Grant Thornton

Metminco Limited

Independent Expert's Report and Financial Services Guide

27 January 2010

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Dear Sirs

Independent Expert's Report and Financial Services Guide

Introduction

Metminco Limited ("MNC" or the "Company") is a junior exploration company listed on the Australian Securities Exchange ("ASX") with a market capitalisation of $66 million as at 22 January 2010. MNC owns a 36.5% equity interest in Hampton Mining Limited ("Hampton").

Hampton is an unlisted public company which has acquired a significant portfolio of exploration and potential mining projects in Chile and Peru. Hampton's flagship project is the Los Calatos project which is prospective for copper, gold and molybdenum. Majority of the exploration work has been conducted in three claim blocks within the Los Calatos area called Alfa 1-900, Gamma 1-1000 and Nelson 1-900 (collectively referred to as the "North Hill Los Calatos Tenements"). The North Hill Los Calatos Tenements are by far the most prospective and valuation in the Hampton's portfolio.

The North Hill Los Calatos Tenements are currently indirectly held by North Hill Holdings Group Inc ("North Hill"), a company incorporated in the British Virgin Islands. Hampton entered into an option agreement in September 2007 which upon exercise and payment of the consideration will provide Hampton with control over the North Hill Los Calatos Tenements. The option expires on 1 August 2010.

Highland Holding Resources Inc ("HHR"), a company organised and existing in accordance with the laws of the British Virgin Islands, is the registered holder and beneficial owner of 100% of the issued capital of North Hill.

The Proposed JIC Transaction

On 25 September 2009, MNC announced that it had entered into an option agreement with Junior Investment Company ("JIC") to purchase 31.9% of Hampton's issued capital held by JIC (the "Proposed JIC Transaction"). The option can be exercised on or before 17 March 2010.

The consideration for the Proposed JIC Transaction comprises the following:

- Two MNC Shares for every one ordinary share in Hampton ("Hampton Share") held by JIC. As JIC owns 66,393,750 Hampton Shares, the number of MNC Shares to be issued to JIC is set out below:
  - 132,787,500 MNC Shares if no Hampton Shareholders (other than MNC) exercise their pre-emptive rights[1]; and
  - 71,197,638 MNC Shares if all Hampton Shareholders exercise their pre-emptive rights.
- Cash consideration of US$0.18074 per Hampton Share held by JIC. The total cash consideration payable by MNC will be between US$6.4 million if all Hampton Shareholders exercise their pre-emptive rights and US$12 million if no Hampton Shareholders (other than MNC) exercise their pre-emptive rights.

The Proposed JIC Transaction is conditional upon MNC obtaining all necessary shareholders, regulatory and other approvals required to issue the MNC Shares as part of the consideration but it is independent from the Proposed North Hill Agreement.

If the Proposed JIC Transaction is implemented, MNC will increase its shareholding in Hampton from 36.5% to a controlling interest between 53.6% and 68.4%.

The Proposed North Hill Agreement

On 7 December 2009, MNC also announced that it had entered into a sale and purchase agreement to acquire 100% of the issued shares in North Hill from HHR (the "Proposed North Hill Agreement" and in conjunction with the Proposed JIC Transaction referred to as the "Proposed Transactions"). North Hill, through a chain of wholly owned subsidiaries, holds the North Hill Los Calatos Tenements. The consideration for the Proposed North Hill Agreement is summarised below:

- US$2.0 million in cash;
- 150 million new MNC Shares; and

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[1] Hampton's Constitution ("Hampton's Constitution") contains certain provisions providing pre-emptive rights ("Hampton Pre-Emptive Rights") to existing shareholders of Hampton which can affect the number of Hampton Shares that MNC can acquire from JIC and the consideration payable by MNC.

- MNC to transfer the rights to the 2% net smelter return royalty (the "2% NSR") to HHR if the 2% NSR become payable by Hampton to North Hill under the Hampton Los Calatos Option as described below.

The Proposed North Hill Agreement is subject to the following conditions:

- MNC obtaining shareholder approval together with regulatory and other approval to issue 150 million MNC Shares to HHR; and
- MNC completes the Proposed JIC Transaction and securing a majority interest in Hampton.

The Capital Raising

In order to fund the cash consideration of the Proposed Transactions, MNC is seeking shareholders approval for the issue of a minimum of 66.67 million and a maximum of 120 million MNC Shares at an issue price of not less than A$0.15 per share to raise between A$10 million ("Minimum Capital Raising") and A$18 million (Maximum Capital Raising). If MNC is only able to raise the Minimum Capital Raising, and no Hampton Shareholders other than MNC exercise their pre-emptive rights, these funds will not allow MNC to complete the Proposed Transactions and they will be used for exploration activities.

Other relevant agreements

Hampton Los Calatos Option

North Hill executed a Unilateral Purchase Promise and Option Agreement with Hampton in September 2007 ("Hampton Los Calatos Option"). Under the Hampton Los Calatos Option, Hampton has the option to acquire all the issued capital of Minera Cerro Norte Inc ("Minera CN") which is currently held by North Hill and which controls the North Hill Los Calatos Tenements.

To exercise the Hampton Los Calatos Option, Hampton must make a payment of US$500,000 on or before 1 August 2010 and a resource based payment of US$ 0.005 /lb equivalent copper (including copper, molybdenum or other economic metals) on or before 30 September 2010. The resource based payment is based on reserves in the ground, as calculated by an independent expert appointed by the parties. A further bonus payment of US$1.5 million is also payable on a decision to mine plus a 2% net smelter royalty on production.

The Placer Dome Option

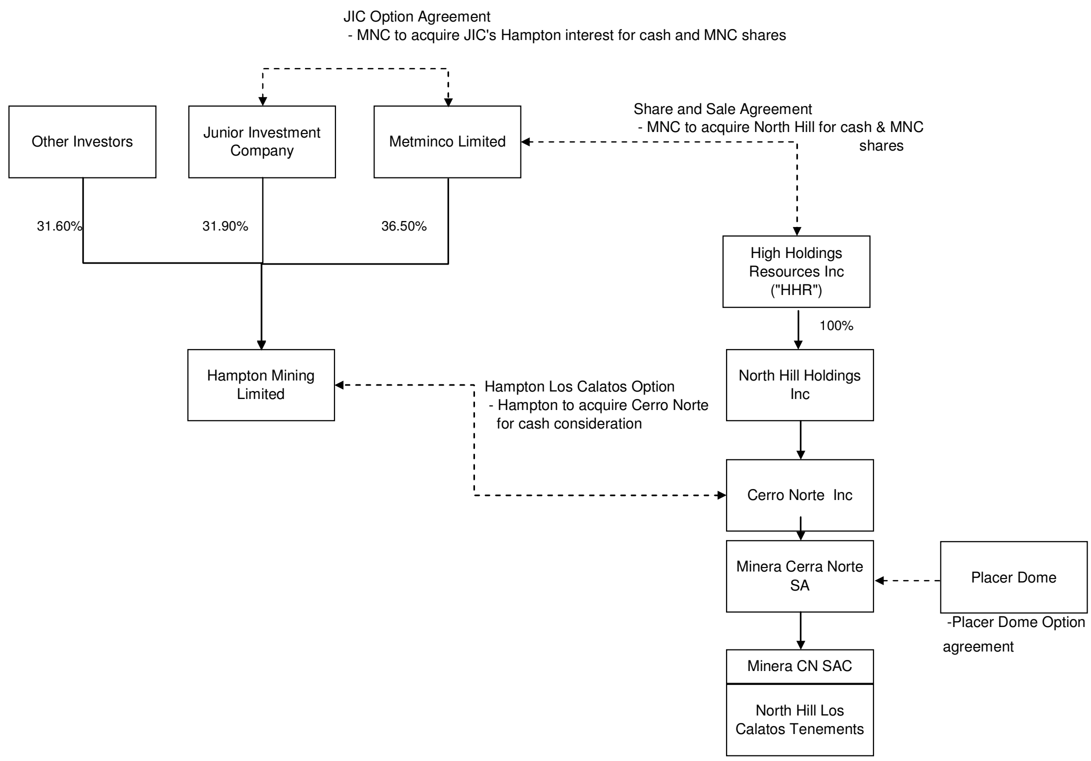
The area covered under the North Hill Los Calatos Tenements is also the subject of another option agreement between Minera CN and Placer Dome del Peru S.A.C ("Placer Dome") (the "Placer Dome Option"). If certain condition precedents are fulfilled[2], Placer Dome has the right to buyback

[2] Minera CN SA finds within the North Hill Los Calatos Tenements an economic resource of 2 million or more ounces of gold and/or 1 million tonnes of fine copper which are converted into provable and/or probable reserves by a scoping study or by a feasibility study.

a 51% interest in Minera CN SAC ("Minera CN SA"), a wholly-owned subsidiary of Minera CN which owns the North Hill Los Calatos Tenements.

The relationship, connections and assets of the relevant parties in the Proposed Transactions are presented diagrammatically below:

Corporate structure and transactions flow



Source: MNC

Effect of the Proposed Transactions

If the Proposed JIC Transaction is approved and implemented but the Proposed North Hill Agreement is not completed, the effect will be as follows:

- MNC will have controlling interest in Hampton between 53.6% and 68.4%;
- If Hampton exercises the Hampton Los Calatos Option, MNC will have indirect control of the North Hill Los Calatos Tenements. However if the Hampton Los Calatos Option is not exercised and the Proposed North Hill Agreement is not implemented, MNC will not have any rights on the North Hill Los Calatos Tenements;

- JIC will hold a significant interest in MNC between 14% and 21%[3] and will be the largest single shareholder in MNC's expanded issued capital. JIC will be entitled to nominate for appointment between one and two representatives on the Board; and

- MNC shares on issue will increase from 380,947,933 to between 518,812,238 and 633,735,433 after implementation of the Proposed JIC Transaction and the Capital Raising;

- MNC's exploration assets profile will largely consist of assets located in South America compared to its current Australian-only assets (excluding the 36.5% interest in Hampton).

If both the Proposed Transactions are approved and implemented, the effect will be as follows:

- MNC will have control of Hampton and the exploration assets in Hampton's portfolio;

- MNC will have indirect control of the North Hill Los Calatos Tenements either via Hampton or North Hill;

- JIC will hold a significant interest in MNC between 11% and 17% after the Proposed Transactions and Capital Raising and JIC will be entitled to nominate for appointment between one and two representatives on the Board;

- HHR will hold a significant interest in MNC between 19% and 22% and will be the largest single shareholder in MNC's expanded issued capital;

- MNC shares on issue will increase from between 518,812,238 and 633,735,433 after the Proposed JIC Transaction and the Capital Raising to between 668,812,238 and 783,735,433 after implementation of the Proposed North Hill Agreement;

- MNC's exploration assets profile will largely consist of assets located in South America compared to its current Australian-only assets (excluding current 36.5% interest in Hampton); and

- MNC's size and operations will increase.

Purpose of the report

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition result in the person's voting power in the company increasing from either below 20% to more than 20%, or from a starting point between 20% and 90%, without making an offer to all shareholders of the company.

If the Proposed JIC Transaction is implemented, JIC is expected to hold between 14% and 21% of MNC's issued shares following implementation of the Proposed JIC Transaction and the Capital Raising. Accordingly, the Directors of MNC have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, the issue of up to 132,787,500 MNC Shares

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[3] Assuming a capital raising between A$10 million and A$18 million and full exercise or no exercise of the pre-emptive rights respectively.

to JIC upon completion of the Proposed JIC Transaction is fair and reasonable to the MNC Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act.

After the completion of the Proposed Transactions and the Capital Raising, HHR is expected to hold between 19% and 22% of MNC's issued shares.

Accordingly, the Directors of MNC have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, the issue of 150 million MNC Shares to HHR upon completion of the Proposed North Hill Agreement is fair and reasonable to MNC Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act.

We note that the Proposed JIC Transaction can be implemented even if the Proposed North Hill Agreement is not completed, whilst the Proposed North Hill Agreement is interdependent with the Proposed JIC Transaction

Proposed JIC Transaction – Summary of opinion

Grant Thornton Corporate Finance has concluded that the proposed issue of up to 132,787,500 MNC Shares to JIC as part of the Proposed JIC Transaction is fair and reasonable to MNC Shareholders.

Fairness assessment

In forming our opinion in relation to the fairness of the proposed issue of MNC Shares to JIC as part of Proposed JIC Transaction, Grant Thornton Corporate Finance has compared:

- the underlying value of MNC Shares on a stand alone basis and inclusive of a premium for control; with

- the underlying value of MNC Shares following completion of the Proposed JIC Transaction and the Capital Raising on a minority basis.

Our assessed value of MNC before and after the Proposed JIC Transaction depends on whether or not Hampton will exercise the Hampton Los Calatos Option[4].

Furthermore, our valuation assessment of the Proposed JIC Transaction and the consideration payable by MNC is affected by the level of pre-emption rights exercised by Hampton Shareholders.

Accordingly, we have assessed the fairness of the proposed issue of MNC Shares to JIC as part of Proposed JIC Transaction under two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

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[4] In our assessment, we have assumed that Placer Dome right to acquire an indirect 51% interest in the North Hill Los Calatos Tenements will not be triggered. The Independent Technical Assessment Report has indicated that the current valuation of the North Hill Los Calatos Tenements does not support sufficient copper metal reserve which would trigger the provision under the Placer Dome Option that would enable Placer Dome to exercise its right to acquire 51% interest in Minera CN.

Fairness assessment assuming Hampton exercises the Hampton Los Calatos Option

The following table summarises our assessment.

	Section reference	Hampton exercises the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed JIC Transaction (control premium inclusive)	9.1	11.26	11.26
Consideration offered - Value of MNC Shares after Proposed JIC Transaction (on a minority basis)	10.1.7	12.59	12.05
Premium/(Discounts) - (%)		11.8%	7.0%

Fairness assessment assuming Hampton does not exercise the Hampton Los Calatos Option

The following table summarises our assessment.

	Section reference	Hampton does not exercise the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed JIC Transaction (control premium inclusive)	9.1	3.01	3.01
Consideration offered - Value of MNC Shares after Proposed JIC Transaction (on a minority basis)	10.1.7	3.22	3.11
Premium/(Discounts) - (%)		7.0%	3.2%

As under both scenarios the underlying value of consideration offered is higher than the value of MNC Shares on a controlling basis and inclusive of a control premium, we conclude that the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is fair to MNC Shareholders pursuant to RG 111.

Reasonableness assessment

For the purpose of assessing whether the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable to the MNC Shareholders, we have summarised the following likely advantages and disadvantages associated with the Proposed JIC Transaction. We also note that pursuant to RG 111, the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable if it is fair.

Advantages

If the Proposed JIC Transaction is implemented, the likely advantages include:

- If the Proposed JIC Transaction is approved, MNC will gain a controlling interest in Hampton and it will have an indirect controlling interest over the North Hill Los Calatos Tenements if the Hampton Los Calatos Option is exercised. As set out in the fairness section above, the exercise of the Hampton Los Calatos Option is significantly value accretive for Hampton and, by virtue of its investment in Hampton, for MNC.

- If the Proposed JIC Transaction is approved and the Hampton Los Calatos Option exercised, MNC will effectively gain indirect control of the North Hill Los Calatos Tenements which is considered the most prospective assets within the Los Calatos Tenement. Securing indirect control over the mining activities on the North Hill Los Calatos Tenements will essentially enable MNC to direct the exploration activities and benefit from a value uplift of the North Hill Los Calatos Tenements.

- If the Proposed JIC Transaction is approved, MNC will increase its interest in Hampton from 36.5% to a controlling interest between 53.6% and 68.4%. This will provide MNC Shareholders with greater diversification of MNC exploration assets portfolio into other mineral types especially copper as the majority of MNC's Australian exploration assets portfolio consist of prospective gold tenements.

- MNC is expected to have a higher market capitalisation and improved liquidity if the Proposed JIC Transaction is approved. The increase in market capitalisation may provide MNC with an improved profile in the market and in turn, may result in a greater following by the investment and broking community. This may have a positive impact on the MNC's share price and assist future capital raising activities to fund exploration projects.

- After the implementation of the Proposed JIC Transaction, MNC Shareholders will gain access to exploration assets that are more advanced and which could enable MNC to access debt and equity markets which were previously not available.

- If the Proposed JIC Transaction is implemented, the corporate structure of MNC and Hampton will be more transparent and Hampton will be consolidated into MNC from a financial reporting perspective. This may have a positive impact on the share price of MNC following completion of the Proposed JIC Transaction.

- Our valuation assessment of MNC on a stand alone basis incorporates the application of a full control premium in accordance with the requirements of RG111. If the Proposed JIC Transaction is implemented, JIC Shareholders will hold between 14% and 21% of MNC on an undiluted basis. JIC will be entitled to nominate for appointment between 1 and 2 representatives on the Board of Directors of MNC however, the management team of MNC is not expected to change. Accordingly, based on the discussion above and the board representations in MNC, our valuation assessment of MNC on a stand alone basis may not warrant the application of a full control premium.

- If the Proposed JIC Transaction is implemented and MNC will gain control of Hampton, it may be able to rationalise certain administrative functions and overhead structure which may result in cost savings going forward. Our valuation assessment of MNC following completion of the Proposed JIC Transaction does not incorporate any cost savings.

Disadvantages

If the Proposed JIC Transaction is implemented, the likely disadvantages include:

- The consideration for the Proposed JIC Transaction includes a significant cash component of up to US$12 million. MNC's existing internal cash resource is insufficient to satisfy this cash payment and the Company is currently undertaking a capital raising to source for the required funds. The completion of the Proposed JIC Transaction is dependent on whether the Capital Raising is successful. If unsuccessful, MNC will not complete the Proposed JIC Transaction and in addition would have incurred certain transaction costs pertaining to the Capital Raising and Proposed JIC Transaction that are not reimbursable and could have been utilised to finance exploration activities.

- Hampton's exploration assets are located in emerging markets such as Chile and Peru which are potentially subject to more volatility (including exchange rate volatility predominantly US dollar based) and greater risks than more mature markets. If the Proposed JIC Transaction is approved, MNC Shareholders will have increased exposure to these emerging markets compared to MNC's current exploration assets located in Australia.

- If the Proposed JIC Transaction is implemented, existing MNC Shareholders will collectively be diluted to between 60% and 73% of the enlarged issued capital depending on the size of the Capital Raising and the exercise of the pre-emptive rights in Hampton.

- The enlarged exploration assets portfolio of MNC will increase future funding requirements in relation to exploration activities. The development of both MNC's and Hampton's existing exploration assets will require continuous significant investments into the projects. In addition, given the early stages of the existing assets portfolio and the extended lead time of exploration projects, it is likely to be a number of years before the exploration assets will generate steady, positive cash flows (if any).

- Whilst there is no certainty that the mineral resources, or any mineral reserve, including the ones relating to the North Hill Los Calatos Tenements will be realised, a significant component of the Proposed JIC Transaction consideration is represented by cash (up to US$12 million). Accordingly, there is not full alignment between the current MNC Shareholders and JIC Shareholders in relation to the risks attached to the further exploration of Hampton's assets.

- Our valuation of MNC under the scenario that Hampton exercises the Hampton Los Calatos Option does not include the potential value of the 2% NSR. As set out in the Lorabay Report, the value of the 2% NSR cannot be estimated with reasonable ground as at the date of this report. However, we note that should the 2% NSR becomes payable in conjunction with Hampton commencing production at the North Hill Los Calatos Tenement, the value of the North Hill Los Calatos Tenements should also increase significantly.

- If the Proposed JIC Transaction is implemented, JIC will become the single largest shareholder in MNC. JIC may have the capacity to block any potential takeover bid of MNC should JIC consider it not to be in its best interest at the expense of other MNC Shareholders.

Other factors

Uncertainty on the prospectivity of the assets

There is no certainty that the mineral resources, or any mineral reserve, including the ones relating to the North Hill Los Calatos Tenements will be realised. Until a deposit is actually mined and processed, the quantity of mineral resources and reserves, and grades, must be considered as estimates only. In addition, the value of mineral resources and any mineral reserve will depend upon, among other things, metal prices and currency exchange rates. Any material change in the quantity of mineral resources, or any mineral reserve, or grade, may affect the economic viability of any future mines. Any material reductions in the estimates of mineral resources, or mineral reserves, or MNCs and Hampton's ability to extract any ore, could have a material adverse affect on MNC's future results of operation and financial condition. Resource estimates, including those contained in the Lorabay Report are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to MNC and Hampton's resources especially pertaining to the North Hill Los Calatos Tenements could affect MNC's future development and mining plans.

MNC Shareholders' position if the Proposed JIC Transaction is not approved

If the Proposed JIC Transaction is not approved, MNC will remain listed on the ASX and it would be the current directors' intention to continue operating in line with its objectives. MNC Shareholders who retain their shares will continue to share in any benefits and risks in relation to MNC's ongoing business. MNC will not have control over Hampton's operations and management but will retain a significant influence through its existing 36.5% equity interest. Consequently, MNC will also not be able to secure indirect control over the operations of the exploration activities pertaining to the North Hill Los Calatos Tenements if the Hampton Los Calatos Option is exercised. Any upside that could be gained from the North Hill Los Calatos Tenements will be available to MNC will be limited to its 36.5% interest in Hampton.

Taxation

Grant Thornton Corporate Finance has not been provided with any taxation advice in relation to the Proposed JIC Transaction. MNC Shareholders should consider the information contained in the Explanatory Memorandum and/or Notice of Meeting in relation to taxation implications.

Dividend policy

If the Proposed JIC Transaction is implemented, the dividend policy of MNC will be determined by the Board. However, MNC does not anticipate paying a dividend for the financial year ending 30 June 2010. MNC intends to review the dividend policy on an annual basis.

Reasonableness conclusions

Based on the above likely advantages and disadvantages associated with the Proposed JIC Transaction, it is our opinion that the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable to MNC Shareholders.

Proposed North Hill Agreement– Summary of opinion

Grant Thornton Corporate Finance has concluded that the proposed issue of 150 million MNC Shares to HHR as part of the Proposed North Hill Agreement is fair and reasonable to MNC Shareholders.

Fairness assessment

In forming our opinion in relation to the fairness of the proposed issue of MNC Shares to HHR as part of Proposed North Hill Agreement, Grant Thornton Corporate Finance has compared:

- the underlying value of MNC Shares on a stand alone basis and inclusive of a premium for control after the implementation of the Proposed JIC Transaction; with
- the underlying value of MNC Shares following completion of the Proposed North Hill Agreement on a minority basis.

We note that the implementation of the Proposed JIC Transaction is a condition precedent for the implementation of the Proposed North Hill Agreement. Accordingly, the Proposed North Hill Agreement can be implemented only assuming completion of the Proposed JIC Transaction.

Consistently with our assessment of the fairness of the Proposed JIC Transaction, we have assessed the fairness of the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement under two scenarios depending on whether Hampton exercises or not the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

Fairness assessment assuming Hampton exercises the Hampton Los Calatos Option

The following table summarises our assessment.

