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31 January 2012

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B
3 MONTHS TO DECEMBER 2011

HIGHLIGHTS

- Phase 3 drilling program at Los Calatos was completed during Q4 2011. The Phase 4 drilling program commenced during December 2011. At time of release, 8 drilling rigs were operating at Los Calatos with over 10,000 metres of the 100,000 metre program having been completed
- The mineralised envelope at Los Calatos remains open to the southeast beyond drill hole CD-47 and to the northwest beyond drill hole CD-45 (Figure 2), with the length of the mineralised envelope now exceeding 1,200 metres
- Final results from the Phase 3 drilling program completed in Q4 2011 include:

Hole ID	Intercept (m)	Cu %	Mo ppm	Cu Eq %[1]
CD-40	1,220	0.36	153	0.44
CD-41	268	0.19	40	0.21
CD-42	514	0.47	118	0.53
CD-45	553	0.30	174	0.39
CD-46	534	0.45	380	0.64
CD-47	347	1.03	103	1.08
CD-49	550	0.28	208	0.38

- Infill drilling at the Mollacas copper leach project confirms copper grades of up to 1.01% in the supergene enrichment zone. Results include:

Hole ID	Intercept (m)	Cu %	Ore Type
MD-61	33	0.53%	Oxide
	23	0.45%	Supergene
MD-67	10	0.60%	Oxide
	57	0.70%	Supergene
MD-70	38	0.78%	Oxide
	27	0.71%	Supergene
MD-74	47	0.96%	Supergene
MD-76	31	0.47%	Oxide
	37	0.67%	Supergene
MD-81	12	1.01%	Supergene
MD-83	27	0.57%	Supergene

- Drilling program at the Vallecillo Project, La Colorada deposit, completed. Initial drill hole results confirm grades of up to 1.66 g/t Au (drilled width = 37 metres) and 1.56% Zn (drilled width = 48 metres). Further assay results awaited
- Drilling to commence at La Piedra in February 2012, to be followed by Camaron later in the first quarter of 2012

[1] Based on a Cu:Mo price ratio of 1:5

OPERATIONS – PERU

Los Calatos Project (Figure 1)

The Phase 3 drilling program at Los Calatos, designed to delineate the extent of the mineralisation associated with the porphyry system, was concluded during December 2011. In total, 34,200 metres of diamond drilling were completed (Figures 2 & 3) (Table 1). During the December quarter, 13,490 metres of drilling was completed, inclusive of drilling conducted as part of the Phase 4 program.

Figure 1: Location of Los Calatos Project.

Drilling completed during the quarter as part of the Phase 3 program continued to facilitate an improved understanding of the Los Calatos porphyry system and its associated geology. Drill holes CD-40, 42 and 46 in particular returned significant results, with Cu mineralisation of >0.3% occurring over cumulative intercepts in excess of 500 metres. Drill hole CD-47 returned a grade of 1.03% over a cumulative drill intercept of 347 metres, demonstrating continuity of high grade mineralisation to the southeast in the diatreme complex (Figure 3).

Drill holes CD-43, 44 and 48 were drilled to test the younger rhyolite plug to the southeast of the diatreme complex (Figure 2), and although quartz sericite alteration was identified, the intercepts did not encounter economic mineralisation. However, these intercepts, in conjunction with the combined Phase 3 results, provided a good understanding of the mineralised envelope associated with the Los Calatos porphyry system, and a good reference base for optimising the Phase 4 drilling program.

The Phase 4 drill program provides for a total of 100,000 metres of infill drilling comprising two sub-phases:

- Phase 4a: This will comprise approximately 30,000 metres of diamond drilling with a drill hole spacing of 100m x 200m, to be completed during the second quarter of 2012, followed by a further resource estimate to be completed by mid-2012

- Phase 4b: This will involve 70,000 metres of diamond drilling at a drill hole spacing of 100m x 100m to be completed by the end of 2012, followed by a further resource estimate which is to be completed in early 2013

On completion of Phase 4b and an upgraded resource estimate, a pre-feasibility study will be initiated, which is scheduled for completion by the end of 2013.

Eight drill machines are currently operating on site, having commenced drilling operations in late December 2011.

As of the date of reporting, over 10,000 metres of the Phase 4a drill program had been completed.

Figure 2: Los Calatos: Surface geological plan showing the "LIX capping" and location of Phase 3 drill holes.

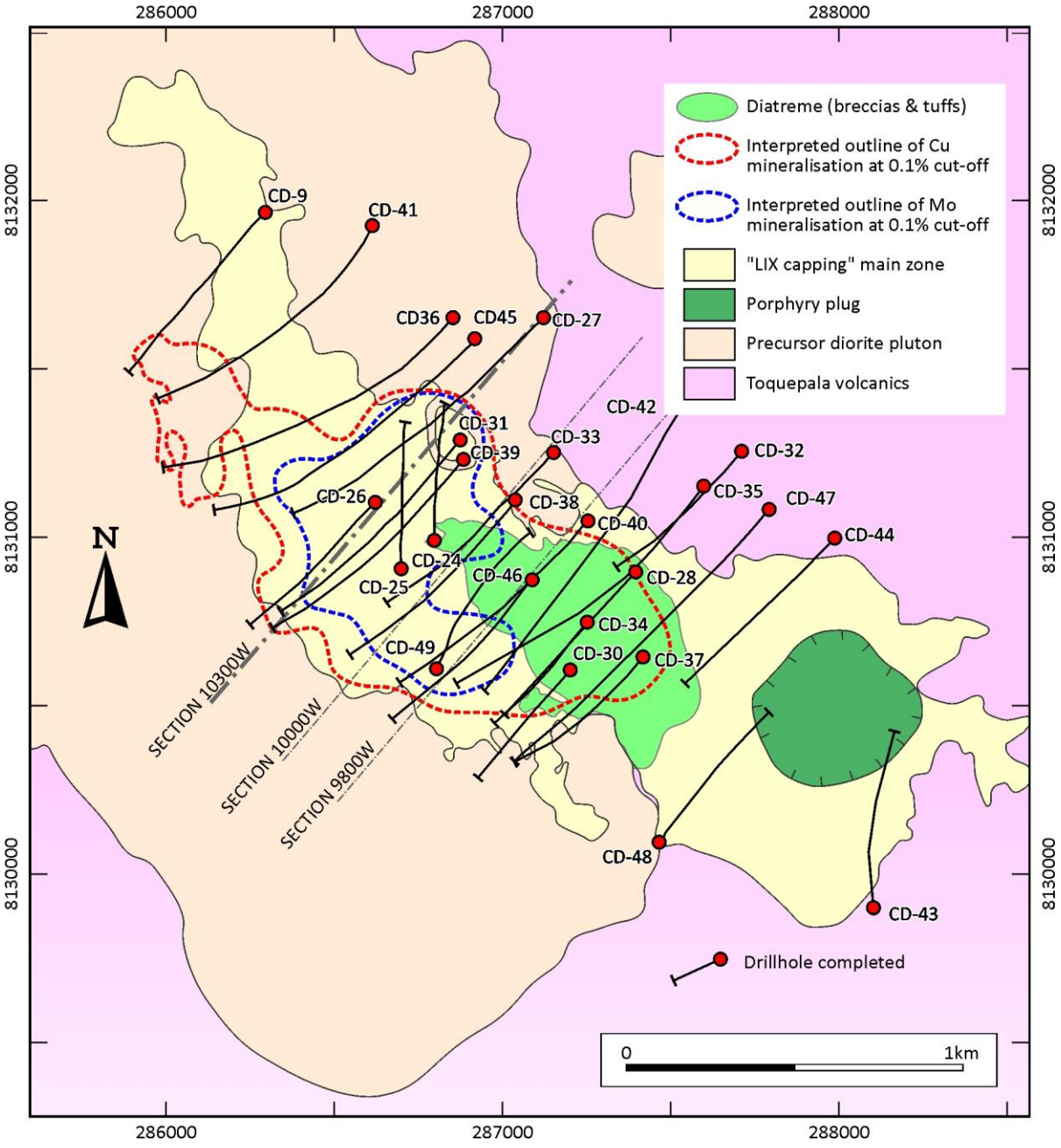


Figure 3: Los Calatos – Geology and Phase 3 drill hole locality plan (CD-24 to CD-49).

