METMINCO LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

30 JUNE 2012

ABN 43 119 759 349

ASX: MNC

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HIGHLIGHTS

Los Calatos Project:

- Mineral resource increased by 170% to 9.4 million tonnes contained copper.
- Phase 4 drilling program of over 60,000 metres (reduced down from 100,000 meters) to be completed in early Q4 2012, culminating in a further resource update by year end.
- The porphyry hosted deposit has the capacity to provide higher grade ore early in the life of any future mining operation, which is likely to have a material and positive impact on the project's economics.

Mollacas Project:

- A final mineral resource has been estimated for the copper leach project (oxide and secondary sulphide zones) of 15.5 million tonnes containing 79,111 tonnes leachable copper and 61,650 tonnes soluble copper.
- An initial primary and transitional sulphide resource of 18.8 million tonnes containing 52,638 tonnes copper and 112,745 ounces gold has been estimated.

Vallecillo Project:

- An in-fill drilling program has been completed with a further mineral resource estimate to be announced early Q4 2012.

Financial:

- Raised A$10.3 million in January 2012 by the issue of 73,864,286 new ordinary shares in the Company at a price of A$0.14 per share; the issue was the second tranche of a A$40m placement.
- Cash reserves at the end of the period of approximately A$32.3 million.
- Implemented a revised work plan for 2012, which will achieve the Company's objectives for 2012 but with lower cash outlay, anticipated to save A$12 million at Los Calatos alone in the current year.
- The loss of the Consolidated Group for the half year ended 30 June 2012 was $7,783,091 (2011 loss $5,274,840) after a write off of A$3.7 million in exploration expenditure on the Genesis tenements.

Executive Commentary:

Commenting on the results, William Howe, Managing Director said:

"I am pleased to announce that Metminco has achieved all of the targets that the Company set out for the financial period. At all three of the Company's main projects namely, Los Calatos, Mollacas and Vallecillo, we have made significant progress which advances the Company closer to production."

"The goals for the second half of the year will be to continue with the significant progress achieved in the first half of the year."

DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated Group being Metminco Limited (Metminco or the Company) and its controlled entities (Consolidated Group or Metminco Group), for the half year ended 30 June 2012 and the Independent Review Report therein.

DIRECTORS

The following persons held the office of director during and since the half year ended 30 June 2012.

Antonio Ortuzar	Non Executive Chairman
William Howe	Managing Director
Timothy Read	Non Executive Director
Francisco Vergara-Irarrazaval	Non Executive Director
William Etheridge	Non Executive Director
Phillip Wing	Non Executive Director

COMPANY SECRETARY

Philip Killen was the Company Secretary for the half year ended 30 June 2012 and was in office at the date of this report.

OPERATING RESULTS

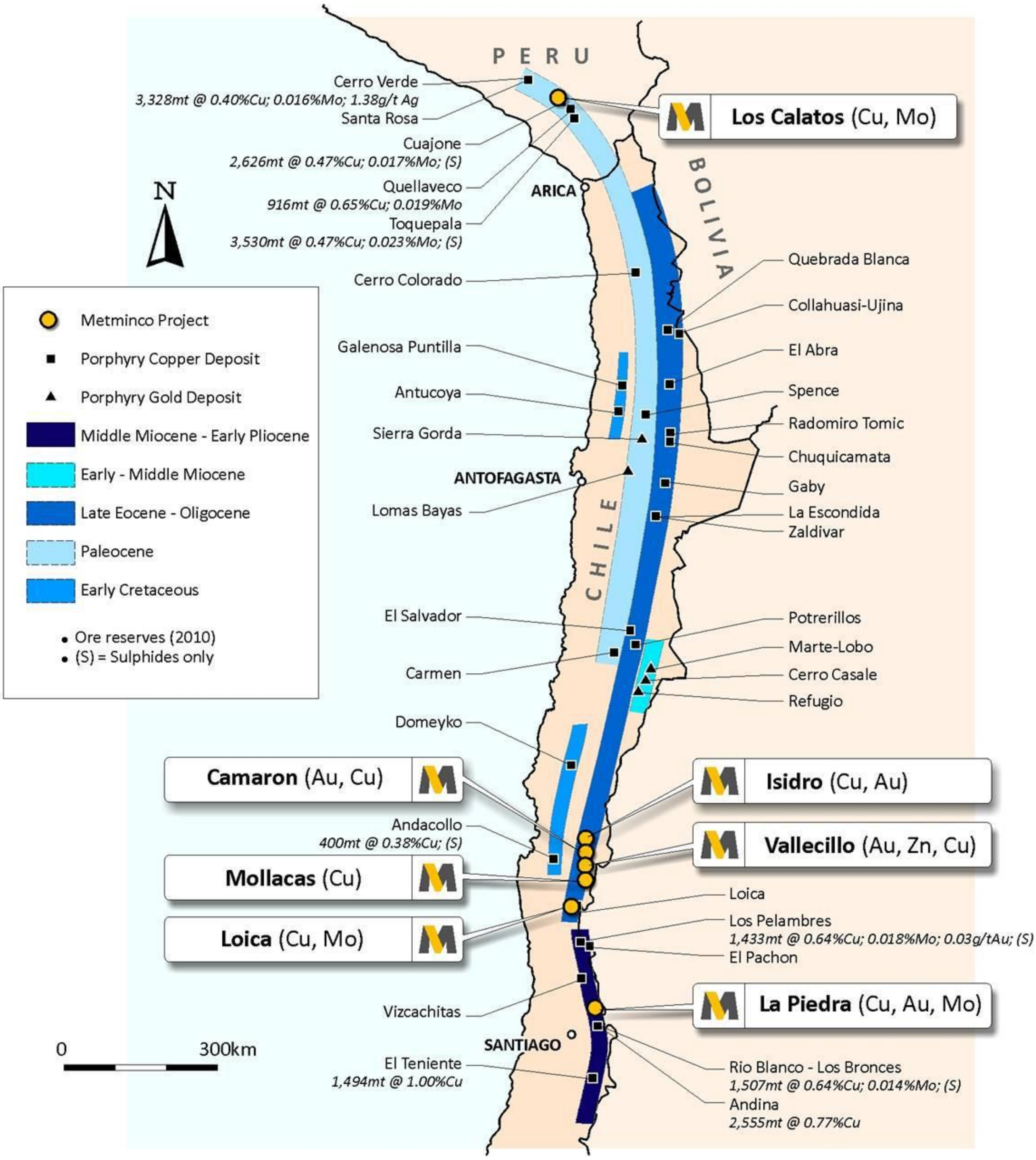
The loss of the Consolidated Group for the half year ended 30 June 2012 was $7,783,091 (2011 loss $5,274,840) after providing for income tax.

