75 square kilometres, granted on 3 February 2006 for five years.

40. Previous explorers identified an area of elevated gold in soil in a zone over six kilometres long and up to a kilometre wide. This has been confirmed by recent field work. The north eastern portion of this zone is known as the Leonardo Prospect, while a second zone of elevated gold is also present in the southern part of the licence, the Figaro Prospect.

41. Metminco undertook a reverse circulation drilling program of 25 holes at the Leonardo Prospect in June and July 2008. Initial interpretation suggests nuggetty gold is present in south easterly dipping quartz veins with peripheral lower grade stockwork system.

42. It is proposed to extend the soil sampling to the north east of both the Leonardo and Figaro Prospects to determine the full extent of the geochemical anomaly. Additional drilling is planned on the Leonardo prospect to extend and infill the previously discovered mineralisation.

GRANTS CREEK JV Project – Western Australia

43. This gold project is located in the East Kimberley region of Western Australia, approximately 60 kilometres north of Halls Creek.

44. Tenure over the Grants Creek mining centre is by eight contiguous prospecting licences covering an area of 14.26 square kilometres. The prospecting licences are registered to Pacrim Energy Limited and all expire on 8 May 2012. Metminco can earn up to 51% of the licence by expenditure of $300,000 on exploration work and a further 19% by additional expenditure of $500,000.

45. Sporadic drilling over the past 20 years has delineated several small gold resources at attractive grades. Historical drilling was to shallow depths and drilling by previous explorers indicates that mineralisation continues at depth. Metminco's JV partner commenced a new phase of exploration activity in 2003 that identified a main target horizon, outlined by anomalous gold and arsenic soil geochemistry, over a 3 kilometre strike and 250 metre width.

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

47. The Company announced on 17 December 2008 that recent drilling carried out on the Perseverance Prospect indicates the presence of a central higher grade mineralised structure with adjacent lower grade stringer zones.

SOPHIE DOWNS Project – Western Australia

48. This exploration licence, granted on 24 April 2008 for a period of 5 years, lies approximately 25 kilometres north east of Halls Creek and is prospective for gold and rare earth elements.

49. The Sophie Downs tenement, while being the subject of some previous exploration, is considered a "grass roots" exploration area. Earlier exploration was somewhat haphazard, often targeting multiple commodities and various styles of deposit. Metminco plans to concentrate on the gold potential for the Gentle Annie area on the basis that it is an obvious strike extension of the historic Halls Creek goldfield.

50. Discussions with the Kimberley Land Council, on behalf of the native title claimants and the pastoral lease holder regarding access rights commenced in mid 2008. Once specific exploration sites are identified further discussions regarding access will be required.

MULGUL Project – Western Australia

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

52. The exploration licence was granted to Metminco on 31 January 2007 for five years.

53. Metminco has reviewed previous exploration data and undertaken an interpretation of the available radiometric and aeromagnetic data for the project. This enabled the differentiation of the major rock units and revealed the prospective Tangadee lineament, a major regional structural feature.

54. Five targets for additional exploration work have been identified and a field program directed at these targets is planned to commence in early 2009.

ASHBURTON JV Project – Western Australia

55. In early 2008 Metminco entered into a Joint Venture farm-in agreement with Peak Resources Limited pursuant to which it can earn a 40% interest in the Ashburton Project by the expenditure of $1 million of exploration. This project provides Metminco with additional exposure to prospective ground in the Proterozoic Bangemall Basin, an emerging base metals province with similarities to other significant worldwide base metal mineralisations. Previous exploration on this prospect revealed indications of lead and zinc mineralisation.

56. The project is located approximately 70 kilometres south of Paraburdoo and 300 kilometres north northwest of Meekatharra. It consists of two granted exploration licences covering a combined area of 412 kilometres squared. Both licences expire on 9 June 2010.

57. The first phase of exploration on the joint venture was completed during May 2008 and the survey enhanced definition of the anomalous features outlined by previous work and focused on targets for reverse circulating drilling.

58. An initial drilling program on the geophysical targets was completed in early November 2008 and Metminco are currently awaiting the results from this program.

WEST LAKE EYRE Project – South Australia

59. This project is located approximately 150 kilometres northwest of Marree on the western side of Lake Eyre and is prospective for deeply buried iron ore copper gold deposits similar to Olympic Dam and Prominent Hill. The project is also considered prospective for uranium and other shallower palaeo-channel deposits. .

60. The exploration licence of over 600 square kilometres was granted on 20 September 2007 for a period of two years. There has been limited prior exploration over the area.

61. The regional gravity survey, along with three detailed traverses revealed two prominent gravity features. This gravity anomaly is similar to that of the Prominent Hill and Olympic Dam style Iron Oxide Copper Gold uranium mineralisation.

62. The Company has also completed a scintillometer survey over two superficial uranium anomalies revealed during an analysis of regional radiometric data. This survey found uranium levels up to five times background. Drilling on these anomalies is planned for early 2009 to determine whether these features persist at depth.

63. The Company is presently considering its options to facilitate the drilling of the identified targets and is seeking to either joint venture the project with other explorers active in the area or will apply for a drilling grant from the South Australian Government.

KING RIVER Project – Northern Territory

64. The exploration licence was granted to Metminco on 18 December 2007 for 6 years and is located in the Daly River Basin region in the Northern Territory, approximately 45 kilometres south west of the Katherine township. The licence is prospective for sandstone and unconformity hosted uranium deposits.

65. Historical exploration has concentrated mainly on phosphate and diamonds and testing conducted by the Australian Atomic Energy Commission concluded that there was the possibility of a high grade uranium source in the Cretaceous Jinduckin Formation. Reinterpretation and reprocessing of past radiometric data completed in 2007 supported this conclusion.

66. A field inspection in late April 2008 revealed uranium levels in sandstone between 10 to 15 parts per million. The significance of these results is being assessed prior to more intensive exploration during 2009.

Native Title

67. In addition to native title issues that have been previously reported to shareholders in the Company's prospectus issued on 13 August 2007 and the Company's announcements, we have been provided with the following status update:

- Clearance has been obtained for the Grants Creek tenement except for a proposed 500 metre buffer area around a site known as 'Moody's Hill'. Negotiation is continuing to reduce the buffer to allow exploration in the near future;

- Metminco executed a Heritage Agreement with the traditional owners in January 2009 for the Mulgul area; and

- Peak Resources Ltd, the holder of two licences for the Ashburton project, has obtained a site clearance over a small area to enable a recent drilling program to proceed in relation to one of their exploration licences. The second licence is not covered by native title claims.

Financial performance

68. Metminco's audited income statements for the years ended 30 June 2007 and 2008 and management accounts for the five months ended 30 November 2008 are set out in the following table.

Table 1: Metminco's Historical Financial Performance

Metminco's Financial Performance For the period ended	30 June 2007 $	30 June 2008 $	30 Nov 2008 $
Other Income	**1,280**	**178,693**	**31,591**
Expenses			
Administration expenses	27,619	46,329	28,533
Corporate Expenses	-	2,004,572	61,949
Depreciation of plant and equipment	-	3,627	-
Employee Benefits	-	531,998	135,596
Exploration expenditure written off	-	12,945	-
Exploration expenses	-	-	397,662
Total Expenses	**27,619**	**2,599,471**	**623,739**
Loss before Income Tax	**(26,339)**	**(2,420,778)**	**(592,148)**
Income tax expense	-	-	-
Profit/(Loss) for the year	**(26,339)**	**(2,420,778)**	**(592,148)**

Source: Metminco Annual Report for the year ended 30 June 2008, Metminco Management Accounts for the five months ended 30 November 2008

69. In relation to Metminco's historical performance, the following comments are made.

- The Company is yet to commence commercial operations and therefore has generated losses as it continues to invest in exploration and development activities and incur administrative costs.

- Other income received in the period under review relates solely to interest received. The significant increase in the 2008 financial year is consistent with the increase in average cash balances between 2007 and 2008 following the Company's capital raising completed in September 2007.

- Corporate expenses incurred in 2008 relate predominantly to the costs associated with the issue of shares to a promoter of the Company on 1 July 2007 which amounted to $1.8 million. Mr Bruce McFarlane, the founding director of Metminco and former director of the Company played a significant role in the development of the business plan, seed capital raising and identification and securing a number of prospects and the JV agreements at Angelo and Grants Creek. As consideration for these services, Mr McFarlane (and/or his nominees) was issued 9 million Shares in the Company.

- Employee benefits expense for the year ended 30 June 2008 includes the value of shares issued to directors (totalling approximately $300,000) and salaries and fees paid to management of approximately $350,000. Of these amounts, $119,000 has been capitalised as exploration costs.

- Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only capitalised as an asset on the Balance Sheet to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. During the 2008 financial year, a total of approximately $760,000 was capitalised and $13,000 was expensed.

70. We have reviewed the Company's management accounts for the 5 months ended 30 November 2008 and note that the most significant item of expenditure in this period is approximately $398,000 of exploration expenditure which we are advised meets the criteria for capitalisation.

Financial position

71. The table below summarises Metminco's audited balance sheet as at 30 June 2007 and 30 June 2008 and the unaudited balance sheet as at 30 November 2008.

Table 2: Metminco's Consolidated Balance Sheets

Metminco Balance sheet	30 June 2007 $	30 June 2008 $	30 November 2008 $
Current Assets			
Cash and cash equivalents	1,957,461	2,516,777	1,749,971
Other current assets	11,000	31,491	23,282
Total Current Assets	**1,968,461**	**2,548,268**	**1,773,253**
Non Current Assets			
Property, plant and equipment	-	24,625	25,825
Exploration assets	26,251	785,737	785,737
Other	998	-	
Total Non Current Assets	**27,249**	**810,362**	**811,562**
Total Assets	**1,995,710**	**3,358,630**	**2,584,815**
Current Liabilities			
Trade and other payables	2,022,044	202,530	20,863
Short-term provisions	-	4,528	4,528
Total Current Liabilities	**2,022,044**	**207,058**	25,391
Total Liabilities	**2,022,044**	**207,058**	**25,391**
NET ASSETS	**(26,334)**	**3,151,572**	**2,559,424**

Source: 2008 Annual Report, Management Accounts

72. In relation to the Company's financial position we make the following comments:

- The movement in cash balances in 2007 and 2008 is predominantly due to capital raisings completed in July 2007 and September 2007 of $2 million and $1.35 million respectively less the amounts paid on exploration activities of $776,000 in 2008 and $26,000 in 2007.
- Included within 'Trade and other payables' as at 30 June 2007 is $2 million, being amounts received for the subscription of shares for which shares had not been issued. These shares were issued on in July 2007.

73. We have reviewed the Company's management accounts as at 30 November 2008 and note that net assets as reported at that date are approximately $2.5 million. This excludes the $398,000 of exploration expenditure that we are advised is expected to be capitalised when management completes its half yearly review of exploration expenditure.

74. In order to maintain its mineral exploration permit, ongoing exploration expenditure is required. Due to the nature of the expenditure, no provision has been raised as it is expected to be fulfilled in the normal course of Metminco's operations. As at 30 June 2008 Metminco had committed to the following level of expenditure in respect of its exploration assets:

- Year ending 30 June 2009: approximately $630,000
- Year ending 30 June 2010: approximately $570,000
- Year ending 30 June 2011: approximately $570,000

These commitments are subject to the provisions of legislation governing the granting of mineral exploration licences and may vary in accordance with the provision of governing regulations.

VI SHARE CAPITAL AND OWNERSHIP OF METMINCO

Recent Share Transactions

75. Metminco's shares were listed on the ASX in October 2007. Since its inception the Company has completed the following equity transactions:

- On 1 July 2007 raised seed capital of $2 million via the issue of 35 million ordinary shares with an average issue price of 5.7 cents. The Company also issued 9 million shares to the promoter of this fund raising as consideration for services rendered.

- On 24 September 2007, the Company issued 1,500,000 shares to directors of the Company as compensation.

- On 24 September 2007, the Company completed an initial public offering, issuing 6,750,000 shares with an issue price of 20 cents.