	Section reference	Hampton exercises the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed North Hill Agreement (control basis)	11.1	13.99	13.38
Consideration offered - Value of MNC Shares after Proposed North Hill Agreement (minority basis)	11.2.6	12.80	12.41
Premium/(Discounts) - (%)		-8%	-7%

Fairness assessment assuming Hampton does not exercise the Hampton Los Calatos Option

The following table summarises our assessment.

	Section reference	Hampton does not exercise the Hampton Los Calatos Option: Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed North Hill Agreement (control basis)	11.1	3.58	3.45
Consideration offered - Value of MNC Shares after Proposed North Hill Agreement (minority basis)	11.2.6	16.51	18.70
Premium/(Discounts) - (%)		361%	442%

In relation to the fairness assessment set out above in relation to the two different scenarios, we note the following:

- If Hampton does exercise the Hampton Los Calatos Option - the underlying value of MNC following completion of the Proposed Transactions is slightly lower than the value of MNC Shares on a controlling basis and inclusive of a control premium after the Proposed JIC Transaction; and

- If Hampton does not exercise the Hampton Los Calatos Option - the underlying value of MNC following the Proposed Transactions is significantly higher than the value of MNC Shares on a controlling basis and inclusive of a control premium after the Proposed JIC Transaction.

Overall, we conclude that the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is fair to MNC Shareholders having regard to the following:

- If Hampton exercises the Hampton Los Calatos Option, the value of MNC following the Proposed Transactions is lower than the value of MNC Shares after the Proposed JIC Transaction on a controlling basis whilst under the scenario that Hampton does not exercise the Hampton Los Calatos Option the value of MNC following the Proposed Transaction is significantly higher than the value of MNC Shares after the Proposed JIC Transaction on a controlling basis;

- There is significant uncertainty as to whether Hampton will be able to exercise the Hampton Los Calatos Option as Hampton may be required to undertake a capital raising in excess of A$25 million to be able to pay the consideration upon exercise of the Hampton Los Calatos Option;

- Due to a potential conflict of interest, MNC's representatives on Hampton Board may be excluded from voting on the exercise of the Hampton Los Calatos Option. Such exclusions make it even less certain that Hampton would be able to secure the necessary shareholder support to undertake the required substantial fundraising to exercise the Hampton Los Calatos Option; and

- In the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair. However, under these circumstances we believe that the Proposed North Hill Agreement is still reasonable having regard to the reasonableness considerations set out below and accordingly we would still opine that the Proposed North Hill Agreement is reasonable to MNC Shareholders given the security it provides over MNC's underlying interest in the North Hill Los Calatos Tenements.

Reasonableness

For the purpose of assessing whether the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable to the MNC Shareholders, we have summarised the following likely advantages and disadvantages associated with the Proposed North Hill Agreement. We also note that pursuant to RG 111, the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable if it is fair.

As discussed above, the Proposed North Hill Agreement can only be implemented after the Proposed JIC Transaction is completed. Accordingly, in our analysis of the reasonableness of the Proposed North Hill Agreement, we have assumed that the Proposed JIC Transaction is completed and MNC holds a controlling interest in Hampton.

Advantages

If the Proposed North Hill Agreement is implemented, the likely advantages include:

- MNC will gain certainty that it will have a direct or indirect interest in the North Hill Los Calatos Tenements by way of its controlling interest in Hampton if the Hampton Los Calatos Option is exercised or otherwise via North Hill. The value of this certainty is substantial given the North Hill Los Calatos Tenements are the most valuable assets of Hampton/North Hill.

- The exercise of the Hampton Los Calatos Option requires the payment by Hampton of a significant cash consideration assessed at approximately A$26 million. Accordingly, Hampton will be required to conduct a substantial capital raising before being able to exercise the Hampton Los Calatos Option which expires in August 2010. If Hampton is not able to raise sufficient funds to exercise the Hampton Los Calatos Option, the share price of MNC will be adversely affected.

  If the Hampton Los Calatos Option is not exercised by Hampton and the Proposed North Hill Agreement is implemented, MNC Shareholders will still be able to exercise indirect control over the North Hill Los Calatos Tenements by virtue of North Hill becoming a wholly owned subsidiary of MNC.

- The share price of MNC may be positively affected by the completion of the Proposed North Hill Agreement as it will remove any uncertainty that may be incorporated into MNC’s current share price in relation to the ownership of the North Hill Los Calatos Tenement. Accordingly, MNC may have a higher market capitalisation and improved liquidity which may provide MNC with an improved profile in the market.

- If the Proposed Transactions are implemented, the corporate structure of MNC and Hampton will be simplified and Hampton will be consolidated into MNC from a financial reporting perspective. This may have a positive impact on the share price of MNC following completion of the Proposed Transactions.

- Our valuation assessment of MNC on a stand alone basis incorporates the application of a full control premium in accordance with the requirements of RG111. If the Proposed North Hill Agreement is implemented, HHR will hold between 19% and 22% of MNC on an undiluted basis but the management team of MNC is not expected to change. Based on the discussion above and the board representations in MNC, our valuation assessment of MNC on a stand alone basis may not warrant the application of a full control premium.

Disadvantages

If the Proposed North Hill Agreement is implemented, the likely disadvantages include:

- In the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair.
- If the Proposed North Hill Agreement is implemented, existing MNC Shareholders will collectively be further diluted to between 49% and 57% of the enlarged issued shares depending on the size of the Capital Raising and the exercise of the pre-emptive rights in Hampton.
- If the Proposed North Hill Agreement is implemented and Hampton does not exercise the Hampton Los Calatos Option, MNC will indirectly control 100% of the North Hill Los Calatos Tenements which will further increase future funding requirements in relation to exploration activities.
- If the Proposed North Hill Agreement is implemented, HHR will become the single largest shareholder in MNC. HHR may have the capacity to block any potential takeover bid of MNC should HHR consider not to be in its best interest at the expense of other MNC Shareholders.

Other factors

Uncertainty on the prospectivity of the assets

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

MNC Shareholders' position if the Proposed North Hill Agreement is not approved

If the Proposed North Hill Agreement is not approved, the Proposed JIC Transaction may still proceed. MNC will not control North Hill and as such, there will be uncertainty whether MNC will be able to secure indirect control over the North Hill Los Calatos Tenements. If Hampton does not exercise the Hampton Los Calatos Option, MNC will not indirect control the North Hill Los Calatos Tenements and as such MNC Shareholders will not be able to access any potential value uplift from those tenements. Under these circumstances, the share price of MNC will be adversely affected.

Taxation

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

Dividend policy

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

Interdependent proposals

Based on the terms of the Proposed North Hill Agreement, the Proposed North Hill Agreement is dependent on the Proposed JIC Transaction. For the Proposed North Hill Agreement to be implemented, the Proposed JIC Transaction must be approved.

Reasonableness conclusions

Based on the above likely advantages and disadvantages associated with the Proposed North Hill Agreement, it is our opinion that the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable to MNC Shareholders.

As discussed above, we note that in the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair. However, under these circumstances we believe that the Proposed North Hill Agreement is still reasonable having regard to the reasonableness considerations set out above.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act 2001 ("Corporations Act"). The Financial Services Guide is set out in the following section.

The decision of whether or not to approve the Proposed JIC Transaction and the Proposed North Hill Agreement is a matter for each MNC Shareholder based on their own views of value of MNC, Hampton and the North Hill Los Calatos Tenements and expectations about future market conditions, financial performance, risk profile and investment strategy. If MNC Shareholders are in doubt about the action they should take in relation to the Proposed JIC Transaction and the Proposed North Hill Agreement, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN Director	SCOTT GRIFFIN Director

27 January 2010

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by Metminco Limited ("MNC" or the "Company") to provide general financial product advice in the form of an independent expert's report in relation to the proposed issue of MNC Shares to JIC and HHR in relation to the implementation of the Proposed JIC Transaction and the Proposed North Hill Agreement. This report is included in the Company's Notice of Meeting and Explanatory Memorandum.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from MNC a fixed fee of $75,000 plus GST which is based on commercial rate plus reimbursement of out-of-pocket expenses for the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

5 Independence

Grant Thornton Corporate Finance is required to be independent of MNC in order to provide this report. The guidelines for independence in the preparation of independent expert's report are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with MNC (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation the Proposed Transaction.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the transaction, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the transaction. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of expert" issued by the ASIC."

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Industry Complaints Services Complaints Handling Tribunal, No F-3986. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Industry Complaints Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and FSG. Complaints or questions about the General Meeting should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

7 Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

1 Outline of the proposed transactions

1.1 Brief overview of the parties involved

Metminco

Metminco Limited ("MNC" or the "Company") is a company listed on the Australian Securities Exchange ("ASX") with a market capitalisation of $66 million as at 22 January 2010. MNC began its operations as mineral explorers with projects in Western Australian, South Australia and Northern Territory. In mid 2009, MNC purchased a 36.5% equity interest in Hampton Mining Limited ("Hampton").

Hampton

Hampton is an unlisted public company which has acquired a significant portfolio of exploration and potential mining projects in Chile and Peru. Hampton's flagship project is the Los Calatos project located in the south of Peru. Los Calatos is an exploration project with prospectivity in relation to copper, gold and molybdenum. Majority of the exploration work has been conducted in three claim blocks within the Los Calatos area called Alfa 1-900, Gamma 1-1000 and Nelson 1-900 (collectively referred to as the "North Hill Los Calatos Tenements").

North Hill and HHR

The North Hill Los Calatos Tenements are currently held by Minera CN SA, a wholly-owned subsidiary of North Hill Holdings Group Inc ("North Hill"). Hampton entered into an option agreement in September 2007 to acquire a 100% of the issued shares in Minera CN ("Hampton Los Calatos Option"). The Hampton Los Calatos Option is only exercisable upon achievement of certain condition precedents and the payment of the consideration. The Hampton Los Calatos Option expires on 1 August 2010.

North Hill is a company incorporated in the British Virgin Islands and its only asset is an indirect interest in the North Hill Los Calatos Tenements by way of its 100% equity interest in Cerro Norte. Highland Holding Resources Inc. ("HHR"), a company organised and existing in accordance with the laws of the British Virgin Islands is the registered holder and beneficial owner of 100% of the issued capital of North Hill.

Placer Dome

The area covered under the North Hill Los Calatos Tenements is also the subject of another option agreement between Minera CN and Placer Dome del Peru S.A.C ("Placer Dome") entered in November 2006 (the "Placer Dome Option"). If certain condition precedents are fulfilled[5], Placer Dome has the right to buyback a 51% interest in Minera CN SA which owns the North Hill Los Calatos Tenements. Place Dome is a wholly owned subsidiary of Barrick Gold Corporation, one of the world's largest gold mine companies.

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[5] Minera CN SA proves within the North Hill Los Calatos Tenements an economic resource of 2 million or more ounces of gold and/or 1 million tonnes of fine copper which are converted into provable and/or probable reserves by a scoping study or by a feasibility study.

1.2 Brief overview of the Proposed Transactions

On 25 September 2009, MNC announced that it had entered into an option agreement with Junior Investment Company ("JIC") to purchase 31.9% of Hampton's issued capital held by JIC (the "Proposed JIC Transaction"). The consideration for the Proposed JIC Transaction is a combination of cash (up to US$12 million) and ordinary shares in MNC ("MNC Shares") (up to 132,787,500 new MNC Shares).

On 7 December 2009, MNC also announced that it had entered into a sale and purchase agreement to acquire 100% of the issued shares in North Hill from HHR. The consideration will be satisfied by a combination of cash (US$2.0 million) and 150 million new MNC Shares (the "Proposed North Hill Agreement").

In order to fund the cash consideration of the Proposed Transactions, MNC is seeking shareholders approval for the issue of a minimum of 66,666,667 and a maximum of 120 million MNC Shares at an issue price of no less than A$0.15 per share to raise between A$10 million ("Minimum Capital Raising") and A$18 million (Maximum Capital Raising). The funds from the capital raising will be used to pay the cash component of the consideration for the Proposed JIC Transaction and the Proposed North Hill Agreement as well as to fund ongoing working capital requirements (the "Capital Raising"). If MNC is only able to raise the minimum amount of A$10 million and Hampton Shareholders do not exercise their pre-emptive rights, these funds will not allow MNC to complete the Proposed Transactions and they will be used for exploration activities.

We note that on 7 December 2009, MNC also announced that it had signed a A$14 million convertible note term sheet fully underwritten by BBY Limited ("MNC Convertible Notes"). Based on discussions with the Management of MNC, we understand that the terms of the MNC Convertible Notes have not been finalised. Accordingly, we have not incorporated the MNC Convertible Notes in our assessment of the Proposed Transactions.

1.3 Proposed JIC Transaction

On 25 September 2009, MNC announced the signing of an option agreement (the "JIC Option Agreement") with JIC, whereby JIC granted MNC an option (the "JIC Option") to acquire JIC's 66,393,750 fully paid ordinary shares in Hampton representing 31.9% of Hampton's issued capital.

As at the date of this report, MNC holds 36.5% of Hampton's issued capital. If the Proposed JIC Transaction is approved, MNC will hold between 53.6% and 68.4% of Hampton's issued capital depending on how many Hampton Shareholders will exercise their pre-emptive rights (refer section 1.3.1 on details of the pre-emptive rights).

The consideration for the Proposed JIC Transaction comprises the following:

- Two MNC Shares for every one ordinary share in Hampton ("Hampton Share") held by JIC. As JIC owns 66,393,750 Hampton Shares, the number of MNC Shares to be issued to JIC is set out below:
    - 132,787,500 MNC Shares if no Hampton Shareholders (other than MNC) exercise their pre-emptive rights; and

- 71,197,638 MNC Shares if all Hampton Shareholders exercise their pre-emptive rights.

- Cash consideration of US$0.18074 per Hampton Share held by JIC. The total cash consideration payable by MNC will be between US$6.4 million if all Hampton Shareholders exercise their pre-emptive rights and US$12 million if no Hampton Shareholders (other than MNC) exercise their pre-emptive rights.

If the Proposed JIC Transaction is implemented, the MNC Shares to be issued to JIC as part of the consideration represents between:

- 14% of the undiluted share capital of MNC if only the Minimum Capital Raising is completed and the pre-emption rights are exercised in full; and

- 21% of the undiluted share capital of MNC if the Maximum Capital Raising is completed and no pre-emption rights are exercised.

The key terms of the JIC Option Agreement are set out below.

- MNC paid an option fee (the "JIC Option Fee") of US$700,000 upon execution of the JIC Option Agreement and JIC granted MNC an irrevocable option to purchase all of the Hampton Shares for the offer price.

- The agreement is conditional upon MNC obtaining all necessary shareholders, regulatory and other approvals required to issue the MNC Shares as part of the consideration.

- The JIC Option can be exercised until 17 March 2010. We note that MNC has exercised its right to extend the expiry date of the JIC Option from 18 January 2010 to 17 February 2010 after an additional payment of US$100,000 and it has advised its intention to pay JIC an additional US$200,000 to extend the option expiry date to 17 March 2010.

- JIC will be entitled to nominate for appointment of two Directors to the MNC Board if it holds more than 20% of the MNC shares on issue, or one Director if it holds between 10% and 20% of the MNC Shares on issue. In accordance with the requirements of the Corporations Act, the appointment of such a Director, or Directors, will be subject to the approval of the shareholders of MNC.

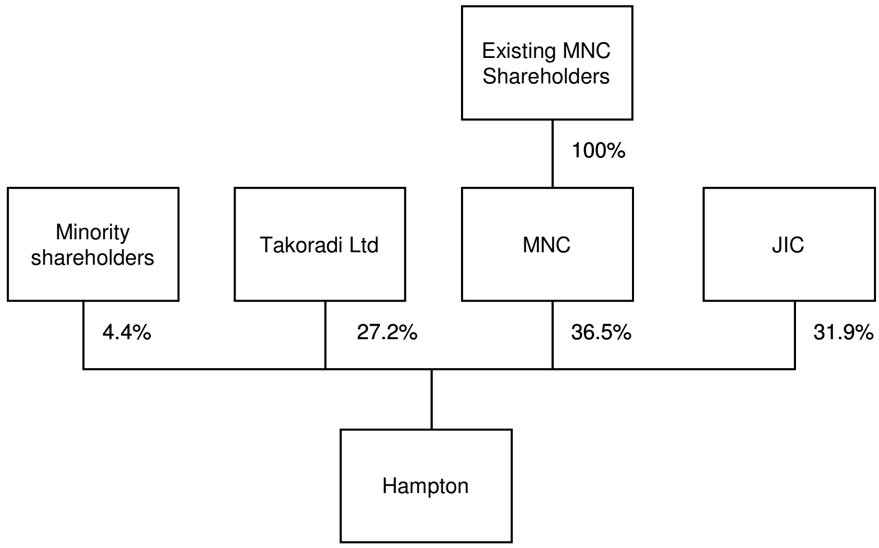
1.3.1 Hampton Pre-Emptive Rights

Hampton's Constitution contains certain provisions providing pre-emptive rights ("Hampton Pre-Emptive Rights") to existing shareholders of Hampton which can affect the number of Hampton Shares that MNC would be able to acquire from JIC and subsequently, the amount of consideration payable by MNC.

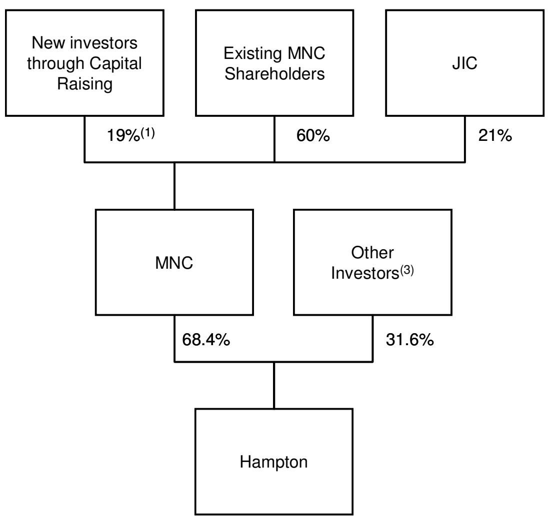
MNC currently holds approximately 36.5% of Hampton's issued capital. If the Proposed JIC Transaction is completed, and assuming that the Hampton Pre-Emptive Rights will not be exercised, MNC will hold 68.4% of Hampton's equity. If the pre-emptive rights are fully exercised, then MNC will own 53.6% of Hampton's issued capital.

Set out below are diagrams representing relevant shareholdings pre and post-Proposed JIC Transaction:

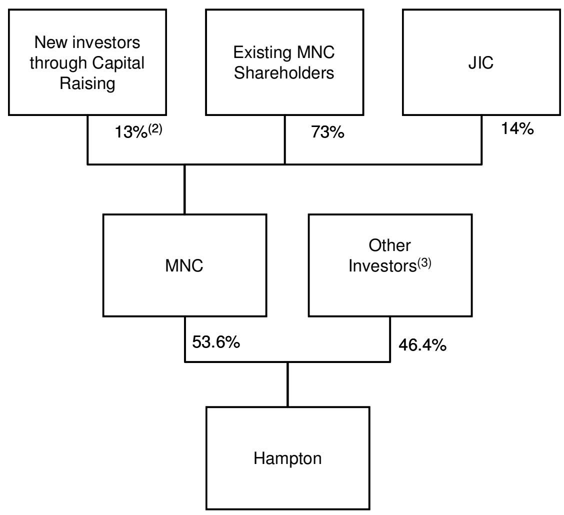
Pre-Proposed JIC Transaction



Post-Proposed JIC Transaction (assuming no pre-emptive rights are exercised)



Post-Proposed JIC Transaction (assuming all pre-emptive rights are exercised)



(1) Assuming that MNC raises approximately A$18.0 million from the Capital Raising.

(2) Assuming that MNC raises approximately A$10.0 million from the Capital Raising.

(3) Other investors consist of Takoradi Ltd and minority shareholders of Hampton.

1.4 Proposed North Hill Agreement

On 7 December 2009, MNC announced the proposed acquisition of all issued share capital of North Hill from HHR. North Hill is the ultimate beneficial shareholder of Minera CN SA, a company incorporated in Peru. Minera CN SA holds the interest in the North Hill Los Calatos Tenements which consists of three separate blocks within the Los Calatos area. The North Hill Los Calatos Tenements is currently subject to the Hampton Los Calatos Option between North Hill and Hampton which is due to expire on 1 August 2010.

The consideration for the Proposed North Hill Agreement comprises the following ("North Hill Purchase Price"):

- cash consideration of US$2 million payable in two separate instalments of US$500,000 within seven days of the agreement becoming unconditional and US$1,500,000 on 1 August 2010;
- 150 million new fully paid MNC Shares within seven days of completion; and
- MNC to transfer the rights to the 2% net smelter return royalty (the "2% NSR") currently held by North Hill to HHR as discussed in section 1.4.1 below.

The Proposed North Hill Agreement is subject to the following conditions:

- MNC obtaining shareholder approval together with regulatory and other approval to issue 150 million fully paid MNC Shares to the shareholders of North Hill; and
- MNC securing a majority interest in Hampton through completion of the Proposed JIC Transaction.

1.4.1 Hampton Los Calatos Option

North Hill executed a Unilateral Purchase Promise and Option Agreement with Hampton in September 2007 ("Hampton Los Calatos Option"). Under the Hampton Los Calatos Option, Hampton has the option to acquire all of the issued capital of Cerro Norte which is currently held by North Hill.

The outstanding terms of the Hampton Los Calatos Options are set out below.

- The purchase option is for a term of 36 months, ending on 1 August 2010.
- An outstanding component of the option fee of US$500,000 is payable on 1 August 2010.
- Hampton must have drilled 9,000 meters over a 3 year drilling program (6,700 meters have been drilled as at the date of the technical specialist report[6]) prior to exercising the option;
- Hampton must have completed an independent scoping study of the mineral resources in the North Hill Los Calatos Tenements;
- Upon exercise of the Hampton Los Calatos Option, Hampton becomes liable to pay US$0.005 per pound of equivalent copper (including copper, molybdenum and other payable metals) contained within the North Hill Los Calatos Tenements determined as resources in the ground as assessed by an independent expert appointed by the parties. In the event the scoping study is not completed prior to 1 August 2010, an interim payment based on resources in the ground is payable before 30 September 2010, which is adjusted when the scoping study is completed.

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[6] We note that MNC has confirmed that more than 9000 metres have been drilled as at the date of this report.

After exercise of the Hampton Los Calatos Option:

- Hampton must pay US$1,500,000 on making a decision to mine.
- Hampton must pay a 2% net smelter royalty on production.