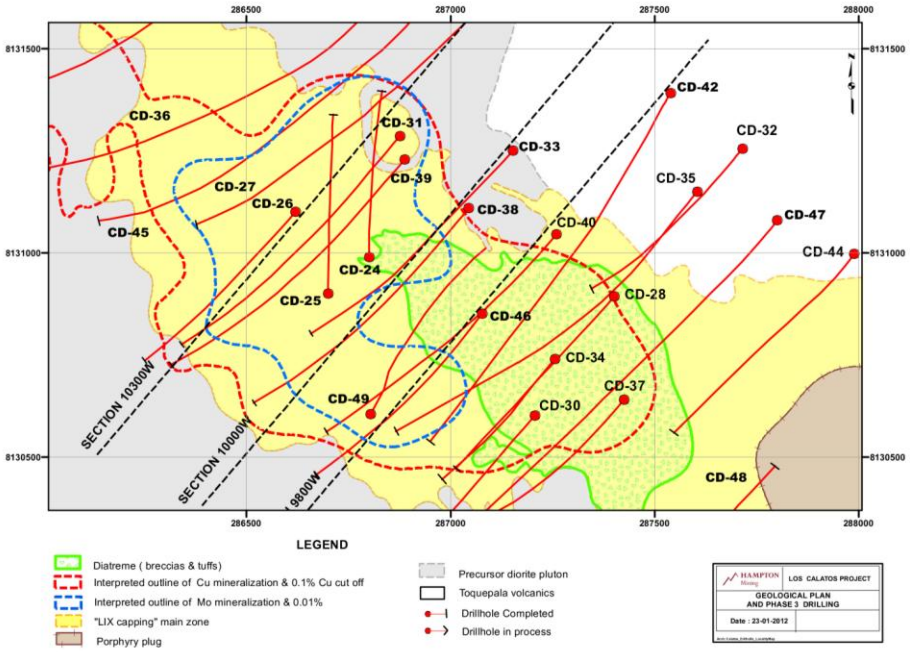


Figure 4: Los Calatos – Generalised geological Section 9800W.

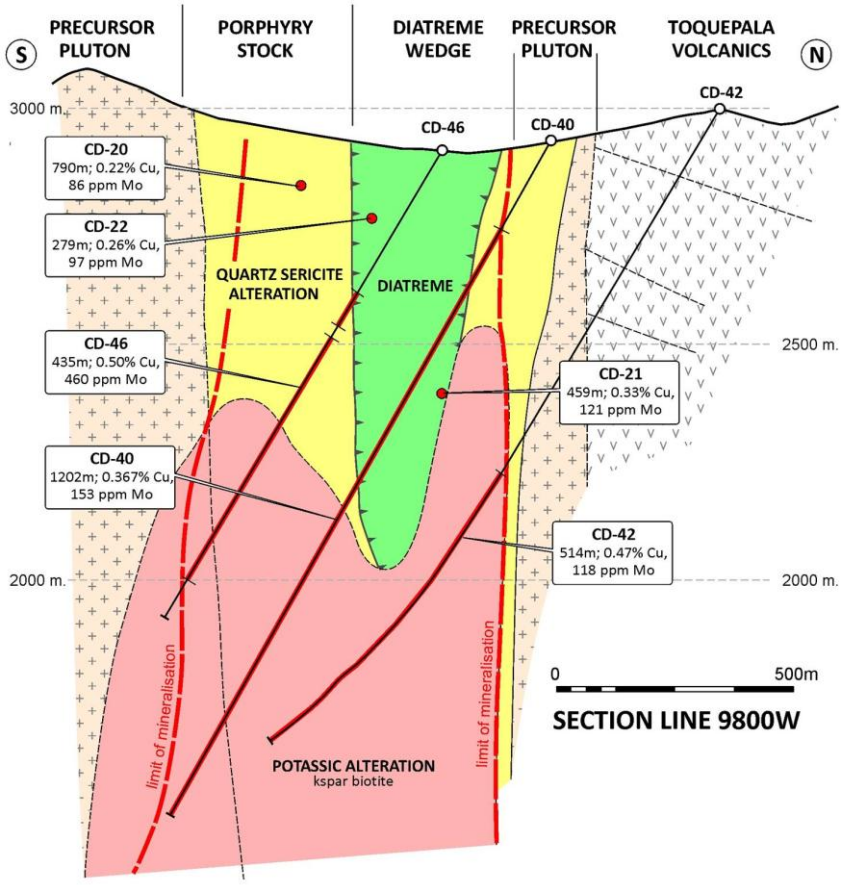


Table 1: Los Calatos Project: Summary of Phase 3 drill hole results.

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-24	286612	8130619	2957	360	-65	1035	26	118	92	0.29	20
							118	265	147	0.24	210
							339	907	568	0.49	649
						includes	542	612	70	1.02	620
							918	943	25	0.49	260
							959	972	13	0.55	130
							978	984	6	0.62	90
						cumulative	**851m @ 0.43%Cu and 482ppm Mo**				
CD-25	286513	8130527	2974	360	-65	909	75	94	19	0.01	350
							192	617	425	0.52	1360
							628	833	205	0.98	1690
						includes	637	772	136	1.21	2190
						cumulative	**192m to 833m, 630m @ 0.67%Cu and 1467ppm Mo**				
CD-26	286413	8130660	2983	220	-60	1041	94	111	**17**	**0.22**	**20**
CD-27	286920	8131284	3024	220	-60	1940	770	778	8	0.22	0
							816	826	10	0.16	0
							847	869	22	0.39	70
							877	916	39	0.44	720
							931	1037	106	0.51	670
							1037	1124	87	0.83	560
							1139	1940	801	0.37	118
						cumulative	**1073m @ 0.42% Cu and 227ppm Mo**				
CD-28	287198	8130528	2918	220	-60	1212	231	274	43	0.20	20
							285	342	57	0.54	60
							370	374	4	0.28	10
							418	434	16	0.2	110
							853	1068	215	0.57	90
						cumulative	**335m @ 0.49% Cu and 76ppm Mo**				
CD-29	286087	8131602	2894	220	-60	1250	1035	1166	**131**	**0.19**	**20**
CD-30	287006	8130240	2939	220	-60	850	144	177	**33**	**0.43**	**40**

Table 1: Los Calatos Project: Summary of Phase 3 drill hole results. *(Continued)*