- On 25 October 2007, the Company announced a non-renounceable entitlements issue of up to 26,250,000 options on the basis of 1 option for every 2 shares held by shareholders at an issue price of 1 cent per option. The options have an exercise price of 25 cents and can be exercised on or before the expiry date of 4 December 2012. A prospectus for the issue was issued on 2 November 2007. At the date of the closure of the offer period, the Company had received acceptances from shareholders for approximately 90% of the options offered.

- On 12 October 2007, 11 January 2008 and 20 March 2008 the Company issued additional shares as consideration for the acquisition of interests in the West Lake Eyre and King River tenements. On each occasion 250,000 shares were issued.

76. As at the date of our report, the total Metminco shares and options on issue are as follows:

Table 3: Metminco's Issued Capital

	Number of Shares	Grant Date	Exercise Price $	Expiry Date
Fully paid ordinary shares	53,000,005[1]	N/A	N/A	N/A
Listed options	26,230,017	5-Dec-07	0.25	4 Dec 2012

Source: Metminco's share register, Management

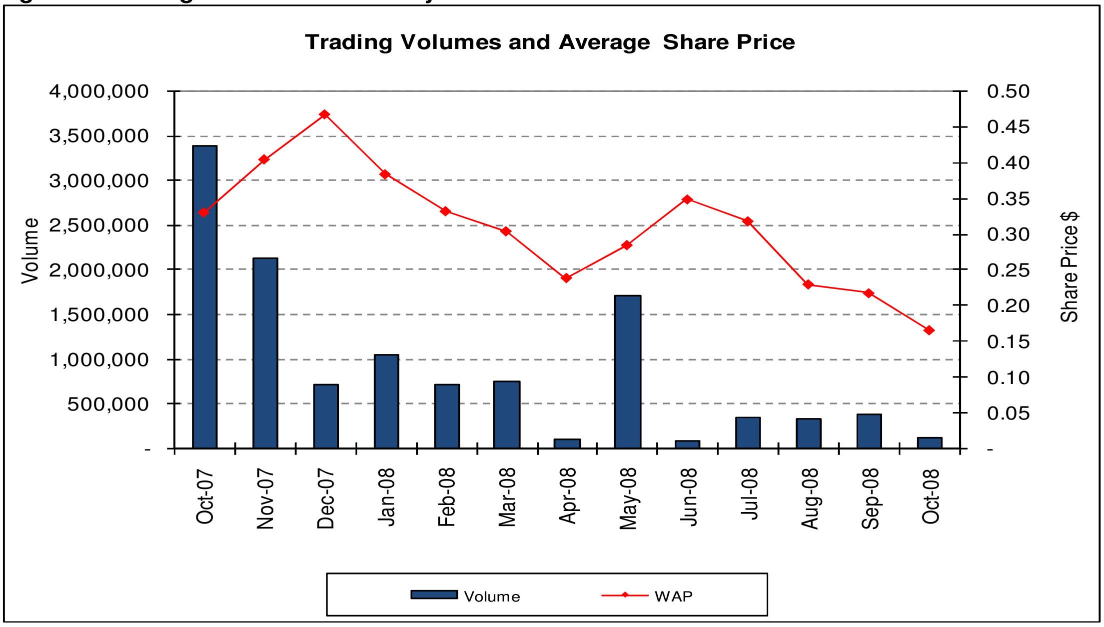
Note 1 This includes 12,462,425 shares under escrow.

Share Price and Volume History

77. The following chart provides a summary of the monthly weighted average trading prices and volumes in Metminco's shares from October 2007 to October 2008. At the request of the Company, Metminco's shares were placed in a trading halt on 20 October 2008 pending the release of an announcement. Following this, the Company's shares were suspended from quotation by the ASX on 22 October 2008 until 15 December 2008 and as such our analysis does not include the interim period.

78. The monthly average trading price is determined by dividing the total value of shares traded by the number of shares traded. Under this approach, the high and low prices for the period may not be identified in the figure below.

Figure 1: Trading Volume and monthly VWAP between October 2007 and October 2008



Source: Bloomberg

79. We note that the Company's share price has historically experienced significant volatility, trading as high as 54 cents on 6 December 2007 before steadily declining to 18 cents by 15 October 2008.

80. In the period after its initial listing on the ASX, being the period from October 2007 to 6 December 2007, the share price increased from 20 cents to 54 cents. During this period the following key announcements were made to the market:

- On 4 October 2007 high grade rock chip samples were confirmed at Grants Creek.

- On 10 October 2007 the Company announced the West Lake Eyre exploration licence was granted on 21 September 2007. The company subsequently issued 250,000 fully paid ordinary shares as consideration for granting of the exploration licence.

- On 25 October 2007 the Company announced the non-renounceable rights issue of options to existing shareholders on a one option for every 2 shares held basis at an issue price of 1 cent each exercisable at 25 cents each on or before 4 December 2012. On 5 November 2007 the short form Prospectus for the non-renounceable entitlements issue of up to 26,250,000 Options was lodged with ASIC. At the closure of the offer period, the Company announced that it had received acceptances for approximately 90% of the options offered.

- On 27 November 2007 promising drill targets were defined for the Grants Creek Gold Project.

81. In the period from December 2007 to April 2008, the Company's VWAP declined from approximately 47 cents to 24 cents. We note that during this period the following significant announcements were made to the market:

- On 11 December 2007 a progress report for West Lake Eyre was issued announcing that geophysical interpretation indentified potential for two Iron Oxide Copper Gold Uranium deposits and separate near surface uranium occurrences.

- On 10 January 2008 the Company announced the further issue of 250,000 fully paid ordinary shares to Bluekebble Pty Ltd as consideration for licences granted on the King River Project

- On 14 March 2008 Peak Resources Ltd and Metminco announced an agreement to joint venture on the Ashburton Base Metal Project.

- On 13 March 2008, Mr Bruce Paterson resigned as a director of Metminco.

- On 20 March 2008, 250,000 fully paid ordinary shares were issued to Bluekebble Pty Ltd as consideration for licences granted on the West Lake Eyre project.

- On 3 April 2008, West Lake Eyre geophysical results were announced detailing two large gravity anomalies which could be indicative of Iron Ore Copper Gold style deposits, with survey results providing greater definition of surficial uranium anomalies.

- On 9 April 2008 it was announced that due diligence on the Ashburton Project was complete and the Company would proceed with the Joint Venture Agreement with Peak Resources Ltd.

82. In the period from 1 May to 13 May 2008, the share price increased from 20 cents to 38.5 cents and no announcements were made by the Company during this time.

83. In the period from 13 May to 17 October 2008, the share price declined steadily from 38.5 cents to 20 cents at which point the trading halt was called. We note that during this period the Company made a number of positive announcements to the market regarding the status of its projects. The most significant of these were:

- On 20 May 2008, Metminco's Managing Director, Keith Weston, gave a presentation at the Melbourne Mining Club providing information about the Company and its recent performance.

- On 1 July 2008, the Company announced reverse circulation drilling commenced on the Angelo Project, with drilling intersecting broad zones of mineralised quartz structures, with visible gold found at the surface during soil sampling program.

- On 2 July 2008, it was announced that Ashburton Project polymetallic potential continues to emerge.

- On 18 July 2008, Mulgul airbourne geophysical data interpretation was released revealing Mulgul has the potential for similar deposits to the adjacent Abra base metal deposit as well as fault and fissure hosted copper-gold and base metal mineralisation.

- On 3 August 2008, 23,287,500 fully paid ordinary shares were released from escrow.

84. We note that the share market generally has experienced significant declines during the period under review as a result of the current global financial crisis.

85. Subsequent to the Company's shares being suspended on 20 October 2008, the Company made the following announcements:

- On 28 October 2008 the Company issued their Annual Report for year ended 30 June 2008 which stated that Metminco was well positioned for discovery and that exploration success during the coming twelve months should enhance shareholder value, notwithstanding the current difficult economic climate.

- On 30 October 2008 the Company released its quarterly activities report detailing the progress of its projects. The highlights included Grants Creek drilling intersects broad gold mineralisation zones, drilling for base metals on the Ashburton Project is set to commence, and further geophysical work at Mulgul reveals near surface conductive horizons.

- On 3 November 2008 Metminco announced its offer to acquire all of the issued capital of Hampton Mining Limited.

86. Trading in the Company's shares recommenced on 15 December 2008. The last traded price of the Company's shares prior to its suspension was 20 cents. Since the recommencement of trading on 15 December 2008, the Company's share price has fluctuated between 12 cents and 22 cents with a VWAP of 16 cents. Subsequent to the Company's shares resuming trade, the following announcements were made:

- On 15 December 2008 the Bidder's Statement was released by the Company.

- On 15 December 2008 an exploration update was released for Hampton's mining projects. Highlights included that Los Calatos appears to be a large classic copper-molybdenum porphyry system with surface alteration halo 6 kilometres long by 1 kilometre wide. Recent drilling at Vallecillo showed significant extension to mineralisation, and drilling recently commenced at the Victoria prospect.

- On 17 December 2008 Metminco announced the RC drilling results from Grants Creek indicating the presence of a central higher grade mineralisation structure with peripheral stringer zones.

- On 24 December 2008 the Company announced the extension of their offer period to 24 February 2009 in relation to the Proposed Takeover.

- On 24 December 2008 the Company issued a Supplementary Bidder's Statement.

- On 6 January 2009 the Company reissued an announcement made by Takoradi outlining the impact of the Proposed Takeover on Takoradi's shareholders.

- On 15 January 2009 the Company issued an update regarding Hampton's exploration tenements. The update included results from Hampton's recently completed drilling program that confirmed the existence of a classic copper-molybdenum porphyry system with surface alteration halo 6 kilometres long by 1 kilometre at Los Calatos.

- On 27 January 2009 the Target's Statement was released.

- On 28 January 2009 it was announced that a sizeable copper and molybdenum resource had been identified at Hampton's Los Calatos project.

- On 29 January 2009 the Company released its quarterly activities report for the period ended 31 December 2008. This report included the drilling results on the Grants Creek and Ashburton projects. Drilling on the Grants Creek project indicated the presence of a main mineralised structure with adjacent lower grade stringer zone. The results of drilling on the Ashburton project revealed broad zones of elevated lead.

- On 29 January 2009 the Second Supplementary Bidder's Statement was issued. This document increased the Share Offer to 4 Metminco shares for every Hampton share held. The Offer Period was extended to 24 March 2009.

- On 30 January 2009 the Company reissued an announcement made by Takoradi that outlined the impact of the increase in the Share Offer on Takoradi's shareholders.

87. The Proposed Takeover was announced on 3 November 2008. As trading in the Company's shares was suspended on 20 October 2008, it is not possible to complete an analysis of the trading volume in Metminco's shares immediately prior to the announcement of the Proposed Takeover. The table below details the trading volume prior to the date the shares were suspended.

Table 4: Trading liquidity in Metminco's shares pre announcement

Period Prior to 20 October 2008	High $	Low $	VWAP $	Volume	As a % of issued shares
1 Week	0.220	0.150	0.166	118,737	0.22%
1 Month	0.220	0.150	0.167	223,737	0.42%
2 Months	0.270	0.150	0.213	733,974	1.38%
6 Months	0.385	0.150	0.270	3,079,712	5.81%
12 Months	0.570	0.150	0.345	9,090,027	17.20%

Source: Bloomberg

88. The information in the above table highlights the relatively low liquidity in the Company's shares. This is consistent with the fact that the shares in the Company are tightly held with approximately 59% of shares held by the 20 largest shareholders. In addition, approximately 44% of the Company's shares were released from escrow on 3 August 2008 and approximately 24% of the Company's shares remain in escrow until 3 August 2009.