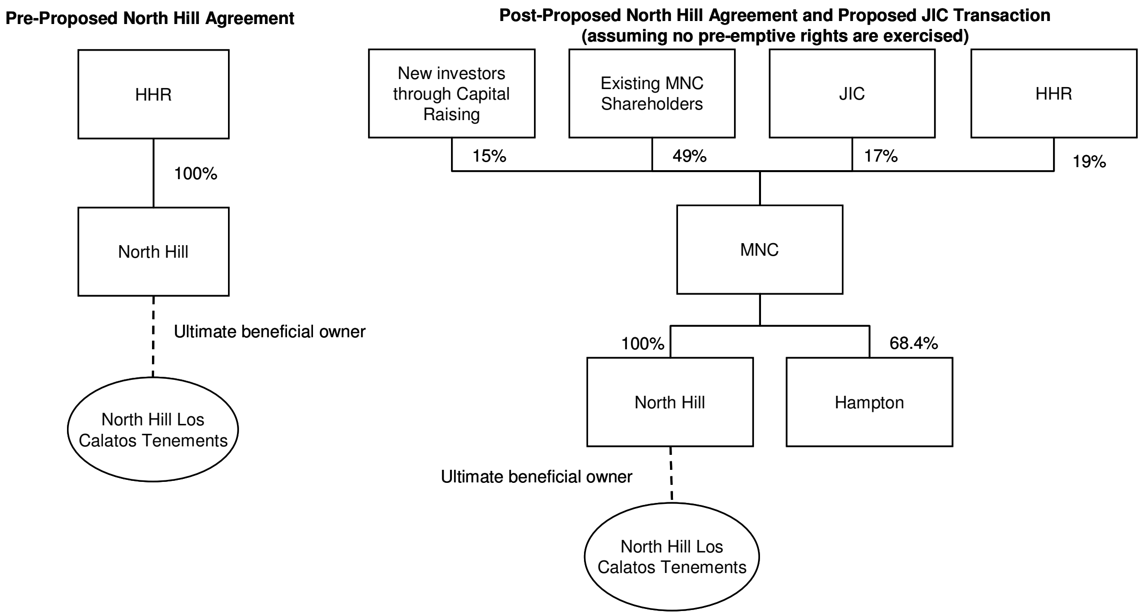
1.4.2 The Placer Dome Option

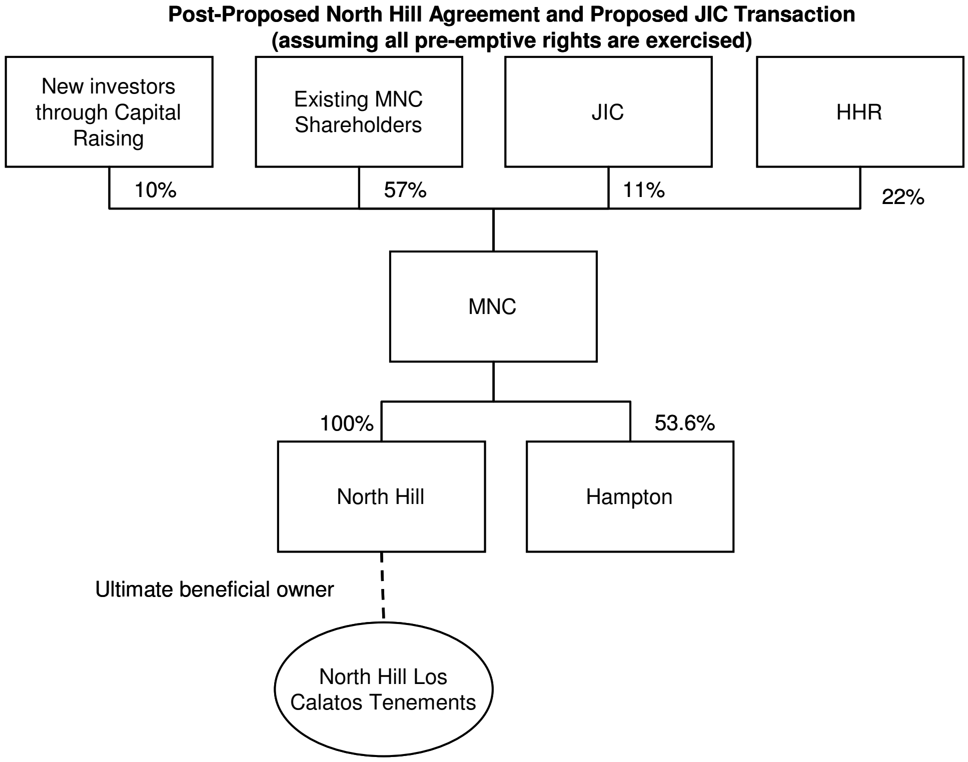
The area covered under the North Hill Los Calatos Tenements was also a subject of another option agreement between Minera CN and Placer Dome del Peru S.A.C ("Placer Dome") entered in November 2006 (the "Placer Dome Option"). The Placer Dome Option gave the right to Minera CN to purchase the North Hill Los Calatos Tenements upon fulfilment of certain drilling program and the payment of the purchase price of US$175,000. The Placer Dome Option was exercised in March 2009. Upon execution of the Placer Dome Option, Minera CN incorporated Minera CN SAC ("Minera CN SA") which now owns the North Hill Los Calatos Tenements.

The Placer Dome Option includes a buyback clause, which gives Placer Dome the right to buyback a 51% interest in Minera CN SA if Minera CN finds within the North Hill Los Calatos Tenements an economic resource of 2 million or more ounces of gold and/or 1 million tonnes of fine copper equivalent which are converted into provable and/or probable reserves by a scoping study or by a feasibility study.

1.4.3 Pre and Post Structure

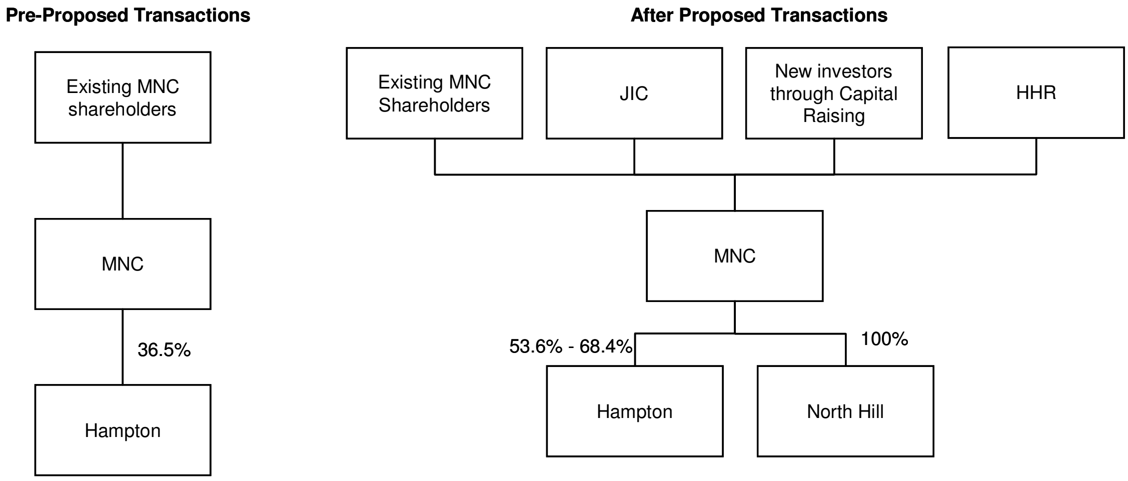
Set out below is a diagrammatic representation of the structure pre and post-Proposed North Hill Agreement.





1.5 MNC Corporate Structure

For illustrative purposes, we have included the current and proposed structure of MNC after completion of the Proposed Transactions and Capital Raising as set out below:



1.6 Effect of the Proposed Transactions

If the Proposed JIC Transaction is approved and implemented but the Proposed North Hill Agreement is not completed, the effect will be as follows:

- MNC will have control of Hampton and the exploration assets in Hampton's portfolio;

- If Hampton exercises the Hampton Los Calatos Option, MNC will have indirect control of the North Hill Los Calatos Tenements. However if the Hampton Los Calatos Option is not exercised and the Proposed North Hill Agreement is not implemented, MNC will not have any rights on the North Hill Los Calatos Tenements;

- The number of MNC Shares on issue will increase from 380,947,933 to between 518,812,238 and 633,735,433 depending on the level of exercise of the Hampton pre-emptive rights and the funds raised from the Capital Raising;

- JIC will hold a significant interest in MNC between 14% and 21% and will be the largest single shareholder in MNC's expanded issued capital after the Proposed JIC Transaction and Capital Raising;

- JIC would be entitled to nominate for appointment between one and two representatives on the Board;

- The current key management of MNC will not change;

- MNC's exploration assets profile will largely consist of assets located in South America compared to its current Australian-only assets (excluding current 36.5% interest in Hampton). However, we note that if the Hampton Los Calatos Option is not exercised and the Proposed North Hill Agreement is not implemented, the North Hill Los Calatos Tenements which are the most prospective exploration area within the current Hampton exploration assets will not be part of MNC's exploration assets following the expiry of the Hampton Los Calatos Option in August 2010; and

- MNC's size and operations will increase given that Hampton has a more diversified exploration assets portfolio consisting of mining assets in various stages of exploration from pre-feasibility stage to advanced exploration stage.

If both the Proposed North Hill Agreement is approved and implemented, the effect will be as follows:

- MNC will have indirect control of the North Hill Los Calatos Tenements subject to Hampton's interest in the North Hill Los Calatos Tenements and subject to the "buy back "clause in the Placer Dome Option being triggered and then Placer Dome exercising its rights;

- The number of MNC Shares on issue will increase from between 518,812,238 and 633,735,433 after the Proposed JIC Transaction and the Capital Raising to between 668,812,238 and 783,735,433 after the Proposed North Hill Agreement;

- HHR will hold a significant interest in MNC between 19% and 22% and will be the largest single shareholder in MNC's expanded issued capital after the Proposed Transactions and Capital Raising;

- The current key management of MNC will not change;

- MNC's exploration assets profile will largely consist of assets located in South America compared to its current Australian-only assets (excluding current 36.5% interest in Hampton); and

- MNC's size and operations will increase given that Hampton has a more diversified exploration assets portfolio consisting of mining assets in various stages of exploration from pre-feasibility stage to advanced exploration stage.

2 Purpose and scope of the report

2.1 Purpose

Grant Thornton Corporate has been commissioned by MNC to opine on the following proposals:

- Proposed JIC Transaction; and
- Proposed North Hill Agreement. We note that the completion of the Proposed JIC Transaction is a condition precedent for the Proposed North Hill Agreement to complete.

2.1.1 Proposed JIC Transaction

If the Proposed JIC Transaction is implemented, JIC is expected to hold between 11% and 21% of MNC's issued shares following implementation of the Proposed JIC Transaction and the Capital Raising. Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition result in the person's voting power in the company increasing from either below 20% to more than 20%, or from a starting point between 20% and 90%, without making an offer to all shareholders of the company.

Item 7 of Section 611 of the Corporations Act allows the MNC shareholders not associated with the Proposed JIC Transaction to waive this prohibition by passing a resolution at a general meeting. Regulatory Guide 74 "Acquisitions agreed to by shareholders" ("RG 74") and Regulatory Guide 111 "Content of expert reports" ("RG 111") issued by ASIC set out the view of ASIC on the operation of Item 7 of Section 611 of the Corporations Act.

RG 74 requires that shareholders approving a resolution pursuant to Section 623 of the Corporations Act (the predecessor to Section 611(7) of the Corporations Act) be provided with a comprehensive analysis of the proposal, including whether or not the proposal is fair and reasonable to the MNC Shareholders. The Directors may satisfy their obligations to provide such an analysis by either:

- commissioning an independent expert's report; or
- undertaking a detailed examination of the proposal themselves and preparing a report for the MNC Shareholders.

Accordingly, the Directors of MNC have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, the issue of up to 132,787,500 MNC Shares to JIC upon exercise of the JIC Option Agreement is fair and reasonable to the MNC Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act.

2.1.2 Proposed North Hill Agreement

After the completion of the Proposed Transactions and the Capital Raising, the existing shareholders of North Hill are expected to hold between a minimum of 19% and a maximum of 22% of MNC's issued shares.

Accordingly, the Directors of MNC have engaged Grant Thornton Corporate Finance to prepare an independent expert's report stating whether, the issue of 150 million MNC Shares to HHR upon completion of the Proposed North Hill Agreement is fair and reasonable to the MNC Shareholders for the purpose of Item 7 of Section 611 of the Corporations Act.

2.2 Basis of assessment

Neither the ASX Listing Rules nor the Corporation Act defines the term "fair and reasonable".

In preparing our report Grant Thornton Corporate Finance has had regard to the Regulatory Guides issued by ASIC, particularly RG 74 and RG 111. RG 111 states that an issue of shares requiring approval under Item 7 of Section 611 of the Corporations Act should be analysed as if it were a takeover bid. Accordingly, we have assessed the Proposed JIC Transaction and the Proposed North Hill Agreement with reference to Section 640 of the Corporations Act. In this regard, RG 111 states that:

- an offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison should be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is script or cash and without consideration of the percentage holding of the offeror or its associates in the target company;

- an offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid.

Based on the above, Grant Thornton Corporate Finance has determined whether the Proposed JIC Transaction is fair to the MNC Shareholders by comparing the assessed value of MNC prior to the Proposed JIC Transaction to the assessed value of MNC after the Proposed JIC Transaction.

As for the Proposed North Hill Agreement, Grant Thornton Corporate Finance has determined whether the Proposed North Hill Agreement is fair to the MNC Shareholders by comparing the assessed value of MNC prior to the Proposed North Hill Agreement (but after the Proposed JIC Transaction) to the assessed value of MNC after the Proposed Transactions. We note that completion of the Proposed JIC Transaction is a condition precedent for the Proposed North Hill Agreement to complete.

In considering whether the Proposed JIC Transaction and the Proposed North Hill Agreement are reasonable, we have considered a number of factors, including:

- whether the Proposed JIC Transaction and the Proposed North Hill Agreement are fair;

- the implications of JIC holding between 14% and 21% of the issued shares in MNC following the Proposed JIC Transaction and between 11% and 17% following the Proposed Transactions;
- the implications of HHR holding between 19% and 22% of the issued shares in MNC following the Proposed Transactions;
- the implications to MNC and the MNC Shareholders if the Proposed JIC Transaction and the Proposed North Hill Agreement are not approved; and
- other likely advantages and disadvantages relevant to the MNC Shareholders.

For the purpose of this report, we have also considered the advantages and disadvantages associated with the Proposed JIC Transaction and the Proposed North Hill Agreement as required by RG 111.

For the purpose of this report, an independent technical specialist, Lorabay Pty Ltd ("Lorabay"), was engaged to review the technical information provided by MNC in relation to MNC and Hampton's exploration assets and to provide current fair market valuation assessments in relation to the exploration assets owned by Hampton and MNC. The report prepared by Lorabay (the Independent Technical Assessment Report" or the "Lorabay Report") is included as Appendix A to this report and was prepared in accordance with the VALMIN Code.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Report" ("RG112").

Entities controlled by Grant Thornton Australia Limited are the auditors of MNC and Hampton. RG 112.25(d) states that it is not necessary for an expert to decline an engagement if the expert provides professional services for compliance purpose. The audit services provided by Grant Thornton Australia Limited's controlled entities to both entities are strictly for compliance purposes. It is also our opinion that our audit services do not impact our ability in relation to the provision of the independent expert's report required by MNC. In our opinion, Grant Thornton Corporate Finance is independent of MNC and its Directors and all other relevant parties of the Proposed Transactions.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval in relation to the Proposed JIC Transaction and the Proposed North Hill Agreement, other than that of an independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report. Except for this fee, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Transactions.

2.4 Consent and other matters

Our report is to be read in conjunction with the Notice of Meeting and Explanatory Memorandum dated on or around 27 January 2010 in which this report is included, and is prepared for the exclusive purpose of assisting the MNC Shareholders in their consideration of the Proposed JIC Transaction and the Proposed North Hill Agreement.

This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Notice of General Meeting and Explanatory Statement.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed JIC Transaction and the Proposed North Hill Agreement to the MNC Shareholders as a whole. We have not considered the potential impact of the Proposed JIC Transaction and the Proposed North Hill Agreement on individual shareholders of MNC. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed JIC Transaction and the Proposed North Hill Agreement on individual shareholders.

The decision of whether or not to approve the Proposed JIC Transaction and the Proposed North Hill Agreement is a matter for each MNC Shareholder based on their own views of value of MNC and expectations about future market conditions, MNC's performance, risk profile and investment strategy. If MNC Shareholders are in doubt about the action they should take in relation to each of the Proposed JIC Transaction and the Proposed North Hill Agreement, they should seek their own professional advice.

3 Profile of the global copper mining industry

The South American projects of interest to MNC are primarily copper projects. This section provides an overview of the global copper mining industry.

3.1 Background

Copper is a conductor of electricity and is a finite resource which can be recycled and reused. It is the third ranking metal in terms of volume used worldwide. It is generally extracted from underground mines and is typically found in conjunction with gold or lead and zinc. There are several uses of copper including:

- to produce cable, wire and electrical products for both the electrical and building industries;
- to produce pipes for plumbing, heating and ventilation as well as building wire and sheet metal facings in the construction industry;
- used in the manufacture of industrial equipment such as heat exchangers, pressure vessels and vats;
- used in the marine environment due to its corrosion resistant properties. Vessels, tanks, propellers, oil platforms and coastal power stations uses copper for its corrosion resistance properties;
- used in major forms of transportation which depend on copper to perform critical functions; and
- used in communications and electronic products.

3.2 Consumption and production

Set out below is the global copper production volumes in 2007 and 2008.

Global copper mine production by region	2007 tonnes ('000)	2008 tonnes ('000)
Region		
Americas (South and North America)	10,172	10,064
Asia	3,597	3,554
Australasia	1,147	1,152
Africa	836	967
Europe	821	786
Other	666	660
	17,239	17,183

Source: Copper Development Association Annual Data 2009

We note the following in regards to the above table:

- the largest producer of copper in 2008 was Chile, producing 5,876 thousand tonnes per annum, followed by the US and Peru which produced 1,444 and 1,398 thousand tonnes per annum respectively; and

- global production of copper has increased by 3,511 thousand tonnes per annum from 13,497 thousand tonnes per annum in 1998 to 17,008 thousand tonnes per annum in 2008.

South America is the largest producer of copper in the world, accounting for approximately 46.5% of the global copper production.

Global consumption decreased by approximately 0.5% from 18,175 thousand tonnes per annum in 2007 to 18,057 thousand tonnes per annum in 2008. This was a result of subdued construction activity, lower vehicle production and reduced investment spending on equipment. Demand from China increased 47% in the period from 2007 to 2008 whilst demand from other countries declined by 18% on average during the same period.

We note that for the first half of 2009, global usage is estimated to have decreased by 0.6% compared with the prior year. Chinese usage increased by 1.2 million tonnes in the first half of 2009, compared with the prior year. Whilst copper usage remained weak amongst other significant markets such as Europe, Japan and the US (copper usages reduced by 24%, 40%, and 23%, respectively). These three regions currently represent around 30% of the global total copper usage.

3.3 Major global participants

The key participants in global copper production include:

- Codelco – is a mining, industrial and commercial company based in Chile. Codelco is owned by the Chilean state and is the world's largest producer of copper;

- Freeport-McMorgan Copper & Gold ("FCX") – is a leading international mining company with headquarters in Phoenix, Arizona. FCX operates large, long-lived, geographically diverse assets with significant proven and probable reserves of copper, gold and molybdenum. The company's portfolio of assets includes the Grasberg mining complex which is the world's largest copper and gold mine in terms of recoverable reserves;

- BHP Billiton ("BHP") – is one of the world's top producers of copper, silver, lead and uranium, and a leading producer of zinc. BHP produces copper in Australia, Chile, Peru, and the US; and

- Grupo Mexico ("Grupo") – is the largest mining corporation in Mexico. Its mining division is consolidated through the Americas Mining Corporation, a sub-holding company that groups the mining operations in Mexico, Peru and the US. Grupo also conducts exploration activities in Mexico, Peru and Chile.

3.4 Historical copper prices

Copper prices are quoted on the London Metals Exchange ("LME"). The price of copper is dependent on supply and demand forces as well as the grade of the metal.

Set out below are the historical copper prices as quoted on the LME.

Source: London Metal Exchange

We note the following in regards to the above graph:

- the significant price increase between the end of 2005 and the end of 2008 was a result of increased demand for copper from Asia. This was specifically driven by China which primarily uses copper for wiring in electrical devices and for construction purposes. The increase in copper prices was also a result of supply concerns due to strike actions occurring in Mexico and Chile and the lack of investment in new mining projects;

- the significant reduction in price between the end of 2006 and the beginning of 2007 was attributable to rising inventories and slowing demand, especially in the US; and

- the significant reduction in price towards the end of 2008 was attributable to the global financial crisis which led to a decline in commodity prices and reduced demand for copper.

3.5 Outlook for the industry

Copper production in 2010 is forecast to remain relatively stable, growing by 0.7% whilst demand is forecast to decline by 0.2%. Demand from the US, Europe and Japan is forecast to decline on average by 17%. This reduction is expected to be partially offset by a 26% growth in demand from China. Global usage excluding China is expected to decline by 12%. In 2011 the market is expected to be stable as an increase in economic activity is expected to lead to stronger demand and the growth in refined production is expected to stabilise.

4 Profile of MNC

4.1 Background

MNC listed on the ASX in 2007. It initially operated as a mineral exploration company focused on the East Kimberly region of Western Australia but since the purchase of its interest in Hampton, it has focused on mineral exploration in South America. The Company is focused on exploring for and locating potentially valuable mineral deposits including copper, gold and uranium through exploration and joint ventures.

4.2 Hampton Investment

On 3 November 2008, MNC announced an off-market takeover bid for all the issued shares in Hampton.

After a number of extensions to the bid, the takeover offer period closed on 8 July 2009 and resulted in MNC acquiring a 36.5% interest (75,922,683 shares) in Hampton making MNC the largest shareholder of Hampton. After the takeover offer period closed, MNC has continued with its strategy to pursue the acquisition of the remaining Hampton Shares and gain control of Hampton.

4.3 Overview of projects

MNC's projects are summarised below:

MNC	% Interest	Location	Resources	Indicated resources million tonnes	Inferred resources million tonnes	Total resources million tonnes
Australian projects						
Angelo	0%	Australia	Gold	N/A	N/A	N/A
Grants Creek	0%	Australia	Gold	N/A	N/A	N/A
Sophie Downs	100%	Australia	Sulphide, gold and uranium	N/A	N/A	N/A
Mulgul	100%	Australia	Lead, gold and silver	N/A	N/A	N/A
West Lake Eyre Uranium	100%	Australia	Iron ore, copper, gold and uranium	N/A	N/A	N/A
King River Uranium	100%	Australia	Sandstone, uranium and rock phosphate	N/A	N/A	N/A
				N/A	N/A	N/A

Source: Independent Technical Assessment Report

Australian Projects:

- Angelo – is located approximately 40km south-west of Halls Creek in north-east Western Australia and is a joint venture with Pacrim Energy Ltd. Prospective drilling at the site discovered gold resources;

- Grants Creek – covers 14.7 sq km located 60 km north east of Halls Creek. Exploration has identified gold mineralisation as well as abundant pyrite and galena;

- Sophie Downs – is located northeast of Halls Creek, just below the Grants Creek project. The area is considered to be prospective for a wide variety of mineralisation including sulphide deposits, gold and uranium;

- Mulgul – is located some 200 km north of Meekatharra in central Western Australia and is prospective for large base metals deposits. The area has potential for lead, gold and silver deposits;

- West Lake Eyre Uranium – is located to the west of Lake Eyre in South Australia. It is prospective for both iron ore, copper, gold and uranium deposits. There has been limited prior exploration over the area; and

- King River Uranium – is located in the Daly River Basin region in the Northern Territory. It is prospective for sandstone, uranium and rock phosphate deposits.