REVIEW OF OPERATIONS

Metminco, through its wholly owned subsidiaries Minera Hampton Chile Limitada ("Hampton Chile") and Minera Hampton Peru SAC ("Hampton Peru"), holds a portfolio of base and precious metal projects that are located within well-constrained metallogenic belts that occur within the Andean Cordillera of Chile and Peru. A summary of Metminco's projects is provided below, with the three most advanced projects being the Los Calatos copper-molybdenum porphyry deposit in southern Peru, and the Mollacas copper leach deposit and Vallecillo (La Colorada) polymetallic deposit in Region IV, Chile (Figure 1).

DIRECTORS' REPORT (Cont'd)

Figure 1: Locality of Metminco Projects.



Metminco's premier project is the 100% owned Los Calatos copper and molybdenum porphyry deposit in southern Peru, with a mineral resource (April 2012) of 2,316 million tonnes comprising an Indicated Resource of 885 million tonnes at 0.42% Cu and 270 ppm Mo, and an Inferred Resource of 1,431 million tonnes at 0.40% Cu and 180 ppm Mo (at a 0.2% Cu cut-off grade). A fourth phase of drilling (Phase 4) is currently in progress, which will culminate in a further resource upgrade by the end of 2012, which is to be followed by a pre-feasibility study.

DIRECTORS' REPORT (Cont'd)

The Company's other projects are located in Chile, the most advanced of which are the Mollacas (copper leach) and Vallecillo (polymetallic) projects, both of which have mineral resources that have been reported in accordance with the JORC Code (2004). The Company's portfolio of projects also includes early stage, gold-copper exploration projects (Isidro and Camaron) and two early stage copper-molybdenum porphyry projects, namely, Loica and La Piedra.

LOS CALATOS PROJECT

In April 2012 the Company announced an interim mineral resource estimate of 2.3 billion tonnes at 0.40% Cu and 210 ppm Mo (11.9 million tonnes CuEq assuming a ratio of Cu:Mo of 1 to 5) (refer Table 1a and 1b below), representing a 150% increase in the Cu-Mo resource tonnage and a 170% increase in the contained Cu.

Following the completion of the geological model used to derive the April 2012 Mineral Resource Estimate, and based on the mineralisation style, the Company elected to reduce the Phase 4 drilling program from 100,000 metres to approximately 61,000 metres, without compromising the quality of the required dataset. The remaining drilling for 2012 will focus on converting the higher grade zones of the deposit to an Indicated Mineral Resource, particularly in the vicinity of a potential starter pit. The initiatives at Los Calatos are expected to result in a cash saving of approximately US$12 million.

A further mineral resource will be estimated in December 2012, which will incorporate the drill results for the full Phase 4 program.

The results for the Phase 4 infill drilling program has returned encouraging results, demonstrating that the deposit has the capacity to provide higher grade ore early in the life of any future mining operation, which is likely to have a material and positive impact on the project's economics, particularly in terms of timing of capital expenditure and resulting cash flow.

Interim Mineral Resource Estimate

The mineral resource estimate completed in April 2012 incorporates the drilling results from 113 drill holes totalling 90,403 metres, of which 31,550 metres of mineralised intercepts were used in estimating the mineral resource associated with the Los Calatos mineralised envelope.

The mineral resource has been reported at a 0.2% Cu cut-off grade, and is categorised into Indicated and Inferred Mineral Resources in accordance with the JORC (2004) standard for Reporting Mineral Resources and Mineral Reserves (Tables 1a and 1b below).

Table 1a: Mineral Resource Statement for the Los Calatos Copper-Molybdenum Project, Arequipa, Peru, SRK Consulting (Chile) S.A., April 19, 2012.

Category	Tonnage (kilotonnes)	Cu (%)	Mo (%)
Measured	-	-	-
Indicated	884,608	0.42	0.027
Total Measured and Indicated	**884,608**	**0.42**	**0.027**
Inferred	1,431,556	0.40	0.018

Note: Mineral Resource reported at a 0.2% Cu cut-off.

Table 1b: Contained Metal Content by Resource Category.

Category	Tonnage (kilotonnes)	Cu (million tonnes)	Mo (kilotonnes)
Indicated	884,608	3.7	239
Inferred	1,431,556	5.7	258
Total	**2,316,164**	**9.4**	**497**

Note: Rounding-off of figures may result in minor computational discrepancies, where this happens, it is not deemed significant.

Proposed work program

1) The revised Phase 4 drilling program is scheduled for completion in early Q4 2012, following which a further mineral resource will be estimated in accordance with the JORC Code (2004).

   The objective of the remaining Phase 4 drilling will be to:

   a) Delineate the areal extent of the high grade zones associated with the anhydrite breccia and the diatreme complex, and confirm their geological attributes; and

   b) Upgrade that part of the current Inferred Mineral Resource which will potentially be included in a Stage 1 open pit to an Indicated Mineral Resource.

2) The Company is presently reviewing a number of conceptual mining scenarios involving the phased development of Los Calatos, commencing with an initial, Stage 1, open pit operation. This will include aspects such as pit optimisation studies, underground (block caving) mining options, the planned seawater pipeline from the coast, the design of a port/loading facility for concentrate, the quantification of the metallurgical testwork required to evaluate the use of sea water for flotation purposes (and refine recoveries) and access to the regional power grid.

   These studies are expected to be finalised by the end of 2012, following the completion of an updated mineral resource estimate, and will provide information for the pre-feasibility study that is scheduled for commencement early 2013.