89. The following table details the trading volume post announcement and after trading recommenced on 15 December 2008.

Table 5: Trading liquidity in Metminco's shares post announcement

15 Dec 08 to 29 Jan 09	High $	Low $	VWAP $	Volume	As a % of issued shares
	0.220	0.120	0.160	999,263	1.89%

Source: Bloomberg

Ownership Structure

90. The table below sets out the ownership structure of Metminco as at 9 December 2008.

Table 6: Metminco Capital Structure

	Number	%	Exercise Price $	Expiry Date
Top 20 Shareholders	31,042,003	58.57%		
Other Shareholders	21,958,002	41.43%		
Total Ordinary Shares on Issue[1]	**53,000,005**	**100.00%**		
Listed Options	26,230,017		$0.25	4-Dec-12
Total Options	**26,230,017**			

Source: Share register as at 9 December 2008
Note 1 Includes 12,462,425 shares under escrow

91. The Company's top 20 shareholders, as at 9 December 2008 comprising approximately 59% of the ordinary shares on issue are as set out in the table below.

Table 7: Top 20 Holding – Ordinary Shares

	Number of Ordinary Shares	% of Total Ordinary Shares on Issue
Marathon Crest PL	3,000,003	5.66%
Ottawa Res PL	3,000,000	5.66%
Minico PL	2,910,000	5.49%
Kelmist PL	2,200,000	4.15%
Bolton Mark W	2,100,000	3.96%
South Armstrong PL	1,975,000	3.73%
Fammartino Nicholas	1,770,000	3.34%
Aznanob PL	1,700,000	3.21%
Brahman Pastoral PL	1,580,000	2.98%
Notemarl PL	1,550,000	2.92%
Beasley Simon	1,200,000	2.26%
Citicorp Nom PL	1,111,500	2.10%
Brujan Inv PL	1,000,000	1.89%
Popovic Sonia	958,000	1.81%
One 95 PL	925,000	1.75%
Knight Les	900,000	1.70%
Pethol Vic PL	897,500	1.69%
Bigson PL	800,000	1.51%
Bluekebble PL	750,000	1.42%
Balrun Inv PL	715,000	1.35%
Total	**31,042,003**	**58.57%**

Source: Share register as at 9 December 2008

92. The spread of Metminco's shareholders as at 9 December 2008 is set out in the table below.

Table 8: Shareholder Spread

Range of Shares Held	Number of Shareholders	Number of Shares	As a % of issued shares
1-1,000	2	1,002	0.00%
1,001-5,000	62	181,194	0.34%
5,001-10,000	100	965,459	1.82%
10,001-100,000	176	5,670,465	10.70%
100,001 and over	72	46,181,885	87.14%
Total	**412**	**53,000,005**	**100.00%**

Source: Share register as at 9 December 2008

Trading in Metminco's Options

93. Trading in the Company's options was suspended at the same time trading in the Company's shares was suspended, on 20 October 2008. It is not possible to complete an analysis of the trading volume in Metminco's options immediately prior to the announcement of the Proposed Takeover. The table below details the trading volume prior to the date the options were suspended.

Table 9: Trading liquidity in Metminco's options pre announcement

Period Prior to 20 October 2008	High $	Low $	VWAP $	Volume	As a % of issued options
1 Week	0.080	0.080	0.080	5,000	0.02%
1 Month	0.100	0.050	0.073	610,818	2.33%
2 Months	0.120	0.050	0.076	750,908	2.86%
6 Months	0.180	0.050	0.097	3,941,796	15.03%
12 Months	0.320	0.050	0.119	4,890,712	21.47%

Source: Bloomberg

94. The last traded price of the Company's options prior to its suspension was $0.08. Since the recommencement of trading on 15 December 2008, the Company's option price has fluctuated between 5 cents and 10 cents with a VWAP of 6.5 cents.

95. The following table details the trading volume post announcement and after trading recommenced on 15 December 2008.

Table 10: Trading liquidity in Metminco's options post announcement

15 Dec 08 to 29 Jan 09	High $	Low $	VWAP $	Volume	As a % of issued shares
	0.100	0.050	0.065	90,000	0.34%

Source: Bloomberg

Ownership Structure

96. The Company's top 20 option holders, as at 9 December 2008 comprising approximately 59% of the options on issue are as set out in the table below.

Table 11: Top 20 Holding – Options

	Number of Options	% of Total Options on Issue
Ottawa Res PL	1,500,000	5.72%
Minico PL	1,455,000	5.55%
Aznanob PL	1,300,000	4.96%
Kelmist PL	1,099,999	4.19%
South Armstrong PL	1,065,000	4.06%
Bolton Mark W	1,050,000	4.00%
Fammartino Nicholas	985,000	3.76%
Notemarl PL	896,157	3.42%
Brahman Pastoral PL	850,000	3.24%
Rylet PL	843,439	3.22%
Citicorp Nom PL	522,500	1.99%
Popovic Sonia	500,000	1.91%
Pethol Vic PL	500,000	1.91%
M & M Driscoll Nom PL	470,000	1.79%
Knight Les	450,000	1.72%
Brujan Inv PL	445,000	1.70%
Balrun Inv PL	411,500	1.57%
Tigerland Inv PL	382,400	1.46%
Staggard R L + Berry D L	352,500	1.34%
Gap Mgnt Tas PL	300,000	1.14%
Total	**15,378,495**	**58.63%**

Source: Share register as at 9 December 2008

97. The spread of Metminco's option holders as at 9 December 2008 are shown in the table below.

Table 12: Option holder Spread

Range of Options Held	Number of Option Holders	Number of Options	As a % of Issued Options
1-1,000	15	12,517	0.05%
1,001-5,000	113	503,077	1.92%
5,001-10,000	52	426,634	1.63%
10,001-100,000	134	4,089,937	15.59%
100,001 and over	53	21,197,852	80.82%
Total	**367**	**26,230,017**	**100.00%**

Source: Share register as at 9 December 2008

VII PROFILE OF HAMPTON

Company Overview

98. Hampton is an unlisted public company with its registered office in Sydney, Australia and a regional office in Santiago, Chile.

99. Over the last three years Hampton has acquired a significant portfolio of exploration and potential development projects located in Chile and Peru. These projects focus primarily on copper but also include exposure to gold, molybdenum, zinc and iron ore.

100. Hampton's stated business objectives are:

- To seek to grow shareholder value by advancing its existing portfolio of Projects through exploration and development;
- To acquire additional projects that have the potential to add significant value to the Hampton Group; and
- To focus principally on base, ferrous and precious metals in South America.

101. Hampton owns 99.9999% of Minera Hampton Chile Limitada with the remaining interest held by a Chilean shareholder in order to satisfy Chilean law, which states that a company registered in Chile must have at least one Chilean shareholder. Hampton through its subsidiary entered into an agreement with a private Chilean company, MN Ingenieros, to acquire up to a 75% interest in the Loica, Mollacas, and Vallecillo Projects, located approximately 450 kilometres north of Santiago.

102. Following its initial acquisition, Hampton expanded its portfolio (independently of MN Ingenieros), adding the Los Calatos, Camaron, Isidro and Kamikaze projects.

103. Between March 2006 and April 2007, Hampton completed significant diamond drilling on its Loica, Mollacas and Vallecillo projects, which identified JORC compliant mineral resources at Mollacas and Vallecillo. The drilling also demonstrated that the Loica property is extensively mineralised.

104. In April 2008 Hampton raised US$20 million though the issue of 66,393,750 shares at an issue price of 32 cents per share to the Chilean based private investor, Junior Investment Company. Between May and June 2008 a further $1,825,000 was raised through the exercise of options by existing Hampton shareholders.

105. Following the capital raisings mentioned above, Hampton resumed selected drilling in late June 2008. Drilling programs at Vallecillo, Los Calatos and Mollacas have been completed and drilling has commenced at Victoria.

106. On 12 August 2008 Hampton issued a prospectus for the issue of 5 million shares at an issue price of 35 cents each to raise $1.75 million. The Initial Public Offering ("**IPO**") was unsuccessful and was withdrawn on 23 October 2008.

107. Hampton currently has a portfolio of seven projects, six in Chile and one in Peru. These projects are at various stages of exploration as follows:

- Prefeasibility and prospective development: Mollacas (copper-gold) and Los Calatos (copper-molybdenum, Peru).
- Advanced exploration: Vallecillo (zinc-gold) and Loica – Victoria (copper-molybdenum).
- Early exploration: Camaron (copper-gold-molybdenum), Isidro (copper-gold), and Kamikaze (iron).

108. A brief description of the projects follows.

Overview of Hampton's Projects

MOLLACAS Project - Chile

109. Hampton holds a 50% interest in this copper project and the right to acquire an additional 25%.

110. Project tenements cover 30 square kilometres and are located approximately 50 kilometres east of Ovalle. Ovalle, the capital of the Limari Province, lies 421 kilometres north of Santiago and 86 kilometres south of La Serena. There is access to surface water and electric power in the area.

111. Drilling by the Hampton Group has generated JORC compliant Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes at 0.52% copper.

112. Following the completion of a successful scoping study for a heap leach operation based on resources commissioned from SRK Consulting, Hampton plans to undertake a feasibility study on development of the project and commenced an infill drilling program in August 2008. This is predominantly to improve the resource classification to measured and indicated and to obtain material for further detailed leach testing.

113. Future development of the Mollacas leach project depends on the outcome of the feasibility study and the ability of Hampton to secure financing.

VALLECILLO Project - Chile

114. Hampton holds a 50% interest in the Vallecillo project and the right to acquire an additional 25%. The project is prospective for zinc, gold, silver and lead.

115. The tenements cover 54 square kilometres and are located approximately 50 kilometres northeast of Ovalle. Surface water and electric power are available in the area.

116. Drilling by Hampton in 2006 of 12 reverse circulation holes generated JORC Code compliant Inferred Resources of 8.5 million tonnes at 1.42% zinc, 0.76 g/t gold, 8.1 g/t silver and 0.25% lead, at a cut off of 0.5% zinc.

117. Hampton completed drilling in 17 holes at the Vallecillo Project in August 2008 and results indicated that the mineralisation contained within the 2006 resources estimate has been extended to the north and at depth, remaining open in both these directions.

118. Further drilling is required to infill the drilling data collected to date and test possible extensions of mineralisation to the north and south.

LOICA-VICTORIA Project - Chile

119. Hampton holds a 50% interest in the Loica program with the right to acquire an additional 25%. It also has the right to acquire 75% of tenements in the Victoria program. It is prospective for copper and molybdenum.

120. The tenements are located 100 kilometres southeast of Ovalle and cover 40 square kilometres, including the optioned Victoria area of 5 square kilometres. Surface water is available in the area.

121. Near term drilling will focus on Victoria and the north end of Loica.

LOS CALATOS Project - Peru

122. Hampton has the right to acquire 100% of tenements that are prospective for copper and molybdenum.

123. Tenements comprise 28 square kilometres in three contiguous licences in southern Peru, approximately 300 kilometres southeast of Arequipa.

124. Water was encountered when drilling at Los Calatos and the project is approximately 50 kilometres from grid power. Port facilities and a smelter complex are located approximately 200 kilometres southwest by road.

125. Placer Dome which is 100% owned by Barrick Gold Corporation, has a 51% buyback right which is triggered if a scoping study identifies a minimum of 2 million ounces of gold and/or one million tons of fine copper contained in proven and probable reserves. If the buyback right is exercised, Placer Dome must pay 200% of total exploration and other expenditure incurred achieving these reserves.

126. A 6800 metre/13 hole drill program and geological mapping was completed in October 2008. The results revealed a surface alteration halo three kilometres long and up to one kilometre wide which has the potential to contain a large mineralised copper - molybdenum porphyry system.

127. In January 2009 a classic copper-molybdenum porphyry system with surface alteration halo 6 kilometres long by 1 kilometre was confirmed at Los Calatos. SRK Consulting, Chile completed a JORC compliant Resource estimation for the project on 20 January 2009. At 0.2% copper cut-off Mineral Resources were:

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

ISIDRO Project - Chile

128. Isidro is a large copper and gold exploration project comprising a number of tenements. Hampton owns 100% of the Isidro tenements and has the right to acquire 100% of the Cerro Plata and Santa Berta tenements. It has recently completed the acquisition of 50% of the San Lorenzo tenements for US$3 million with the right to acquire a further 20% and an option to purchase the remaining 30% subject to completion of a bankable feasibility study.

129. The tenements are located 85 kilometres east of the town of La Serena and cover 350 square kilometres.

130. Continuous chip samples have been taken on 18 east west lines over a north-south distance covering approximately 6.4 kilometres. Sampling results demonstrate this horizon is worthy of further detailed geological mapping and sampling to identify potential drill targets.

CAMARON Project - Chile

131. Hampton owns 100% of Camaron tenements and has the right to acquire 100% of Genesis tenements. They are located north of the Vallecillo project and south of Vicuna.

132. The tenements cover 215 square kilometres and recent sampling has returned copper, gold and molybdenum values. The Hampton Group has undertaken initial broad spaced surface sampling covering 8 linear kilometres in total and a significant gold anomalism over an area exceeding 20 square kilometres was identified.

KAMIKAZE Project - Chile

133. Hampton has the right to acquire 100% of the Kamikaze tenements located approximately 850 kilometres north of Santiago that are prospective for magnetite.

Project Acquisition and Interests

134. Hampton holds several options to acquire or increase its interest in tenements. The table below summarises Hampton's project acquisition and potential option payments up to 30 June 2010.

Table 13: Hampton's potential project acquisition up to 30 June 2010

Project	Note	Year ending 30 June 2009 US$'000	Year ending 30 June 2010 US$'000	Interest
MN Projects	2	-	-	Holds 50%, has right to acquire additional 25%.
Los Calatos	3,5,6	500	500	Right to acquire 100% of tenements.
Loica-Victoria	3,4	-	1,000	Loica: Holds 50%, right to acquire additional 25%. Victoria: Right to acquire 75% of tenements.
Camaron	3,6	120	120	Right to acquire 100% of tenements.
Isidro	3,6	84	84	Right to acquire 100% of tenements.
Isidro	3	500	700	Right to acquire 100% of tenements.
Isidro	5	2,850	-	Holds 50%, right to earn a further 20% of tenements and right to purchase remaining 30%.
Kamikaze	3,5,6	400	500	Right to acquire 100% of tenements.
Total Potential Payments	**1**	**4,454**	**2,904**	

Source: Hampton Mining Limited Prospectus

Notes:

1. *In addition to the above potential payments, a further **US$13.4 million** may be required to be paid between July 2010 and June 2012. This consists mainly of US$6.5 million in relation to MN Projects, US$4 million in relation to the Victoria Project, and US$2 million in relation to the Los Calatos Project.*

2. *MN Projects consist of the Loica-Victoria, Mollacas and Vallecillo projects. Hampton Chile had an agreement (MN Agreement) with MN Ingenieros (MN) pursuant to which it could elect to increase its interest in the MN Projects from 50% to 75% by paying MN Ingenieros US$6 million on or before 30 December 2008. On or before 30 December 2008 Hampton Chile was also required to commit to pay MN Ingenieros a final option payment of US$6.5 million on the earlier of completion of a bankable feasibility study on any of the MN Projects or by 30 January 2012. Hampton elected not to increase its equity in the MN Projects by the payment of US$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.*

3. *The option payments are payable at the election of the Hampton Group, subject to favourable exploration results.*

4. *The option payment refers to the Victoria Properties within the Loica-Victoria Projects. If the Hampton Group elect to make the option payment in 2009 then the option period is extended for 12 months to 2010, at which time the Hampton Group may elect to purchase 100% of the licences for a further payment of US$4 million, subject then to the ownership structure as in the MN Agreement.*

5. *Subject to payment, the Hampton Group will have acquired an equity interest or increased its interest in the Property.*

6. *On acquisition of an equity interest in this Project or part thereof, the Hampton Group is required to make an additional one off payment in respect to any resources/reserves delineated by exploration activities and/or pay an ongoing royalty on production.*

Financial performance

135. The following table presents Hampton's income statement for the years ended 31 December 2006 and 31 December 2007 and the six months to 30 June 2008. We note the income statements for the two years ended 31 December 2007 have been audited, but the income statement for the six months to 30 June 2008 has been reviewed and not audited.

Table 14: **Hampton's Income Statements**

Hampton Group Summary Income Statement	Year ended 31 Dec 06 $	Year ended 31 Dec 07 $	Six months ended 30 June 08 $
Other Income	13,002	11,340	57,874
Foreign exchange gain	-	68,216	
Expenses			
Foreign exchange loss	-	-	203,755
Corporate Costs	-	-	
Equity Investment loss	-	7,964	7,734
Administrative costs	233,727	259,700	622,659
Depreciation and amortisation expense	51,481	115,206	1,544
Employee and director benefits expense	240,747	197,240	249,304
Other expenses from ordinary activities	37,830	67,376	22,594
Interest expense	10	-	
Total Expenses	**563,795**	**647,486**	**1,107,590**
Profit /(Loss) before Income Tax	**(550,793)**	**(567,930)**	**(1,049,716)**
Income tax expense relating to ordinary activities	-	-	-
Profit/(Loss) for the year	**(550,793)**	**(567,930)**	**(1,049,716)**

Source: Hampton's 2007 Annual Report, Interim Financial Report for the six months ended 30 June 2008.

136. We have not had access to Hampton Management to discuss their financial results but note the following:

- Hampton is yet to establish commercial operations and therefore is expected to continue to generate losses as it continues to incur administrative and exploration expenses.
- Revenue is predominantly comprised of interest income and foreign exchange gains. Interest was generated on the proceeds of the capital raisings of US$20 million in April 2008 and AUD$1.8 million raised between May and June 2008.
- The foreign exchange loss in the six months ended 30 June 2008 relates predominantly to the loss on translation of USD denominated bank accounts and the impact of the appreciation in the USD/AUD exchange rate in the period to 30 June 2008.

Financial position

137. The table below summarises Hampton's balance sheets as at 31 December 2007, 30 June 2008 and 30 November 2008. We note that the Balance Sheets as at 31 December 2007 have been audited, while the Balance Sheet as at 30 June 2008 has been reviewed but is unaudited. The Balance Sheet as at 30 November 2008 is unaudited.

Table 15: Hampton's Balance Sheets

Hampton Group Balance sheet	31 Dec 07 $	30 June 08 $	30 Nov 08 $
Current Assets			
Cash and cash equivalents	738,698	18,517,591	14,664,775
Trade and other receivables	25,926	104,253	277,518
Other current assets	281,167	414,307	195,518
Total Current Assets	**1,045,791**	**19,036,151**	**15,137,811**
Non Current Assets			
Property, plant and equipment	36,520	134,584	924,533
Receivables	640,775	628,321	1,600,901
Financial assets	1,508,577	1,627,351	2,254,809
Exploration & Evaluation expenditure	8,920,593	10,026,849	25,314,543
Total Non Current Assets	**11,106,465**	**12,417,105**	**30,094,786**
TOTAL ASSETS	**12,152,256**	**31,453,256**	**45,232,597**
Current Liabilities			
Trade and other payables	296,380	566,116	1,397,433
Total Current Liabilities	**296,380**	566,116	1,397,433
TOTAL LIABILITIES	**296,380**	**566,116**	**1,397,433**
NET ASSETS	**11,855,876**	**30,887,140**	**43,835,164**

Source: Hampton's 2007 Annual Report, Interim Financial Report for the six months ended 30 June 2008, Target's Statement.

138. We note that Hampton's year end is 31 December. In relation to Hampton's financial position, the following comments are made:

- Significant fund raisings were completed in the six months to 30 June 2008 totalling $22.5 million predominantly due to the placement of approximately 66.4 million shares with an issue price of 32 cents to Junior Investment Company. This explains the significant increase in cash balances as at 30 June 2008.

- Hampton holds the majority of its cash reserves in US$ denominated bank accounts. As at 30 June 2008 Hampton had cash reserves of US$17.8 million. This decreased to US$9.6 million as at 30 November 2008. We note that during this period the AUD/USD exchange rate deteriorated significantly. As at 30 June 2008 the prevailing AUD/USD exchange rate was 0.9615 compared to 0.6555 at 30 November 2008.

- During the five months ended 30 November 2008 approximately US$8.2 million was spent on major work programs including drilling programs at Los Calatos, Vallecillo and Mollacas, the acquisition of the San Lorenzo licences (part of the Isidro Project) at a cost of US$3.0 million and significant capital equipment purchases.

- We have been advised that 'Other Current Assets' as at 31 December 2007 and 30 June 2008 relate to prepaid expenditure associated with the failed IPO. These prepayments were written off in October 2008 when the IPO was cancelled.

- Non-current receivables relate to VAT to be recovered in Chile and Peru.

- Financial assets relate to Hampton's investment (via its Chilean subsidiary) in a Chilean company, Sociedad Contractual Minera Ovalle, that is accounted for pursuant to equity accounting principles. Sociedad Contractual Minera Ovalle holds the exploration permits of the Mollacas, Vallecillo and Loica exploration properties.

- The significant increase in capitalised exploration expenditure is due to the recommencement of exploration activities in July 2008 following the successful capital raisings.

Ownership Structure

139. The table below summarises Hampton's shares and options on issue as at the date of this report.

Table 16: Hampton's Issued share capital

	Number	Exercise price $	Expiry date
No of ordinary shares	205,607,051		
Total Shares Issued	**205,607,051**		
March 09 options[1]	12,100,000	0.125	30 March 2009
April 09 options[2]	20,000,000	0.320	28 April 2009
Total Options on issue	**32,100,000**		

Source: Hampton Target's Statement
Note 1 9,500,000 of the outstanding March 09 options are held by Takoradi Limited with the remainder held by parties associated with the directors of Hampton
Note 2 The April 09 options are held by Junior Investment Company

BDO Kendalls

140. Hampton's top 20 shareholders, as at 22 January 2009 comprising approximately 59% of the ordinary shares on issue are as set out in the table below.

Table 17: Top 20 Holding – Ordinary Shares

	Number of Ordinary Shares	% of Total Ordinary Shares on Issue
Junior Investment Company (Limited Liability)	66,393,750	32.29%
Takoradi Limited	56,511,906	27.49%
Mining Investment Services Pty Ltd (ATF for WSE Superannuation Fund)	12,400,000	6.03%
Tangarry Pty Ltd (transferred from Chile Copper Mine Pty Ltd)	10,266,666	4.99%
Ms NJ and Mr WJ Howe ATF The Howe Superannuation Fund	7,500,000	3.65%
Wilnic Pty Ltd (ATF the Wilnic Family Trust)	4,766,667	2.32%
Maxwell James Green	4,313,333	2.10%
Eureka Investors Inc	3,960,715	1.93%
Rahn & Bodmer	3,300,595	1.61%
Mining Investment Services Pty Ltd	3,200,000	1.56%
Beatinvest Limited	3,183,929	1.55%
Monetti Pty Ltd	2,640,477	1.28%
Notesan Pty Ltd	2,599,048	1.26%
Mr MJ Green and Ms RL Green (ATF The Green Superannuation Fund)	2,566,667	1.25%
Chile Copper Mine Pty Ltd	2,566,667	1.25%
Villaret Holdings Pty Ltd (ATF The Philipsohn Unit Trust)	1,848,334	0.90%
AJ Holdings Corporation	1,600,000	0.78%
JBN Holdings Pty Limited	1,516,667	0.74%
Neville Joel Katz	1,320,238	0.64%
Mr Michael H J Cowie & Ms Mary Cowie (ATF Michael Howard John Cowie Private Superannuation Fund)	1,155,000	0.56%
Total	**193,610,659**	**58.57%**

Source: Target Statement

141. The spread of Hampton's shareholders as at 22 January 2009 is set out in the table below.

Table 18: Shareholder Spread

Range of Shares Held	Number of Shareholders	Number of Shares	As a % of issued shares
1-1,000	-	-	-
1,001-5,000	5	23,000	0.01%
5,001-10,000	-	-	-
10,001-100,000	6	274,287	0.13%
100,001 and over	40	205,309,764	99.86%
Total	**51**	**205,607,051**	**100.00%**

Source: Target Statement

142. We note the top 2 shareholders being Junior Investment Company and Takoradi together hold approximately 60% of Hampton's shares.

