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**8 July 2011**

## **ASX ANNOUNCEMENT**

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### **Metminco signs option agreement to purchase 100% of the La Piedra Cu-Au-Mo porphyry project in Chile**

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Metminco Limited (Metminco) is pleased to announce that Minera Hampton Chile Limitada (Minera Hampton), a wholly owned subsidiary of Metminco, has entered into an option agreement with Mr. Alfonso Bianchini Frost to purchase a 100% interest in the La Piedra Project, located in the V Region, Chile (the Option Agreement).

The Option Agreement will provide Metminco 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.

The La Piedra Project is located 75 km from Santiago, the capital of Chile, and approximately 35 km from two copper mines owned by Anglo American plc (Los Bronces) and Codelco (Andina) (Figure 1). Los Bronces and Andina produced 221,400 and 209,727 tonnes of copper in concentrate and cathode respectively in 2010. Both mines also produce significant amounts of molybdenum.

The La Piedra tenements cover an area of 60.5km<sup>2</sup> (Figure 2) and include a number of hydrothermal alteration zones, of which alteration Zone B (Figures 2 and 3) is the most significant. This alteration zone measures in excess of 2km in length, and 1 km in width, and is exposed at surface over a vertical distance of approximately 600 m (Figures 3 to 6). Hydrothermal breccias and porphyry intrusives are the dominant rock types associated with the alteration zones.

Metminco plans to complete a surface mapping and sampling program by the end of Q4 2011, as well as a surface geophysical survey (ground magnetics and Induced Polarisation), prior to initiating a drilling program to evaluate the identified copper and molybdenum anomalies.

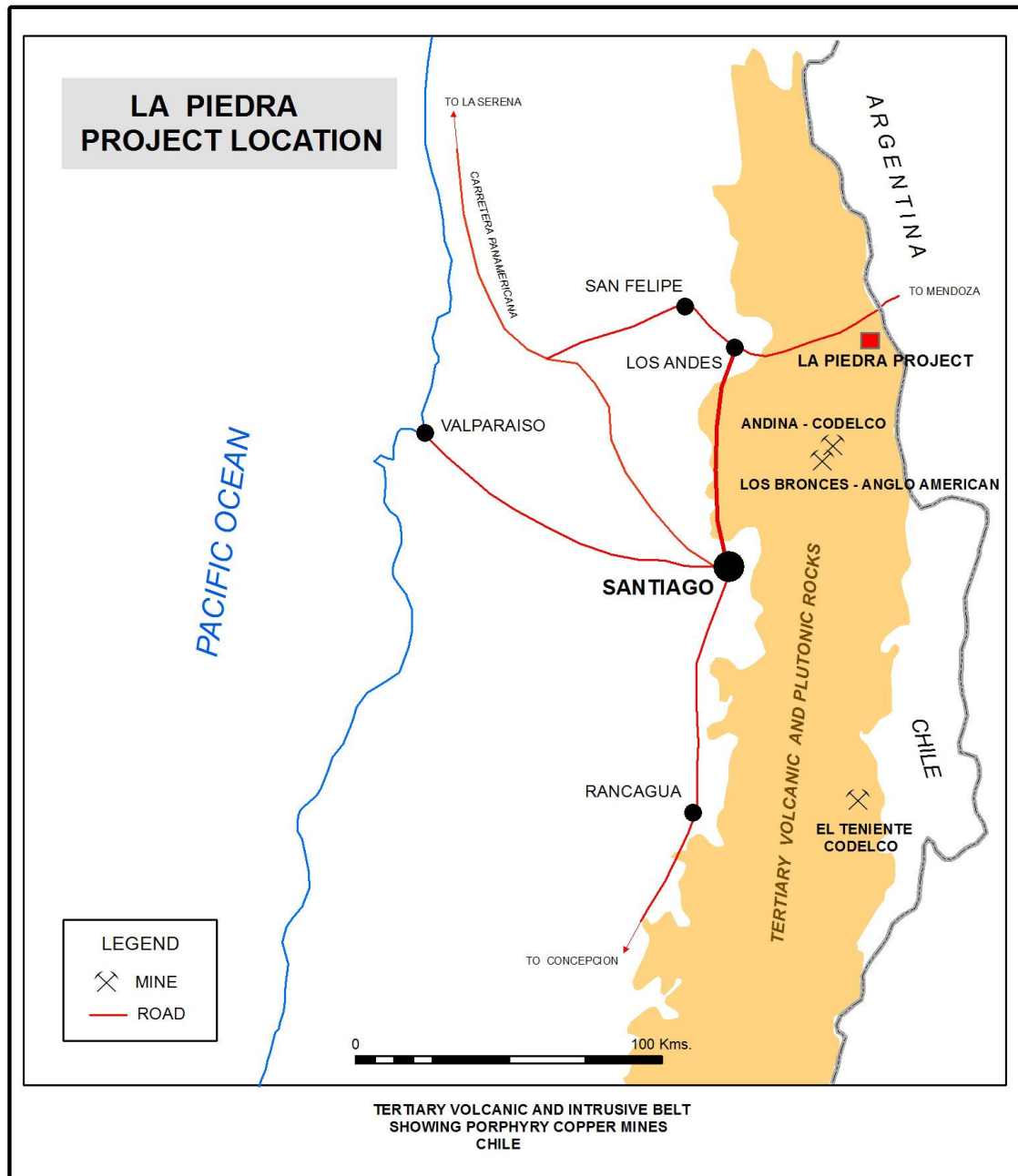
The Option Agreement, as it relates to the acquisition of the La Piedra tenements, includes the following payments:

- US\$350,000 on signing the Option Agreement;
- US\$350,000 per annum in advance for 2 years to 30 June 2013;

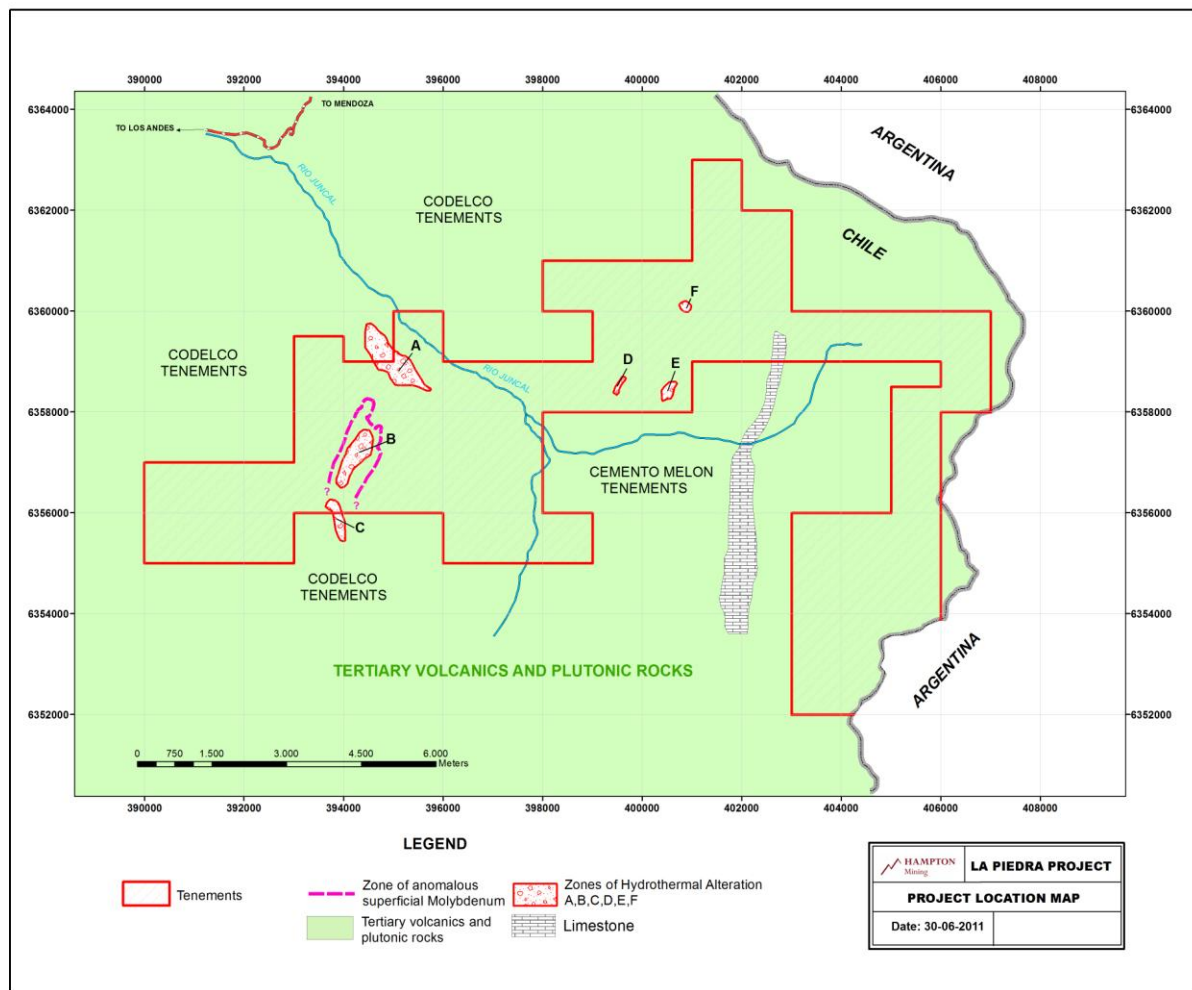
- US\$1,000,000 on or before 30 June 2014; and
- US\$28 million in cash, or US\$14 million in cash and US\$14 million in Metminco shares (at Metminco's election), on or before 30 June 2015, should the Company elect to purchase 100% of the La Piedra tenements.