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-31	286671	8130926	2965	220	-60	1769	16	32	16	0.13	0
							59	314	255	1.68	310
						includes	125	262	137	2.79	520
							328	475	147	0.23	126
							481	944	463	0.31	344
						includes	875	944	69	0.43	1040
							944	1419	475	0.52	512
							1419	1446	27	0.34	250
							1446	1555	109	0.43	190
							1555	1646	91	0.40	240
							1646	1728	82	0.54	350
							1728	1769	41	0.48	450
						cumulative	**1,690m @ 0.60% Cu and 353ppm Mo**				
CD-32	287514	8130896	2940	220	-70	1569	1338	1436	**98**	**0.14**	**10**
							1448	1463	**15**	**0.29**	**30**
CD-33	286949	8130876	2965	220	-60	1319	537	782	245	0.40	402
							1082	1095	13	0.25	0
							1204	1319	115	0.35	207
						cumulative	**373m @ 0.38% Cu and 328ppm Mo**				
CD-34	287053	8130373	2931	220	-60	829	238	425	187	0.38	20
						includes	298	414	116	0.55	20
CD-35	287395	8130787	2881	218	-60	1631	791	911	120	0.50	50
							920	938	18	0.18	10
							1039	1093	54	0.14	30
							1247	1254	7	0.15	70
							1261	1504	243	0.45	154
						cumulative	**442m @ 0.41% Cu and 103ppm Mo**				
CD-36	286644	8131286	3012	218	-60	1601	561	576	15	0.27	0
							1097	1151	51	0.32	10
							1384	1403	19	0.20	0
							1413	1445	32	0.15	0
							1479	1546	67	0.15	0
							1560	1586	26	0.15	0
						cumulative	**210m @ 0.20% Cu and 2ppm Mo**				

Table 1: Los Calatos Project: Summary of Phase 3 drill hole results. *(Continued)*

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-37	287224	8130277	2928	218	-60	993	213	240	27	0.2	10
							259	271	12	0.21	0
							277	286	9	0.19	10
							295	316	21	0.20	0
							354	373	19	0.50	20
							381	386	5	0.23	10
							402	407	5	0.20	0
							491	493	2	0.92	0
						cumulative	**100m @ 0.27% Cu and 8ppm Mo**				
CD-38	286839	8130744	2859	218	-60	1457	56	427	371	0.38	234
						includes	379	427	48	0.70	160
							499	573	74	0.30	50
							573	846	273	0.26	30
							846	969	123	0.33	120
							977	1023	46	0.24	180
							1039	1310	271	0.36	256
							1310	1447	137	0.17	30
						cumulative	**56m to 1310m 1,158m @ 0.33% Cu; 165ppm Mo**				
CD-39	286684	8130869	2850	220	-60	1611	159	195	36	0.19	30
							219	230	11	0.19	60
							257	262	5	0.14	100
							284	330	46	0.14	50
							333	641	308	0.25	223
							780	896	116	0.4	376
							942	1451	509	0.41	417
							1281	1590	309	0.20	31
						cumulative	**333m to 1590m 1242m @ 0.32% Cu ; 269ppm Mo**				
CD-40	287056	8130681	2931	218	-60	1609	69	76	7	0.25	15
							150	157	7	0.64	25
							225	229	4	0.29	0
							240	458	218	0.29	110
							458	641	183	0.41	109
							648	824	176	0.49	138
							847	959	112	0.78	340
							1022	1033	11	0.15	60
							1106	1405	299	0.23	220
							1405	1608	203	0.19	60
						cumulative	**1220m @ 0.36% Cu and 153ppm Mo**				

Table 1: Los Calatos Project: Summary of Phase 3 drill hole results. *(Continued)*

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-41	286419	8131564	3064	212	-60	1338	972	1240	268	0.19	40
CD-42	287336	8131027	2965	211	-60	1688	1037	1225	188	0.51	134
							1229	1235	6	0.38	100
							1247	1305	58	0.35	70
							1307	1344	37	0.17	30
							1396	1477	81	0.45	180
							1485	1516	31	0.39	120
							1521	1634	113	0.61	100
						includes	1523	1586	63	0.95	150
						cumulative	**514m @ 0.47% Cu and 118ppm Mo**				
CD-43	287908	8129526	2915	360	-60	1036	Rhyolite Plug – no mineralisation				
CD-44	287792	8130627	2883	216	-60	1055	Rhyolite Plug – no mineralisation				
CD-45	286716	8131224	3045	218	-60	1673	570	587	17	0.22	10
							1131	1140	9	0.15	30
							1146	1292	146	0.60	390
							1292	1456	164	0.30	210
							1456	1673	217	0.12	20
						includes	1589	1648	59	0.14	10
						cumulative	**553m @ 0.30% Cu & 174ppm Mo**				
CD-46	286890	8130506	2935	216	-60	1120	292	303	11	0.38	0
							349	370	21	0.13	20
							386	423	37	0.29	50
							432	649	217	0.24	370
							649	867	218	0.75	550
						includes	704	773	69	1.20	1030
							867	884	17	0.19	10
							1087	1100	13	0.14	20
						cumulative	**534m @ 0.45% Cu and 380ppm Mo**				
CD-47	287598	8130716	2887	215	-60	1532	950	1070	120	1.14	80
							1080	1117	37	0.15	10
							1147	1155	8	0.15	50
							1167	1349	182	1.20	140
						cumulative	**347m @ 1.03% Cu & 103ppm Mo**				

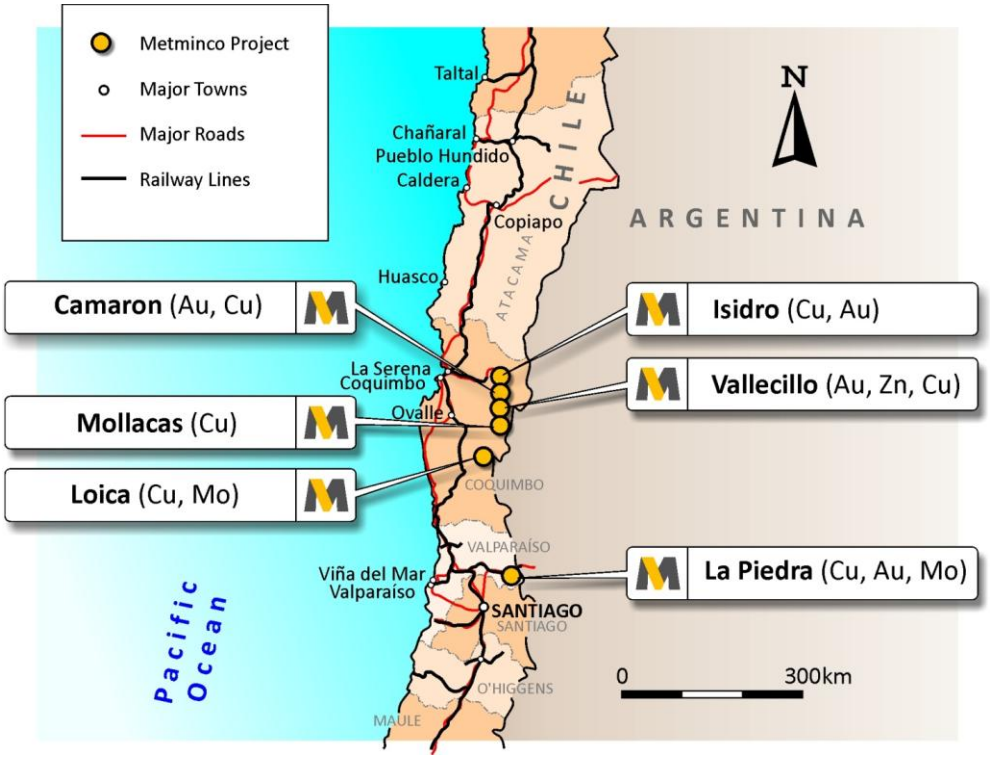
Table 1: Los Calatos Project: Summary of Phase 3 drill hole results. *(Continued)*