MOLLACAS PROJECT

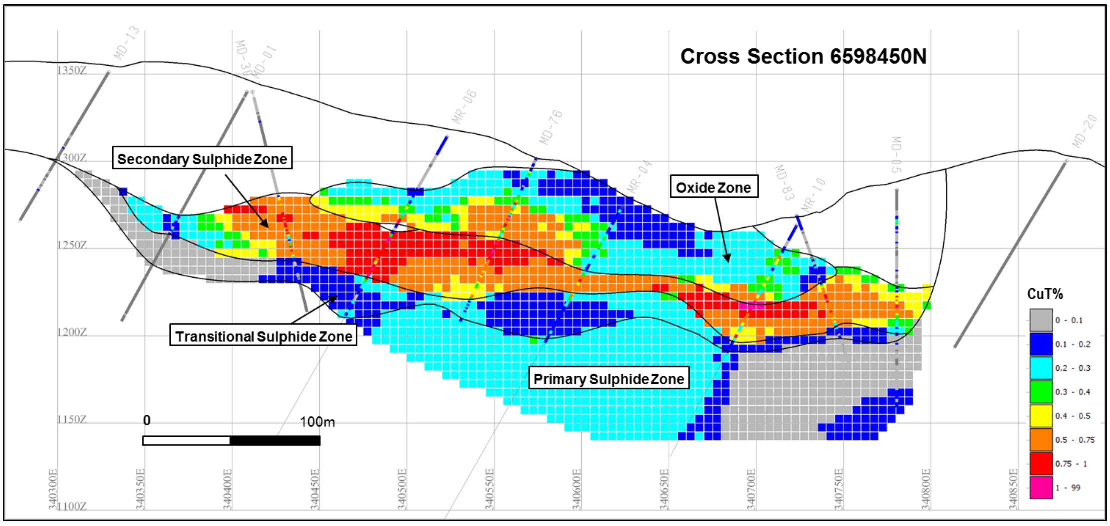
With the completion of the final drilling program at the Mollacas Project in early 2012, a further mineral resource estimate was completed by SRK Consulting (Chile) S.A. on 6 July 2012.

Mineral Resource Estimate

The mineral resource model for Mollacas incorporates the results from 119 drill holes (16,280 metres), of which 95 holes are diamond drill holes (12,784 metres) and 24 are reverse circulation holes (3,496 metres). The mineral resource is reported at a 0.2% Cu cut-off grade, and has been classified in accordance with the JORC Code (2004) for reporting Mineral Resources and Mineral Reserves.

Figure 2 below provides a cross-section through the Mollacas Block Model, showing the different mineralised zones, as well as the associated copper grades.

Figure 2: East-west section showing CuT % (All ore types).



DIRECTORS' REPORT (Cont'd)

Oxide and Secondary Sulphide Zone (Copper Leach Project)

The Copper Leach Project was the subject of a Scoping Study conducted in 2008, that supported the robust economics of the project as an open pit, copper leach operation. Exploration work conducted since has improved the confidence levels in the mineral resource estimate to the extent that the associated Inferred Mineral Resource has been fully converted to Measured and Indicated Mineral Resource categories.

The Measured and Indicated Mineral Resource for the oxide and secondary sulphide zone is 15.5 million tonnes containing 79,111 tonnes of leachable copper and 63,663 ounces gold, as categorised in Tables 2a and 2b below. Of the leachable copper, 61,650 tonnes is soluble (15.5 million tonnes at 0.40% Cu).

It must be noted in Tables 2a and 2b below that CuT represents total leachable copper, whereas Cu_Sol represents total soluble copper.

Table 2a: Mineral Resource Statement – Oxide and Secondary Sulphide Zone, Mollacas Project, SRK Consulting (Chile) S.A., July 06, 2012.

Category	Tonnes	CuT (%)	Cu_Sol (%)	Au (g/t)
Measured	11,168,047	0.55	0.44	0.124
Indicated	4,313,870	0.41	0.29	0.138
Total	**15,481,917**	**0.51**	**0.40**	**0.128**

Note: Reported at a 0.2% Cu cut-off grade.

Table 2b: Contained Metal Content by Resource Category – Oxide and Secondary Sulphide Zone.

Category	Tonnes	CuT (tonnes)	Cu_Sol (tonnes)	Au (oz)
Measured	11,168,047	61,424	49,140	44,523
Indicated	4,313,870	17,687	12,510	19,140
Total	**15,481,917**	**79,111**	**61,650**	**63,663**

Note: Rounding-off of figures may result in minor computational discrepancies, where this happens, it is not deemed significant.

The mineral resource estimate for the Copper Leach Project of 15.5 million tonnes is lower than that of November 2007 estimate of 17.0 million tonnes, due to the exclusion of the transitional sulphide zone, which accounts for 1.44 million tonnes.

Primary and Transitional Sulphide Zone

A mineral resource estimate has not previously been reported for the primary sulphide zone. Further, the transitional sulphide zone has been combined with the newly defined primary sulphide resource due to the low solubility.

The primary and transitional sulphide zone comprises a Measured, Indicated and Inferred Mineral Resource of 18.8 million tonnes containing 52,638 tonnes copper and 112,745 ounces gold, as categorised in Tables 3a and 3b below.

Table 3a: Mineral Resource Statement – Transitional and Primary Sulphide Zone, Mollacas Project, SRK Consulting (Chile) S.A., July 06, 2012.

Category	Tonnes	CuT (%)	Au (g/t)
Measured	8,206,798	0.30	0.216
Indicated	5,113,495	0.27	0.182
Measured & Indicated	**13,320,293**	**0.29**	**0.203**
Inferred	5,465,646	0.26	0.147

Note: Reported at a 0.2% Cu cut-off grade.

Table 3b: Contained Metal Content by Resource Category – Transitional and Primary Sulphide Zone.

Category	Tonnes	CuT (tonnes)	Au (oz)
Measured	8,206,798	24,620	56,993
Indicated	5,113,495	13,807	29,921
Measured & Indicated	**13,320,293**	**38,427**	**86,914**
Inferred	5,465,646	14,211	25,831

Note: Rounding-off of figures may result in minor computational discrepancies, where this happens, it is not deemed significant.

Total Mollacas Project

The total mineral resource for the Mollacas Project (oxide, secondary sulphide, transitional sulphide and primary sulphide zones) is 34.3 million tonnes containing 131,749 tonnes copper and 176,408 ounces gold, as categorised in Tables 4a and 4b below.

On a copper equivalent basis, and using a long term Cu price of US$2.75/lb and Au price of US$1,500/oz, this translates to 175,400 Cu Equivalent tonnes.

Table 4a: Mineral Resource Statement for the Mollacas Project, SRK Consulting (Chile) S.A., July 06, 2012.

Category	Tonnes	CuT (%)	Au (g/t)
Measured	19,374,845	0.45	0.163
Indicated	9,427,365	0.34	0.162
Measured & Indicated	**28,802,210**	**0.41**	**0.163**
Inferred	5,465,646	0.26	0.147

Note: Reported at a 0.2% Cu cut-off grade.

Table 4b: Contained Metal Content by Resource Category – Mollacas Project.