The Company may elect to terminate the Option Agreement at any time before 30 June 2015.

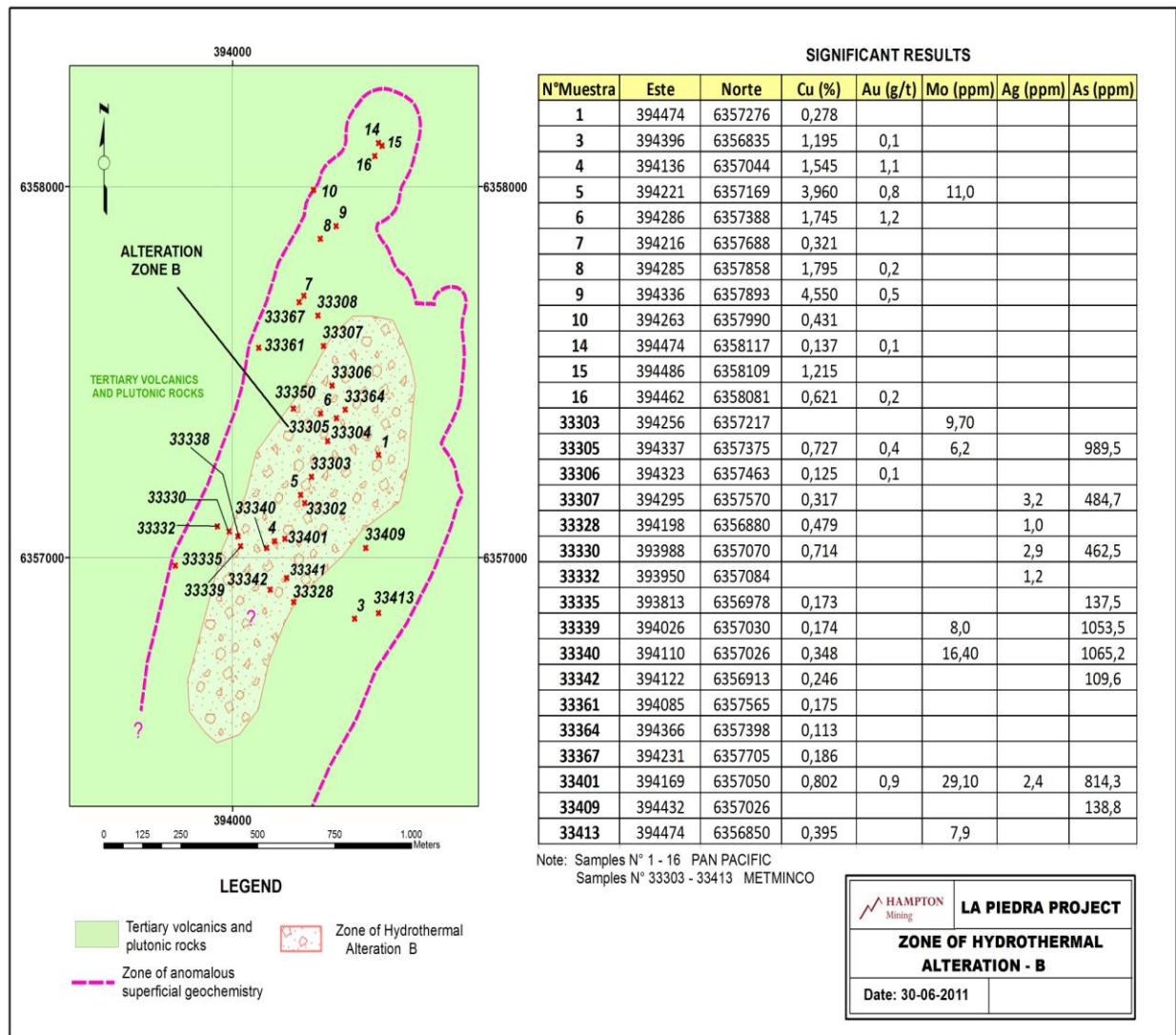
**Figure 1: La Piedra Project - Location map.**



**Figure 2: La Piedra Project - Tenement map and alteration zones.**



**Figure 3: La Piedra Project - Zone of hydrothermal alteration (Zone B) and rock chip assay data.**





**Figure 4: La Piedra Project - Hydrothermal alteration Zone B.**



**Figure 5: La Piedra Project - Hydrothermal alteration Zone B.**



**Figure 6 : La Piedra Project** - Malachite and azurite copper oxides and La Piedra breccia, hydrothermal alteration Zone B.



A handwritten signature in black ink, consisting of a series of loops and curves, positioned above the name and title.

**William Howe**  
**Managing Director**



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### **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 a JORC compliant Mineral 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 a JORC compliant Mineral Resource of 17 million tonnes comprising 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 a JORC compliant Mineral 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).

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