Hole ID	Easting (m)	Northing (m)	RL (m)	Azimuth true (degrees)	Dip (degrees)	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Mo (ppm)
							From	To			
CD-48	287271	8129717	2994	35	-60	1003	Rhyolite Plug – no mineralisation				
CD-49	286601	8130241	2976	29	-62	1138	128	136	8	0.17	0
							189	229	40	0.25	10
							233	307	74	0.22	70
							343	428	85	0.26	110
							436	448	12	0.23	20
							498	524	26	0.22	30
							610	642	32	0.17	30
							673	707	34	0.25	30
							714	779	65	0.23	100
							793	930	137	0.32	650
						includes	846	872	26	0.41	2580
							930	967	37	0.21	30
						cumulative	**550m @ 0.28% Cu and 208ppm Mo**				

OPERATIONS – CHILE (Figure 5)

Extensive drilling programs comprising both diamond drilling and reverse circulation drilling have recently been completed at the Mollacas and Vallecillo (La Colorada) projects, aimed principally at upgrading the existing JORC-compliant resources.

Figure 5: Location of projects in Chile.



Mollacas Project

At the Mollacas Project, a drilling program comprising 1,154 metres of reverse circulation drilling and 2,250 metres of diamond drilling was completed during Q3 2011.

The drill holes formed part of an in-fill drilling program aimed at converting currently defined resources into JORC-compliant Measured and Indicated Resource categories, as well as to define the outer limits of the oxide and supergene mineralisation.

Assay results for drill holes MD-61 to MD-84 have all been received (Table 2), which in conjunction with the associated geology, will form the basis for completing a final resource estimate for the project. Confirmatory metallurgical testwork continues in the form of sample selection for tall column leach testwork to facilitate the optimal design of the plant and leach circuit.

Of the 24 drill holes that were completed (Figure 6), drill holes MD-61, 67, 70, 74, 76, 81 and 83 returned the highest oxide and supergene hosted copper values, ranging from 0.47% to 0.78% copper in the oxide zone and from 0.45% to 1.01% copper in the supergene zone. Widths of the combined oxide and supergene zones for the aforementioned drill holes varied from 12 to 68 metres. Widths of the respective ore zones are graphically depicted in Figure 7.

The Company is close to finalising the environmental base line study for the project and has completed the purchase of land and water rights for its development. Further, and on completion of a new, upgraded, resource statement for Mollacas, a feasibility study will be initiated.

It is anticipated that the application to the Chilean Government authorities for a development licence will be completed by Q4 2012.

Figure 6: Mollacas – Drill hole locality plan.

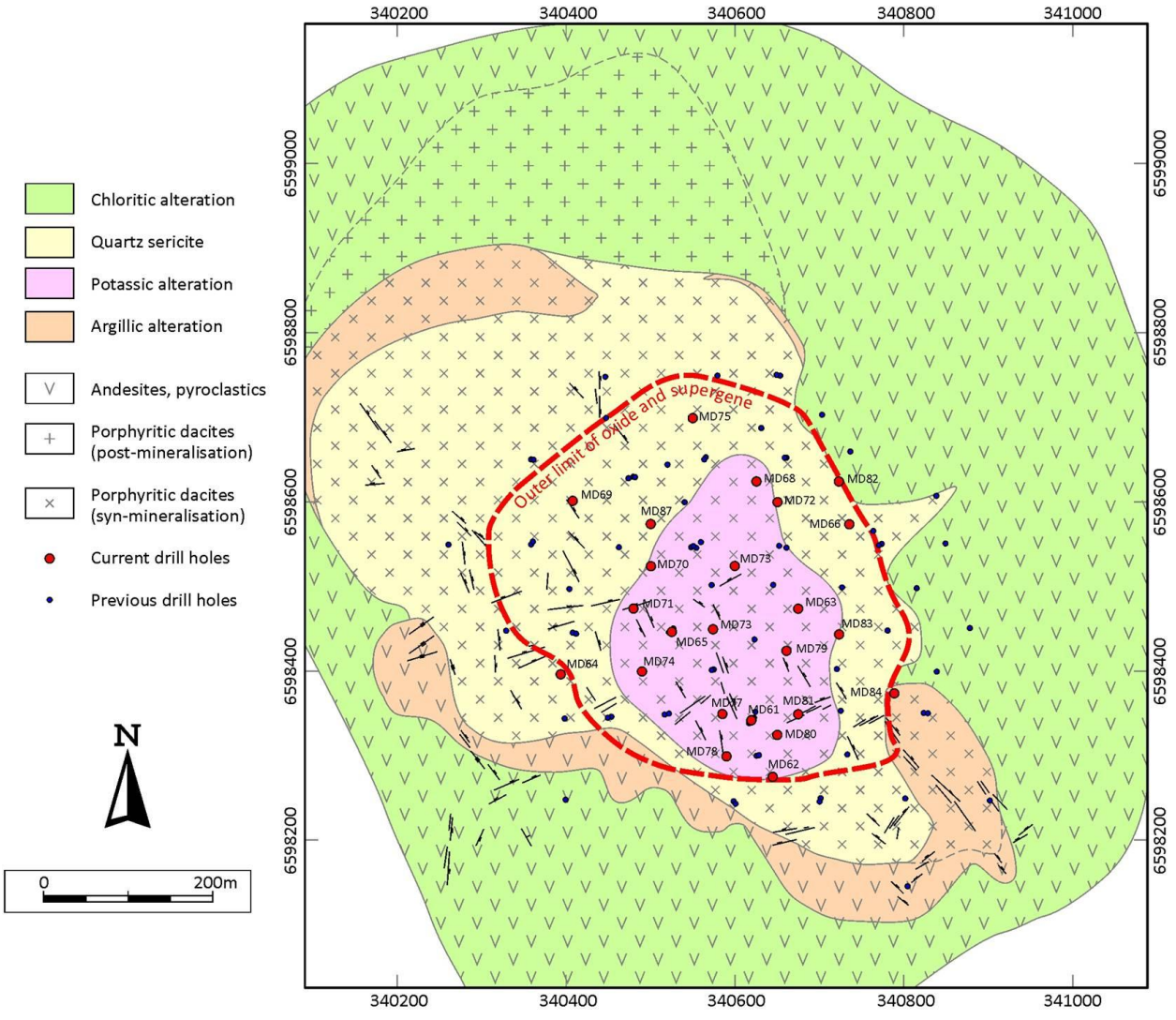


Figure 7: Mollacas - Geological Section 8550N.