South American Projects:

In addition, by virtue of its 36.5% interest in Hampton, MNC has an indirect interest in Hampton's South American projects. A summary of each of the project is included in section 6.1 of this Report.

4.4 Financial information

4.4.1 Financial performance

The following table summarises the financial performance of MNC for FY08 and FY09 and the six months ended 31 December 2009:

MNC	**FY08**	**FY09**	**HY10**
	Audited	**Audited**	**Unaudited**
Income Statement	**A$'000**	**A$'000**	**A$'000**
Other income	179	107	24
Administration expenses	(46)	(55)	(42)
Coporate expenses	(2,005)	(550)	(670)
Employee benefits expense	(532)	(194)	(412)
Depreciation and amortisation expense	(4)	(7)	(5)
Impairment expense	(13)	(546)	(1,403)
Profit before tax	(2,421)	(1,245)	(2,508)
Income tax expense	-	-	-
Profit after tax	(2,421)	(1,245)	(2,508)

Source: 2008 and 2009 MNC Annual Reports and unaudited Management Accounts for the six months ended 31 December 2009

We note the following in relation to the financial performance of MNC:

- other income relates to interest revenue received;

- during FY08, $1.8 million of corporate expenses related to shares issued to the promoter of the Company while in FY09 $0.4 million of corporate expenses related to costs associated with the takeover of Hampton; and

- during FY08, $0.3 million of employee benefits expense related to shares issued to directors.

4.4.2 Financial position

The financial position of MNC as at 30 June 2008, 30 June 2009 and 31 December 2009 is set out below:

MNC Balance Sheet	As at 30-Jun-08 Audited A$'000	As at 30-Jun-09 Audited A$'000	As at 31-Dec-09 Unaudited A$'000
Assets			
Cash and cash equivalents	2,517	992	2,557
Other assets	31	21	938
Investment in associate	-	-	51,109
Property, plant and equipment	25	19	2
Exploration	786	1,036	200
Total Assets	3,359	2,068	54,806
Liabilities			
Trade and other payables	202	108	172
Short term provisions	5	4	7
Total Liabilities	207	112	179
Net Assets	3,152	1,956	54,627
Equity			
Issued capital	5,349	5,399	60,518
Reserves	250	250	310
Retained earnings	(2,447)	(3,693)	(6,200)
	3,152	1,956	54,627

Source: 2008 and 2009 MNC Annual Reports and unaudited Management Accounts for the six months ended 31 December 2009

We note the following in relation to the financial position of MNC as at 30 June 2009:

- cash and cash equivalents primarily consist of short term bank deposits with an effective interest rate of 4%; and
- exploration assets relate to capitalised exploration expenditure. The amount of exploration expenditure capitalised in FY09 was $0.3 million and the amount of capitalised exploration expenditure written off during FY09 was $0.5 million;
- cash and cash equivalent as at 31 December 2009 increased as a result of the capital raising completed by MNC in September 2009; and
- investment in associates as at 31 December 2009 reflects the book value of the investment in Hampton.

4.5 Capital Structure

As at the date of this report, MNC had the following securities on issue:

- 380,947,933 MNC Shares; and
- 27,230,017 options with an exercise price of $0.25 and an expiry date of 4 December 2012 ("MNC Options").

We note that on 24 September 2009, MNC completed a capital raising of $2.5 million through the issue of 16,666,666 shares at an issue price of $0.15 per share to sophisticated and professional investors.

The top 10 shareholders of MNC as at the date of this report are set out in the following table:

Name	Number of shares	% holding
Mining Investment Services	49,600,000	13.0%
Tangarry Pty Ltd	41,066,664	10.8%
Mr Nj Howe &	30,800,000	8.1%
Wilnic Pty Ltd	17,464,168	4.6%
Anz Nominees Limited	15,842,860	4.2%
Mr Maxwell James Green	15,600,000	4.1%
Mining Investment Services	12,800,000	3.4%
Beatinvest Limited	12,469,850	3.3%
Monetti Pty Ltd	10,400,000	2.7%
Chile Copper Mine Pty Ltd	10,266,668	2.7%
Top 10 shareholders	216,310,210	56.8%
Other shareholders	164,637,723	43.2%
Total	380,947,933	100.0%

Source: MNC

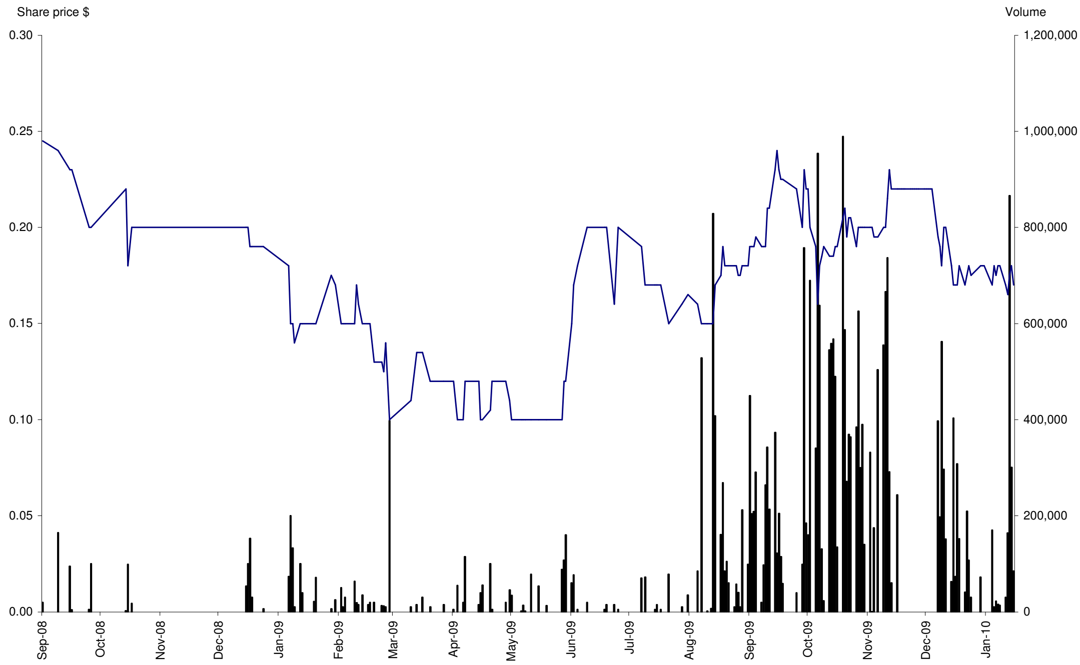
The MNC Options are listed on the ASX. The top 10 optionholders as at the date of this report are set out in below:

Name	Number of options	% holding
Mr John Daniel Powell	1,100,000	4.0%
Kelmist Pty Ltd	1,099,999	4.0%
Mr Mark W Bolton	1,050,000	3.9%
Rylet Pty Ltd	1,043,439	3.8%
Mr Shane Gordon Turner	1,000,000	3.7%
Victoria House Investments Pty Ltd	1,000,000	3.7%
Surpion Pty Ltd	923,200	3.4%
Mr Leslie Robert Knight	845,000	3.1%
Aznabob Pty Ltd	835,000	3.1%
Minico Pty Ltd	820,000	3.0%
Top 10 optionholders	9,716,638	35.7%
Other optionholders	17,513,379	64.3%
Total	27,230,017	100.0%

Source: MNC

4.6 Share price performance

The share market price movements and volumes of MNC Shares traded on the ASX from 1 September 2008 to 15 January 2009 are illustrated below:



Source: Reuters

The share market price movements and volumes of MNC Options traded on the ASX from 1 September 2008 to 15 January 2009 are illustrated below:

We note the following in relation to the share price history shown above.

Date	Comments
30 September 2008	MNC releases its 2008 Annual Report and records a loss of ($2,420,778) for the year.
30 October 2008	MNC announces that it has completed initial drilling programmes at the Grants Creek and Angelo projects. Results have indicated levels of gold reserves.
3 November 2008	MNC announces that it has offered to acquire all of the issued capital of Hampton in exchange for fully paid shares in MNC.
17 December 2008	MNC announces the results of recent drilling at the Grants Creek project. Results peaked at 20.7 g/t of gold.
6 January 2009	Takoradi Limited ("Takoradi") announces that it has received an offer from MNC for the purchase of its 27.5% shareholding in the issued capital of Hampton in exchange for fully paid shares in MNC.
28 January 2009	MNC announces that testing of the Los Calatos project by SRK Consulting has estimated reserves of 300 million tonnes at 0.40% copper and 0.68% copper equivalent of molybdenum.
16 March 2009	MNC releases its half yearly accounts for the period ending 31 December 2008 and records a net loss of ($331,398).
27 April 2009	MNC announces it has received acceptances for the acquiring of 33.8% of the issued capital of Hampton.
19 June 2009	MNC announces the results of early testing at the Sophie Downs Project. Testing proved the existence of niobium, cerium and lanthanum.
9 July 2009	MNC announces that its takeover bid for Hampton has closed. MNC currently holds 75,922,683 shares or 36.5% of the ordinary share capital of Hampton. Compulsory acquisition of the remaining shares will not proceed.
14 September 2009	MNC announces that Hampton has received approval from the Peruvian Government for a new 20,000 m diamond drilling program at the Los Calatos project in Southern Peru.
15 September 2009	An update of the Los Calatos project was provided. Highlights included an expansion of its tenement holding to 133 km^2 in premier copper porphyry belt, approval of a 17,000 m drill program shortly to upgrade and extend existing resource base and the discovery of 262 million tonnes of resources.
25 September 2009	MNC announces that it has secured an option allowing it to acquire a controlling interest in Hampton through purchasing the interest held by JIC. The option is for six months duration and involves three payments of up to a maximum of US$1 million.
30 September 2009	MNC released its Annual Report for the year ended 30 June 2009 and recorded a net loss of ($1.2 million).
19 October 2009	An update of the Chilean projects was provided and included the following: • Vallecillo Gold-Zinc Project – resource upgraded to 10.1 million tonnes, metal content increased by 40% from prior estimate and metallurgical test work expected to be completed by December 2009; • Mollacas Copper Leach Project – final column leach test work underway as a precursor to completion of a Definitive Feasibility Study, an estimation of new resources expected in late 2009 and the project has an estimated NPV of US$103 million; and • Camaron Gold Project – the RC drilling program to test significant low sulphidation surface gold anomalous zones had been finalised.
17 November 2009	MNC's shares placed on a trading halt at the request of MNC.

Date	Comments
19 November 2009	MNC's shares suspended from official quotation at the request of MNC, pending the release of an announcement regarding a capital raising.
7 December 2009	MNC's shares reinstated to Official quotation following the release of an announcement that the Company has entered into capital raising initiatives: • a purchase agreement with highland Holding Resources Inc. to acquire all of the issued capital of North Hill; and • providing an update in relation to various projects.

Source: ASX

The share price history and trading volumes of MNC shares traded on the ASX since October 2008 is set out in the table below:

MNC share price performance	Low ($)	High ($)	Close ($)	Average weekly volume
Month ended				
October 2008	0.150	0.220	0.200	197,895
November 2008	0.150	0.220	0.200	-
December 2008	0.150	0.220	0.190	342,763
January 2009	0.120	0.180	0.170	340,750
February 2009	0.100	0.170	0.100	253,896
March 2009	0.110	0.135	0.120	80,000
April 2009	0.100	0.120	0.110	216,455
May 2009	0.090	0.120	0.120	276,050
June 2009	0.140	0.200	0.200	126,545
July 2009	0.150	0.190	0.165	181,563
August 2009	0.135	0.190	0.180	872,846
September 2009	0.170	0.250	0.220	1,124,461
October 2009	0.150	0.220	0.200	2,194,680
November 2009	0.185	0.230	0.220	848,617
December 2009	0.165	0.230	0.170	765,316
Week ended				
10 Jul 2009	0.150	0.190	0.170	71,250
17 Jul 2009	0.170	0.170	0.170	10,000
24 Jul 2009	0.150	0.150	0.150	78,000
31 Jul 2009	0.150	0.170	0.165	22,500
7 Aug 2009	0.150	0.160	0.150	306,825
14 Aug 2009	0.135	0.180	0.170	311,346
21 Aug 2009	0.160	0.190	0.180	135,905
28 Aug 2009	0.170	0.190	0.180	66,000
4 Sep 2009	0.170	0.195	0.195	250,544
11 Sep 2009	0.190	0.210	0.210	187,563
18 Sep 2009	0.210	0.250	0.225	174,853
25 Sep 2009	0.220	0.230	0.220	40,000
2 Oct 2009	0.185	0.230	0.200	378,476
9 Oct 2009	0.150	0.200	0.190	417,456
16 Oct 2009	0.175	0.195	0.190	459,466
23 Oct 2009	0.190	0.220	0.205	516,297
30 Oct 2009	0.190	0.210	0.200	368,100
6 Nov 2009	0.185	0.210	0.195	202,278
13 Nov 2009	0.195	0.230	0.220	461,860
20 Nov 2009	0.215	0.230	0.220	48,700
27 Nov 2009	0.220	0.220	0.220	-
4 Dec 2009	0.220	0.220	0.220	-
11 Dec 2009	0.175	0.230	0.200	321,113
18 Dec 2009	0.170	0.200	0.180	200,183
25 Dec 2009	0.170	0.180	0.175	97,113
1 Jan 2010	0.170	0.180	0.180	24,167
8 Jan 2010	0.165	0.180	0.180	46,400
15 Jan 2010	0.165	0.180	0.170	289,106

Source: Reuters and Grant Thornton calculations

5 Profile of Hampton

5.1 Background

Hampton is an unlisted Australian public company engaged in the exploration and development of copper, gold, molybdenum and other mineral prospects located in Chile and Peru in South America.

Set out below is a summary of Hampton's projects:

Hampton	% Interest	Location	Resources	Indicated resources million tonnes	Inferred resources million tonnes	Total resources million tonnes
North Hill Los Calatos Tenements	0%	Peru	Copper and molybdenum	69.2	192.4	261.6
Los Calatos - Other Tenements	0%	Peru	Copper and molybdenum	N/A	N/A	N/A
Mollacas	50%	Chile	Copper and gold	7.2	9.8	17.0
Vallecillo	50%	Chile	Zinc, gold, silver and lead	7.9	2.2	10.1
Loica	50%	Chile	Copper and molybdenum	N/A	N/A	N/A
Camaron	100%	Chile	Copper, gold and molybdenum	N/A	N/A	N/A
Isidro	100%	Chile	Copper and gold	N/A	N/A	N/A
				84.3	204.4	288.7

Source: Technical Expert Report

- Los Calatos

Los Calatos is located in southern Peru, in the Moquegua district and close to the city of Arequipa. Hampton considers Los Calatos to be their flagship project. Hampton currently has an option to acquire 100% of Cerro Norte (the entity which indirectly holds 100% in the North Hill Los Calatos Tenements) from North Hill. We have included detailed information on Los Calatos in section 5.3 of this Report.

- Mollacas

Mollacas is located approximately 50 km east of Ovalle in Central Chile. The project is connected by a 40 kilometre asphalt surfaced road and a 12 kilometre dirt road. The project is closely situated to the hydroelectric network of Los Molles.

We note that Hampton holds a 50% interest in the project with the balance beneficially held by the Chilean corporation, MN Ingenerios Limitada. The project is currently in the initial drilling phase and has discovered substantial copper resources. The preliminary study of the drilling conducted by Hampton indicates the presence of high grade copper, gold and molybdenum.

In November 2008, Hampton completed a drilling of 3,970 metre to upgrade the resource estimate classification and, to facilitate hydrometallurgical analysis. In September 2009, Hampton commenced the hydrometallurgical testwork to provide information for final feasibility study. The testwork is expected to be completed by early 2010;

- Vallecillo

Vallecillo is located approximately 50 km northeast of Ovalle and approximately 25 km north of the Mollacas deposit. The project area is accessible via a road from the town of Samo Alto. The project is closely situated to the hydroelectric plant of Los Molles, located 25 kilometres from project site. The Vallecillo project comprises of 18 claims covering an area of 54.5 square kilometres. Similar to the Mollacas project, Hampton holds a 50% interest in the project with the balance beneficially held by MN Ingenerios Limitada. Resources discovered at this project include zinc, gold, silver and lead.

Hampton completed a second round of drilling in 2008 comprising 17 diamond holes totalling 5,782 metres. Based on this testing , indicated reserves are estimated as 7,890 kilotonnes comprising of 1.14 parts per million ("ppm") gold, 11.39 ppm silver, 1.32% of zinc, 0.05% copper and 0.29% lead. Inferred resources are estimated as 2,211 kilotonnes comprising of 0.78 ppm gold, 8.16 ppm silver, 0.58% zinc, 0.03% copper and 0.26% lead.

Hampton has recently commissioned an independent laboratory to conduct preliminary testing on the results of test drilling to determine ultimate recoveries and whether marketable quantities of zinc and lead concentrates can be achieved.

- Loica

Loica is located approximately 100 km south east of Ovalle. Drilling was completed by Hampton during 2006 resulting in significant volume of lower grade copper mineralisation;

- Camaron

Camaron is located to the north of the Vallecillo project, approximately 20 km south of the town of Vicuna. The project is a prospect for containing copper, gold and molybdenum reserves with no known exploration activities performed; and

- Isidro

Isidro is a predominantly copper and gold early exploration project, located 85 km east of La Serena in Central Chile. We note that Hampton owns 100% of the Isidro tenements, a 50% interest in the San Lorenzo tenements and has an option to purchase the Santa Berta tenements, all forming part of the Isidro Project area.

5.2 Hampton Los Calatos Option

Hampton executed the Hampton Los Calatos Option in September 2007. Under the Hampton Los Calatos Option, Hampton has the option to acquire all the issued capital of Cerro Norte which is currently held by North Hill.

The outstanding terms of the Hampton Los Calatos Option are set out below.

- The purchase option is for a term of 36 months, ending on 1 August 2010;
- An option fee of US$500,000 is payable on 1 August 2010;

- Hampton must have drilled 9,000 meters over a 3 year drilling program (6,700 meters have been drilled as at the date of the technical specialist report) prior to exercising the option;

- Hampton must complete an independent scoping study of the mineral resources in the Los Calatos Project;

- Upon exercise of the Hampton Los Calatos Option, Hampton must pay US$0.005 per pound of equivalent copper (including copper, molybdenum and other payable metals) as determined in the scoping study or in ground resources prior to 30 September 2010 if the scoping study is not completed prior to 1 August 2010 as an interim payment to be adjusted when the scoping study has been completed.

- Hampton was and is liable to pay the licences, fees and other mining obligations imposed on the North Hill Los Calatos Tenements and on Minera CN from 1 August 2007 until the period of 36 months has been completed.

After exercise of the Hampton Los Calatos Option:

- Hampton must pay US$1,500,000 on making a decision to mine.

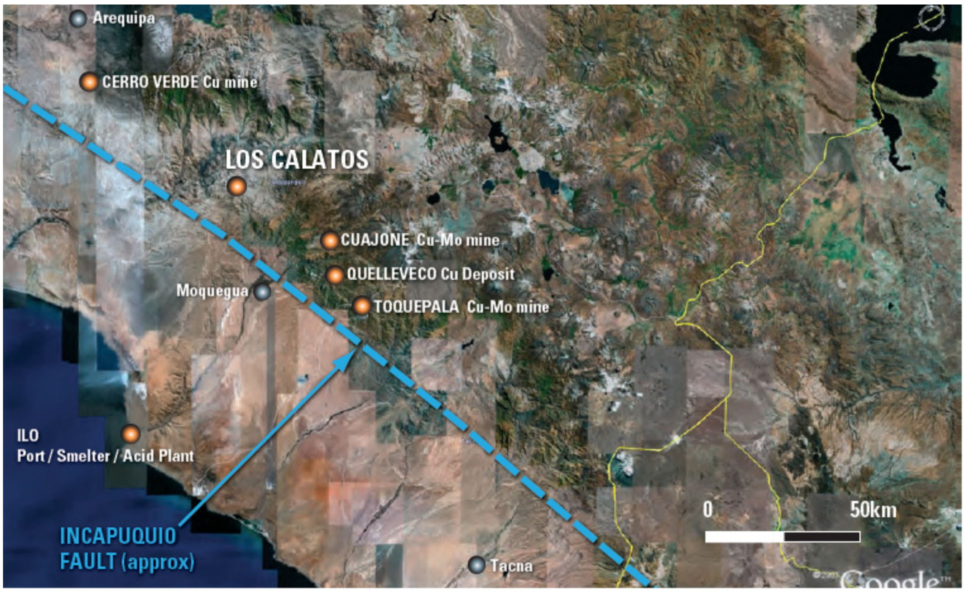
- Hampton must pay a 2% net smelter royalty on production.

5.3 The Los Calatos Tenements

The Los Calatos tenements are located in the Omate district in southern Peru, approximately 300km by road southeast of Arequippa, at an altitude of 2,800 – 2,900 metres. Hampton holds tenements covering 133 sq km of ground in the Los Calatos area of which 105 sq km is held through a wholly owned subsidiary, Hampton Peru Mining SAC ("Hampton Peru"). The remaining 28 sq km (represented by the North Hill Los Calatos Tenements) is held by North Hill and Placer Dome (a wholly-owned subsidiary of Barrick Gold Corporation) has an option to purchase 51% of the North Hill Los Calatos Tenements upon achievement of certain resources and reserves targets (i.e. the Placer Dome Option) as discussed in section 7.3 of this report.

The tenements are located near service infrastructure with access to a skilled workforce close by in the mining town of Moquegua, 62 km from the project site. Furthermore, the road distance from Los Calatos project to port facilities at Matarani and Ilo is 220 kilometres and the project is situated close to the site of Southern Copper Corporation's smelting and refining facilities.