Category	Tonnes	CuT Tonnes	Gold (oz)
Measured	19,374,845	86,044	101,516
Indicated	9,427,365	31,494	49,061
Measured & Indicated	**28,802,210**	**117,538**	**150,577**
Inferred	5,465,646	14,211	25,831

Note: Rounding-off of figures may result in minor computational discrepancies, where this happens, it is not deemed significant.

Proposed work program

Confirmatory column leach testwork continues at Mollacas to establish a definitive process design for the Copper Leach Project in terms of the envisaged solvent extraction – electrowinning (SX-EW) processing route.

This includes permeability testing on the ore types to be used for the column leach testwork as well as actual column tests, which commenced in August 2012.

The geotechnical study in support of the planned open pit (viz. pit profiles and slopes) is nearing completion, whereas the geotechnical design of the requisite leach pads has been completed.

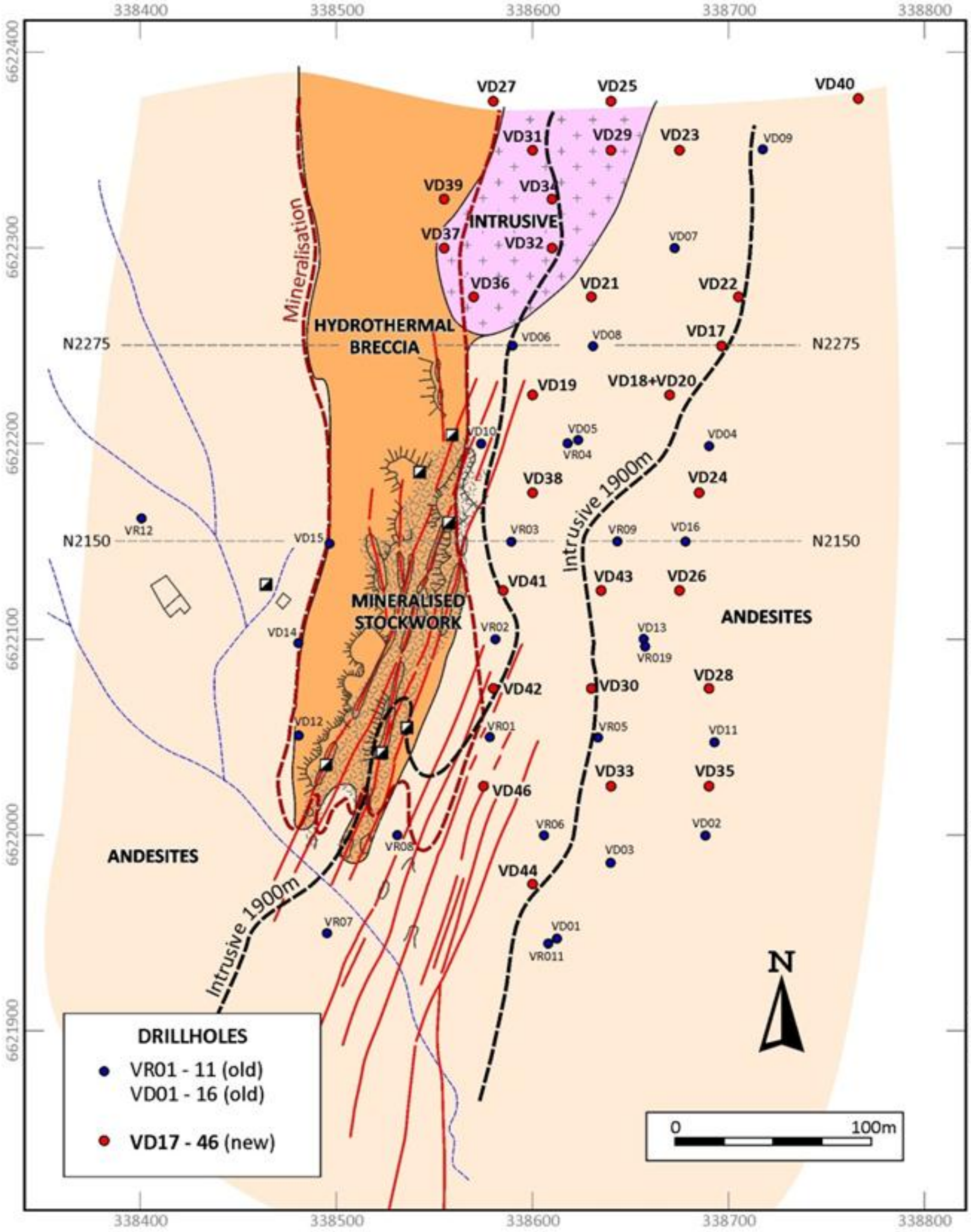
With the definition of an additional primary sulphide and gold resource, alternative processing routes and related costs will be evaluated to establish comparative financial returns.

The terms of reference for the conduct of the planned Feasibility Study have been prepared, which will form the basis of a tender process by suitable consulting groups.

VALLECILLO PROJECT

An in-fill drill program was completed at Vallecillo (La Colorada) in early 2012. These results, in conjunction with the drill results from prior drilling programs (Figure 3), has formed the basis of the current geological model for the La Colorada deposit.

Figure 3: Vallecillo Project: La Colorada deposit - Drill hole locality plan.



In reviewing the geological model, and the associated style of mineralisation, it became clear that further refinement to the model was required, which necessitated the sampling of previously un-sampled zones, and additional geological analysis of the drill core.

Once the results of the additional sampling program have been received, and the geological model has been refined, a 3-D geological model will be finalised and submitted to SRK for resource estimation purposes. A further mineral resource estimate is thus expected to be completed in late Q3 2012.

Once the updated mineral resource estimate is available, a scoping study will be commissioned.

CAMARON PROJECT

A reverse circulation ("RC") drilling program comprising 12 drill holes (3,600 metres) was completed in the northern sector of the Camaron Project ("Genesis Licences").

The drilling program was designed to confirm the presence of the sub-surface mineralisation that had resulted in the precious and base metal soil geochemical anomalies identified by the Company in a prior exploration program. In particular, the area covered by the Genesis Licences was assessed to provide the Company with sufficient information to make a decision on the exercise of an option that allowed the Company to increase its interest in the Genesis Licences to 100% under the Genesis Joint Venture Agreement.

The RC drilling intersected numerous narrow zones (<10 metres) comprising quartz veins and/or breccia's within hydrothermally altered volcanic and/or intrusive rocks, characterised by the presence of anomalous precious and/or base metal mineralisation. Significant mineralised intercepts included a 4.6g/t gold value over a 2 metre sample width (289 to 291 metres) in hole GR-06; a 0.7g/t gold value over 4 metres (68 to 72 metres) in hole GR-05; and a 0.24% copper and 0.52% zinc value over 11 metres (61 to 72 metres) in hole GR-04.