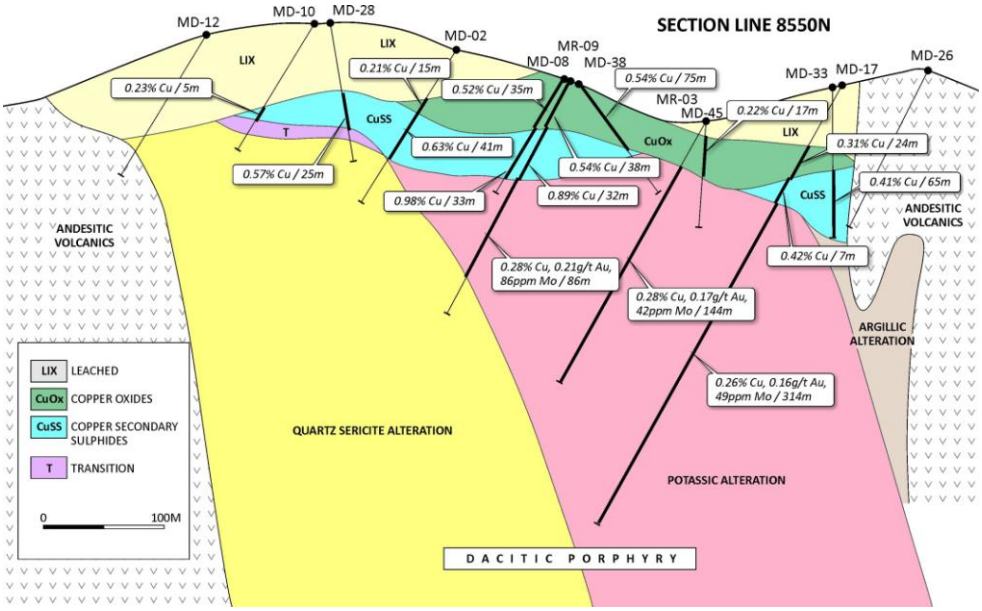


Table 2: Mollacas – Summary of drill hole results (MD-61 to MD-84).

Hole ID	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Cu Ore Type
		From	To			
MD-61	90	0	33	33	0.53	Oxide
		34	**57**	**23**	**0.45**	**Supergene**
MD-62	90	**41**	**50**	**9**	**0.18**	**Supergene**
MD-63	75	36	75	39	0.32	Primary
MD-64	110	**51**	**103**	**52**	**0.15**	**Supergene**
MD-65	120	31	65	34	0.15	Oxide
		70	**112**	**42**	**0.37**	**Supergene**
MD-66	90	**41**	**53**	**12**	**0.10**	**Supergene**
MD-67	120	27	37	10	0.60	Oxide
		41	53	12	0.24	Oxide
		53	**110**	**57**	**0.70**	**Supergene**
MD-68	60	**15**	**26**	**11**	**0.50**	**Supergene**
MD-69	135	**71**	**103**	**32**	**0.54**	**Supergene**
MD-70	120	37	75	38	0.78	Oxide
		75	**102**	**27**	**0.71**	**Supergene**
MD-71	63	49	55	6	0.32	Primary
MD-72	50	**14**	**37**	**23**	**0.46**	**Supergene**
MD-73	80	0	25	25	0.42	Oxide
MD-74	100	**42**	**89**	**47**	**0.96**	**Supergene**
MD-75	120	115	118	3	0.23	Primary

Hole ID	Hole depth (m)	Depth (m)		Interval (m)	Cu (%)	Cu Ore Type
		From	To			
MD-76	105	20	51	31	0.47	Oxide
		52	**89**	**37**	**0.67**	**Supergene**
MD-77	110	13	37	24	0.58	Oxide
		44	**79**	**35**	**0.57**	**Supergene**
MD-78						nil
MD-79	80	**35**	**76**	**41**	**0.42**	**Supergene**
	including	**35**	**51**	**16**	**0.77**	**Supergene**
MD-80	80	0	29	29	0.39	Oxide
		44	**80**	**36**	**0.48**	**Supergene**
MD-81	70	0	9	9	0.26	Oxide
		39	**51**	**12**	**1.01**	**Supergene**
MD-82	110	58	73	15	0.34	Oxide
		80	**110**	**30**	**0.26**	**Supergene**
MD-83	90	**42**	**69**	**27**	**0.57**	**Supergene**
MD-84	85	**48**	**56**	**8**	**0.17**	**Supergene**

Vallecillo Project

The project comprises two broad target zones, namely a Polymetallic-Breccia Zone, and a Cu-Au Breccia Zone, where the former includes the La Colorada deposit, and the latter is known as Portezuelo (Figure 8).

A drilling program comprising 9,155 metres of diamond drilling and 3,768 metres of reverse circulation drilling has recently been completed at the Vallecillo Project (Figure 8).

The 12 reverse circulation drill holes targeting the Portezuelo Cu-Au porphyry target returned uneconomic Cu, Mo and Au grades, and confirmed that the geophysical anomaly identified, related primarily to the occurrence of pyrite, and an elevated water table. Accordingly, no further exploration work will be scheduled for the area.

The diamond drilling program, which focussed on the La Colorada deposit (28 drill holes) and some of the adjoining polymetallic targets (6 drill holes), was completed during Q4 2011. The drill holes completed at La Colorada formed part of a 25 x 25 metre drilling grid (Figure 9), targeting both an increase in the resource, as well as an upgrade of the resource into predominantly Measured and Indicated resource categories.

Results for four of the drill holes for which assays have been obtained are summarised in Table 3 below.

Table 3: La Colorada – Drill hole results (as at 31 December 2011).

Hole ID	Depth (m)		Interval (m)	Au g/t	Ag g/t	Zn %	Pb %	Cu %
	From	To						
VD-18	180	218	38	0.32	8.95	0.70	0.46	0.02
	241	265	24	1.26	7.33	0.76	0.04	0.05
VD-20	182	219	37	1.66	9.89	1.27	0.66	0.02
	280	297	17	0.45	19.12	0.69	0.05	0.45
	317	331	14	0.08	4.93	0.57	0.02	0.08
VD-22	254	275	21	0.18	7.95	0.66	0.53	0.02
VD-30	167	215	48	1.17	7.19	1.56	0.02	0.08
	224	234	10	0.05	9.5	1.09	0.03	0.07

Gold grades for 3 of the 4 drill holes exceeded 1g/t, varying from 1.17g/t to 1.66g/t over widths of up to 48 metres, whereas Zn grades varied from 0.76% to 1.56%. These grades compare favourably with prior drilling results for La Colorada.

Figure 8: Vallecillo Project - Geochemical targets (V1 to V7).