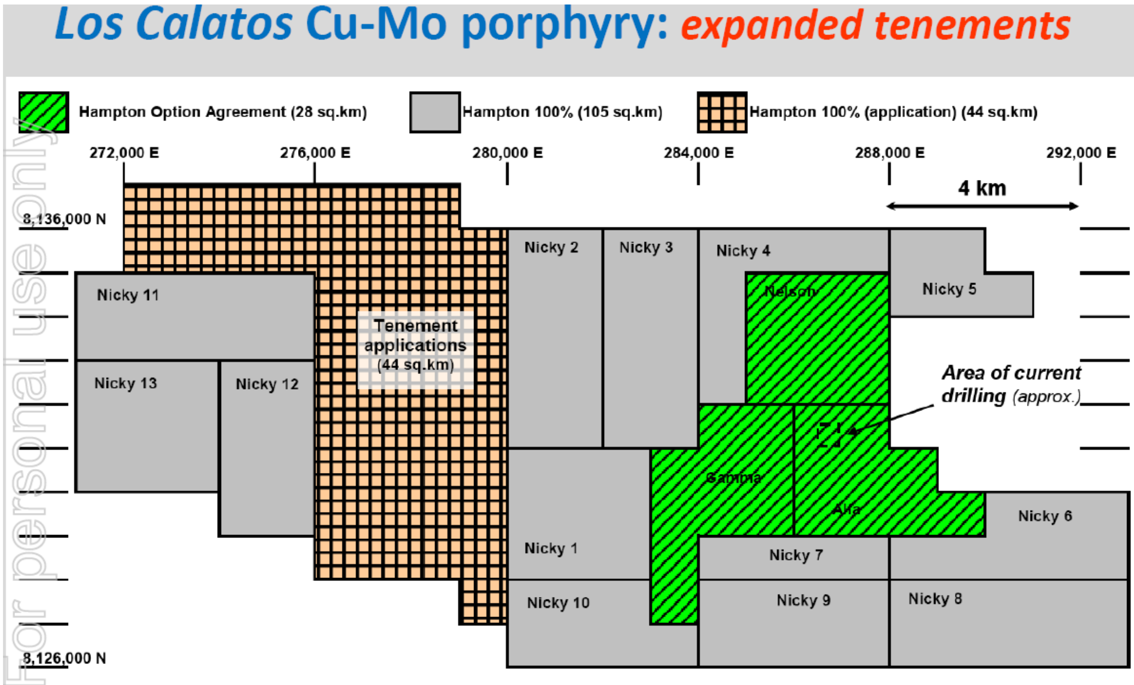
The tenements are situated in the belt of existing copper and molybdenum open pit mines of Cuajone and Toquepala mines (owned by Southern Copper Corporation), and Cerro Verde (53.6% owned by FMC). The following map illustrates the location of the Los Calatos project relative to those existing open pit mines.



Source: MNC

Hampton completed a 6,385 metre diamond drilling program from13 holes in October 2008. As at November 2009, the Peruvian Government has granted approval for a substantial diamond drilling program which will consist of a combined program of 26 diamond holes comprising 10,000 metres of infill drilling, to be followed by a further 10,000 m focused mainly on extending resources.

Drilling and advanced exploration activities have only been conducted in the North Hill Los Calatos Tenements. The North Hill Los Calatos Tenements consist of Alpha block (900 hectares), Nelson block (900 hectares) and Gamma block (1000 hectares). The locations of these blocks relative to other tenements are as follows:



Source: ASX Announcement dated 5 November 2009

Hampton has extended its area held under license to include an additional thirteen 100% owned mining concessions and a further mining concession application which, together with the original three concessions, comprise approximately 177 square kilometres as illustrated in the above figure.

There has been limited exploration work and no drilling activities performed on the Los Calatos tenements other than the North Hill Los Calatos Tenements.

The amount of resource estimated within the Los Calatos tenements are set out below.

Resource Classification	Tonnage	Copper	Molybdenum
	Kilotonnes	%	ppm
Indicated	69,069	0.44%	510
Inferred	192,435	0.42%	380

Source: Table 6 – Hampton June 2009 Mineral Resource Statement for the Los Calatos Copper-Molybdenum Project (reported at a cut-off of 0.20 percent copper in the Independent Technical Assessment Report

Further detailed information on the Los Calatos Tenements is included in the Independent Technical Assessment Report at Appendix A of this report.

5.4 Financial information

5.4.1 Financial performance

The following table summaries the financial performance of Hampton for the period from CY07 to the 6 month period ended 30 June 2009 ("HY09"):

Hampton	CY07	CY08	HY09
	Audited	Audited	Unaudited
Income Statement	**$'000**	**$'000**	**$'000**
Foreign exchange gain/(loss)	68	4,415	(923)
Other income	11	279	16
Share of profit/(loss) in equity investment	(8)	3	4
Administration costs	(260)	(1,774)	(417)
Depreciation and amortisation expense	(115)	(112)	(3)
Employee and Director benefits expense	(197)	(484)	(470)
Other expenses from ordinary activities	(67)	(238)	(107)
Exploration expenditure written off	-	(806)	(722)
Profit before tax	(568)	1,283	(2,623)
Income tax expense	-	-	-
Profit after tax	(568)	1,283	(2,623)
Add back one-off non-recurring items:			
Profit after tax	(568)	1,283	(2,623)
Exploration expenditure written off	-	806	722
Normalised profit after tax	(568)	2,089	(1,901)

Source: 2007 and 2008 Hampton Annual Reports and 2009 Hampton Half Year Report

We note the following in relation to the financial performance of Hampton:

- Hampton recorded operating profits for the 2008 financial year as a result in a significant gain in $A foreign exchange on their US$ denominated deposits;

- other income relates to interest revenue received;

- administration costs were significantly higher during CY08 due to expenses incurred relating to Hampton's listing on the ASX which was not successful. Hampton, however incurred costs associated with the listing of approximately $730,000; and

- the exploration expenditure written off in CY08 related to the Cerro Plata and Kamikaze properties as Hampton had decided to discontinue its option to acquire these properties. The exploration expenditure written off in HY09 related to Hampton's decision to discontinue its option to acquire tenements in Chile and Australia.

5.4.2 Financial position

The financial position of Hampton as at 31 December 2007, 31 December 2008 and 30 June 2009 is set out in the table below:

Hampton	**As at**	**As at**	**As at**
	31-Dec-07	**31-Dec-08**	**30-Jun-09**
	Audited	**Audited**	**Unudited**
Balance Sheet	**$'000**	**$'000**	**$'000**
Assets			
Cash and cash equivalents	738	12,928	7,271
Receivables	667	1,940	2,184
Other assets	281	191	191
Investments	1,508	1,975	1,692
Property, plant and equipment	37	1,110	954
Exploration and evaluation expenditure	8,921	23,663	22,366
Total Assets	12,152	41,807	34,658
Liabilities			
Trade and other payables	296	1,531	671
Total Liabilities	296	1,531	671
Net Assets	11,856	40,276	33,987
Equity			
Issued capital	13,001	35,468	35,766
Reserves	287	4,957	993
Retained earnings	(1,432)	(149)	(2,772)
	11,856	40,276	33,987

Source: 2007 and 2008 Hampton Annual Reports and 2009 Hampton Half Year Report

We note the following in relation to the financial position of Hampton as at 31 December 2008:

- cash and cash equivalents consist of cash at bank;

- receivables consist of $0.3 million current receivables and $1.7 million non-current receivables. Non-current receivables relate to Chilean and Peruvian VAT receivables;

- investments consist of $0.1 million advances to associated entities and $1.8 million investments in associated entities;

- exploration and evaluation expenditure relates to capitalised costs during the year. During the year ended 31 December 2008, we note the following:

  - $14 million exploration and evaluation expenditure was capitalised;

  - movements in the foreign exchange resulted in a $1.7 million impact; and

  - $0.8 million exploration expenditure relating to the Cerro Plata and Kamikaze properties was written off as Hampton decided not to maintain its option to acquire these properties.

We note the following in relation to the financial position of Hampton as at 30 June 2009:

- cash and cash equivalents consist of cash at bank;

- receivables consist of $0.3 million current receivables and $1.9 million non-current receivables; and

- other assets relate to prepayments.

5.5 Capital Structure

In April 2008, Hampton raised US$20 million through a placement of 66,393,750 fully paid ordinary shares at an issue price of $0.32 per share. A further $1.8 million was raised between May and July 2008 through the exercise of options by existing shareholders. We also note that in July 2008, Hampton pursued a public offer of $1.75 million through the issue of five million shares at an issue price of $0.35 each however this offer was withdrawn in October 2008.

Hampton's shareholders ("Hampton Shareholders") as at the date of this report are as follows:

Name	Number of shares	% holding
Metminco Limited	75,922,683	36.5%
JIC	66,393,750	31.9%
Takoradi	56,511,906	27.2%
Ryan & Bodmer	2,671,093	1.3%
Notesan Pty Ltd	2,599,048	1.2%
AJ Holdings Pty Ltd	1,600,000	0.8%
JBN Holdings Pty Ltd	1,516,667	0.7%
JBN Holdings as Nominees for Beatinvest	750,000	0.4%
Lacapelle Pty Ltd	28,571	0.0%
Total	207,993,718	100.0%

Source: MNC management

We note that during the six months ended 30 June 2009, 2,386,667 options were exercised and 29,713,333 options lapsed. There are currently no outstanding options on issue.

6 Profile of North Hill

6.1 Background

North Hill is an investment company domiciled in the British Virgin Islands. North Hill is a sole purpose vehicle incorporated to hold 100% of the share capital in Cerro Norte Inc ("Cerro Norte") which in turn owns 100% of the issued share capital of Minera CN.

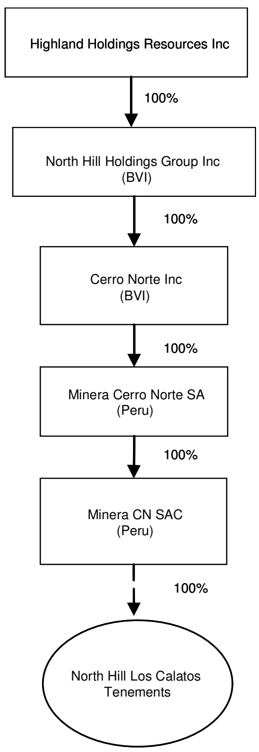
Minera CN acquired the North Hill Los Calatos Tenements from Placer Dome pursuant to the Placer Dome Option. The North Hill Los Calatos Tenements relate to certain tenements within the Los Calatos Mining Project. The North Hill Los Calatos Tenements consist of the following tenements:

- Alfa 1-900;
- Gamma 1-1000; and
- Nelson 1-900.

The options are collectively referred to as the "North Hill Los Calatos Tenements". Upon executing the Placer Dome Option, Minera CN incorporated Minera CN SA which holds the North Hill Los Calatos Tenements.

6.2 Corporate Structure

Set out below is the corporate structure of North Hill:



Source: MNC

6.3 Placer Dome Option

Upon executing the Placer Dome Option, Minera CN acquired the North Hill Los Calatos Tenements from Placer Dome and in doing so incorporated Minera CN SA which holds the interests in the North Hill Los Calatos Tenements. The Placer Dome Option gives Placer Dome the right to buyback a 51% interest in Minera CN SA, if Minera CN finds within the North Hill Los Calatos Tenements an economic resource of 2 million or more ounces of gold and/or 1 million tons of fine copper which are converted into provable and/or probable reserves by a scoping study or by a feasibility study.

If Placer Dome exercises the Placer Dome Option, Placer Dome must pay to Minera CN an amount equivalent to double the total expenditure incurred in relation to the North Hill Los Calatos Tenements.

6.4 Financial information

North Hill and Cerro Norte are both investment holding with no trading activities. As such, the financial statements of Minera CN are representative of the financial performance and position of North Hill.

6.4.1 Financial performance

The following table summarises the financial performance of Minera CN for HY09:

Minera Cerro Norte	**HY09**
	Unaudited
Income Statement	**US$'000**
General administration costs	(3)
Profit before tax	(3)

Source: MNC

6.4.2 Financial position

The financial position of Minera CN as at 30 June 2009 is set out in the table below:

Minera Cerro Norte	**As at**
	30-Jun-09
	Unaudited
Balance Sheet	**US$'000**
Assets	
Value added tax	6
Deferred exploration expenses	203
Total Assets	208
Liabilities	
Trade and other payables	2
Intercompany loans	218
Total Liabilities	220
Net Assets	(12)
Equity	
Retained earnings	(12)
	(12)

Source: MNC management

7 Overview of MNC following the Proposed Transactions

7.1 Overview

If the Proposed Transactions are implemented, MNC's exploration assets profile will largely consist of assets located in South America and MNC's size and operations will increase given that Hampton has a more diversified exploration assets portfolio consisting of mining assets in various stages of exploration from pre-feasibility stage to advanced exploration stage.

7.2 Pro-forma financial position

The pro-forma financial position for MNC prepared by the management of MNC as at 31 December 2009 is summarised below. Refer to the Notice of Meeting and Explanatory Memorandum for a discussion in relation to the main assumptions.

The pro-forma balance sheet has been prepared by MNC having regard to the following scenarios:

- Scenario 1 – assuming MNC raises A$10.0 million from the Capital Raising both the Proposed JIC Transaction and the Proposed North Hill Agreement are not approved by MNC Shareholder;

- Scenario 2 – assuming MNC raises A$10.0 million from the Capital Raising, the Proposed Transactions are completed and all shareholders of Hampton including MNC exercise their pre-emptive rights, and the Proposed North Hill Agreement is approved by MNC Shareholders;

- Scenario 3 – assuming MNC raises A$18.0 million from the Capital Raising, the Proposed Transactions are completed, and no shareholders of Hampton other than MNC exercise their pre-emptive rights, and the Proposed North Hill Agreement is approved by MNC Shareholders;

- Scenario 4 – assuming MNC raises A$10.0 million from the Capital Raising, the Proposed JIC Transaction is completed and all shareholders of Hampton including MNC exercise their pre-emptive rights, and the Proposed North Hill Agreement is not approved by MNC Shareholders;

- Scenario 5 – assuming MNC raises A$18.0 million from the Capital Raising, the Proposed JIC Transaction is completed and no shareholders of Hampton other than MNC exercise their pre-emptive rights, and the Proposed North Hill Agreement is not approved by MNC Shareholders;

	Unaudited 31-Dec-09	Scenario1	Scenario2	Scenario3	Scenario 4	Scenario5
	A$	A$	A$	A$	A$	A$
Current assets						
Cash	2,556,870	11,450,288	5,703,194	7,107,500	7,925,415	9,329,722
Receivables	903,429	903,429	1,180,008	1,180,008	1,180,008	1,180,008
Other	34,200	34,200	127,199	127,199	127,199	127,199
Total current assets	**3,494,499**	**12,387,917**	**7,010,401**	**8,414,707**	**9,232,622**	**10,636,929**
Non-current assets						
Receivables	-	-	1,878,708	1,878,708	1,878,708	1,878,708
Financial assets	11,887,142	11,887,142	1,502,278	1,502,278	1,502,278	1,502,278
Goodwill	39,222,081	39,222,081	82,878,144	82,878,144	82,878,144	82,878,144
Fixed Assets	2,031	2,031	790,536	790,536	790,536	790,536
Exploration	200,302	200,302	46,973,388	46,973,388	22,251,166	22,251,166
Total non-current assets	**51,311,557**	**51,311,557**	**134,023,055**	**134,023,055**	**109,300,832**	**109,300,832**
Total assets	**54,806,056**	**63,699,474**	**141,033,455**	**142,437,761**	**118,533,454**	**119,937,761**
Current liabilities						
Payables	178,616	178,616	783,247	783,247	783,247	783,247
Total current liabilities	**178,616**	**178,616**	**783,247**	**783,247**	**783,247**	**783,247**
Total liabilities	**178,616**	**178,616**	**783,247**	**783,247**	**783,247**	**783,247**
Net assets	**54,627,440**	**63,520,858**	**140,250,208**	**141,654,514**	**117,750,207**	**119,154,514**
Equity						
Issued capital	60,518,153	69,912,439	103,973,452	122,043,729	81,473,452	99,543,729
Reserves	309,628	309,628	-9,714,545	-9,714,545	-9,714,545	-9,714,545
Accumulated losses	-6,200,342	-6,701,209	-6,183,007	-6,194,398	-6,183,008	-6,194,398
Minority Interest	-	-	52,174,308	35,519,728	52,174,308	35,519,728
Total equity	**54,627,440**	**63,520,858**	**140,250,208**	**141,654,514**	**117,750,207**	**119,154,514**

Source: Explanatory memorandum

7.3 Directors and management

If the Proposed JIC Transaction is approved, JIC is entitled to nominate for appointment two Directors if it holds more than 20% of the MNC Shares or 1 Director if it owns between 10% and 20% of the issued capital.

Based on discussions with the Directors of MNC, we understand that the Management of MNC will not change if the Proposed Transactions are approved.

7.4 JIC's intention for MNC

As set out in the Explanatory Memorandum, we understand that JIC, to the extent it may have the capacity to do so, does not have any intention to change the business of MNC, to inject further capital into MNC or to alter MNC's employment arrangements with its present employees. Further, there is no proposal that any property will be transferred between MNC and JIC or to any person associated with either of the companies and JIC has no intention to otherwise redeploy the fixed assets MNC. Additionally, JIC does not have any present intention to significantly change the financial or dividend policies of MNC.

7.5 HHR's intention for MNC

HHR, to the extent it may have the capacity to do so, does not have any intention to change the business of MNC, to inject further capital into MNC or to alter MNC's employment arrangements with its present employees. Further, there is no proposal that any property will be transferred between MNC and HHR or to any person associated with either of the companies and HHR has no intention to otherwise redeploy the fixed assets of MNC. Additionally, HHR does not have any present intention to significantly change the financial or dividend policies of MNC.

7.6 Capital structure

As at the date of this report, MNC has 380,947,933 MNC Shares and 27,230,017 MNC Options on issue.

Summarised in the table below is the pro-forma capital structure of MNC under the 5 difference scenarios set out above.

	Current		Scenario 1		Scenario 2 Minimum (all pre-emption rights exercised)	
	No. of shares	%	No. of shares	%	No. of shares	%
Existing MNC Shareholders	380,947,933	100%	380,947,933	85%	380,947,933	57%
New investors from Capital Raising	0	0%	66,666,667	15%	66,666,667	10%
JIC	0	0%	0	0%	71,197,638	11%
HHR	0	0%	0	0%	150,000,000	22%
Total	**380,947,933**	**100%**	**447,614,600**	**100%**	**668,812,238**	**100%**

	Scenario 3 Maximum (no pre-emption rights exercised)		Scenario 4 Minimum (all pre-emption rights exercised)		Scenario 5 Maximum (no pre-emption rights exercised)	
	No. of shares	%	No. of shares	%	No. of shares	%
Existing MNC Shareholders	380,947,933	49%	380,947,933	73%	380,947,933	60%
New investors from Capital Raising	120,000,000	15%	66,666,667	13%	120,000,000	19%
JIC	132,787,500	17%	71,197,638	14%	132,787,500	21%
HHR	150,000,000	19%	0	0%	0	0%
Total	**783,735,433**	**100%**	**518,812,238**	**100%**	**633,735,433**	**100%**

Source: MNC and Calculations

8 Valuation methodologies

8.1 Introduction

As part of assessing whether or not the Proposed JIC Transaction and the Proposed North Hill Agreement are fair to MNC Shareholders, Grant Thornton Corporate Finance has assessed the fair market value of:

- MNC;
- Hampton; and
- North Hill.

In accordance with our adopted basis of assessment in section 2.2, we have separately considered the fairness of the Proposed JIC Transaction and the Proposed North Hill Agreement. Specifically, the fairness assessment has been determined as summarised below:

- In relation to the Proposed JIC Transaction by comparing the value per share of MNC prior to the Proposed JIC Transaction on a controlling basis to the assessed value per share of MNC after the Proposed JIC Transaction on a minority basis; and
- In relation to the Proposed North Hill Agreement by comparing the value per share of MNC after the Proposed JIC Transaction on a controlling basis but before the Proposed North Hill Agreement to the assessed value per share of MNC after the Proposed Transactions on a minority basis. We note that the implementation of the Proposed JIC Transaction is a condition precedent for the implementation of the Proposed North Hill Agreement.

In our valuation assessment, we have considered that as at the date of this report, it is uncertain whether or not Hampton would exercise the Hampton Los Calatos Options. Consequently, we have assessed the fair market value of Hampton based on two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option.

Furthermore, under each scenario, MNC's shareholding in Hampton after the Proposed JIC Transaction and the consideration payable to JIC depends on whether or not the existing Hampton Shareholders exercise their pre-emption rights. As at the date of this report, it is unknown as to whether any or all of the Hampton Shareholders will exercise their pre-emption rights. As such, we have conducted our assessment under both scenarios depending on whether or not the Hampton Shareholders fully exercise their pre-emption rights.

Grant Thornton Corporate Finance has assessed values using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing by not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

8.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
- application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- amount available for distribution to security holders on an orderly realisation of assets;
- quoted price for listed securities, when there is a liquid and active market; and
- any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets

Further details on these methodologies are set out in Appendix B to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued. In general, an expert would have regard to valuation theory, the accepted and most common market practice in valuing the entity or asset in question and the availability of relevant information.

8.3 Selected valuation methodology

We have selected the market value of net assets method as the primary valuation methodology to assess MNC's equity value pre and post the Proposed Transactions. The method is considered appropriate for the following reasons:

- the assets of MNC, Hampton and North Hill comprise predominantly of exploration and mining assets. Their assets are at the early stages of exploration. Further development of these assets is required before a budget or a forecast can be reliably estimated. Accordingly, we have not utilised a DCF approach for the purposes of our report;
- MNC and Hampton have no trading history and accordingly, we have not utilised a capitalisation of future maintainable earnings approach for the purposes of our report;
- MNC is listed on the ASX, as such we have referred to the quoted price of listed securities as a cross-check to the values derived using the market value of net assets methodology;

- we have been advised that MNC, Hampton or North Hill have not received any recent offers for their shares or any of their key assets or operations. We note that however, MNC has recently undertaken transactions involving shares of the Company. We have referred to these transactions as a cross-check to the equity value derived using the primary methodology.

RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is script or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

The valuation of exploration assets for independent expert's report purposes are typically carried out in conjunction with an independent technical specialists with expertise in the relevant minerals in accordance with RG112 and generally accepted market practice.

For the purposes of this report, Grant Thornton Corporate Finance has engaged Lorabay to prepare a valuation of the exploration assets of MNC, Hampton and the Hampton Los Calatos Tenements which was completed in accordance with the VALMIN Code[7].

A copy of Lorabay's report is included at Appendix A to this report.

8.3.1 Adopted approach for Proposed JIC Transaction

In assessing the fair market value of MNC pre and post the Proposed JIC Transaction, Grant Thornton Corporate Finance has aggregated the following:

Pre-Proposed JIC Transaction

- MNC's Australian exploration assets;
- MNC's 36.5% interest in Hampton (under two scenarios depending on whether the Hampton Los Calatos Option is exercised);
- MNC's other assets (net of liabilities);
- Deducting capitalised corporate overheads;
- MNC's surplus assets/liabilities; and
- Deducting the value of MNC Options.