Having assessed the results, the Company decided that, while the drilling had successfully intersected and tested the likely cause for the geochemical and alteration anomalies evident at surface, the mineralisation style was unlikely to be amenable to bulk mining. Accordingly the Company elected not to exercise its option under the Genesis Joint Venture Agreement.

However, the remaining project area in which Metminco holds a 100% interest will be retained, and the coincidental copper and molybdenum soil geochemical anomalies identified by previous exploration work, will be drill tested in the medium term.

LA PIEDRA PROJECT

Work conducted during the period included mapping, sampling and the compilation of geological and alteration maps by a group of independent geologists. In addition, two traverses were sampled across the main alteration zone at different elevations in an effort to determine any vertical zonation, and these were submitted for ICP analysis.

While analytical results indicate that anomalous base and precious metal mineralisation occurs along a narrow linear belt of 1,000 metres by 300 metres, the associated geochemical elements indicate that the mineralisation is likely to be relatively distal to a medium to large scale porphyry complex. As such, the identified (near surface) style of mineralisation is not deemed to be amenable to bulk mining.

The results of the exploration work completed to-date, including the work conducted by independent geologists, will be assessed prior to initiating any further exploration work.

The Company has successfully negotiated a six-month extension to 30 December 2012 for the payment of the next option fee in order to complete the abovementioned assessment.

ISIDRO, LOICA, OTHER AREAS

During the period under review, no work was undertaken on these projects.

During the second half of 2012, further mapping and geochemical sampling is to be undertaken at the Isidro Project. Isidro is interpreted to represent a large copper-gold (Cu-Au) stacked manto system. Previous surface geochemical sampling by the Company has indicated extensive Cu-Au anomalism.

CORPORATE

Capital Raising

On 6 January 2012 the Company received gross funds of approximately A$10.3 million by issue of 73,864,286 new fully paid ordinary shares (Shares) in the Company. This issue was the second tranche of the A$40 million placement of 285,714,286 Shares to institutional investors in the United Kingdom, Australia, Asia and Chile at an issue price of A$0.14 per Share announced on 25 November 2011 and approved by shareholders at the Company's Extraordinary General Meeting on 4 January 2012.

Rights Issue

The Rights Issue of one new share (New Share) at an offer price of A$0.14 per New Share for every twenty Shares held by Australian and New Zealand resident shareholders (Eligible Shareholders), announced 24 November 2011, closed on 3 January 2012 with 1,211,141 New Shares (approximately 2% of the Right Issue offer) being subscribed for by Eligible Shareholders raising approximately A$0.2 million. The Directors resolved not to place the undersubscribed New Shares.

Annual General Meeting of Shareholder

The Company's Annual Meeting of shareholders for the year ended 31 December 2011 was held at 54 McLaren Street, North Sydney NSW 2060 on 31 May 2012. All resolutions put before the Annual General Meeting were approved by shareholders and the results can be found on the Company's website.

Cash Position

As at 30 June 2012, Metminco had cash reserves of approximately A$32.3 million. In June 2012, the Company undertook a detailed review of its work programs for 2012 taking into account information obtained from work undertaken during the first half of 2012 and the need to optimise cash outlays.

The Company implemented a revised work plan for 2012, which will achieve the Company's objectives for 2012, but require a lower cash outlay than previously planned. Initiatives include a reduction of the Los Calatos Phase 4 drilling saving approximately US$12 million. This followed a decision to focus the remaining drilling on that portion of the current mineral resource which would potentially be exploited in the early years of a future open pit operation.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

On 31 July 2012 the Company announced for the Mollacas Project:

a) A final Mineral Resource Estimate for the Copper Leach Project (oxide and secondary sulphide zone) of 15.5 million tonnes containing 79,111 tonnes leachable copper and 61,650 tonnes soluble copper; and,

b) A combined primary and transitional sulphide resource of 18.8 million tonnes containing 52,638 tonnes copper and 112,745 ounces gold was estimated for the first time (refer Review of Operations).

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company as Executive General Manager.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation, type of deposit under consideration, and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results'. Mr Sinclair, as Competent Person for this report, has consented to the inclusion of the information in the form and context in which it appears herein.

SRK Consulting (Chile) S.A.

Metminco supplied SRK with a geological model and the drill data. Copper, molybdenum and gold grades were estimated into a block model using ordinary kriging with GEMCOM software. The information provided in this report as it relates to Exploration Results and Mineral Resources of the Los Calatos and Mollacas projects is based on information compiled by George G. Even, Principal Geologist of SRK Consulting in Santiago, Chile. Mr Even, a Qualified Person for JORC compliant statements, reviewed the technical information presented in this document. Mr Ernesto Jaramillo, Principal Resource Geologist with SRK Santiago, performed the resource estimations. Mr Even has sufficient experience that is relevant to the style of mineralisation and type of mineral deposit under consideration, and to the activity which was undertaken, to make the statements found in this report in the form and context in which they appear.

Mr Even and Mr Jaramillo have consented to be named in this report, and have approved of the inclusion of the information attributed to them in the form and context in which it appears herein.

Forward Looking Statement

All statements other than statements of historical fact included in this report including, without limitation, statements regarding future plans and objectives of Metminco are forward-looking statements. When used in this report, forward-looking statements can be identified by words such as 'anticipate", "believe", "could", "estimate", "expect", "future", "intend", "may", "opportunity", "plan", "potential", "project", "seek", "will" and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this report, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Metminco that could cause Metminco's actual results to differ materially from the results expressed or anticipated in these report.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this report will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Metminco does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this report, except where required by applicable law and stock exchange listing requirements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under S307C of the Corporations Act 2001, is set out on page 14 of this financial report, and forms part of this Directors' Report.

This report is signed in accordance with a resolution of the Board of Directors.

William Howe, Managing Director

Dated: 10 September 2012

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Auditor's Independence Declaration
To The Directors of Metminco Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Metminco Limited for the half-year ended 30 June 2012, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance

Sydney, 10 September 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2012

	Note	30 June 2012 $	30 June 2011 $
Other income		129,672	207,626
Realised fair value loss on convertible notes		–	(66,649)
Fair value adjustment on equity swap	5	–	(268,243)
Realised loss on equity swap	5	(233,382)	–
Finance costs		–	(610,767)
Foreign exchange gain/(loss)		(467,053)	(284,043)
Administration expenses		(136,287)	(281,198)
Corporate expenses		(3,165,522)	(3,751,406)
Occupancy expense		(253,727)	(220,160)
Exploration expenditure impaired		(3,656,792)	–
Loss before income tax	2	**(7,783,091)**	**(5,274,840)**
Income tax expense		–	–
Loss for the period from continuing operations		**(7,783,091)**	**(5,274,840)**
Exchange differences on translating foreign controlled entities		276,506	(1,803,497)
Total comprehensive income for the period		**(7,506,585)**	**(7,078,337)**
Loss attributable to:			
Members of the parent entity		(7,783,091)	(5,274,840)
Non controlling interests		–	–
		(7,783,091)	**(5,274,840)**
Total comprehensive loss attributable to:			
Members of the parent entity		(7,506,585)	(7,078,337)
Non controlling interests		–	–
		(7,506,585)	**(7,078,337)**
Loss per share			
From continuing operations:			
Basic loss per share (cents)		(0.45)	(0.40)
Diluted loss per share (cents)		(0.45)	(0.40)

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2012

	Note	30 June 2012 $	31 December 2011 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		32,275,901	44,030,949
Trade and other receivables	5	2,043,563	2,402,416
Derivative financial instrument		–	109,613
Other assets		39,509	14,495
TOTAL CURRENT ASSETS		**34,358,973**	**46,557,473**
NON-CURRENT ASSETS			
Trade and other receivables	5	4,097,666	3,515,405
Investments accounted for using equity method		2,952,079	2,947,726
Property, plant and equipment	3	3,720,872	3,589,445
Exploration and evaluation expenditure	4	197,854,974	183,840,162
TOTAL NON-CURRENT ASSETS		**208,625,591**	**193,892,738**
TOTAL ASSETS		**242,984,564**	**240,450,211**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		4,299,773	4,167,824
Short-term provisions		232,709	216,805
TOTAL CURRENT LIABILITIES		**4,532,482**	**4,384,629**
TOTAL NON-CURRENT LIABILITIES		–	–
TOTAL LIABILITIES		**4,532,482**	**4,384,629**
NET ASSETS		**238,452,082**	**236,065,582**
EQUITY			
Issued capital	7	317,607,315	307,900,070
Reserves		(40,253,064)	(40,715,410)
Accumulated losses		(38,902,169)	(31,119,078)
TOTAL EQUITY		**238,452,082**	**236,065,582**

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2012

	Note	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Acquisition Reserve	Total
		$	$	$	$	$	$
Balance at 1 January 2011		**196,501,824**	**(22,341,772)**	**3,032,656**	**(1,516,437)**	**(41,506,662)**	**134,169,609**
Loss attributable to members of the parent entity		–	(5,274,840)	–	–	–	(5,274,840)
Other comprehensive income		–	–	–	(1,803,497)	–	(1,803,497)
Total comprehensive income for the period		–	(5,274,840)	–	(1,803,497)	–	(7,078,337)
Shares issued during the half year	7	85,683,630	–	–	–	–	85,683,630
Transaction costs		(1,670,958)	–	–	–	–	(1,670,958)
Balance at 30 June 2011		**280,514,496**	**(27,616,612)**	**3,032,656**	**(3,319,934)**	**(41,506,662)**	**211,103,944**
Balance at 1 January 2012		**307,900,070**	**(31,119,078)**	**3,236,241**	**(2,444,989)**	**(41,506,662)**	**236,065,582**
Loss attributable to members of the parent entity		–	(7,783,091)	–	–	–	(7,783,091)
Other comprehensive income		–	–	–	276,506	–	276,506
Total comprehensive income for the period		–	(7,783,091)	–	276,506	–	(7,506,585)
Shares issued during the half year	7	10,510,526	–	–	–	–	10,510,526
Transaction costs		(803,281)	–	–	–	–	(803,281)
Options issued to directors and employees		–	–	185,840	–	–	185,840
Balance at 30 June 2012		**317,607,315**	**(38,902,169)**	**3,422,081**	**(2,168,483)**	**(41,506,662)**	**238,452,082**

These financial statements should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2012

	Note	30 June 2012 $	30 June 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(3,286,660)	(3,559,785)
Interest received		129,672	207,626
Finance cash used in operating activities		–	(81,859)
Net cash used in operating activities		**(3,156,988)**	**(3,434,018)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(227,279)	(2,224,520)
Payments for exploration expenditure		(17,889,775)	(6,165,871)
Payment for subsidiaries net of cash acquired		–	(10,144,360)
Net cash used in investing activities		**(18,117,054)**	**(18,534,751)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		10,510,526	30,400,000
Payment in respect to capital raising		(1,255,183)	(1,670,958)
Proceeds from equity swap		735,415	1,843,772
Net cash provided by financing activities		**9,990,758**	**30,572,814**
Net increase/(decrease) in cash held		**(11,283,284)**	**8,604,045**
Effect of exchange rates on cash holdings in foreign currencies		(471,764)	(356,693)
Cash and cash equivalent at beginning of financial period		44,030,949	23,189,432
Cash and cash equivalent at end of financial period		**32,275,901**	**31,436,784**

These financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012

NOTE 1: BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

Reporting entity

Metminco Limited is a company domiciled in Australia. The consolidated interim financial report of the Company for the half-year ended 30 June 2012 comprises the Company and its controlled entities.

The consolidated annual financial report of the consolidated entity for the period ended 31 December 2011 is available upon request from the Company's registered office at Level 6, 122 Walker St, North Sydney 2060, Australia or from the Company's website at www.metminco.com.au.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.
The financial statements were authorised for issue by the directors on 10 September 2012.

Statement of Compliance

This general purpose financial report for the half year ended 30 June 2012 has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134 Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2011 and any public announcements made by Metminco Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant Accounting Policies

The accounting policies applied by the consolidated entity in this condensed consolidated interim financial report are consistent with those applied by the consolidated entity in its annual financial report for the year ended 31 December 2011.

Going concern basis of accounting

The Consolidated Group made a loss for the financial year. The Consolidated Group is an exploration entity without an operating cash flow and the net cash position of the Consolidated Group will continue to decrease until such time as the Group has an operating cash flow.

The Consolidated Group will need to raise additional funds to maintain and advance its current portfolio of exploration projects and meet ongoing working capital requirements. The Directors are satisfied that the Consolidated Group has sufficient cash reserves to maintain its current portfolio and meet its debts as and when they fall due.

NOTE 2: LOSS FOR THE PERIOD	6 months ended 30 June 2012 $	6 months ended 30 June 2011 $
Expenses:		
Expenses from continuing operations:		
Employee and directors' benefits expense	(1,823,874)	(2,248,217)
Depreciation and amortisation	(121,284)	(47,962)

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012 (Cont'd)

NOTE 3: PROPERTY PLANT & EQUIPMENT	30 June 2012 $	31 December 2011 $
Land		
At cost	2,775,279	2,678,365
Total land	**2,775,279**	**2,678,365**
Plant and equipment		
At cost	1,433,840	1,234,199
Accumulated depreciation	(488,247)	(323,119)
Total plant and equipment	**945,593**	**911,080**
Total property, plant and equipment	**3,720,872**	**3,589,445**

Reconciliations

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

Land		
Carrying amount at beginning of period	2,678,365	314,111
Additions through acquisition	87,697	2,364,254
Impact of foreign exchange movement on balance at beginning of period	9,217	–
Carrying amount of plant and equipment at end of period	**2,775,279**	**2,678,365**
Plant and equipment		
Carrying amount at beginning of period	911,080	355,267
Additions	139,582	704,748
Impact of foreign exchange movement on balance at beginning of period	16,215	–
Depreciation	(121,284)	(148,935)
Carrying amount of plant and equipment at end of period	**945,593**	**911,080**
Carrying amount at end of period	**3,720,872**	**3,589,445**

NOTE 4: EXPLORATION AND EVALUATION

Costs carried forward in respect of areas of interest in:		
– exploration and evaluation phases	**197,854,974**	**183,840,162**
Reconciliations		
Carrying amount at the beginning of the period	183,840,162	102,297,461
Expenditure incurred during the period	17,889,775	18,902,274
Additions through acquisition of entity and surrender of potential "buy back right"	–	63,758,741
Impact of foreign exchange movement during the period	(218,171)	(1,065,166)
Exploration written off *1	(3,656,792)	(53,148)
Carrying amount at the end of the half year	**197,854,974**	**183,840,162**

* 1 Exploration written off during the period relates to expenditure incurred with respect to the Genesis tenements. Hampton Chile relinquished its option over the Genesis tenements on 2 August 2012.

NOTE 4: EXPLORATION AND EVALUATION (continued)

Recoverability of the carrying amount of exploration assets is dependent upon the successful recovery of mineral reserves. Capitalised costs amounting to $17,889,775 for the period ended 30 June 2012 (for the year ended 31 December 2011: $18,902,274) have been included in cash flows from investing activities.

NOTE 5: RECEIVABLES AND DERIVATIVES

	30 June 2012 $	31 December 2011 $
CURRENT		
Other receivables	295,098	397,953
Receivable from equity swap – secured *1	–	854,473
VAT receivables*2	1,748,465	1,149,990
Total current trade and other receivables	**2,043,563**	**2,402,416**
Equity swap derivative at fair value	–	109,613
NON-CURRENT		
VAT receivables *3	4,097,666	3,515,405
Total non-current trade and other receivables	**4,097,666**	**3,515,405**

*1 Equity Swap:
The Company entered into a subscription agreement, an equity swap confirmation, an interest rate swap confirmation and a credit support agreement on 1 April 2010. Pursuant to these agreements the Company issued 25,000,000 shares at 9p per share for an aggregate subscription amount of £2,250,000. As security for the proceeds of these shares the recipient of the shares has placed £2,250,000 in government bonds with an escrow agent as security for the proceeds receivable.

During the period ended 30 June 2012 the Company exchanged £93,750 worth of government bonds per month for a cash payment amount determined against a benchmark price of 12p per ordinary share. If the volume weighted average price of an ordinary share for the five dealing days prior to settlement exceeded the benchmark price then the Company received more than 100% of the monthly payment due. If the price was less than the benchmark price, the Company received less than 100% of the monthly payment due. There was no higher or lower limit on the amount of the payments under these arrangements but the total number of shares issued was fixed.

The secured equity swap receivable has been settled in full and a realised loss of $233,382 has been recognised for the period as a result of the equity swap derivative.

*2 VAT receivables – current is IGV (Peruvian equivalent of VAT) incurred by Hampton Peru relating to the Los Calatos Project for the current period. Hampton Peru has been approved by the Peruvian Mining Department to recover IGV (Peruvian equivalent of VAT) paid on direct expenditure relating to the Los Calatos Project incurred until 31 December 2012. Hampton Peru has recovered in full all IGV paid with respect to the Los Calatos Project until 31 December 2011.

*3 VAT receivables – non-current is IGV and IVA (Chilean equivalent of VAT) incurred by Hampton Peru and Hampton Chile which is recoverable against VAT received from sales and/or exports in the respective tax jurisdictions.

NOTE 6: DIVIDENDS

The company resolved not to pay or declare any dividends in the period ended 30 June 2012 (2011: $ nil).

NOTE 7: ISSUED CAPITAL

	30 June 2012 $	31 December 2011 $
1,749,541,573 (31 December 2011: 1,674,446,146) fully paid ordinary shares	**317,607,315**	**307,900,070**
Movements in Ordinary Shares		
Balance at the beginning of the reporting period	**307,900,070**	**196,501,824**
Shares issued		
- 31-Mar-11	–	60,627
- 19-April-11	–	450,000
- 28- April-11	–	24,510,523
- 28-April-11	–	28,500,000
- 3-May-11	–	7,600,000
- 26-May-11	–	1,762,481
- 6-Jun-11	–	22,800,000
- 5-Dec-11	–	29,658,904
Shares issued	–	
- 6- Jan-12	10,340,966	–
- 11- Jan- 12	169,560	–
Cost of capital raising	(803,281)	(3,944,289)
Closing Balance	**317,607,315**	**307,900,070**

Ordinary Shares	30 June 2012 Number	31 December 2011 Number
At the beginning of reporting period	**1,674,466,146**	**1,231,107,839**
Shares issued during reporting period		
- 31-Mar-11	–	161,671
- 19-April-11	–	1,200,000
- 28-April-11	–	70,250,855
- 28-April-11	–	75,000,000
- 3-May-11	–	20,000,000
- 26-May-11	–	4,895,781
- 6-Jun-11	–	60,000,000
- 5-Dec-11	–	211,850,000
- 6- Jan-12	73,864,286	–
- 11- Jan- 12	1,211,141	–
At reporting date	**1,749,541,573**	**1,674,466,146**

On 6 January 2012 the Company issued 73,864,286 new ordinary shares by way of private placement to sophisticated and professional investors at a subscription price of A$0.14 per share to raise equity of approximately A$10.3million.

NOTE 7: ISSUED CAPITAL (continued)

On 11 January 2012 the Company issued 1,211,141 new ordinary shares pursuant to the Rights Issue which closed 3 January 2012.

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

NOTE 8: CAPITAL AND LEASING COMMITMENTS

		30 June 2012 $	31 December 2011 $
a)	**Operating Lease Commitments**		
	Non-cancellable operating leases contracted for but not capitalised in the financial statements		
	Payable - minimum lease payments		
	- not later than 12 months	332,367	240,165
	- between 12 months and 5 years	132,576	229,155
	- greater than 5 years	–	–
		464,943	**469,320**

The Group has non-cancellable leases over 10 premises with terms ranging from 1 to 21 months. Rent is payable monthly in advance.

		30 June 2012 $	31 December 2011 $
b)	**Exploration Tenement Licence Commitments**		
	Mining and exploration licence fees for tenements held by the Group but not yet capitalised in the financial statements		
	Payable minimum lease payments		
	- not later than 12 months	**399,984**	**426,422**

NOTE 9: OTHER COMMITMENTS AND CONTINGENT LIABILITIES

a) The holder of the surface titles in respect of the Mollacas Project, Agrícola Bauzá Ltda has filed various actions against Hampton Chile (a wholly owned subsidiary of Hampton), MN Ingenieros (an unrelated entity) and Sociedad Contractual Minera Ovalle (jointly owned and controlled by Hampton Chile and MN Ingenieros) in respect of claims relating to access and environmental accusations. All claims determined by the Chilean judiciary to date have been successfully defended.

b) On 30 June 2011, Hampton Chile entered into an option agreement to purchase a 100% interest in the La Piedra Project (La Piedra Option Agreement). In June 2012, the parties to the La Piedra Option Agreement agreed to defer the due date for the second option payment from 30 June 2012 to 30 December 2012.

To exercise the La Piedra Option Agreement, Minera Hampton is required to make the following payments:

- US$350,000 on signing the La Piedra Option Agreement (already paid);
- US$350,000 on before 30 December 2012;
- US$350,000 on before 30 June 2013;
- US$1,000,000 on or before 30 June 2014; and
- US$28 million in cash, or US$14 million in cash and US$14 million in Metminco Limited shares (at Metminco Group´s election), on or before 30 June 2015, should the Minera Hampton elect to purchase 100% of the La Piedra tenements.

The Option Agreement will provide Minera Hampton with sufficient time to evaluate the prospectivity of the La Piedra tenements, and to delineate mineral resources, ahead of the option expiry date of 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012 (Cont'd)

NOTE 10: SEGMENT REPORTING

The Consoldiated Group's primary activity is mineral exploration in the geographic area of South America. This focus is consistent with the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group is managed primarily for the sole purpose of mineral exploration.

	MINERAL EXPLORATION		UNALLOCATED		Total	
a. Segment performance	30 June 2012 $	30 June 2011 $	30 June 2012 $	30 June 2011 $	30 June 2012 $	30 June 2011 $
Other income	10,526	549	119,146	207,077	129,672	207,626
Total segment revenue	10,526	549	119,146	207,077	129,672	207,626
Total group revenue	10,526	549	119,146	207,077	**129,672**	**207,626**
Segment loss before tax	(5,218,139)	(1,322,070)	(2,564,952)	(3,952,770)	(7,783,091)	(5,274,840)
Loss before tax from continuing operations	(5,218,139)	(1,322,070)	(2,564,952)	(3,952,770)	**(7,783,091)**	**(5,274,840)**

	MINERAL EXPLORATION		UNALLOCATED		Total	
b. Segment assets	30 June 2012 $	31 December 2011 $	30 June 2012 $	31 December 2011 $	30 June 2012 $	31 December 2011 $
Segment assets	211,265,828	196,083,034	31,718,736	44,367,177	242,984,564	240,450,211
Segment asset increases for the period						
– capital expenditure	18,112,950	21,951,379	–	19,897	18,112,950	21,971,276
– foreign exchange movement, write offs and acquisitions	(15,578,597)	80,512,559	–	–	(15,578,597)	80,512,559
	2,534,353	**102,463,938**	–	**19,897**	**2,534,353**	**102,483,835**
Included in segment assets are:						
– Equity accounted associates and joint ventures	2,952,079	2,947,726	–	–	2,952,079	2,947,726
c. Segment liabilities						
Segment liabilities	4,097,338	3,374,730	435,144	1,009,899	4,532,482	4,384,629
Reconciliation of segment liabilities to group liabilities						
Total group liabilities	4,097,338	3,374,730	435,144	1,009,899	**4,532,482**	**4,384,629**

d. Other income by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	30 JUNE 2012 $	30 JUNE 2011 $
Australia	119,146	207,077
South America	10,526	549
Total revenue	**129,672**	**207,626**

e. Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below:

	30 JUNE 2012 $	31 DECEMBER 2011 $
Australia	31,718,736	44,367,177
South America	211,265,828	196,083,034
Total assets	**242,984,564**	**240,450,211**

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2012 (Cont'd)

NOTE 11: EVENTS AFTER THE BALANCE SHEET DATE

On 31 July 2012 the Company announced for the Mollacas Project:

i) A final Mineral Resource Estimate for the Copper Leach Project (oxide and secondary sulphide zone) of 15.5 million tonnes containing 79,111 tonnes leachable copper and 61,650 tonnes soluble copper; and,

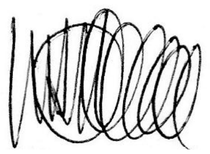
ii) A combined primary and transitional sulphide resource of 18.8 million tonnes containing 52,638 tonnes copper and 112,745 ounces gold was estimated for the first time (refer Review of Operations).

DIRECTORS' DECLARATION

In the opinion of the Directors of Metminco Limited:

1. The consolidated financial statements of Metminco Limited are in accordance with the Corporations Act 2001, including:
    a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and,
    b) giving a true and fair view of the financial position as at 30 June 2012 and of its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



William Howe

Dated this 10 day of September 2012

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Independent Auditor's Review Report
To the Members of Metminco Limited

We have reviewed the accompanying half-year financial report of Metminco Limited ("Company"), which comprises the consolidated financial statements being the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Metminco Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metminco Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A G Rigele
Partner - Audit & Assurance

Sydney, 10 September 2012