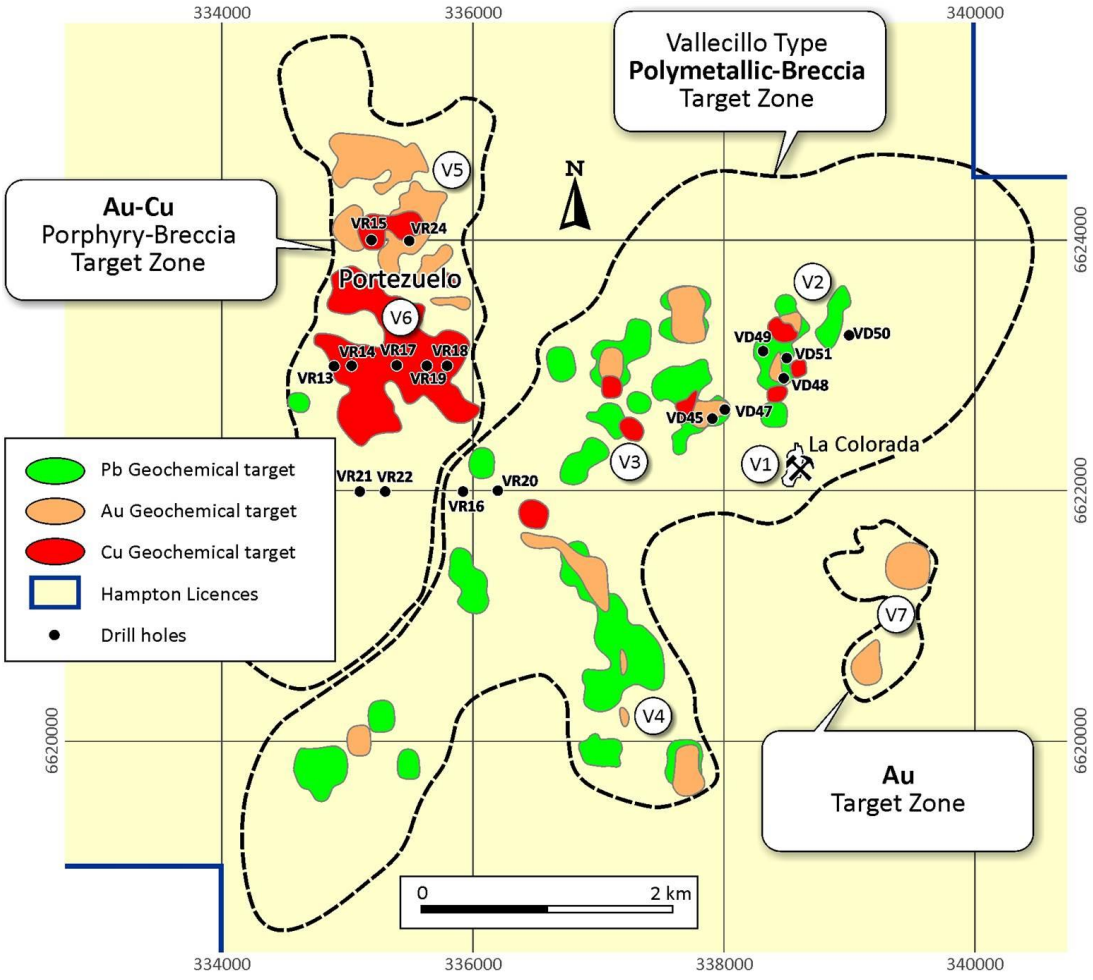
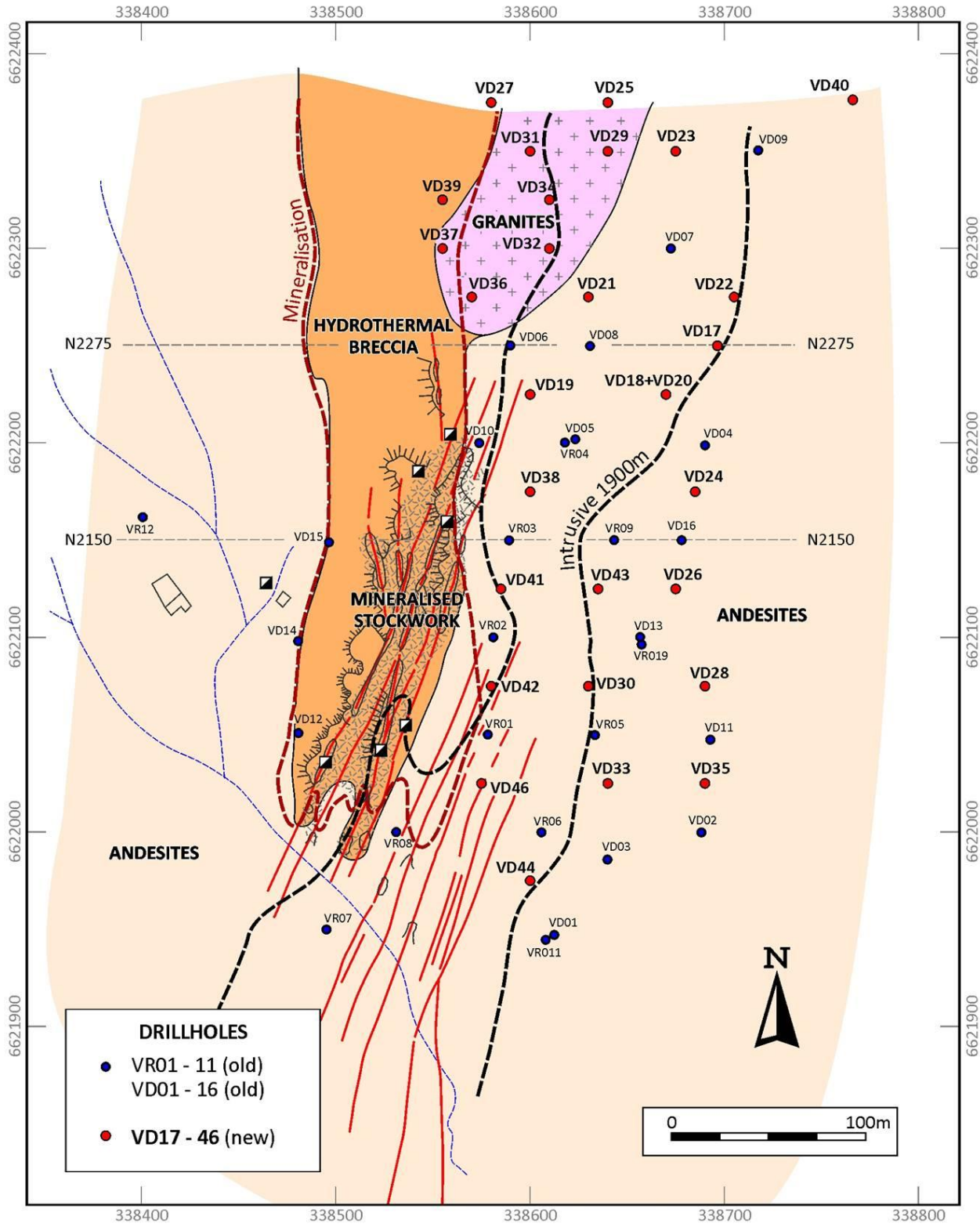


Figure 9: La Colorada - Drill hole locality plan.



On receipt of the final analytical results for the La Colorada drilling program, an updated resource estimated will be completed in advance of a pre-feasibility study, which is to be commissioned in Q2 2012.