143. The Hampton's option holders, as at 22 January 2009 as set out in the table below.

Table 19: Hampton Option Holders

	Number of March 09 Options Held	% of Total March Options on Issue	Number of April 09 Options Held	% of Total April Options on Issue
Junior Investment Company (limited Liability)	-		20,000,000	100.00%
Takoradi Limited	9,500,000	78.51%	-	-
Mining Investment Services Pty Ltd (ATF for WSE Superannuation Fund)	2000000	16.53%	-	-
Eureka Investors Inc	330000	2.73%	-	-
Ms NJ and Mr WJ Howe ATF The Howe Superannuation Fund	200000	1.65%		
Tanic Pty Ltd	70,000	0.58%	-	-
Total	**12,100,000**	**100.00%**	**20,000,000**	**100.00%**

Source: Target Statement

VIII PROFILE OF MERGED ENTITY

144. The assessment in this section is based on the assumption that the Proposed Takeover proceeds and Metminco successfully acquires all of Hampton's ordinary shares and options.

Overview of the merged entity

145. Metminco, in its Bidder's Statement, has outlined its operational intentions assuming the Proposed Takeover proceeds. These are as follows:

- The continuation of the projects of Metminco and Hampton in substantially the same manner as previously conducted.
- The consolidation and rationalisation of corporate office functions at Hampton's existing Sydney office.
- The continuation of the current terms of employment of Hampton employees.
- At the completion of the takeover Metminco intends to appoint additional Hampton directors to the Board of Metminco. No Hampton directors have consented to appointment at this stage so it is not possible to say which of them (if any) will accept appointment.

Metminco Capital Structure Post the Proposed Takeover

146. As stated, Metminco proposes to acquire 100% of Hampton's ordinary shares and outstanding options by issuing 4 Metminco ordinary shares for each ordinary share held, 1.875 shares for each March 09 option held and 0.9 shares for each April 09 option held. The offer extends to all Hampton shares, including any Hampton shares that are issued during the offer period as a result of the exercise of options.

147. As at 22 January 2009, Hampton had 205,607,051 ordinary shares on offer and 12,100,000 and 20,000,000 March 09 and April 09 options on issue respectively. Accordingly, based on the current capital structure and assuming none of the outstanding March 09 or April 09 options are exercised prior to the close of the Takeover Offer, Metminco will issue up to 863,115,704 ordinary shares to acquire 100% of the issued shares and outstanding options of Hampton.

148. Metminco's capital structure subsequent to completion of the Proposed Takeover, assuming the Company acquires 100% of the issued shares and options and that no options to acquire Hampton shares are exercised by the Hampton shareholders prior to the date of the close of the offer is summarised below.

Table 20: Metminco Capital Structure – Post Proposed Takeover

	Pre – Proposed Takeover		Post – Proposed Takeover	
	No of Ordinary Shares	% of Shareholding	No of Ordinary Shares	% of Shareholding
Metminco Shareholders	53,000,005	100.00%	53,000,005	5.79%
Hampton Shareholders	-	0.00%	863,115,704	94.21%
Total Shares on Issue	**53,000,005**	**100.00%**	**916,115,709**	**100.00%**
Metminco options[1]	26,230,017	100.00%	26,230,017	100.00%
Total Options on Issue	**26,230,017**	**100.00%**	**26,230,017**	**100.00%**

Source: Metminco Bidder's Statement,Hampton Target's Statement, BDO Analysis
Note 1 Metminco options are exercisable at $0.25 on or before 4 December 2012

149. The Proposed Takeover will proceed if Metminco fails to acquire 100% of the issued shares and options as long as the Company acquires a controlling interest. The dilution of the Metminco shareholders will be reduced if Metminco acquires less than 100% of the share capital and options of Hampton. Furthermore should any option holders exercise their options to acquire ordinary shares in Hampton prior to the date of the offer closing, this could result in Metminco being required to issue additional shares.

150. We consider it unlikely that the April 09 options will be exercised prior to closure of the offer; however it is possible that the March 09 options will be exercised. These options have an exercise price of 12.5 cents which is lower than the current net asset backing of Hampton. Furthermore, by exercising their options, March 09 option holders will be entitled to participate in the Share Offer which entitles them to receive 4 shares in Metminco (an increase over the 1.875 shares offered for the March 09 options). The capital structure subsequent to the Proposed Takeover, assuming all the March 09 options are exercised prior to the Proposed Takeover proceeding is outlined below.

Table 21: Metminco Capital Structure – Post Proposed Takeover assuming March 09 options are exercised

	Pre – Proposed Takeover		Post – Proposed Takeover	
	No of Ordinary Shares	% of Shareholding	No of Ordinary Shares	% of Shareholding
Metminco Shareholders	53,000,005	100.00%	53,000,005	5.63%
Hampton Shareholders	-	0.00%	888,828,204	94.37%
Total Shares on Issue	**53,000,005**	**100.00%**	**941,828,209**	**100.00%**
Metminco options	26,230,017	100.00%	26,230,017	100.00%
Total Options on Issue	**26,230,017**	**100.00%**	**26,230,017**	**100.00%**

Source: Metminco Bidder's Statement, Hampton Target's Statement, BDO Analysis
Note 1 Metminco options are exercisable at $0.25 on or before 4 December 2012

151. Subsequent to the Proposed Takeover and assuming both the March 09 and April 09 options remain unexercised and 100% of share and option holders accept the offer, Metminco will have a total of approximately 916 million shares on issue. The two largest shareholders will be Junior Investment Company and Takoradi Ltd who will hold approximately 31% and 27% of Metminco's ordinary shares respectively.

Proforma Balance Sheet of the Metminco/Hampton Merged Entity Post Proposed Takeover

152. In determining the pro forma balance sheet of the combined entity, we have had regard to the following:

- The Australian Accounting Standard relating to acquisition accounting, AASB 3 Business Combinations, requires that all business combinations must be accounted for by applying the purchase method. This requires an acquirer to be identified based on control, defined as the power to govern the financial and operating policies of the merged entity. This may result in the legal acquirer in a business combination not being treated as the acquirer from an accounting perspective.

- If Metminco (as the parent entity, in legal terms) acquires Hampton in accordance with the terms of this offer, the current shareholders of Hampton (the subsidiary, in legal terms) will hold approximately 94% of the expanded share capital of Metminco. Under paragraph 21 of AASB 3, this will make Hampton the acquirer unless it can be demonstrated that the ownership does not constitute control.

- We note that the Bidder's Statement suggests that the current Metminco Board contemplates that the Board of the merged entity could be comprised of more than 50% of Hampton directors with only one current Metminco director remaining. Furthermore, Metminco intends seeking agreement from the managing director of Hampton to accept the role of managing director of the merged entity.

- Based on the terms of the offer, we consider that Hampton will be considered to be the acquirer as there are no other factors to indicate that the 94% ownership of the expanded share capital does not constitute control.

153. Set out in the table below is a pro forma consolidated balance sheet of the merged Hampton and Metminco businesses ("**the Merged Entity**").

Table 22: Pro forma balance sheet of Metminco pre and post the Proposed Takeover

As at 30 November 2008	Metminco Balance sheet (adjusted)[1] $	Hampton Balance sheet $	Proforma Merged Entity Balance sheet $
Current Assets			
Cash and cash equivalents	1,599,971	14,664,775	16,264,746
Trade and other receivables	-	277,518	277,518
Other current assets	23,282	195,518	218,800
Total Current Assets	**1,623,253**	**15,137,811**	**16,761,064**
Non Current Assets			
Property, plant and equipment	25,825	924,533	950,358
Exploration assets	1,183,399	25,314,543	26,497,942
Financial assets	-	2,254,809	-
Receivables	-	1,600,901	1,600,901
Goodwill	-	-	-
Total Non Current Assets	**1,209,224**	**30,094,786**	**29,049,201**
TOTAL ASSETS	**2,832,477**	**45,232,597**	**45,810,265**
Current Liabilities			
Trade and other payables	20,863	1,397,433	1,418,296
Short-term provisions	4,528	-	4,528
Total Current Liabilities	25,391	1,397,433	1,422,824
TOTAL LIABILITIES	**25,391**	**1,397,433**	**1,422,824**
NET ASSETS	**2,807,086**	**43,835,164**	**44,387,441**

Source: BDO Analysis
Note 1 Metminco's balance sheet has been adjusted to reflect the capitalisation of exploration expenditure incurred since 1 July 2008 that is expected to be capitalised. The cash balance has also been adjusted to reflect the transaction costs that will be incurred regardless of whether the Proposed Takeover is successful.

154. In preparing the pro forma balance sheet the following assumptions have been made:

- It has been assumed that 100% of Hampton shareholders and option holders accept the Takeover Offer;
- The March 09 options are not exercised prior to completion of the Proposed Takeover. Takoradi, the holder of 79% of these options, has indicated in its shareholder announcement on 6 January 2009, that it will not exercise the March 09 options in order to participate in the Share Offer, however we note this was prior to the issue of the increased offer in the Supplementary Bidder's Statement;
- The April 09 options are not exercised; and
- Metminco's outstanding options remain unexercised.

155. Based on the foregoing assumptions, a total of 863,115,704 shares will be issued by Metminco to Hampton shareholders

156. Under Australian Accounting Standards, goodwill acquired in a business combination is measured as the excess of the cost of the business combination (the fair value of the consideration given, plus any costs directly attributable to the acquisition) over the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. We have calculated goodwill based on the following:

- Cost of the business combination calculated as if Hampton were to issue shares to Metminco shareholders. Hampton would have had to issue approximately 12.6 million shares for the ratio of ownership in the merged entity to be the same as if Metminco had issued the shares (ie 94% of the merged entity held by Hampton shareholders). We have assumed the issue price of Hampton's shares to be based on the net asset value per share of 20.2 cents.

- The net asset value of Metminco as at 30 November 2008 is approximately $2.96 million (after adjusting for the exploration expenditure incurred in the 5 months to 30 November 2008 but not yet capitalised).

- The director's of Metminco have estimated that transaction costs will be approximately $150,000. These transaction costs include the preparation of the Notice of Meeting, professional fees and costs associated with the preparation and dispatch of documents.

- Based on the foregoing paragraphs, the acquisition of Metminco by Hampton will result in a discount on acquisition of approximately $260,000. In accordance with Australian Accounting Standards, this discount on acquisition was recorded directly in the income statement.

157. The pro forma consolidated statement of financial performance for the merged entity and our comments set out above are based on the assumption that 100% of Hampton shareholders accept the offer. In the event that a significant number of Hampton shareholders do not accept the offer and Hampton shareholders do not control the merged entity, Hampton will not be considered to be the acquirer. This would result in a significantly higher level of goodwill being recognised in the merged entity. Under Australian Accounting Standards, goodwill must be tested for impairment on an annual basis and any impairment expense that may arise, may impact upon the merged entity's results in the future.

IX VALUATION METHODOLOGIES

158. The value of shares in a company or the value of a business is usually determined with regard to both asset values and the consistency and quality of earnings. There are five traditional methodologies for such a valuation. These are referred to as:

- capitalisation of maintainable earnings;
- discounted cash flow analysis;
- asset-based valuations;
- comparable market transactions; and
- quoted market price valuations.

159. We have considered the relevance of each of these methodologies prior to undertaking our valuation.

Earnings-based Valuation

160. An earnings-based valuation requires consideration of the following factors:

- estimation of future maintainable earnings having regard to historic and forecast operating results, including sensitivity to key industry risk factors, future growth prospects, and the general economic outlook;
- determination of an appropriate capitalisation rate which will reflect a purchaser's required rate of return, risks inherent in the business, future growth expectations and alternative investment opportunities; and
- a separate assessment of surplus or unrelated assets and liabilities, being those items that are not essential to producing the estimated future earnings.

161. This methodology is a surrogate for a discounted cash flow valuation. It is typically employed where a company has mature operations with a history of profits and an expectation that these will be maintained at similar levels in the future.