Post-Proposed JIC Transaction

- MNC pre-Proposed JIC Transaction on a controlling basis;
- Deducted MNC's 36.5% interest in Hampton (under two scenarios depending on whether the Hampton Los Calatos Option is exercised);
- Added MNC's interest in Hampton (under two scenarios whether existing Hampton Shareholders exercises pre-emptive rights);
- Adding Capital Raising proceeds;
- Payment of the JIC consideration;

[7] The VALMIN Code is binding on members of the Australasian Institute of Mining and Metallurgy when preparing public independent expert reports required by the Corporations Act concerning mineral and petroleum assets and securities. The purpose of the VALMIN Code is to provide a set of fundamental principles and supporting recommendations regarding good professional practice to assist those involved in the preparation of independent expert reports that are public and required for the assessment and/or valuation of mineral and petroleum assets and securities so that the resulting reports will be reliable, thorough, understandable and include all the material information required by investors and their advisers when making investment decisions.

- Deducting transaction costs; and
- Deducting a minority discount.

8.3.2 Adopted approach for Proposed North Hill Agreement

In assessing the fair market value of MNC pre and post the Proposed North Hill Agreement, Grant Thornton Corporate Finance has aggregated the following:

Pre-Proposed North Hill Agreement	Post-Proposed North Hill Agreement
• Value of MNC after the Proposed JIC Transaction on a controlling basis.	• MNC after Proposed JIC Transaction; • 100% of North Hill's equity; • Deducting the cash consideration payable to HHR; • Hampton Los Calatos Option - payment received from Hampton; • Deducting transaction costs; and • Deducting a minority discount.

8.3.3 Key valuation assumptions

In assessing the fairness of the Proposed Transactions, we have adopted the following key assumptions:

- Placer Dome right to acquire an indirect 51% interest in the North Hill Los Calatos Tenements will not be triggered. The Independent Technical Assessment Report has indicated that the current valuation of the North Hill Los Calatos Tenements does not support sufficient copper metal reserve which would trigger the provision under the Placer Dome Option that would enable Placer Dome to exercise its right to acquire 51% interest in Minera CN SA.
- The exchange rates adopted throughout this report are set out below:
  - A spot A$/U$ exchange rate of A$1.00:US$0.90 which reflects the average spot rate for the last three months from November 2009 to 20 January 2009 has been used to convert into Australian Dollars the cash consideration payable under the Proposed Transactions. We note that these payments have to be met by MNC between the date of this report and August 2010;
  - A medium/long term A$/US$ exchange rate of 1A$:US$0.80 which has been used to convert into Australian Dollars the valuation assessment of the Hampton's exploration assets as set

out in the Lorabay Report. The long term A$/US$ exchange rate has been assessed based on the following:

i) medium/long term A$/US$ exchange rate as assessed by investment banks and brokerage houses on or around January 2010; and

ii) consideration has also been given to the fact that one of the valuation methodologies used by Lorabay to assess the fair market value of the Hampton's assets is based on the historical exploration expenses. However, the majority of exploration expenses for the North Hill Los Calatos Tenements used in the Lorabay Report were incurred between September 2008 and January 2009 when the A$/US$ exchange rate was significantly lower that the current prevailing level; and

iii) pricing of copper and gold projects have significant regard to the medium term views on exchange rates given such metals are often also used as inflation edge.

9 Valuation assessment pre the Proposed JIC Transaction

As discussed in Section 2.2, the fairness assessment has been determined by comparing the value of MNC prior to the Proposed JIC Transaction to the assessed value of MNC should the Proposed JIC Transaction be approved and implemented.

9.1 Valuation pre Proposed JIC Transaction

The market value of MNC's equity before the Proposed JIC Transaction has been determined by the aggregating the following:

- MNC's Australian exploration assets;
- MNC's 36.5% interest in Hampton (under two scenarios depending on whether the Hampton Los Calatos Option is exercised) or not;
- MNC's other assets (net of liabilities);
- Deducting capitalised corporate overheads;
- MNC's surplus assets/liabilities; and
- Deducting the value of MNC Option.

As discussed in sections 8.3.1, we have assessed the fair market value of MNC under two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option.

Set out below is a summary of our valuation assessment of MNC on a controlling basis before the implementation of the Proposed JIC Transaction.

Market value of MNC	Section reference	Hampton does not exercise the Hampton Los Calatos Option	Hampton exercises the Hampton Los Calatos Option
Pre Proposed JIC Transaction		**A$' million**	**A$' million**
Value of Australian exploration assets	9.1.1	1.61	1.61
Value of MNC's 36.5% interest in Hampton	9.1.2	7.43	39.53
Other MNC net assets as at 31 December 2009	9.1.3	3.32	3.32
Capitalised corporate overheads	9.1.4	(0.88)	(0.88)
Surplus assets and liabilities	9.1.5	-	-
Value of MNC Options	9.1.6	(0.02)	(0.68)
MNC's equity value pre-Proposed JIC Transaction		11.46	42.90
Number of outstanding MNC Shares ('millions)	5.5	380.95	380.95
Value per MNC Share (cents)		3.01	11.26

9.1.1 MNC's Australian exploration assets

The Lorabay Report has assessed the fair market value of exploration assets held by MNC and Hampton. Based on Lorabay's assessment, the total value of MNC's exploration assets located in

Australia is approximately A$1.61 million. A breakdown of the Australian assets assessed by Lorabay is set out below.

MNC's Australian Exploration Assets	US$'million	MNC's interest (%)	MNC's equity value (US$'million)	MNC's equity value (AU$'million)
Grants Creek and Wilsons Reef (1)	0.52	70% & 100%	0.37	0.46
Angelo	0.67	70%	0.47	0.58
Sophie Downs	0.11	100%	0.11	0.14
Mulgul	0.17	100%	0.17	0.22
West Lake Eyre	0.15	100%	0.15	0.18
King River	0.03	100%	0.03	0.04
	1.64		1.29	1.61

(1) MNC's holds a 70% interest in Grants Creek & 100% interest in Wilsons Reef

Source: Lorabay Report and calculations

Accordingly, we have assigned a value of A$1.61 million to MNC's Australian exploration assets.

9.1.2 MNC's 36.5% interest in Hampton

We have valued MNC's 36.5% interest in Hampton using the market value of net assets method. Hampton's key asset is the Hampton Los Calatos Option where upon exercise of the option, Hampton will effectively own the North Hill Los Calatos Tenements. As at the date of this report, it is uncertain whether the Hampton Los Calatos Option would be exercised.

As such, we have assessed the value of Hampton under two scenarios based on whether or not Hampton exercises the Hampton Los Calatos Option. MNC's 36.5% interest in Hampton based on the two scenarios is presented below:

Hampton	Notes	Hampton does not exercise the Hampton Los Calatos Option A$' million	Hampton exercises the Hampton Los Calatos Option A$' million
North Hill Los Calatos Tenements	1	-	125.00
Other exploration assets	2	17.38	17.38
Other net assets as at 30 November 2009	3	7.56	7.56
Capitalised corporate overheads	4	(2.31)	(2.89)
Hampton Los Calatos Option - cost to Hampton	5	-	(26.72)
Surplus assets and liabilities	6	-	-
		22.63	120.33
Minority Discount	7	(2.26)	(12.03)
		20.37	108.29
Value of MNC's 36.5% interest in Hampton		7.43	39.53

Source: Calculations

Note 1: North Hill Los Calatos Tenements

The North Hill Los Calatos Tenements are currently subject to the Hampton Los Calatos Option. If Hampton does not exercise the Hampton Los Calatos Option, the North Hill Los Calatos Tenements will not be acquired and will remain with North Hill. If Hampton exercises the Hampton Los Calatos Option, Hampton will have a 100% interest in the North Hill Los Calatos Tenements. The value of the North Hill Los Calatos Tenements has been assessed by Lorabay to be approximately US$100 million or A$125 million.

Note 2: Other exploration assets

Based on Lorabay's assessment, the total value of Hampton's other exploration assets (excluding the North Hill Los Calatos Tenements) is approximately A$17.38 million. Details of these assets are set out below.

Hampton's Exploration Assets	US$'million	Hampton's interest (%)	Hampton's equity interest (US$'million)	Hampton's equity interest (AU$'million)
Los Calatos - Other (excluding North Hill Los Calatos Tenements)	0.00	100%	0.00	0.00
Mollacas	10.69	50%	5.35	6.68
Vallecillo	2.14	50%	1.07	1.34
Loica	6.14	50%	3.07	3.84
Isidro (comprising San Lorenzo & San Berta)(1)	3.03	50% &100%	3.03	3.79
Cameron	1.39	100%	1.39	1.74
	23.39		13.91	17.38

(1) Hampton holds a 50% interest in San Lorenzo & 100% interest in San Berta

Source: Lorabay Report and calculations

We note that the ownership of Hampton's other exploration assets are not affected by whether or not the Hampton Los Calatos Option is exercised.

Note 3: Other net assets as at 30 November 2009

We have also considered in our assessment the other assets and liabilities included in Hampton's balance sheet as at 30 November 2009 excluding Hampton's exploration assets amounting to approximately A$7.6 million. A significant proportion of the assets consist of cash.

Note 4: Capitalised corporate overheads

Hampton incurs ongoing corporate costs which have not been incorporated in the value of the exploration assets assessed by Lorabay. These costs are associated with maintaining office premises, the executive management teams, finance and corporate administration and costs associated with the remuneration payments to key management personnel.

For the purpose of the valuation, we have capitalised the corporate overheads using the capitalisation of earnings methodology at a multiple range of 2 to 3 times.

Hampton corporate overheads	Low A$ ('millions)	High A$ ('millions)
Ongoing corporate overheads	1.16	1.16
Capitalisation multiple for ongoing corporate overheads	2	3
Capitalised value of corporate overheads	2.31	3.47

If Hampton does not exercise the Hampton Los Calatos Option, it is expected that the corporate overheads will be be at the low end of the assessed range. Whilst a mid-point value of approximately $2.9 million has been adopted if Hampton exercises the Hampton Los Calatos Option.

Note 5: Hampton Los Calatos Option – Cost to Hampton

In accordance with the Hampton Los Calatos Option, Hampton has certain financial and operational obligations which need to be met before Hampton is able to execute and exercise the Hampton Los Calatos Option. Detailed information with regards to the conditions of the Hampton Los Calatos Option is included in section 5.2 of this report. The estimated costs associated with meeting the financial and operational obligations under the Hampton Los Calatos Option is summarised below.

Hampton Los Calatos Option - cost to Hampton	**Notes**	**US$'million**
Outstanding option fee due on 1 Aug 2010		0.50
Bonus option payment	5.1	21.50
Other costs	5.2	1.30
Special final payment	5.3	0.75
2% NSR	5.4	n.a.
Total		24.05
In A$'million		26.72

Source: Hampton Los Calatos Option. Lorabay Report and calculations

Note 5.1 – Bonus option payment

The bonus option payment requires Hampton to pay North Hill upon exercise of the Hampton Los Calatos Options US$0.005 per pound of equivalent copper metal basis, to be determined by an independent scoping study. Lorabay has estimated that based on current resources in the ground, Hampton would be required to pay North Hill approximately US$21.5 million. We note that if further drilling is undertaken before the exercise of the Hampton Los Calatos Option and additional resources are discovered, Hampton may be required to pay North Hill in excess of US$21.5 million.

Note 5.2 – Other costs

Hampton is required to complete a drilling program of 9,000 metres and complete an independent scoping study on the North Hill Los Calatos Tenements as part of the terms of the Hampton Los Calatos Option. Hampton has completed approximately 6,385 metres drilling as at the date of the technical specialist report. Lorabay has estimated that the cost to complete these activities would range between US$1.1 million and US$1.5 million. We have elected to use a mid-point of US$1.3 million to reflect this cost estimate.

Note 5.3 – Special final payment

In accordance with the Hampton Los Calatos Option, Hampton must remit a payment of US$1.5 million once Hampton has made a decision to mine. Given the uncertainty of whether or not a decision to mine will be taken and the net present value of the special final payment, we have included an allowance of US$0.75 million in our valuation assessment.

Note 5.4 – 2% NSR

As set out in the Lorabay Report, the value of the 2% NSR cannot be estimated with reasonable ground as at the date of this report. In the absence of an independent scoping study, any attempt to assess the 2% NSR may result in misleading and incomplete information provided to the MNC Shareholders. The determination of the potential payable ore products can only be assessed with a reasonable level of accuracy after an economic evaluation such as a scoping study is performed on the North Hill Los Calatos Tenements. Accordingly, no value has been attributed as at the date of this report to the 2% NSR.

Note 6 – Surplus assets and liabilities

Hampton has approximately A$1.1 million in accumulated tax losses as at 31 December 2008 which could potentially be used to offset against future taxable income. However, the amount has not been recognised as an asset for financial reporting purposes as it does not satisfy the recognition criteria under the relevant accounting standards.

For valuation purposes, unutilised tax losses may have a value as the hypothetical purchaser of a company can use the tax losses to offset against future taxable income, subject to satisfying certain taxation rules.

With respect to the potential utilisation of tax losses by Hampton, Grant Thornton Corporate Finance notes that:

- Hampton does not currently generate any material earnings or positive cash flows;
- Hampton's assets are at an early stage of exploration;
- Before being able to utilise the tax losses, Hampton needs to reach the production phase, which is remote as at the date of this report.

Based on the above, it is not possible to predict whether or not Hampton will be able to generate any material earnings in the future and as a result be able to utilise the tax losses. Accordingly, we have not ascribed a value to Hampton's unutilised tax losses.

Note 7 – Minority discount

We note MNC holds a 36.5% interest in Hampton before the Proposed JIC Transaction. Typically, a shareholding of less than 50% represents a minority position and its relative market value is less than the shareholding of a controlling interest. The difference is typically referred to as a minority discount and can range from 15% to 35% depending on the circumstances.

Accordingly, we have applied a minority discount to our valuation assessment of MNC on a stand alone basis. For the purpose of assessing the relevant minority discount, we have considered the following:

- the shareholding spread of Hampton. In this regard, we note that MNC is the single largest shareholders;
- the current board composition of Hampton;

- the existence of a strong shareholders agreement with several provisions to protect the value of the minority shareholders.

Given that the MNC does not control the assets and operations of Hampton, we consider the application of a minority discount to be appropriate. However, based on the discussions set out above we have applied a minority discount of 10% to our assessed value of MNC before the Proposed JIC Transaction.

9.1.3 Other MNC net assets as at 31 December 2009

For the purpose of this report, the fair market value of the other assets and liabilities of MNC is primarily based on their net book value as at 31 December 2009. The other assets and liabilities of MNC include the following:

Other assets and liabilities	**A$ ('millions)**
Cash and cash equivalents	2.56
Other assets (1)	0.94
Property, plant and equipment (2)	-
Trade and other payables	(0.18)
	3.32

(1) other assets include trade and other receivables and prepayments

(2) Property, plant and equipment amounts to less than A$4,000

Source: Calculations

9.1.4 Capitalised corporate overheads

MNC incurs ongoing corporate costs associated with maintaining office premises, the executive management teams, finance and corporate administration and costs associated with the remuneration payments to key management personnel.

As the fair market value of MNC is determined on a 100% basis, it is appropriate to consider MNC as an unlisted entity and as such, costs associated with retaining a listed status have been excluded. The exclusion of these costs reflects the potential savings an acquirer would have.

For the purpose of the valuation, we have capitalised the corporate overheads using the capitalisation of earnings methodology at a multiple range of 2 to 3 times.

The following table calculates the capitalised value of MNC's corporate overheads:

MNC corporate overheads	**Low A$ ('millions)**	**High A$ ('millions)**
Ongoing corporate overheads	0.35	0.35
Capitalisation multiple for ongoing corporate overheads	2	3
Capitalised value of corporate overheads	**0.70**	**1.05**

Source: MNC and calculations

For the purpose of the valuation, a mid-point of approximately $0.88 million has been adopted.

9.1.5 Surplus assets and liabilities

MNC has approximately A$6.2 million in accumulated tax losses as at 31 December 2009 which could potentially be used to offset against future taxable income. However, the amount has not been recognised as an asset for financial reporting purposes as it does not satisfy the recognition criteria under the relevant accounting standards.

For valuation purposes, unutilised tax losses may have a value as the hypothetical purchaser of a company can use the tax losses to offset against future taxable income, subject to satisfying certain taxation rules.

It is not possible to predict whether or not MNC will be able to generate any material earnings in the future and as a result be able to utilise the tax losses. Accordingly, we have not ascribed a value to MNC's unutilised tax losses.

9.1.6 MNC Options

MNC currently has 27,230,017 options on issue. The value derived using the market value of net assets method reflects the value of all MNC's issued securities. The value attributable to MNC's issued shares is determined by first excluding the value of the MNC Options from the market value of MNC's net assets.

The value of MNC's Options has been determined using the binomial option pricing model. We note that MNC Options are listed on the ASX, however the MNC Options have low levels of liquidity.

We have assessed the total value of MNC Options having regard to the following key assumptions:

- exercise price of $0.25;
- expiry date of 4 December 2012; and
- assessed volatility over the life of the options of approximately 64%.

We have valued the MNC Options based on two scenarios being:

(i) the value of MNC's underlying share assuming Hampton exercises the Hampton Los Calatos Option (which affects the value of MNC's 36.5% interest in Hampton); and

(ii) the value of MNC's underlying share assuming Hampton does not exercise the Hampton Los Calatos Option (which affects the value of MNC's 36.5% interest in Hampton). and

We have assessed the value of the MNC Options to be approximately $680,000 if Hampton exercises the Hampton Los Calatos Option and approximately $20,000 if Hampton does not exercise said option.

9.2 Valuation cross-check

Prior to reaching our valuation conclusion on the valuation assessment of MNC, we have crossed-check our valuation assessment having regard to the quoted price of listed securities of MNC and recent capital raising conducted by the Company.

In assessing the quoted price of listed securities, ASIC's RG111 requires experts to consider the listed securities' depth, liquidity, and whether or not the market value is likely to represent the underlying value of the shares.

9.2.1 Quoted security liquidity

The following table summarises the monthly trading volume of MNC Shares since January 2009:

Month ended	Volume traded	Total value of shares traded	Volume traded as % of total free float*
January 2009	681,500	398,282	1.5%
February 2009	710,910	86,631	1.6%
March 2009	80,000	10,025	0.2%
April 2009	476,200	50,704	1.1%
May 2009	552,100	60,877	1.2%
June 2009	202,472	34,245	0.5%
July 2009	290,500	46,350	0.7%
August 2009	2,967,677	479,292	6.7%
September 2009	4,048,061	830,441	9.1%
October 2009	9,708,594	1,861,839	21.9%
November 2009	3,564,192	668,867	8.0%
December 2009	3,067,432	668,867	6.9%

* Total free float as at 30 June 2009 was 44.3 million shares

Source: Reuters and Trading Room

Based on the above table, the volume traded as a percentage of free-float shares ranged between 0.2% to 9.1% with an average of 5.0%. This observation suggests a low level of liquidity in MNC' Shares. We also make the following comments:

- There has been a historically low consistent trading in MNC Shares;
- MNC Shares have been quite volatile in past few months with the minimum and maximum share price varying between $0.09 cents and $0.25 cents between January and December 2009 volatility percentage;
- The month of October 2009 recorded the highest volume trade in MNC Shares;
- notwithstanding the level of liquidity, MNC complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of the MNC;
- In the absence of a takeover or other share offers, the trading share price represents the value in which minority shareholders could realise if they wanted to exit their investment.

9.2.2 Quoted securities

The quoted price of listed securities method is based on the Efficient Market Hypothesis ("EMH") which states that the share price at any point in time reflects all publicly available information and will change "almost" instantaneously when new information becomes publicly available.

The Proposed JIC Transaction was announced on 25 September 2009. The last trading day prior to the announcement was on 17 September 2009 pursuant to a trading halt requested by MNC

Set out below is a summary of the share market prices at which MNC Shares traded on the ASX for various periods prior to the announcement of the Proposed JIC Transaction.

MNC market share price	Low A$	High A$	VWAP A$
17 September 2009 (trading day prior to the trading halt in relation to announcement of the Proposed JIC Transaction)			
1 week prior to 17 September 2009	0.190	0.250	0.222
2 weeks prior to 17 September 2009	0.190	0.250	0.209
1 month prior to 17 September 2009	0.160	0.250	0.198
2 months prior to 17 September 2009	0.135	0.250	0.181

Source: Reuters and calculations

9.2.3 Recent genuine offers/ comparable transactions

Transactions which involve shares in a listed company tend to provide an indication of the value of the company. In this regard, we note that on 24 September 2009, MNC completed a capital raising of approximately 16.67 million MNC Shares at an issue price of $0.15 cents via placement to sophisticated and professional investors.

9.3 Valuation Conclusion

We believe that the capital raising issue price is more representative of the fair market value of MNC due to the following:

- low level of liquidity of MNC Shares before the announcement of the Proposed JIC Transaction which may impact the ability of the share price to represent the underlying value of MNC;
- the level of discount implied in the capital raising completed in September 2009 compared with the then prevailing share price;
- the capital raising was subscribed by sophisticated and professional investors who were deemed independent from MNC; and
- the issue of MNC shares in the capital raising was on an arm's length basis.

Accordingly, based on the analysis sets out above, we have relied on the capital raising price of 15 cents in September 2009 as a cross-check to the value of MNC. We note that the placement prices of MNC is based on a minority parcel of shares and do not include a control premium whilst our assessed value of MNC Shares is on a 100% basis and inclusive of a control premium.

We believe the placement price of MNC incorporates expectations that Hampton will exercise the Hampton Los Calatos Option and accordingly, we have compared the placement price with our assessed value of MNC assuming that Hampton will exercise the Hampton Los Calatos Option.

Furthermore, we believe the share price and placement price of MNC incorporate a component of the value uplift for MNC which arises from the difference between the underlying value of the North Hill Los Calatos Tenements (approximately A$125 million) and the consideration payable by Hampton upon exercise of the Hampton Los Calatos Options (approximately A$26.7 million). We note that our assessment of MNC based on the market value of net assets does not incorporate this potential value uplift.

Accordingly, based on the placement price of 15 cents per MNC Share and the discussions set out above, we have concluded that our adopted value of MNC Shares as set out in section 9.1 is reasonable.

10 Valuation assessment post the Proposed JIC Transaction

The market value of MNC's equity after the Proposed JIC Transaction has been determined by the aggregating the following:

- Value of MNC pre Proposed JIC Transaction determined in section 9.1above;
- Deducting MNC's 36.5% interest in Hampton (under two scenarios depending on whether the Hampton Los Calatos Option is exercised);
- Add MNC's interest in Hampton (under two scenarios whether existing Hampton Shareholders exercises pre-emptive rights);
- Add Capital Raising proceeds;
- Payment of the JIC consideration;
- Deducting transaction costs; and
- Deducting a minority discount.