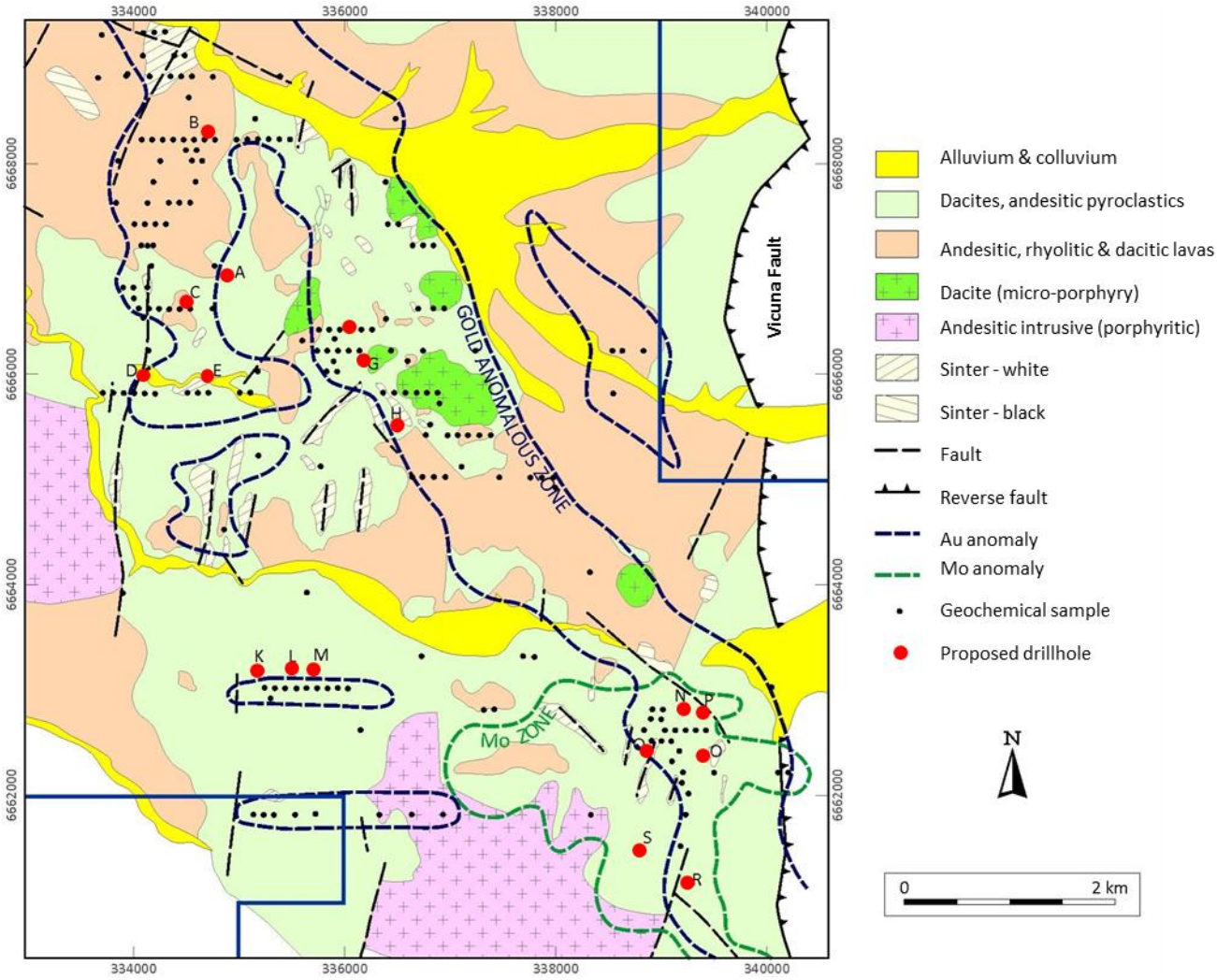
Camaron Project

On completion of the drilling program at Vallecillo, drilling was to be undertaken at Camaron (Figure 10). However, drilling has been postponed due to a delay in access to the project area. The company has made application to the courts in Vicuna, IV Region, Chile, for access rights.

The drilling will test the main Au anomalies identified from soil geochemistry, in addition to the Cu – Mo geochemical anomaly (Figure 10) located in the southern extremity of the project area.

Limited geophysics in the form of IP and ground magnetic geophysical surveys has been completed to refine the identified drill targets.

Figure 10: Camaron Project – Alteration system and associated Au anomalism (including associated Cu & Mo).

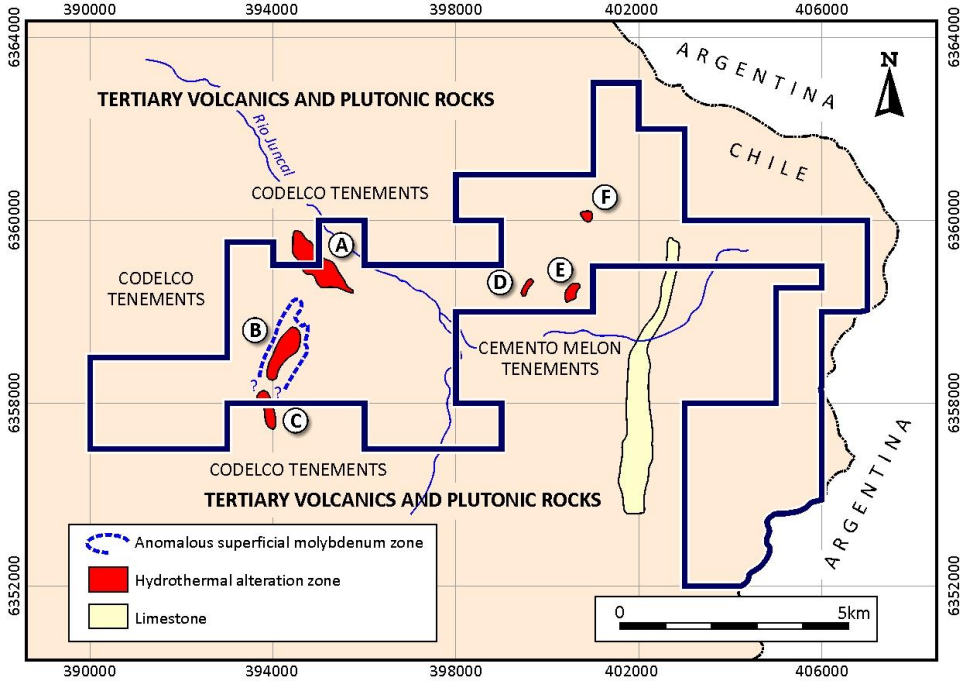


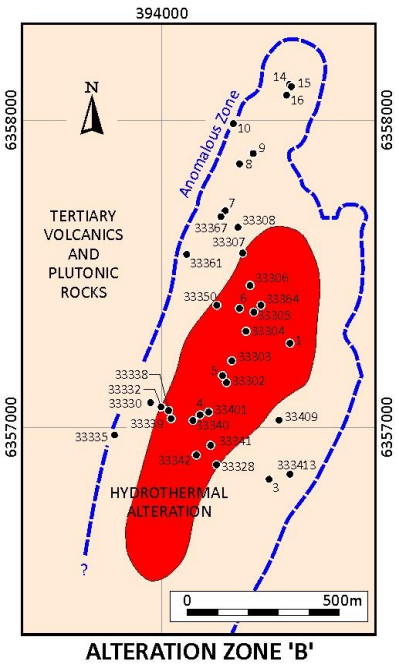
La Piedra Project

The La Piedra tenements cover an area of 60.5 km² and include a number of hydrothermal alteration zones, of which alteration Zone B (Figure 11) is the most significant at present. This zone is more than 2km in length and 1km in width, and is exposed at surface over a vertical distance of approximately 600 metres. The Company has successfully completed an access agreement with the landowner covering the La Piedra project.

Hydrothermal breccias and porphyry intrusives are the dominant rock types associated with the alteration zones.

Figure 11: La Piedra Project - Tenement map and zones of hydrothermal alteration.





ALTERATION ZONE 'B'

SIGNIFICANT RESULTS

Sample	Easting	Northing	Cu (%)	Au (g/t)	Mo (ppm)	Ag (ppm)	As (ppm)
1	394474	6357276	0.278				
3	394396	6356835	1.195	0.1			
4	394136	6357044	1.545	1.1			
5	394221	6357169	3.960	0.8	11.0		
6	394286	6357388	1.745	1.2			
7	394216	6357688	0.321				
8	394285	6357858	1.795	0.2			
9	394336	6357893	4.550	0.5			
10	394263	6357990	0.431				
14	394474	6358117	0.137	0.1			
15	394486	6358109	1.215				
16	394462	6358081	0.621	0.2			
33303	394256	6357217			9.70		
33305	394337	6357375	0.727	0.4	6.2		989.5
33306	394323	6357463	0.125	0.1			
33307	394295	6357570	0.317			3.2	484.7
33328	394198	6356880	0.479			1.0	
33330	393988	6357070	0.714			2.9	462.5
33332	393950	6357084				1.2	
33335	393813	6356978	0.173				137.5
33339	394026	6357030	0.174		3.0		1053.5
33340	394110	6357026	0.348		16.40		1065.2
33342	394122	6356913	0.246				109.6
33361	394085	6357565	0.175				
33364	394366	6357398	0.113				
33367	394231	6357705	0.186				
33401	394169	6357050	0.802	0.9	29.10	2.4	814.3
33409	394432	6357026					138.8
33413	394474	6356850	0.395		7.9		

Note: Samples 1 - 16: PAN PACIFIC
Samples 33303 - 33413: METMINCO

A detailed geological mapping and surface sampling program will be conducted over the Zone "B" area prior to the commencement of the planned diamond drilling.

The drilling, which will now take the form of a reconnaissance diamond drilling program (due to limited road access), will focus on Zone 'B' (Figure 11) in an endeavour to test the identified Cu-Au-Mo anomalism. This program will precede Camaron, and be conducted during Q1 of 2012.

CORPORATE

A$40 million Capital Raising to Institutional Investors

On 25 November 2011 the Company announced the successful completion of a A$40 (£25.1) million placement to institutional investors in the United Kingdom, Australia, Asia and Chile by the issue of 285,714,286 new fully paid shares in the Company (Shares) at an issue price of A$0.14 (£0.088) per Share (Placement).

The Placement was completed in two tranches as follows:

- A$29.7 million by issue of 211,850,000 Shares settled on 2 December 2011; and
- A$10.3 million by issue of 73,864,286 Shares, approved by shareholders at the Company's Extraordinary General Meeting on 4 January 2012 and settled on 6 January 2012 (Conditional Placing).

Canaccord Genuity, Liberum and Canaccord BGF acted as brokers for the Placement.

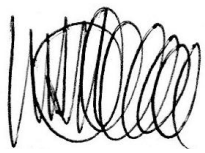
Rights Issue

On 24 November 2011, the Company announced a Rights Issue of one new share (New Share) for every twenty Shares held by Australian and New Zealand resident shareholders (Eligible Shareholders) in Metminco on 14 December 2011 at an offer price of A$0.14 per New Share. The Rights Issue 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 Rights Issue was undersubscribed by 67,349,599 Shares (Shortfall Shares). The Directors have resolved not to place the Shortfall Shares.

Cash Position

Following completion of the A$40 million capital raising, the Company is fully funded to deliver the 2012 work programs including the approximately 100,000 metre diamond drilling program at Los Calatos, the detailed feasibility study and pre-development work at Mollacas and the pre-feasibility study at Vallecillo.

As at 31 December 2011, Metminco had cash reserves of approximately A$44 million. On 6 January 2012 the Company's cash reserves increased to approximately A$54 million on settlement of the Conditional Placing and the Rights Issue.



William Howe

Managing Director

About Metminco:

Metminco is a dual ASX and AIM listed company with a portfolio of copper and gold projects in Peru and Chile. The Los Calatos project, located in southern Peru, has JORC compliant resource of 926 million tonnes, consisting of an Indicated Resource of 111 million tonnes at 0.39% Cu and 380ppm Mo, and an Inferred Resource of 815 million tonnes at 0.37% Cu and 260ppm Mo (at a 0.2% copper cut-off grade).

The Chilean assets include the Mollacas copper leach project with JORC compliant resource of 17 million tonnes consisting of an Indicated Resource of 7.2 million tonnes at 0.56% copper and an Inferred Resource of 9.8 million tonnes at 0.52% copper (at a 0.2% copper cut-off grade); and the Vallecillo gold zinc project with JORC compliant resource of 10.1 million tonnes consisting of an Indicated Resource of 7.9 million tonnes at 1.14g/t Au; 11.4g/t Ag; 1.32% Zn; 0.29% Pb and an Inferred Resource of 2.2 million tonnes at 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3g/t Au).

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 General Manager Exploration.

Colin Sinclair has sufficient experience (over 30 years) which is relevant to the style of mineralisation and 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 announcement, has consented to the inclusion of this information in the form and context in which it appears herein.

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Ian Howarth — Ph: +61 (0) 407 822 319

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Tim Read – Non-Executive Director — Ph: +44 (0) 777 072 1809

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Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Metminco Limited

ABN	Quarter ended ("current quarter")
43 119 759 349	31 December 2011

Consolidated statement of cash flows

			Current quarter $A'000	Year to date 12 months $A'000
	Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors			
1.2	Payments for	(a) exploration and evaluation	(7,886)	(17,766)
		(b) development	-	-
		(c) production	-	-
		(d) administration	(1,020)	(6,567)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		78	408
1.5	Interest and other costs of finance paid		-	(88)
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	Net Operating Cash Flows		**(8,828)**	**(24,013)**
	Cash flows related to investing activities			
1.8	Payment for purchases of:	(a) prospects	-	(1,112)
		(b) equity investments	-	(10,144)
		(c) other fixed assets	(64)	(662)
1.9	Proceeds from sale of:	(a) prospects	-	-
		(b) equity investments	-	-
		(c) other fixed assets	-	-
1.10	Loans to other entities		-	-
1.11	Loans repaid by other entities		-	-
1.12	Other (Mollacas land)		(386)	(2,418)
	Net investing cash flows		**(450)**	**(14,336)**
1.13	Total operating and investing cash flows (carried forward)		(9,278)	(38,349)

1.13	Total operating and investing cash flows (brought forward)	(9,278)	(38,349)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	29,659	60,059
	Costs of issue	(2,273)	(3,944)
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (proceeds from equity swap)	377	2,855
	Net financing cash flows	**27,763**	**58,970**
	Net increase (decrease) in cash held	18,485	20,621
1.20	Cash at beginning of quarter/year to date	26,517	23,189
1.21	Exchange rate adjustments to item 1.20	(970)	222
1.22	**Cash at end of quarter**	**44,032**	**44,032**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	313
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors for the period 01 Oct 11 – 31 Dec 11 for:

Directors' fees: $A200,000
Directors' services and consulting fees: $A113,835

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	12,300
4.2	Development	2,700
4.3	Production	-
4.4	Administration	1,300
	Total	**16,300**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	44,032	31,487
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (Item 1.22)	44,032	31,487

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	1,674,466,146	1,674,466,146		
7.4	Changes during quarter a) Increases through issues (b) Decreases through returns of capital, buy-backs	211,850,000	211,850,000	A$0.14 per new ordinary share by way of private placement to sophisticated and professional investors	Fully paid
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	Listed: 27,217,517 Unlisted: 4,500,000 14,250,000 14,250,000 2,000,000 2,000,000 2,500,000 2,500,000	Listed: 27,217,517 Unlisted: 4,500,000 14,250,000 14,250,000 2,000,000 2,000,000 2,500,000 2,500,000	Exercise price A$0.25 A$ 0.30 A$ 0.44 A$ 0.525 A$ 0.44 A$ 0.525 A$ 0.215 A$ 0.215	Expiry date: 04 Dec 2012 31 Jul 2012 06 Dec 2013 06 Dec 2013 06 Dec 2013 06 Dec 2013 05 Dec 2014 05 Dec 2014
7.8	Issued during quarter	Unlisted: 2,500,000 2,500,000	Unlisted: 2,500,000 2,500,000	A$ 0.215 A$ 0.215	05 Dec 2014 05 Dec 2014

+ See chapter 19 for defined terms

7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 31.01.2012

(Director/Company secretary)

Print name: Philip Killen

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities:** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards:** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.