Discounted Cash Flow Based Valuation

162. This methodology determines the present value of the net cash flows that are expected to be derived from future activities. These future cash flows are discounted to current values by recognising both the risk of their receipt and the time value of money using a suitable discount rate. We consider this methodology to be the most appropriate method in the calculation of the value where there is adequate information about likely future cash flows, usually over a finite term.

Asset-based Valuation

163. In the absence of reliable forecasts for future cash flows or earnings, the net asset value of a company can be a reliable indicator of the minimum value for the company.

164. There are three primary asset based methodologies:

Orderly Realisation of Assets Basis

This involves the determination of the net realisable value of the assets of the business or company assuming an orderly realisation of those assets. This value includes a reduction in value to allow for the reasonable costs of carrying out the sale of assets and for the time value of money.

This approach is appropriate where the business or company concerned is not generating adequate returns and in certain circumstances where there are surplus non-operating assets.

Forced Sale Basis

This involves assets being sold at values materially different from their fair market value. This approach is appropriate when there is an event such as a liquidity crisis or formal administration or liquidation appointment requiring the assets to be realised in a short timeframe.

Going Concern Basis

This is appropriate for valuing an investment company, where the majority of its value lies in investments in other assets or entities, such as a private equity company or listed investment vehicle.

Comparable Market Transactions

165. This methodology requires research to ascertain details of any comparable transactions in the same industry for a similar company to that being valued. If such transactions exist and the company being valued is directly comparable to that being acquired then the assets, revenue or earnings multiples, or other measures employed in the actual transaction, can be utilised in the valuation. The difficulty with this methodology is the sourcing of sufficient information involving the sale process to accurately analyse the consideration paid and to establish the comparability of the two companies.

Quoted Market Price Valuation

166. An alternative valuation approach that can be used in conjunction with (or as a replacement for) any of the above methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX through which shares can be traded, recent prices at which shares are bought and sold can be taken as the market value per share. With the advent of continuous disclosure, such market value should include all factors and influences that impact upon the ASX price. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security. Shares in a company normally trade at a discount to the underlying value of the company as a whole, reflecting the fact that portfolio shareholdings do not give shareholders management control or direct access to cash flows. In the absence of a deep, well informed market exhibiting good liquidity, this method has significant limitations.

167. We have considered the above methodologies in the evaluation that forms the subject of this report, and the application of these methodologies is dealt with in the relevant sections of this report below.

X VALUATION OF METMINCO

Valuation Approach Adopted

168. We have considered the valuation methodologies discussed earlier in this report. Given the preliminary nature of Metminco's operations, it continues to trade at a loss and therefore an earnings based methodology cannot readily be employed. Further, in the absence of long-term cash flow forecasts, we do not consider it appropriate to employ a discounted cash flow methodology.

169. Accordingly, in assessing the value of the Metminco we have considered the recent quoted market share price for Metminco's shares and the net asset valuation approach.

170. We note that under the Proposed Takeover, it is possible that Hampton shareholders could obtain a shareholding in Metminco of approximately 94% (assuming no options are exercised prior to the closure of the Takeover Offer). On this basis, in our assessment of the value of Metminco, we have determined the value on a majority interest basis and have included a control premium

Net Asset Value Methodology

171. As at 30 November 2008 Metminco had net assets of approximately $2.5 million. In assessing the value of Metminco under the net assets approach, we note the following:

- the Company's net assets are comprised of predominantly cash of $1.7 million and capitalised exploration expenditure of approximately $786,000;
- in addition to the capitalised exploration expenditure, the Company has spent a further $398,000 on exploration activities since 1 July 2008. These amounts have been expensed however, we are advised that this expenditure meets the criteria for capitalisation and is likely to be capitalised when management completes its half yearly review of exploration expenditure;
- we are advised that the Metminco tenement explorations are in an early stage and mineral valuation reports prepared by independent third parties have not been provided. We have reviewed the Independent Geologist's Report prepared by Vidoro Pty Ltd that was commissioned by Metminco in May 2007 and included in the Company's prospectus dated 13 August 2007. Further, we have been provided with an update on the Company's exploration projects as at December 2008 that was completed by Mr Keith Weston, a director of the Company and a qualified geologist;
- in the absence of further information, we have assumed that the value of Metminco's exploration assets is equal to the capitalised expenditure (including those amounts expensed in the 5 months ended 30 November 2008 and expected to be capitalised); and
- we have been advised that transaction costs will be approximately $150,000.

172. The table below sets out the value per share of Metminco under the net assets approach.

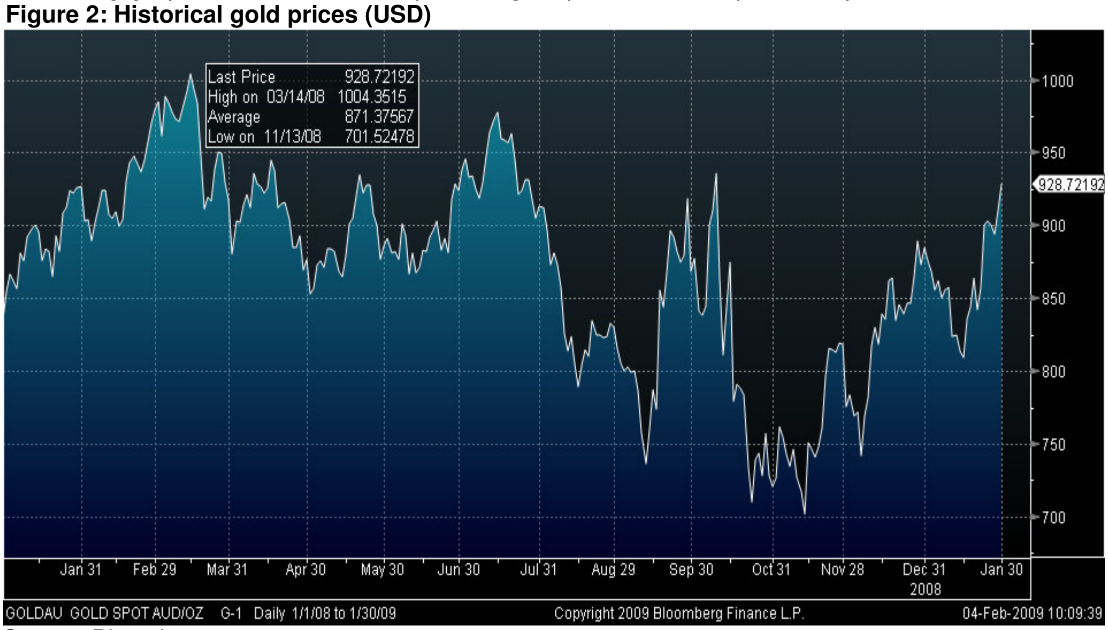
Table 23: Proforma Net asset value per share

	$
Net Assets @ 30 November 2008	2,559,424
Deduct transaction costs	(150,000)
Add exploration expenditure subsequent to 1 July 2008	397,662
Adjusted Net Assets	**2,807,086**
No of shares on issue	53,000,005
Net Assets per share	**5.3 cents**

Source: Metminco Management Accounts; BDO Analysis

173. The value determined on a net assets basis is highly dependent upon the valuation of Metminco's exploration tenements and assumes that the fair value of the tenements is equal to the capitalised exploration expenditure. We note that most of Metminco's tenements are gold prospects and therefore their value will be dependent upon the gold price. The following graph shows the volatility of the gold price over the previous year.

Figure 2: Historical gold prices (USD)



Source: Bloomberg

Quoted Market Share Price

174. We note the following key points in relation to the recent movements in the share price of Metminco:

- In its first issue of shares in July 2007, 35 million shares were issued with an issue price of 5.7 cents;
- In the September 2007 initial public offering Metminco's shares were offered at 20 cents per share;
- In October 2007, the Company issued options with an issue price of 1 cent and an exercise price of 25 cents;

- Since being admitted to the ASX, the monthly VWAP of the Company's shares increased to 47 cents in December 2007 before declining to 24 cents in April 2008. The VWAP again increased to 35 cents in June 2008 before declining to 22 cents in September 2008;

- At the request of the Company, its shares were placed in a trading halt on 20 October pending the announcement of the Takeover Offer. The last traded share price prior to the trading halt was 20 cents;

- Since lifting the trading halt on 15 December 2008, the Company's shares have traded in the range of 12 cents to 22 cents per share with a VWAP of 16 cents, although we note they have exhibited very low liquidity during this time with less than 2% of shares on issue being traded. At the date of this report, the Company's share price is 15 cents

- The VWAP of the Company's shares 1 week and 1 month prior to the trading halt was 16.6 cents and 16.7 cents; and

- We refer you to the table in Section VI above that sets out our calculations of the VWAP at various intervals.

175. In addition to the low level of liquidity in the Company's shares we note that the profile of its shareholders is heavily geared toward investors with larger stakes as approximately 58.57% of its shares are owned by the Top 20 shareholders and 87.14% by shareholders with more than 100,000 shares.

176. In general, the quoted market share price reflects the market's expectations of future growth prospects based on the Company's announcements on the progress of its tenements and also the market's perception of the mining industry generally. Given the relatively low volume of consistent trading in the Company's shares, we do not consider there to be a "deep" market for them. We note that the Company's share price has generally tracked the ASX Metals and Mining Index over the last 6 months (refer the graph below) which suggests that, despite there not being a significant volume of shares traded, the Company's share price is likely to reflect the impact of recent economic and other factors that may impact the share price. Further we note that mining companies are commonly observed to trade at a premium to their net asset backing.

Figure 3: Metminco share price compared to the ASXMetals & Mining index

Source: ASX website

177. Considering the VWAP of the Company's shares prior to the Proposed Takeover and the current share price, we have determined the market value of a non-controlling interest in Metminco to be in the range of 16 cents to 20 cents.

Control premium

178. We have considered whether any control premium should be included in our assessment of the consideration for the Proposed Takeover in the form of shares in Metminco. Typically, a control premium (defined as the higher price paid for a controlling shareholding relative to the price paid or likely to be paid for a minority shareholding) is paid where an offer is made to acquire more than 50% of a company's shares. Given that the Hampton shareholders will hold up to 94% of Metminco following the Proposed Takeover, such a control premium could be expected to be paid.

179. The controlling shareholder of a company generally has a greater influence over company matters such as operating and corporate strategy and distribution policy. Experience indicates that the control premium paid in takeover bids are usually in the range of 20% to 40% above pre-announcement market price, although this range comprises a premium for control plus synergy benefits, particularly cost benefits, with the synergy benefits often representing the large majority of the total control premium.

180. In the context of the Proposed Takeover, there may be some cost synergies realised in the transaction however, given the geographic spread of the merged entity's operations, they are not considered to be material. Therefore we consider a control premium of 20% to be appropriate in this instance. On this basis, we consider a fair value incorporating a control premium attributable to Metminco's shares to be in the range of 19 cents to 24 cents per share.

Overview of Values Determined

181. The majority interest values of Metminco determined under the different methodologies are set out below.

Table 24: Summary of values

	Low cents	High cents
Preferred range based on share price	16.0	20.0
Control premium	20%	20%
Value based on share price including control premium	**19.2**	**24.0**
Net asset value	**5.3**	**5.3**

Source: BDO Analysis

182. In considering the values derived pursuant to both the net asset and share price methodologies, we note that both values contain significant uncertainties.

183. With regards to the value based on the Company's quoted market share price, we note that there is relatively low liquidity in the Company's shares with a significant portion of its shares held by its largest shareholders. Accordingly we do not consider there to be a "deep" market for the Company's shares and therefore do not consider the Company's quoted market share price to be a reliable indicator of the market value of the Company's shares.

184. We therefore consider a valuation based on the Company's net assets to be the most reliable indicator of the market value of the shares in Metminco. The net asset value is highly dependent upon the value attributed to the exploration assets. Such assets have not been the subject of an independent mineral valuation and are likely to have been significantly impacted by the recent decline in world economies and the corresponding decline in the demand for and prices of commodities.