We have conducted our assessment of MNC after the Proposed JIC Transaction under two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

10.1.1 MNC's equity value before the Proposed JIC Transaction

The value of MNC before the Proposed JIC Transaction has been derived in section 9.1 above.

10.1.2 MNC's equity interest in Hampton

The value of MNC's interest in Hampton has been assessed at section 9.1.2. The market value of MNC's assets before the Proposed JIC Transaction includes MNC's 36.5% interest in Hampton. After the Proposed JIC Transaction, MNC will increase its interest in Hampton to between 53.6% and 68.4%.

MNC's final percentage ownership in Hampton and the consideration to be paid to JIC depends on whether any of the existing Hampton shareholders and the extent that those shareholders exercise their pre-emptive rights. As the intention of the existing Hampton Shareholders is unknown, we have presented two scenarios as follows:

Scenario	MNC's equity interest in Hampton	Cash consideration	Scrip consideration
		A$' million	MNC Shares ('millions)
Assuming no pre-emption rights are exercised	68.42%	13.33	132.79
Assuming all pre-emption rights are exercised	53.62%	7.15	71.19

The value of MNC's interest in Hampton after the Proposed JIC Transaction based on the above scenarios is summarised below:

Scenario	MNC's equity interest in Hampton	Hampton does not exercise the Hampton Los Calatos Option	Hampton exercises the Hampton Los Calatos Option
		A$' million	A$' million
Market value of Hampton's net assets on a 100% basis (section 9.1.2)		22.63	120.33
Assuming no pre-emption rights are exercised	68.42%	15.48	82.33
Assuming all pre-emption rights are exercised	53.62%	12.13	64.52

10.1.3 Capital Raising Proceeds (net of transaction cost)

MNC is undertaking a capital raising to finance the Proposed Transactions. A proportion of the proceeds from the Capital Raising will be utilised to pay for the cost to raise the capital and other incidental costs associated with the Proposed Transactions. Management has advised that the costs associated with the Capital Raising and the Proposed Transactions range between A$1.1 million and A$1.5 million.

MNC is seeking shareholders' approval to raise a minimum of A$10 million and a maximum of A$18 million at an issue price of not less than $A0.15. The Capital Raising proceeds net of transaction costs is between A$8.9 million and A$16.5 million for the Minimum Capital Raising and Maximum Capital Raising respectively. We have included the proceeds in the value of MNC.

10.1.4 Cash consideration payable to JIC

In order to complete the Proposed JIC Transaction, MNC will need to pay the cash consideration to JIC. The cash consideration amounts to US$0.18 per Hampton Share. The total cash consideration payable will range between A$7.2 million and A$13.3 million and it will depend on whether any of the existing Hampton Shareholders exercise their pre-emption rights as set out in the table above.

10.1.5 Value of the MNC Options after the Proposed JIC Transaction

We have assessed the value of the MNC Options using the binomial option pricing model and after having regard to the terms of the MNC Options set out in section 9.1.6. We have assessed the total value of MNC Options based on two scenarios as follows:

(i) the value of MNC's underlying shares after the Proposed JIC Transaction assuming Hampton exercises the Hampton Los Calatos Option (which affects the value of MNC's 36.5% interest in Hampton); and

(ii) the value of MNC's underlying share after the Proposed JIC Transaction assuming Hampton does not exercise the Hampton Los Calatos Option (which affects the value of MNC's 36.5% interest in Hampton). and

We have assessed the value of the MNC Options to be approximately $880,000 if Hampton exercises the Hampton Los Calatos Option and approximately $30,000 if Hampton does not exercise said option.

10.1.6 Minority discount

We note that if the Proposed JIC Transaction is implemented and after the Capital Raising, JIC will acquire an interest in MNC between 14% and 21% of the enlarged issued capital. In accordance with the requirements of RG 111, if an allottee acquires more than 20% the issue capital of a company, the transaction should be analysed as if it was a takeover offer. As JIC may potential acquire more than 20% of the issued capital of MNC, we have conducted our assessment of MNC following the Proposed JIC Transaction on a minority basis in accordance with the requirements of RG111.

Based on the level of control exercised by JIC, we have applied a minority discount of 10% to our assessed value of MNC post the Proposed JIC Transaction.

10.1.7 Valuation summary

Set out below is a summary of our assessment of MNC following the Proposed JIC Transaction under two scenarios under two scenarios depending on whether or not Hampton will exercise the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

10.1.7.1 Hampton does not exercise the Hampton Los Calatos Option

		Hampton does not exercise the Hampton Los Calatos Option	
Market value of MNC	**Section reference**	**Assuming no pre-emption rights exercised**	**Assuming all pre-emption rights are exercised**
Post Proposed JIC Transaction		**A$' million**	**A$' million**
MNC's equity value before Proposed JIC Transaction	10.1.1	11.46	11.46
Less: MNC's 36.5% interest in Hampton	9.1.2	(7.43)	(7.43)
Add: MNC's interest in Hampton	10.1.2	15.48	12.13
Add: Capital Raising Proceeds (net of Capital Raising Cost)	10.1.3	16.50	8.90
Less: Cash consideration payable to JIC	10.1.4	(13.33)	(7.15)
Add: Value of MNC Options pre-Proposed JIC Transaction	9.1.6	0.02	0.02
Less: Value of MNC Options post-Proposed JIC Transaction	10.1.5	(0.03)	(0.03)
MNC's equity value after Proposed JIC Transaction (control basis)		22.67	17.90
Minority discount	10.1.6	(2.27)	(1.79)
MNC's equity value after Proposed JIC Transaction (minority basis)		20.40	16.11
Number of outstanding MNC Shares	5.5	380.95	380.95
New MNC Shares issued pursuant to the Capital Raising		120.00	66.67
New MNC Shares issued pursuant to the Proposed JIC Transaction		132.79	71.20
Total MNC Shares ('millions)		633.74	518.81
Value per MNC Share (cents)		3.22	3.11

Source: Calculations

10.1.7.2 Hampton exercises the Hampton Los Calatos Option

Market value of MNC	Section reference	Hampton exercises the Hampton Los Calatos Option Assuming no pre-emption rights exercised	 Assuming all pre-emption rights are exercised
Post Proposed JIC Transaction		**A$' million**	**A$' million**
MNC's equity value before Proposed JIC Transaction	10.1.1	42.90	42.90
Less: MNC's 36.5% interest in Hampton	9.1.2	(39.53)	(39.53)
Add: MNC's interest in Hampton	10.1.2	82.33	64.52
Add: Capital Raising Proceeds (net of Capital Raising Cost)	10.1.3	16.50	8.90
Less: Cash consideration payable to JIC	10.1.4	(13.33)	(7.15)
Add: Value of MNC Options pre-Proposed JIC Transaction	9.1.6	0.68	0.68
Less: Value of MNC Options post-Proposed JIC Transaction	10.1.5	(0.88)	(0.88)
MNC's equity value after Proposed JIC Transaction (control basis)		88.66	69.44
Minority discount	10.1.6	(8.87)	(6.94)
MNC's equity value after Proposed JIC Transaction (minority basis)		79.80	62.50
Number of outstanding MNC Shares	5.5	380.95	380.95
New MNC Shares issued pursuant to the Capital Raising		120.00	66.67
New MNC Shares issued pursuant to the Proposed JIC Transaction		132.79	71.20
Total MNC Shares ('millions)		633.74	518.81
Value per MNC Share (cents)		12.59	12.05

Source: Calculations

11 Valuation assessment pre and post Proposed North Hill Agreement

Our fairness assessment has been conducted by comparing the value of MNC prior to the Proposed North Hill Agreement to the assessed value of MNC after the Proposed North Hill Agreement.

11.1 Valuation pre Proposed North Hill Agreement

In assessing MNC's value prior to the Proposed North Hill Agreement, we have considered the conditions precedent in the Proposed North Hill Agreement. The agreement requires that MNC satisfies the following conditions to complete the purchase of North Hill Shares:

- MNC obtaining shareholder approval together with regulatory and other approval to issue 150 million fully paid MNC Shares to the shareholders of North Hill; and
- MNC completes the Proposed JIC Transaction and securing a majority interest in Hampton.

Based on the above, MNC's value before the Proposed North Hill Agreement should reflect the value after the Proposed JIC Transaction is completed. MNC's value after the Proposed JIC Transaction was determined in section 10 above which we have summarised below.

Assuming Hampton does not exercise the Hampton Los Calatos

Market value of MNC	Section reference	Hampton does not exercise the Hampton Los Calatos Option Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
Pre Proposed North Hill Agreement		**A$' million**	**A$' million**
MNC's equity value after Proposed JIC Transaction (control basis)	10.1.7	22.67	17.90
Total MNC Shares after Proposed JIC Transaction ('millions)		633.74	518.81
Value per MNC Share (cents)		3.58	3.45

Source: Calculations

Assuming Hampton exercises the Hampton Los Calatos Option

Market value of MNC	Section reference	Hampton exercises the Hampton Los Calatos Option Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
Pre Proposed North Hill Agreement		**A$' million**	**A$' million**
MNC's equity value after Proposed JIC Transaction (control basis)	10.1.7	88.66	69.44
Total MNC Shares after Proposed JIC Transaction ('millions)		633.74	518.81
Value per MNC Share (cents)		13.99	13.38

Source: Calculations

11.2 Valuation post Proposed North Hill Agreement

As the Proposed North Hill Agreement is conditional upon the completion of the Proposed JIC Transaction, MNC's value after the Proposed North Hill Agreement will also reflect MNC's value after the Proposed Transactions.

The market value of MNC's equity after the Proposed Transactions has been determined by the aggregating the following:

- MNC's equity value after the Proposed JIC Transaction;
- 100% of North Hill's equity value;
- Deducting cash consideration payable to HHR;
- Hampton Los Calatos Option - payment received from Hampton;
- Deducting transaction costs associated with the Proposed North Hill Agreement; and
- Deducting a minority discount

Consistently with our assessment of MNC following the Proposed JIC Transaction, we have assessed the market value of MNC following the Proposed North Hill Agreement under two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

11.2.1 MNC's equity value after the Proposed JIC Transaction

MNC's value after the Proposed JIC Transaction has been summarised in section 11.1 above.

11.2.2 Value of 100% of North Hill's issued shares

We have derived the 100% equity value of North Hill utilising the net assets method. Our valuation is summarised below.

North Hill	Notes	Hampton does not exercise the Hampton Los Calatos Option A$' million	Hampton exercises the Hampton Los Calatos Option A$' million
North Hill Los Calatos Mining Tenements	1	125.00	-
Other net assets	2	(0.24)	(0.24)
Capitalised corporate overheads	3	-	-
Hampton Los Calatos Option - payment received from Hampton	4	-	25.28
		124.76	25.04

Note 1: North Hill Los Calatos Tenements

North Hill is the current ultimate beneficial owner of the North Hill Los Calatos Tenements. Based on Lorabay's assessment, the value of the North Hill Los Calatos Tenements is US$100 million. Upon exercise of the Hampton Los Calatos Option, the ownership of the North Hill Los Calatos Tenements would be transferred from North Hill to Hampton.

Note 2: Other net assets

Other net assets of North Hill have been assessed at A$0.24 million. In the Proposed North Hill Agreement, the shareholders of North Hill have warranted that:

- North Hill, Cerro Norte, Minera CN and Minera CN SA have not had any employees and have none at the present time;
- North Hill, Cerro Norte, Minera CN and Minera CN SA have no debt in relation to corporate taxes; and
- All rentals, contributions, taxes and payments and works required in relation to the North Hill Los Calatos Tenements have been paid and carried out by Hampton in accordance with Hampton Los Calatos Option agreement.

Note 3: Capitalised corporate overheads

In accordance with the Hampton Los Calatos Option agreement, all expenditure relating to licenses, fees and other works required in relation to the North Hill Los Calatos Tenements is borne by Hampton. Further, North Hill, Cerro Norte, Minera CN and Minera CN SA have not had or currently have any employees. As such, we have not included capitalised corporate overheads in our assessment of North Hill.

Note 4: Hampton Los Calatos Option – payment from Hampton

North Hill is entitled to receive payment from Hampton in accordance with the Hampton Los Calatos Option. The payment comprises the following:

Hampton Los Calatos Option - payment from Hampton	**US$'million**
Outstanding option fee due on 1 Aug 2010	0.50
Bonus option payment	21.50
Special final payment	0.75
2% NSR	n.a.
Total	22.75
In A$'million	25.28

11.2.3 Cash consideration to HHR

HHR, being the sole shareholder of North Hill will receive a total cash consideration of US$ 2 million in exchange for its shares in North Hill. The cash consideration is payable in two instalments. The first instalment of US$500,000 is payable on completion of the Proposed North Hill Agreement. The remaining US$1.5 million is payable on or before 1 August 2010.

As set out in the Proposed North Hill Agreement, MNC has also undertaken to assign to HHR the 2%NSR set out in the Hampton Los Calatos Option if the Hampton Los Calatos Option is exercised and the Proposed North Hill Agreement completed. However, as discussed in section 9.1.2 the value of the 2% NSR cannot be estimated with reasonable ground as at the date of this report and accordingly, no value has been attributed as at the date of this report to the 2% NSR.

11.2.4 Costs associated with the Proposed North Hill Agreement

MNC is undertaking the Proposed JIC Transaction and the Proposed North Hill Agreement simultaneously. The costs associated with the Proposed JIC Transaction have been included in MNC's value before the Proposed North Hill Agreement. Management has advised that there is no additional cost that requires inclusion that has not yet been incorporated. We note that the vast majority of the Capital Raising transaction costs relate to money raised to pay for the cash component of the Proposed JIC Transaction.

11.2.5 Value of the MNC Options after the Proposed North Hill Agreement

We have assessed the value of the MNC Options using the binomial option pricing model and after having regard to the terms of the MNC Options set out in section 9.1.6. We have assessed the total value of MNC Options based on two scenarios as follows:

(i) the value of MNC's underlying shares after the Proposed North Hill Agreement assuming Hampton exercises the Hampton Los Calatos Option; and

(ii) the value of MNC's underlying share after the Proposed North Hill Agreement assuming Hampton does not exercise the Hampton Los Calatos Option.

We have assessed the value of the MNC Options to be approximately $1.5 million if Hampton does not exercise the Hampton Los Calatos Option and approximately $0.9 million if Hampton exercises it.

11.2.6 Minority discount

We note that if the Proposed North Hill Agreement is implemented, HHR will acquire an interest in MNC between 19% and 22% of the enlarged issued capital. In accordance with the requirements of RG 111, if an allottee acquires more than 20% the issue capital of a company, the transaction should be analysed as if it was a takeover offer. As HHR may potential acquire more than 20% of the issued capital of MNC, we have conducted our assessment of MNC following the Proposed North Hill Agreement on a minority basis in accordance with the requirements of RG111.

Based on the level of control exercised by HHR on MNC, we have applied a minority discount of 10% to our assessed value of MNC post the Proposed North Hill Agreement.

11.2.7 Valuation Summary

The market value of MNC's net assets after the Proposed North Hill Agreement is set out below.

Hampton does not exercise the Hampton Los Calatos Option

Market value of MNC	Section reference	Hampton does not exercise the Hampton Los Calatos Option: Assuming no pre-emption rights exercised	Hampton does not exercise the Hampton Los Calatos Option: Assuming all pre-emption rights are exercised
After Proposed North Hill Agreement		**A$' million**	**A$' million**
MNC's equity value after Proposed JIC Transaction (control basis)	10.1.7	22.67	17.90
Add: Value of 100% of North Hill's issued shares	11.2.2	124.76	124.76
Less: Cash consideration to HHR	11.2.3	(2.22)	(2.22)
Add: Value of MNC Options pre-Proposed North Hill Agreement	10.1.5	0.03	0.03
Less: Value of MNC Options post-Proposed North Hill Agreement		(1.50)	(1.50)
Less: Costs associated with the Proposed North Hill Agreement	11.2.4	-	-
MNC's equity value after Proposed North Hill Agreement (control basis)		143.74	138.97
Minority discount	11.2.5	(14.37)	(13.90)
MNC's equity value after Proposed North Hill Agreement (minority basis)		129.36	125.08
MNC Shares outstanding after Proposed JIC Transaction		633.74	518.81
MNC Shares - consideration for Proposed North Hill Agreement		150.00	150.00
Total MNC Shares ('million)		783.74	668.81
Value per MNC Share (cents)		16.51	18.70

Hampton does exercise the Hampton Los Calatos Option

Market value of MNC	Section reference	Hampton exercises the Hampton Los Calatos Option: Assuming no pre-emption rights exercised	Hampton exercises the Hampton Los Calatos Option: Assuming all pre-emption rights are exercised
After Proposed North Hill Agreement		**A$' million**	**A$' million**
MNC's equity value after Proposed JIC Transaction (control basis)	10.1.7	88.66	69.44
Add: Value of 100% of North Hill's issued shares	11.2.2	25.04	25.04
Less: Cash consideration to HHR	11.2.3	(2.22)	(2.22)
Add: Value of MNC Options pre-Proposed North Hill Agreement	10.1.5	0.88	0.88
Less: Value of MNC Options post-Proposed North Hill Agreement		(0.88)	(0.88)
Less: Costs associated with the Proposed North Hill Agreement	11.2.4	-	-
MNC's equity value after Proposed North Hill Agreement (control basis)		111.48	92.26
Minority discount	11.2.5	(11.15)	(9.23)
MNC's equity value after Proposed North Hill Agreement (minority basis)		100.33	83.03
MNC Shares outstanding after Proposed JIC Transaction		633.74	518.81
MNC Shares - consideration for Proposed North Hill Agreement		150.00	150.00
Total MNC Shares ('million)		783.74	668.81
Value per MNC Share (cents)		12.80	12.41

11.3 Valuation cross check

Prior to reaching our valuation conclusion we have considered the reasonableness of our valuation by comparing our result to the share market prices of MNC. In this regard, we have observed the share market prices of MNC following to the announcement of the Proposed North Hill Agreement.

The share market prices of MNC Shares traded on the ASX following the announcement of the Proposed North Hill Agreement are summarised below:

MNC share price	Low A$	High A$	A$
22 January 2010 - Last trading day	0.16	0.17	-
1 week prior to 22 January 2010 (VWAP)	0.16	0.18	0.17
2 weeks prior to 22 January 2010 (VWAP)	0.16	0.18	0.17
1 month prior to 22 January 2010 (VWAP)	0.16	0.18	0.17
1.5 months prior to 22 January 2010 (VWAP)	0.16	0.20	0.18

Source: Reuters

As set out in the table in section 9.2.1, the liquidity of MNC Shares has increased materially since October 2009.

We note that our valuation assessment of MNC Shares is on a minority basis and accordingly it is consistent with the share prices quoted on the ASX.

Accordingly, based on the MNC share price following to the announcement of the Proposed North Hill Agreement as set out in the table above, we have concluded that our adopted value of MNC Shares as set out in section 11.2.6 is reasonable.

12 Evaluation of the Proposed JIC Transaction

12.1 Fairness

12.1.1 Approach

In forming our opinion in relation to the fairness of the proposed issue of MNC Shares to JIC as part of Proposed JIC Transaction, Grant Thornton Corporate Finance has compared:

- the underlying value of MNC Shares on a stand alone basis and inclusive of a premium for control; with
- the underlying value of MNC Shares following completion of the Proposed JIC Transaction and the Capital Raising on a minority basis.

Our assessed value of MNC before and after the Proposed JIC Transaction depends on whether or not Hampton will exercise the Hampton Los Calatos Option.

Furthermore, our valuation assessment of the Proposed JIC Transaction and the consideration payable by MNC is affected by the level of pre-emption rights exercised by Hampton Shareholders.

Accordingly, we have assessed the fairness of the proposed issue of MNC Shares to JIC as part of Proposed JIC Transaction under two scenarios depending on whether or not Hampton exercises the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

12.1.2 Hampton exercises the Hampton Los Calatos Options

The following table summarises our assessment.

	Section reference	Hampton exercises the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed JIC Transaction (control premium inclusive)	9.1	11.26	11.26
Consideration offered - Value of MNC Shares after Proposed JIC Transaction (on a minority basis)	10.1.7	12.59	12.05
Premium/(Discounts) - (%)		11.8%	7.0%

12.1.3 Hampton does not exercise the Hampton Los Calatos Options

The following table summarises our assessment.

	Section reference	Hampton does not exercise the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed JIC Transaction (control premium inclusive)	9.1	3.01	3.01
Consideration offered - Value of MNC Shares after Proposed JIC Transaction (on a minority basis)	10.1.7	3.22	3.11
Premium/(Discounts) - (%)		7.0%	3.2%

As under both scenarios the underlying value of consideration offered is higher than the value of MNC Shares on a controlling basis and inclusive of a control premium, we conclude that the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is fair to MNC Shareholders pursuant to RG 111.

12.2 Reasonableness

For the purpose of assessing whether the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable to the MNC Shareholders, we have summarised the following likely advantages and disadvantages associated with the Proposed JIC Transaction. We also note that pursuant to RG 111, the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable if it is fair.

12.2.1 Advantages

If the Proposed JIC Transaction is implemented, the likely advantages include:

- If the Proposed JIC Transaction is approved, MNC will gain a controlling interest in Hampton and it will have an indirect controlling interest over the North Hill Los Calatos Tenements if the Hampton Los Calatos Option is exercised. As set out in the fairness section above, the exercise of the Hampton Los Calatos Option is significantly value accretive for Hampton and by virtue of its investment in Hampton for MNC.

- If the Proposed JIC Transaction is approved and the Hampton Los Calatos Option exercised, MNC will effectively gain indirect control of the North Hill Los Calatos Tenements which is considered the most prospective assets within the Los Calatos Tenement. Securing indirect control over the mining activities on the North Hill Los Calatos Tenements will essentially enable MNC to direct the exploration activities and benefit from a value uplift of the North Hill Los Calatos Tenements.

- If the Proposed JIC Transaction is approved, MNC will increase its interest in Hampton from 36.5% to a controlling interest between 53.6% and 68.4%. This will provide MNC Shareholders with greater diversification of MNC exploration assets portfolio into other mineral types especially copper as the majority of MNC's Australian exploration assets portfolio consist of prospective gold tenements.

- MNC is expected to have a higher market capitalisation and improved liquidity if the Proposed JIC Transaction is approved. The increase in market capitalisation may provide MNC with an improved profile in the market and in turn, may result in a greater following by the investment and broking community. This may have a positive impact on the MNC's share price and assist future capital raising activities to fund exploration projects.

- After the implementation of the Proposed JIC Transaction, MNC Shareholders will gain access to exploration assets that are more advanced and which could enable MNC to access debt and equity markets which were previously not available.

- If the Proposed JIC Transaction is implemented, the corporate structure of MNC and Hampton will be more transparent and Hampton will be consolidated into MNC from a financial reporting perspective. This may have a positive impact on the share price of MNC following completion of the Proposed JIC Transaction.