185. We note that the net asset value derived of 5.3 cents per share is, prima facie, a minimum value that does not attribute any value (if any) to the potential of Metminco's exploration tenements. Further, we note that the Company's VWAP of 16.6 cents prior to the announcement of the Proposed Takeover represents a significant premium over the net assets value of 5.3 cents per share

XI VALUATION OF HAMPTON

Valuation Approach Adopted

186. We have considered the valuation methodologies discussed earlier in this report. Given the status of Hampton's operations and the current losses incurred, an earnings based methodology cannot readily be employed. Hampton's shares are not traded on the ASX or any other market and therefore there is not a quoted market share price for Hampton's shares. Furthermore, in the absence of reliable cash flow forecasts, we do not consider it appropriate to employ a discounted cash flow methodology. Accordingly, we have assessed the value of Hampton on a net asset basis.

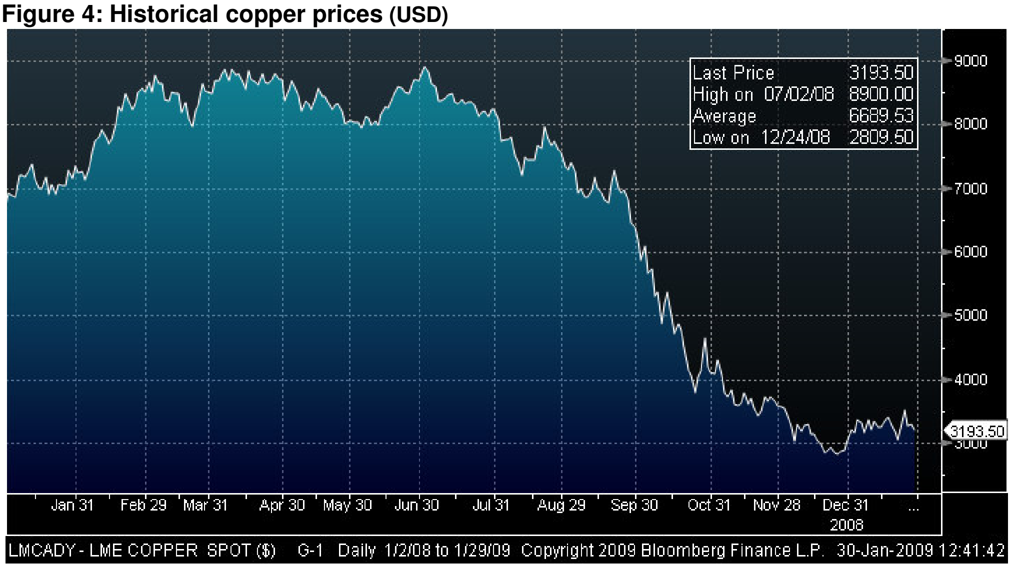
Net Asset Valuation

187. As at 30 November 2008 Hampton had net assets of approximately $43.8 million including $14.7 million in cash and $25.3 million of capitalised exploration expenditure.

188. In assessing the value of Hampton's exploration assets, we have considered the Technical Expert's Report prepared by SRK Consulting in June 2008 that was included in Hampton's prospectus dated 28 July 2008. Mineral valuation reports have not been provided.

189. As noted in the graph below, which shows the movement in the copper price from 1 January 2008 to 29 January 2009, the copper price has fallen some 63% since June 2008. Such a decline along with the impact of the current state of world economies on the availability and cost of financing may severely impact the financial viability and therefore the valuation of Hampton's exploration projects. It is therefore possible that the current value of Hampton's exploration assets is less than the capitalised exploration expenditure of $25.3 million recorded at 30 November 2008.

Figure 4: Historical copper prices (USD)



Source: Bloomberg

190. We have considered the following factors when assessing the net asset value of Hampton:

- Despite requests for an updated assessment by SRK Consulting, we have not been provided with an updated geologists report or mineral valuation report and are only in a position to rely on the report previously prepared by SRK Consulting and a letter dated 20 January 2009 from SRK Consulting detailing updated estimates and classifications of the mineral resource at Los Calatos;

- The value of Hampton's exploration assets is highly dependent on forecast commodity prices, particularly the forecast price of copper as the majority of its tenements are copper prospects;

- The status of Hampton's exploration activities, particularly the Mollacas project, which is the most advanced and the subject of a feasibility study;

- In the period from 1 July 2008 to 30 November 2008 Hampton expended a further $8.2 million predominantly in project acquisition costs and exploration expenditure (capitalised exploration expenditure increased from $10.0 million to $25.3 million during this period). Movements of the nature described, if they cannot be supported by the level of reserves, may impact on the value attributed to the carried forward exploration expenditure; and

- We are not expert geologists and therefore are not in a position to comment on the value attributed to the exploration expenditure carried forward by Hampton.

191. Included in the net assets of Hampton is its 50% interest in Sociedad Contractual Minera Ovalle that is accounted for pursuant to equity accounting principles. Sociedad Contractual Minera Ovalle was established in September 2007 and holds the title of the Vallecillo, Mollacas and Loica tenements. We have reviewed the balance sheet of Sociedad Contractual Minera Ovalle and note that its main asset consists of capitalised expenditure in relation to its tenements. Furthermore, we note that exploration expenditure on the Vallecillo, Mollacas and Loica tenements is recorded directly in Hampton's balance sheet and were included in the review completed by SRK Consulting. We have therefore not attributed any value to the investment in Sociedad Contractual Minera Ovalle as it appears that its main asset is already recorded by Hampton in its capitalised exploration expenditure asset.

192. Set out in the table below is an assessment of the net asset value and the net tangible asset value attributable to Hampton's shares. The net assets value has been determined on the basis that the balance of the capitalised exploration expenditure at 30 November 2008 will continue to be carried forward.

Table 25: Net Asset per share

	As reported 30 November 2008 $
Net assets	**43,835,164**
Deduct investment in associates	(2,254,809)
Net assets (adjusted)	**41,580,355**
Net tangible assets (adjusted)	**16,265,812**
No of shares on issue	205,607,051
Net assets per share	**20.2 cents**
Net tangible assets per share	**7.9 cents**

Source: BDO Analysis

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Summary

193. Based on the net asset approach, we have assessed the value per share of Hampton to be approximately 20.2 cents.

194. We note that, prima facie, the net asset value is a minimum value that does not attribute any value to the potential exploration prospectivity and subsequent operations of Hampton. The value is highly dependent on the value attributed to Hampton's exploration assets. In the absence of independent mineral valuation reports, we have assumed that the capitalised exploration asset as recorded at 30 November 2008 of $25.3 million represents its fair value. We note that given the recent decline in demand for and the price of commodities, in particular copper, this in fact may not be the case.

195. Furthermore, Hampton has undertaken significant exploration activities since 30 June 2008. We have been advised that exploration expenditure and project acquisition costs in the period from 1 July 2008 to 30 November 2008 amounted to approximately $8.2 million with further expenditure incurred since this period. To the extent that such expenditure has been incurred on exploration assets that in the current economic conditions may no longer be considered financially viable, such expenditure may not meet the criteria for capitalisation and would therefore need to be expensed as incurred. In these circumstances, the net assets of Hampton would be lower than those reported at 30 November 2008.

XII ASSESSMENT OF WHETHER THE PROPOSED TAKEOVER IS FAIR AND REASONABLE TO METMINCO'S SHAREHOLDERS

196. In assessing whether we consider the Proposed Takeover is fair and reasonable to the Metminco shareholders, we have considered the following factors:

- a comparison of the value of the consideration to be paid for the Proposed Takeover to the estimated market value of the 100% Hampton shareholding to be acquired;
- the effect of the Proposed Takeover on the value of Metminco's shareholders' shareholding; and
- the advantages and disadvantages of the Proposed Takeover proceeding and not proceeding.

Assessment as to Fairness –

Consideration Offered For the Proposed Takeover Compared to the Value of 100% of Hampton

197. The table below sets out the consideration offered by Metminco to acquire 100% of Hampton to our assessed value of 100% of Hampton.

Table 26: Analysis of fairness of the Proposed Takeover

	$
Value of Consideration offered:	
Value of Metminco share	0.053
No of shares to be issued[1]	863,115,704
Total value of consideration	**45,745,132**
Total value of Hampton	**41,580,355**

Source: BDO Analysis

198. The value of consideration offered by Metminco for 100% of the ordinary shares and 100% of the outstanding options of Hampton is higher than the value of 100% of Hampton.

199. Shareholders should recognise that there is significant uncertainty in any estimate of the underlying value of shares in Metminco and Hampton. The values ascribed are highly dependent upon the value of the capitalised exploration expenditure, the future potential of the companies' tenements, world commodity prices and the general economic climate. We have not attributed any value to Hampton's exploration tenements other than the historical exploration expenditure as at 30 November 2008. This may not be reflective of the intrinsic value of those tenements. Given the recent decline in world economies and the subsequent reduction in the demand for and the price of commodities coupled with the additional exploration expenditure undertaken by Hampton subsequent to 30 June 2008, the actual value of Hampton may have reduced.

Effect of the Proposed Takeover on the Value of Metminco Shareholders' Shareholding

200. Set out below is the balance sheet of Metminco as at 30 November 2008 prior to the Proposed Takeover and a pro forma consolidated balance sheet of Metminco following the Proposed Takeover.

Table 27: Metminco's financial position before and pro forma after the Proposed Takeover

	Proforma[1] Metminco Balance sheet	Proforma Merged Entity Balance sheet
As at 30 November 2008	**$**	**$**
Current Assets		
Cash and cash equivalents	1,599,971	16,264,746
Trade and other receivables		277,518
Other current assets	23,282	218,800
Total Current Assets	**1,623,253**	**16,761,064**
Non Current Assets		
Property, plant and equipment	25,825	950,358
Exploration assets	1,183,399	26,497,942
Financial assets		-
Receivables	-	1,600,901
Goodwill		-
Total Non Current Assets	**1,209,224**	**29,049,201**
TOTAL ASSETS	**2,832,477**	**45,810,265**
Current Liabilities		
Trade and other payables	20,863	1,418,296
Short-term provisions	4,528	4,528
Total Current Liabilities	25,391	1,422,824
TOTAL LIABILITIES	**25,391**	**1,422,824**
NET ASSETS	**2,807,086**	**44,387,441**
No of shares on issue	53,000,005	916,115,709
Net assets per share	**.053**	**.048**
Net tangible assets per share[2]	**.031**	**.020**

Source: BDO analysis

Note 1 Metminco's balance sheet has been adjusted to reflect the capitalisation of exploration expenditure incurred since 1 July 2008 that is expected to be capitalised. The cash balance has also been adjusted to reflect the transaction costs that will be incurred regardless of whether the Proposed Takeover is successful..

Note 2 Net tangible assets per share determined after deducting capitalised exploration expenditure

201. Our analysis above indicates that should the Proposed Takeover proceed, net assets per share will decrease from 5.3 cents to 4.8 cents. We note that the value per share subsequent to the Proposed Takeover is highly dependent upon the value of the exploration expenditure recorded in the balance sheet of Hampton. This is evidenced by the fact that the value of net tangible assets per share decreases significantly subsequent to the Proposed Takeover.

202. We therefore conclude that the Proposed Takeover is **not fair** to the shareholders of Metminco

Assessment as to Reasonableness

Advantages and Disadvantages of the Proposed Takeover Proceeding

203. The advantages of the Proposed Takeover proceeding can be summarised as:

- If the Takeover Offer is successful, Metminco shareholders will, in addition to retaining a diluted interest in Metminco's current projects, also have a direct exposure to Hampton's significant exploration tenements in Chile and Peru. These projects are at a more advanced stage than Metminco's current exploration projects, with JORC compliant reserves identified at two of Hampton's projects, one of which is currently the subject of a feasibility study. We note that Metminco has stated that, should its Proposed Takeover proceed, it would continue operating its existing and acquired projects in substantially the same manner as they are currently conducted;

- An investment in the exploration projects managed by Hampton will provide the shareholders of Metminco with greater diversification than currently exists as the majority of the Company's existing exploration projects are represented by prospective gold tenements;

- As Metminco will issue shares as consideration for the acquisition, it will acquire an interest in the Hampton projects along with the other net assets of Hampton with no cash outlay;

- As at 30 November 2008, Hampton has considerable cash reserves and as a result, the acquisition will considerably strengthen Metminco's balance sheet. Metminco shareholders will have a shareholding in a larger, more advanced, diversified exploration company. Its improved balance sheet and international operations may enable it to access debt and equity markets not previously available;

- The market capitalisation of the merged entity will be significantly larger than Metminco's current market capitalisation. This increase in market capitalisation may raise the profile of the merged entity, which in turn may result in a greater following by the investment and broking community. This may have a positive impact on the Company's share price and could potentially make it easier to raise capital in the future to fund future exploration activities;

- Should the Proposed Takeover proceed, Metminco will gain access to additional experienced technical personnel. In the Bidder's Statement, Metminco indicated that subsequent to the Proposed Takeover, the Board of Directors and the management team will be restructured to include personnel from both Metminco and Hampton. We note that the current directors and management of Hampton have significant experience in the mining industry both domestically and internationally and the planned integration of the management and Board of both companies is expected to give rise to an improved management structure with greater depth and access to a more diverse and experienced management team. We note that while Metminco has indicated its intention to restructure the composition of both the Board of Directors and the management team of Metminco subsequent to the Proposed Takeover, no formal offer has been made to Hampton personnel nor have they indicated their intentions to accept any offer to join the merged entity; and

- The likely merger of administration and overhead structures subsequent to the acquisition may result in cost savings due to operating efficiencies.

204. The disadvantages of the Proposed Takeover proceeding can be summarised as:

- Current Metminco shareholders will be significantly diluted. Their shareholding in Metminco will reduce to approximately 6%. We note that this shareholding may be increased by the exercise of the 26 million options in Metminco that are currently outstanding;

- The additional exploration tenements acquired as a result of the Proposed Takeover will increase the future funding requirements of the Company. In order to continue to develop its existing Metminco exploration tenements together with the Hampton tenements, the Company will need to continue to invest heavily in exploration activities. Furthermore, given the long lead time of exploration projects it is likely to be a number of years before the Company generates substantial cash inflows;

  In accordance with its joint venture agreements, Metminco has commitments to fund additional exploration activities on the Angelo, Grants Creek and Ashburton joint ventures of $2.3 million over the next 2 years. As at 31 December 2008 the Company had spent $897,000 on these tenements;

  Hampton holds options to acquire or increase its interest in a number of its tenements. These options are detailed in Section VII. Should Hampton exercise all of its options, it would be required to spend US$4.5 million by 30 June 2009 and a further $2.9 million by 30 June 2010. A further US$13.4 million may be required to be spent prior to 30 June 2012;

  Accordingly, the Company will need to source sufficient capital to not only fund future exploration activities but to also meet ongoing administrative expenses and will therefore need to raise significant amounts of capital in the future. To the extent that existing shareholders' do not participate in future capital raisings, their shareholding will be further diluted;

- As noted above, the Company will need to source additional funding to continue to advance its exploration tenements and develop an income producing asset. In the current economic climate, such funding may be difficult to obtain. To the extent that the Company is unable to source sufficient capital to continue its exploration activities, the Company's existing cash resources may be depleted and the Company may experience difficulties implementing its current strategic plan. This may ultimately require the divestment of some of its assets in a climate that may undervalue those assets. This will negatively impact shareholder value and may ultimately impact the Company's ability to continue as a going concern;

- Subsequent to the Proposed Takeover, Metminco shareholders will have a direct interest in projects in Peru and Chile and will therefore be exposed to the risks of operating in a foreign country. These risks include:

  > Currency risk: operational expenditures on projects in Chile and Peru will be incurred in a range of currencies including US Dollars, Chilean Pesos and Peruvian Sols and therefore any fluctuations in the corresponding Australian Dollar exchange rates will impact the results of Metminco;

  > Economic risk: emerging markets such as Chile and Peru are often subject to greater economic instability and risks than more mature economies; and

  > Geopolitical climate risks: the political climate in Chile and Peru is considered relatively stable and generally held to offer a favourable outlook for foreign investments. There is no guarantee this will remain the case in the future and any change in the political or economic climate or governing legislation may negatively impact on Metminco's international operations;

- If the Proposed Takeover proceeds, Metminco shareholders will become shareholders in a Company whose major exploration projects are copper projects that are more advanced than its current gold and uranium prospects. As a result Metminco shareholders will be more significantly exposed to the impact of any decrease in the demand for commodities, particularly the decline in world copper prices as a result of the world economic downturn. We note that copper prices have decreased by approximately 64% since July 2008 and a decrease in commodity prices at this level has the potential to impact the economic viability of Hampton's copper projects and thus adversely affect Metminco's share price and shareholder value;

- We note that it is possible that Metminco's shareholding will be dominated by two investors Junior Investment Company and Takoradi Limited, who will hold approximately 31% and 27% of Metminco's shares respectively (assuming they continue to hold the shares in Metminco that will be allotted to them pursuant to the terms of the Proposed Takeover). Such significant holding by two investors may negatively impact the liquidity in the Company's shares; and

- Alternatively, should either of the two dominant investors decide to sell their shares in the Company subsequent to the Proposed Takeover, this may have a negative impact on the Company's share price in the short term.

Advantages and Disadvantages of the Proposed Takeover Not Proceeding

205. The advantages of the Proposed Takeover not proceeding can be summarised as:

- There will be no dilution in the shareholding of Metminco's current shareholders. We note however, that in order to advance its projects, Metminco will need to raise additional funding. To the extent that this is achieved through an equity issue, and existing shareholders do not participate, Metminco shareholders will be diluted; and

- Metminco shareholders will not be exposed to the risks of operating in a foreign country and the Company can continue to focus on advancing its current projects (subject to funding).

206. The disadvantages of the Proposed Takeover not proceeding can be summarised as:

- Given the current economic conditions and the associated change in sentiment towards mining companies, it may be difficult for Metminco to source the required funding to advance its current projects. Without access to the cash reserves of the merged entity, Metminco may need to curtail its exploration activities which would be expected to have a negative impact on the value of the Company.

207. Accordingly, we consider the Proposed Takeover **is reasonable, as the advantages of the Proposed Takeover proceeding outweigh the disadvantages**. Our opinion is predominantly due to the fact that Metminco shareholders will gain an interest in a significantly larger more diversified company with considerable cash reserves and larger, more advanced exploration projects. In the absence of the Proposed Takeover, Metminco's shareholders' exploration interests will be limited to the Company's current exploration tenements. These tenements are significantly less advanced than those of Hampton's and require considerable future exploration expenditure. As a small mining company, Metminco is likely to find it more difficult to raise the required capital to continue its exploration activities in the current economic climate.

Conclusion

208. After considering all of the above factors, on balance, we consider the Proposed Takeover is, on balance, **not fair but it is reasonable** to the shareholders of Metminco and **the advantages of the Proposed Takeover proceeding outweigh the disadvantages.**

APPENDIX A – QUALIFICATION, LIMITATION AND CONSENTS

This report is not intended for general circulation or publication, nor is it to be reproduced or used for any purpose other than that outlined in this report without our prior written permission. We do not assume any responsibility or liability for losses, occasioned to you or other parties, as a result of circulation, publication, reproduction or use of this opinion contrary to the provisions of this paragraph.

Statements and opinions contained in this report are given in good faith and, in the preparation of this report, BDO Kendalls has relied upon the information provided by Metminco, and believes, on reasonable grounds, to be reliable, complete and not misleading. BDO Kendalls does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

Furthermore, recognising that BDO Kendalls may rely on information provided by Metminco and their officers and/or associates, Metminco has agreed to make no claim against BDO Kendalls to recover any loss or damage which Metminco may suffer as a result of that reliance and also has agreed to indemnify BDO Kendalls against any claim arising out of the assignment to give this report, except where the claim has arisen as a result of any proven wilful misconduct by BDO Kendalls.

An advance draft of this report was provided to Metminco for review of factual matters. Certain changes were made to the factual contents of the report as a result of comments received. There were no alterations to the methodology adopted or our conclusions as a result of circulating the draft report.

BDO Kendalls is the licensed corporate advisory business of BDO Kendalls Securities (NSW–VIC) Pty Ltd. BDO Kendalls provides advice in relation to all aspects of valuations and has extensive experience in the valuation of corporate entities.

The directors of BDO Kendalls principally involved in the preparation of this report were Phillip Rundle B COM, FCA, GAICD, F.Fin. and David Ferrier B BUS (Accounting), CA. Phillip and David have many years experience in the provision of corporate financial advice, including specific advice on valuations, mergers and acquisitions, as well as the preparation of independent expert reports. Phillip Rundle and David Ferrier are representatives of BDO Kendalls.

BDO Kendalls consents to the inclusion of this IER by Metminco in the Explanatory Memorandum to accompany a Notice of Meeting in the form and content that it is included. Neither the whole nor any part of this report nor any reference thereto may be included in or with or attached to any document, circular, resolution, letter or statement without the prior written consent of BDO Kendalls to the form and context in which it appears.

BDO Kendalls is not the auditor of Metminco. Neither BDO Kendalls, nor any director, executive or employee thereof has any financial interest in the outcome of the Proposed Takeover which could be considered to affect our ability to render an unbiased opinion in this report. Neither BDO Kendalls nor the authors of this report have any interest in the outcome of the offer. BDO Kendalls is entitled to receive a fee of approximately $45,000 from the Company based on normal professional hourly rates for the time taken in respect of the preparation of this report. The fee will be paid regardless of whether or not the Proposed Takeover is approved by shareholders. BDO Kendalls considers itself to be independent in terms of Regulatory Guide 112.

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APPENDIX B – SOURCES OF INFORMATION RELIED UPON IN THIS REPORT

In preparing this report and arriving at our opinion, we have considered, amongst others, the following sources of information:

- ASX Announcements.
- Update on Metminco prospects provided by Keith Weston, a qualified geologist and managing director of Metminco, received on 18 December 2008.
- Metminco Prospectus dated 13 August 2007.
- Hampton Prospectus dated 28 July 2008.
- Metminco Share register as at 24 November 2008.
- Metminco Management Accounts for five months ended 30 November 2008.
- Metminco 2008 Annual Report.
- Metminco Half Year Financial Report for the six months ended 31 December 2008.
- Hampton Interim Financial Report for six months ended 30 June 2008.
- Hampton Annual Report for Year Ended 31 December 2007.
- Bidder's Statement issued by Metminco dated 10 December 2008.
- Supplementary Bidder's Statement issued by Metminco on 24 December 2008.
- Supplementary Bidder's Statement No 2 dated 29 January 2009.
- Supplementary Bidder's Statement No. 3 issued by Metminco dated 2 February 2009.
- Target's Statement issued by Hampton dated 22 January 2009.
- Draft Explanatory Memorandum to be issued by Metminco to its shareholders in February 2009.
- Joint Venture Agreement between Pacrim Energy Limited and Metminco Pty Ltd dated 24 July 2007 for the Grants Creek Joint Venture.
- Joint Venture Agreement between Pacrim Energy Limited and Metminco Pty Ltd dated 24 July 2007 for the Angelo Joint Venture.
- Unsigned and undated Joint Venture Agreement between Metminco and Peak Resources Limited.
- Review of Hampton Mining Limited's Exploration Assets in Chile and Peru, prepared by TW Dickson November 2008.
- Comments on the latest data on Vallecillo and Los Calatos provided by Keith Weston, a qualified geologist and managing director of Metminco, received on 9 December 2008.
- Declaration of Trust and Agreement to Assign made on 15 July 2207 between Bluekebble Pty Ltd and Metminco.
- Outline of Native Title Status provided by Keith Weston, a qualified geologist and managing director of Metminco, received on 9 December 2008.
- Discussions with Management.
- Letter dated 20 January 2008 from SRK Consulting detailing updated estimates and classifications of the mineral resource at Los Calatos.
- Bloomberg.