- Our valuation assessment of MNC on a stand alone basis incorporates the application of a full control premium in accordance with the requirements of RG111. If the Proposed JIC Transaction is implemented, JIC Shareholders will hold between 14% and 21% of MNC on an undiluted basis. JIC will be entitled to nominate for appointment between 1 and 2 representatives on the Board, however the management team of MNC is not expected to change. Accordingly, based on the discussion above and the board representations in MNC, our valuation assessment of MNC on a stand alone basis may not warrant the application of a full control premium.

- If the Proposed JIC Transaction is implemented and MNC will gain control of Hampton, it may be able to rationalise certain administrative functions and overhead structure which may result in cost savings going forward. Our valuation assessment of MNC following completion of the Proposed JIC Transaction does not incorporate any cost savings.

12.2.2 Disadvantages

If the Proposed JIC Transaction is implemented, the likely disadvantages include:

- The consideration for the Proposed JIC Transaction includes a significant cash component of up to US$12 million. MNC's existing internal cash resource is insufficient to satisfy this cash payment and the Company is currently undertaking a capital raising to source for the required funds. The completion of the Proposed JIC Transaction is dependent on whether the Capital Raising is successful. If unsuccessful, MNC will not complete the Proposed JIC Transaction and in addition would have incurred certain transaction costs pertaining to the Capital Raising and Proposed JIC Transaction that are not reimbursable and could have been utilised to finance exploration activities.

- Hampton's exploration assets are located in emerging markets such as Chile and Peru which are potentially subject to more volatility (including exchange rate volatility predominantly US dollar based) and greater risks than more mature markets. If the Proposed JIC Transaction is approved, MNC Shareholders will have increased exposure to these emerging markets compared to MNC's current exploration assets located in Australia.

- If the Proposed JIC Transaction is implemented, existing MNC Shareholders will collectively be diluted to between 60% and 73% of the enlarged issued capital depending on the size of the Capital Raising and the exercise of the pre-emptive rights in Hampton.

- The enlarged exploration assets portfolio of MNC will increase future funding requirements in relation to exploration activities. The development of both MNC's and Hampton's existing exploration assets will require continuous significant investments into the projects. In addition, given the early stages of the existing assets portfolio and the extended lead time of exploration projects, it is likely to be a number of years before the exploration assets will generate steady, positive cash flows (if any).

- Whilst there is no certainty that the mineral resources, or any mineral reserve, including the ones relating to the North Hill Los Calatos Tenements will be realised, a significant component of the Proposed JIC Transaction consideration is represented by cash (up to US$12 million). Accordingly, there is not full alignment between the current MNC Shareholders and JIC Shareholders in relation to the risks attached to the further exploration of Hampton's assets.

- Our valuation of MNC under the scenario that Hampton exercises the Hampton Los Calatos Option does not include the potential value of the 2% NSR. As set out in the Lorabay Report, the value of the 2% NSR cannot be estimated with reasonable ground as at the date of this report. However, we note that should the 2% NSR becomes payable in conjunction with Hampton commencing production at the North Hill Los Calatos Tenement, the value of the North Hill Los Calatos Tenements should also increase significantly.

- If the Proposed JIC Transaction is implemented, JIC will become the single largest shareholder in MNC. JIC may have the capacity to block any potential takeover bid of MNC should JIC consider it not to be in its best interest at the expense of other MNC Shareholders.

12.2.3 Other factors

Uncertainty on the prospectivity of the assets

There is no certainty that the mineral resources, or any mineral reserve, including the ones relating to the North Hill Los Calatos Tenements will be realised. Until a deposit is actually mined and processed, the quantity of mineral resources and reserves, and grades, must be considered as estimates only. In addition, the value of mineral resources and any mineral reserve will depend upon, among other things, metal prices and currency exchange rates. Any material change in quantity of mineral resources, or any mineral reserve, or grade, may affect the economic viability of any future mines. Any material reductions in the estimates of mineral resources, or mineral reserves, or MNCs and Hampton's ability to extract any ore, could have a material adverse affect on MNC's future results of operation and financial condition. Resource estimates, including those contained in the Lorabay Report are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to MNC and Hampton's resources especially pertaining to the North Hill Los Calatos Tenements could affect MNC's future development and mining plans.

MNC Shareholders' position if the Proposed JIC Transaction is not approved

If the Proposed JIC Transaction is not approved, MNC will remain listed on the ASX and it would be the current directors' intention to continue operating in line with its objectives. MNC

Shareholders who retain their shares will continue to share in any benefits and risks in relation to MNC's ongoing business. MNC will not have control over Hampton's operations and management but will retain a significant influence through its existing 36.5% equity interest. Consequently, MNC will also not be able to secure indirect control over the operations of the exploration activities pertaining to the North Hill Los Calatos Tenements if the Hampton Los Calatos Option is exercised. Any upside that could be gained from the North Hill Los Calatos Tenements will be available to MNC will be limited to its 36.5% interest in Hampton.

Taxation

Grant Thornton Corporate Finance has not been provided with any taxation advice in relation to the Proposed JIC Transaction. MNC Shareholders should consider the information contained in the Explanatory Memorandum and/or Notice of Meeting in relation to taxation implications.

Dividend policy

If the Proposed JIC Transaction is implemented, the dividend policy of MNC will be determined by the Board. However, MNC does not anticipate paying a dividend for the financial year ending 30 June 2010. MNC intends to review the dividend policy on an annual basis.

12.2.4 Reasonableness conclusions

Based on the above likely advantages and disadvantages associated with the Proposed JIC Transaction, it is our opinion that the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is reasonable to MNC Shareholders.

12.3 Overall conclusion

After considering the abovementioned quantitative and qualitative factors, we have formed our opinion that the proposed issue of MNC Shares to JIC as part of the Proposed JIC Transaction is fair and reasonable to MNC Shareholders.

13 Evaluation of the Proposed North Hill Agreement

13.1 Fairness

13.1.1 Approach

In forming our opinion in relation to the fairness of the proposed issue of MNC Shares to HHR as part of Proposed North Hill Agreement, Grant Thornton Corporate Finance has compared:

- the underlying value of MNC Shares on a stand alone basis and inclusive of a premium for control after the implementation of the Proposed JIC Transaction; with
- the underlying value of MNC Shares following completion of the Proposed North Hill Agreement on a minority basis.

We note that the implementation of the Proposed JIC Transaction is a condition precedent for the implementation of the Proposed North Hill Agreement. Accordingly, the Proposed North Hill Agreement can be implemented only assuming completion of the Proposed JIC Transaction.

Consistently with our assessment of the fairness of the Proposed JIC Transaction, we have assessed the fairness of the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement under two scenarios depending on whether Hampton exercises or not the Hampton Los Calatos Option. Within each scenario, we have also conducted our valuation assessment assuming full exercise of the pre-emptive rights or no exercise of the pre-emptive rights by the Hampton Shareholders other than MNC.

13.1.2 Hampton exercises the Hampton Los Calatos Options

The following table summarises our assessment.

	Section reference	Hampton exercises the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed North Hill Agreement (control basis)	11.1	13.99	13.38
Consideration offered - Value of MNC Shares after Proposed North Hill Agreement (minority basis)	11.2.6	12.80	12.41
Premium/(Discounts) - (%)		-8%	-7%

13.1.3 Hampton does not exercise the Hampton Los Calatos Options

The following table summarises our assessment.

	Section reference	Hampton does not exercise the Hampton Los Calatos Option	
		Assuming no pre-emption rights exercised	Assuming all pre-emption rights are exercised
		cents per MNC share	cents per MNC share
Value of MNC Shares - Standalone basis before Proposed North Hill Agreement (control basis)	11.1	3.58	3.45
Consideration offered - Value of MNC Shares after Proposed North Hill Agreement (minority basis)	11.2.6	16.51	18.70
Premium/(Discounts) - (%)		361%	442%

In relation to the fairness assessment sets out above in relation to the two different scenarios, we note the following:

- If Hampton does exercise the Hampton Los Calatos Option - the underlying value of MNC following completion of the Proposed Transactions is slightly lower than the value of MNC Shares on a controlling basis and inclusive of a control premium after the Proposed JIC Transaction; and

- If Hampton does not exercise the Hampton Los Calatos Option - the underlying value of MNC following completion of the Proposed Transactions is significantly higher than the value of MNC Shares on a controlling basis and inclusive of a control premium after the Proposed JIC Transaction.

Overall, we conclude that the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is fair to MNC Shareholders having regard to the following:

- If Hampton exercises the Hampton Los Calatos Option, the value of MNC following the Proposed Transaction is lower than the value of MNC Shares after the Proposed JIC Transaction on a controlling basis whilst under the scenario that Hampton does not exercise the Hampton Los Calatos Option the value of MNC following the Proposed Transaction is significantly higher than the value of MNC Shares after the Proposed JIC Transaction on a controlling basis;

- There is significant uncertainty as to whether Hampton will be able to exercise the Hampton Los Calatos Option as Hampton may be required to undertake a capital raising in excess of A$25 million to be able to pay the consideration upon exercise of the Hampton Los Calatos Option;

- Due to a potential conflict of interest, MNC's representatives on Hampton Board may be excluded from voting on the exercise of the Hampton Los Calatos Option. Such exclusions make it even less certain that Hampton would be able to secure the necessary shareholder support to undertake the required substantial fundraising to exercise the Hampton Los Calatos Option; and

- In the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair. However, under these circumstances we believe that the Proposed North Hill Agreement is still reasonable having regard to the reasonableness considerations set out below and accordingly we would still opine that the Proposed North Hill Agreement is reasonable to MNC Shareholders given the security it provides over MNC's underlying interest in the North Hill Los Calatos Tenements.

13.2 Reasonableness

For the purpose of assessing whether the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable to the MNC Shareholders, we have summarised the following likely advantages and disadvantages associated with the Proposed North Hill Agreement. We also note that pursuant to RG 111, the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable if it is fair.

As discussed above, the Proposed North Hill Agreement can only be implemented after the Proposed JIC Transaction is completed. Accordingly, in our analysis of the reasonableness of the Proposed North Hill Agreement, we have assumed that the Proposed JIC Transaction is completed and MNC holds a controlling interest in Hampton.

13.2.1 Advantages

If the Proposed North Hill Agreement is implemented, the likely advantages include:

- MNC will gain certainty that it will have a direct or indirect interest in the North Hill Los Calatos Tenements by way of its controlling interest in Hampton if the Hampton Los Calatos Option is exercised or otherwise via North Hill. The value of this certainty is substantial given the North Hill Los Calatos Tenements are the most valuable assets of Hampton/North Hill.

- The exercise of the Hampton Los Calatos Option requires the payment by Hampton of a significant cash consideration assessed at approximately A$26 million. Accordingly, Hampton will be required to conduct a substantial capital raising before being able to exercise the Hampton Los Calatos Option which expires in August 2010. If Hampton is not able to raise sufficient funds to exercise the Hampton Los Calatos Option, the share price of MNC will be adversely affected.

  If the Hampton Los Calatos Option is not exercised by Hampton and the Proposed North Hill Agreement is implemented, MNC Shareholders will still be able to exercise full indirect control over the North Hill Los Calatos Tenements by virtue of North Hill becoming a wholly owned subsidiary of MNC.

- The share price of MNC may be positively affected by the completion of the Proposed North Hill Agreement as it will remove any uncertainty that may be incorporated into MNC's current share price in relation to the ownership of the North Hill Los Calatos Tenement. Accordingly, MNC may have a higher market capitalisation and improved liquidity which may provide MNC with an improved profile in the market.

- If the Proposed Transactions are implemented, the corporate structure of MNC and Hampton will be simplified and Hampton will be consolidated into MNC from a financial reporting perspective. This may have a positive impact on the share price of MNC following completion of the Proposed Transactions.

- Our valuation assessment of MNC on a stand alone basis incorporates the application of a full control premium in accordance with the requirements of RG111. If the Proposed North Hill Agreement is implemented, HHR will hold between 19% and 22% of MNC on an undiluted basis but the management team of MNC is not expected to change. Based on the discussion above and the board representations in MNC, our valuation assessment of MNC on a stand alone basis may not warrant the application of a full control premium.

13.2.2 Disadvantages

If the Proposed North Hill Agreement is implemented, the likely disadvantages include:

- In the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair.

- If the Proposed North Hill Agreement is implemented, existing MNC Shareholders will collectively be further diluted to between 49% and 57% of the enlarged issued shares depending on the size of the Capital Raising and the exercise of the pre-emptive rights in Hampton.

- If the Proposed North Hill Agreement is implemented and Hampton does not exercise the Hampton Los Calatos Option, MNC will indirectly control 100% of the North Hill Los Calatos Tenements which will further increase future funding requirements in relation to exploration activities.

- If the Proposed North Hill Agreement is implemented, HHR will become the single largest shareholder in MNC. HHR may have the capacity to block any potential takeover bid of MNC should HHR consider not to be in its best interest at the expense of other MNC Shareholders.

13.2.3 Other factors

Uncertainty on the prospectivity of the assets

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

MNC Shareholders' position if the Proposed North Hill Agreement is not approved

If the Proposed North Hill Agreement is not approved, the Proposed JIC Transaction may still proceed. MNC will not control North Hill and as such, there will be uncertainty whether MNC will be able to secure indirect control over the North Hill Los Calatos Tenements. If Hampton does not exercise the Hampton Los Calatos Option, MNC will not indirectly control the North Hill Los Calatos Tenements and as such MNC Shareholders will not be able to access any potential value uplift from those tenements. Under these circumstances, the share price of MNC will be adversely affected.

Taxation

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

Dividend policy

Refer to the discussion sets out in the assessment of the Proposed JIC Transaction.

Interdependent proposals

Based on the terms of the Proposed North Hill Agreement, the Proposed North Hill Agreement is dependent on the Proposed JIC Transaction. For the Proposed North Hill Agreement to be implemented, the Proposed JIC Transaction must be approved.

13.2.4 Reasonableness conclusions

Based on the above likely advantages and disadvantages associated with the Proposed North Hill Agreement, it is our opinion that the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is reasonable to MNC Shareholders.

As discussed above, we note that in the event that the Hampton Los Calatos Option is exercised, then the Proposed North Hill Agreement would not be fair. However, under these circumstances we believe that the Proposed North Hill Agreement is still reasonable having regard to the reasonableness considerations set out above.

13.3 Overall conclusion

After considering the abovementioned quantitative and qualitative factors, we have formed our opinion that the proposed issue of MNC Shares to HHR as part of the Proposed North Hill Agreement is fair and reasonable to MNC Shareholders.

14 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- Annual reports of MNC for FY07, FY08 and FY09;
- Financial reports of Hampton for FY08 and HY09;
- Lorabay Pty Ltd Independent Technical Assessment Report dated October 2009;
- Unilateral Purchase Promise and Option Agreement;
- JIC Option Agreement;
- MNC Heads of Agreement;
- IBISWorld Industry Report, 'Copper Ore Mining in Australia';
- Releases and announcements by MNC on ASX;
- MNC and Hampton websites;
- Reuters;
- Various broker reports; and
- Other publicly available information.

14.1 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to MNC and all other parties involved in the Proposed Transactions with reference to the ASIC Regulatory Guide 112 "Independence of expert" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to MNC, its shareholders and all other parties involved in the Proposed Transactions.

Grant Thornton are the Auditors of MNC and have been providing assurance services to MNC. Despite this relationship, it is our opinion that there are no conflicts of interest with respect to MNC, MNC Shareholders or other parties involved in the Proposed Transactions.

Except for the above, Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with MNC or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transactions.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Transactions, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Transactions. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

14.2 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by MNC, the report prepared by Lorabay, various enquiries and discussion with the technical specialist and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by MNC and other experts through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of MNC.

This report has been prepared to assist the director of MNC in advising MNC Shareholders in relation to the Proposed Transactions. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Transactions are fair and reasonable to the MNC Shareholders.

MNC has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by MNC, which MNC knew or should have known to be false and/or reliance on information, which was material information MNC had in its possession and which MNC knew or should have known to be material and which MNC did not provide to Grant Thornton Corporate Finance. MNC will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

14.3 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Notice of General Meeting and Explanatory Memorandum to be sent to the shareholders of MNC. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Independent Technical Assessment Report prepared by Lorabay

Appendix B – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounting projected cash flows

An analysis of the net present value of projected cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the WACC, is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Net asset backing / Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of listed securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company.

The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix C – Glossary

2% NSR	2% net smelter return
A$	Currency of the Commonwealth of Australia
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	Listing of the ASX
Board or MNC Board	The board of MNC
BHP	BHP Billion Limited
Capital Raising	MNC is seeking to raise between A$10 million and AS18 million at an issue price of not less than A$0.15 to fund the payment of the cash consideration of the Proposed JIC Transaction and the Proposed North Hill Agreement, as well as to fund ongoing working capital requirements
Cerro Norte	Cerro Norte Inc
Cerro Norte Group	Consists of Cerro Norte and its wholly owned subsidiaries Minera CN and Minera CN SA
Company	Metminco Limited
Corporations Act	Corporations Act 2001
DCF	Discount Cash Flow
Director	Director of Metminco
EMH	Efficient Market Hypothesis
FCX	Freeport-McMorgan Copper & Gold
FSG	Financial Services Guide
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
Grupo	Grupo Mexico
Hampton	Hampton Mining Limited
Hampton Board	The board of Hampton
Hampton Los Calatos Option	Option agreement entered into by Hampton in September 2007 to acquire 100% of the issued shares in Cerro Norte
Hampton Minority Shares or Hampton Minority Shareholders	4.4% shareholding held by Hampton minority shareholders
Hampton Peru	Hampton Mining Peru SAC
Hampton Pre-Emptive Rights	Provisions contained within Hampton's Constitution providing pre-emptive rights to existing shareholders of Hampton. Hampton's pre-emptive rights are set out in schedule 11 of Hampton's Constitution. In summary schedule 11 require a Hampton shareholder (Selling Shareholder) who wishes to offer their Hampton Shares for sale to first offer their Hampton Shares to other Hampton shareholders (Non-Transferring Shareholder) on the

	same terms and conditions. First Round Pre-Emption Offer The Selling Shareholder must offer Non-Transferring Shareholder in proportion to their respective holding of the total shareholding of Non-Transferring Shareholders under the same term and conditions and Non-Transferring Shareholder have 21 days to accept their respective First Round Pre-emption Offer in part or in full. Second Round Pre-Emption Offer A Second Round Pre-Emption Offer is made to Non-Transferring Shareholder(s) who have accepted their First Round pre-emption offer in full if one or more other Non-Transferring Shareholders have not accepted their respective First Round Pre-Emption Offer in full. Non-Transferring Shareholders that have accepted their First Round Pre-emption Offer in full are to be offered any Hampton shares remaining after the First Round Pre-Emption has closed in proportion to their respective holding of the total shareholding of Non-Transferring Shareholders who have accepted to the First Offer in full and have 21 days to accept this offer. Sale of Hampton Shares If the Selling Shareholder has any Hampton shares remaining after completion of the First Round Pre-emption Offer, and if required, the Second Round Pre-Emption Offer then the Selling Shareholder may transfer those shares to any person within 3 months and 21 days not on terms and conditions more favourable to a buyer than those offered under the Pre-Emption Offers.
Hampton Share	One ordinary share in Hampton
Hampton Shareholder	Shareholders of Hampton
HHR	Highland Holdings Resources Inc
HY09	The six months ended 30 June 2009
Independent Technical Assessment Report or Lorabay Report	Valuation report prepared by Lorabay Pty Ltd
JIC	Junior Investment Company
JIC Option	MNC's option to acquire JIC's 66,393,750 fully paid ordinary shares in Hampton
JIC Option Agreement	An option agreement between MNC and JIC, whereby JIC granted MNC an option to acquire JIC's 66,393,750 fully paid ordinary shares in Hampton
JIC Option Fee	A key term of the JIC Option Agreement under which MNC must pay to JIC an option fee of US$700,000
LME	London Metals Exchange
Lorabay	Lorabay Pty Ltd
Los Calatos Project	Consists of the North Hill Owned Tenements and the Hampton Owned Tenements
Maximum Capital Raising	Capital raising exercise to be undertaken by MNC to raise A$18.0 million at an issue price of not less than A$0.15 per MNC Share pursuant to the Capital Raising
Metminco	Metminco Limited
Metminco Board	The Board of Metminco

Minera CN	Minera Cerro Norte SA
Minera CN SA	Minera CN SAC
Minimum Capital Raising	Capital raising exercise to be undertaken by MNC to raise A$10.0 million at an issue price of not less than A$0.15 per MNC Share pursuant to the Capital Raising
North Hill Los Calatos Tenements	The Alfa 1-900, Gamma 1-1000 and Nelson 1-900 claim blocks within the Los Calatos area
North Hill Owned Tenements	The Alfa 1-900, Gamma 1-1000 and Nelson 1-900 claim blocks within the Los Calatos area
MNC	Metminco Limited
MNC Convertible Note	MNC signed a A$14 million convertible note term sheet fully underwritten by BBY Limited announced on 7 December 2009. Based on discussions with the Management of MNC, we understand that the terms of the MNC Convertible Notes have not been finalised.
MNC Options	MNC's existing options listed on the ASX amounting to 27,230,017 options with an exercise price of $0.25 and an expiry date of 4 December 2012
MNC Share	One fully paid ordinary shares in Metminco
MNC Shareholders	The shareholders of MNC
Non-Transferring Shareholder	Hampton Shareholders which do not wish to dispose of their shareholding in Hampton
North Hill	North Hill Holdings Group Inc
North Hill Group	Consists of North Hill and its wholly owned subsidiaries Minera CN and Minera CN SA
North Hill Los Calatos Tenements	The Alfa 1-900, Gamma 1-1000 and Nelson 1-900 claim blocks within the Los Calatos area
North Hill Owned Tenements	The Alfa 1-900, Gamma 1-1000 and Nelson 1-900 claim blocks within the Los Calatos area
North Hill Purchase Price	The consideration for the Proposed North Hill Agreement
Notesan	Notesan Pty ltd
NSR	Net smelter return
Placer Dome	Placer Dome del Peru S.A.C
Placer Dome Option	An option agreement between Minera CN and Placer Dome covering the area North Hill Los Calatos Tenements
Ppm	Parts per million
Proposed JIC Transaction	The option agreement entered into by MNC to purchase up to 31.9% of Hampton's issued capital held by JIC
Proposed North Hill Agreement	The sale and purchase agreement entered into by MNC to acquire 100% of the issued shares in North Hill

Proposed Transactions	The Proposed JIC Transaction and the Proposed North Hill Agreement
Reserves	Reserves defined by the AUSIMM JORC Code
Resources	Resources defined by the AUSIMM JORC Code
RG 111	ASIC Regulatory Statement 111 "Content of expert reports"
RG 112	ASIC Regulatory Statement 112 " Independence of Expert's Reports"
RG 74	ASIC Regulatory Guide 74 "Acquisitions agreed to by shareholders"
Takoradi	Takoradi Limited
Takoradi Related Entities	Takoradi Ltd, Notesan Pty Ltd
US$	Currency of the United States of America
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital