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14 April 2011

ASX ANNOUNCEMENT

QUARTERLY ACTIVITIES REPORT & APPENDIX 5B, 3 MONTHS TO MARCH 2011.

Highlights

- Land purchase for the Mollacas Project well advanced with over US\$2 million of acquisitions during the quarter.
- Drilling at Los Calatos advances with 4th drill rig now on site.
- Significant intersections during the quarter include;
CD 24 : 511 metres @ 0.55% Cu and 725ppm Mo
CD 25 : 684 metres @ 0.63% Cu and 1350ppm Mo
CD 28 : 211 metres @ 0.58% Cu and 91ppm Mo

Operations

Los Calatos project, Peru

Location

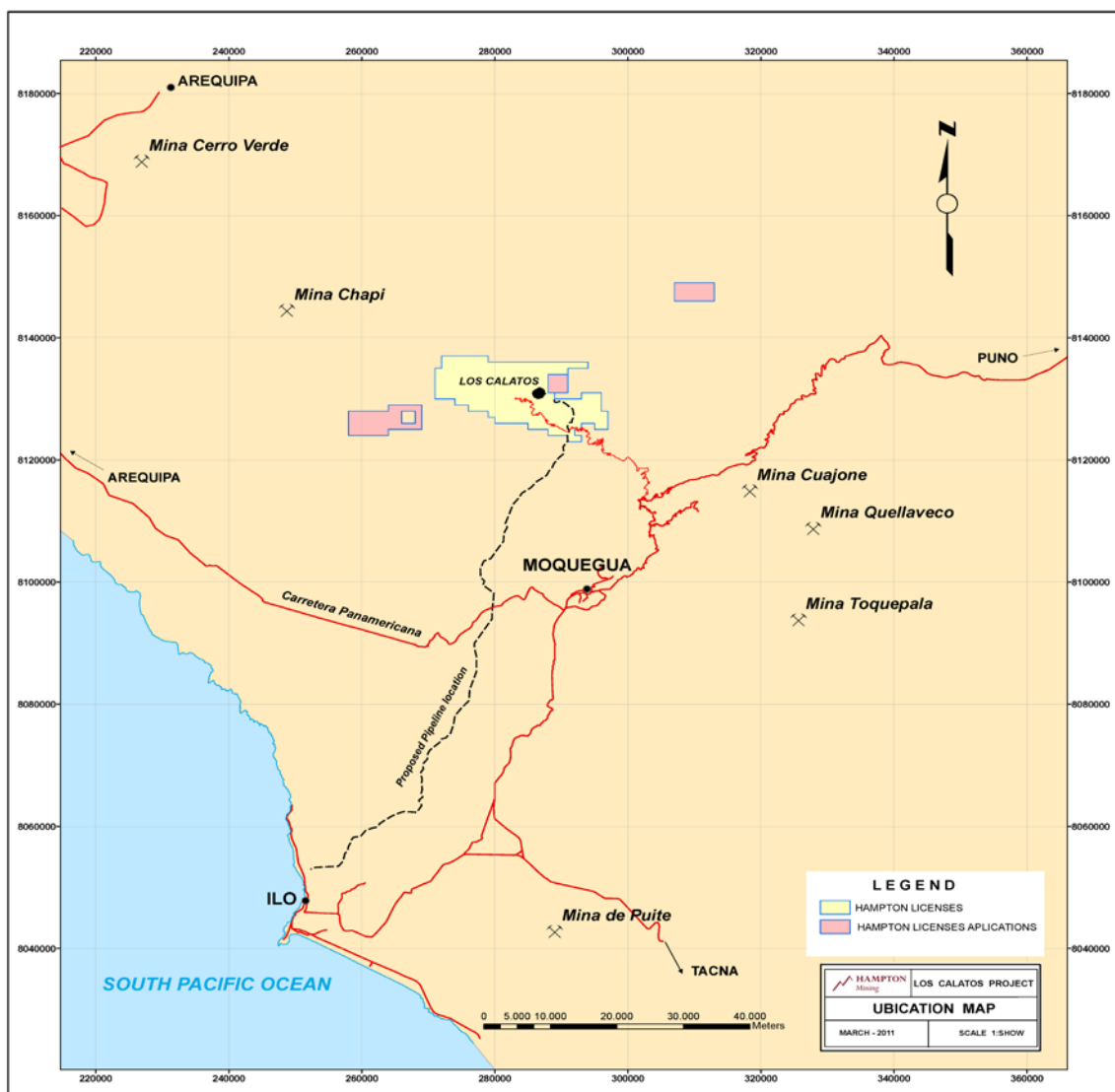
The Los Calatos Project is located in far south Peru, near the coast and at moderate elevation (approximately 2,900 metres). The project site is located approximately an hour's drive north of the Pan American highway. The Project also occurs within a well known major copper porphyry belt, near three large existing mines and hence near infrastructure.

The Los Calatos project lies within the major Paleocene / early Eocene belt of copper-molybdenum porphyry deposits (mineralization approximately 55 million years old), located adjacent to the coast in far south Peru. It includes the following deposits:

- The Cuajone and Toquepala deposits to the south east of Los Calatos, both large existing mines, owned by Southern Copper Corporation, who also owns smelting and refining operations at the nearby port of Ilo,
- The Quellaveco deposit, also south east, owned 81.6% by Anglo American, and now seeking permitting for development, and
- Cerro Verde to the north west, a large existing mine, owned 53.6% by Freeport McMoran, close to and south west of Arequipa.

Porphyry deposits typically occur in belts, such that all such deposits within a belt generally share the same approximate age and geological characteristics. The total current tenement area is 214 km². Metminco has recently made applications for 2 further licence areas in close proximity to the Los Calatos project covering surface features which suggest the potential for the development of porphyry systems (Figure 1).

Figure 1 : Los Calatos project locality map, southern Peru.



Geology and drilling

A comprehensive surface geological mapping, surface geochemical sampling and geophysics program has confirmed the existence of a large north west - south east trending lix capping (hydrothermal alteration) which conforms to the main mineralisation intersected at Los Calatos and several other geological features that make up the main Los Calatos system. Several other targets are identified peripheral to the main lix zone (Figure 2).

Note that volcanic ash from geologically recent eruptions is obscuring underlying geology across significant tracts of the tenements and therefore may be hiding additional anomalism.

Within the main hydrothermal altered lix zone surface mapping and drilling have identified a large post mineralisation intrusive plug in the south-east and immediately to the north west a diatreme (collapse structure) which both have a bearing on the location of copper and molybdenum mineralisation. The recently completed geophysics supports the earlier geochemistry and geology and has assisted in the planning and targeting of the current 50,000 metre drilling campaign.

Mineralisation has been intersected to the north east of the diatreme and lower grade copper mineralisation has been encountered within the diatreme. The Company is currently focussing on determining the outer boundaries of the mineralisation with the current drilling campaign, extending geological knowledge to the north west and south east of the currently defined mineral resources within the lix zone (blue outline in figure 2).

Metminco commenced the 50,000 metre diamond drilling program at its Los Calatos copper-molybdenum project in southern Peru in December 2010. This drilling program is designed primarily to extend the Los Calatos resource which currently stands at approximately 4.7 million tonnes of copper equivalent (CuEq) metal*, or over 10 billion lbs of CuEq. Copper equivalence assumes a ratio of Molybdenum to copper prices of 5 to 1.

The Los Calatos project has JORC compliant resources of 926 million tonnes, consisting of 111 million tonnes at 0.39% Cu and 380ppm Mo of Indicated Resources and Inferred Resources of 815 million tonnes at 0.37% Cu and 260ppm Mo (at a 0.2% copper cut-off grade).

The drilling program will also test a number of new targets identified by surface geochemical sampling and supported by geophysics.

Drill holes CD 24, 25, 26, 28, 29 and 30 were all completed during the quarter ranging in depth from 850 metres to 1,250 metres. Information on the drilling and assay results are listed in table 1.

Figure 2 : Los Calatos project drill hole locality map and geology.

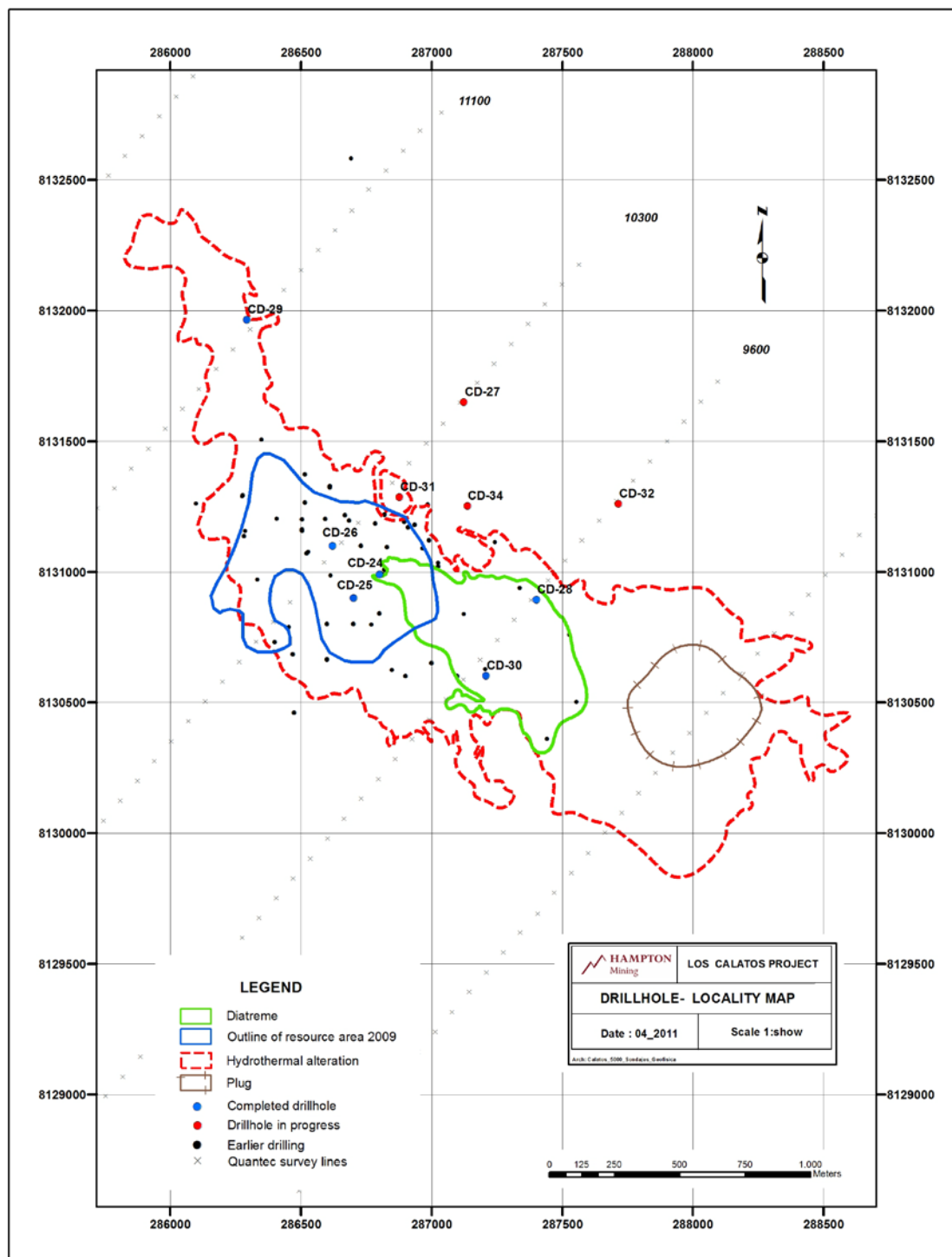


Table 1 : Los Calatos drill hole information and assay results.

hole id	easting	northing	rl	azimuth true	dip	hole depth	depth from	depth to	Interval	Cu	Mo
	(m)	(m)	(m)	(degree)		(m)	(m)	(m)	(m)	(%)	(ppm)
CD-24	286812	8130982	2964	360	-65	1034.6	26	283	257	0.24	127
							340	434	94	0.23	58
							472	983	511	0.55	725
CD-25	286715	8130888	2982	360	-60	908.95	193	877	684	0.63	1,350
CD-26	286618	8131028	2987	220	-60	1041		mineralisation below cutoff			
CD-27	287123	8131649	3016	220	-60	2000		in progress			
CD-28	287405	8130896	2924	219.9	-60.3	1212.2	285	342	57	0.54	65
							857	1068	211	0.58	91
CD-29	286300	8131965	2924	220	-60	1250.45		assay results awaited			
CD-30	287207	8130602	2943	220	-60	850.45		assay results awaited			
CD-31	286876	8131286	2956	220	-60	1800		in progress			
CD-32	287715	8131260	2938	220	-70	1500		in progress			
CD-34	287136	8131252	2948	220	-60	128		in progress			

Figure 3: Los Calatos project showing large areas under recent volcanic ash cover



Mollacas project, Chile

At the Mollacas project the Company continued to purchase land adjacent to the deposit in preparation for the development of the project. During the quarter the Company acquired land to the value of more than US\$2 million giving the Company sufficient land and water rights for the eventual development of the project. Further land purchases will be made in the coming quarter.

Vallecillo, Loica, Isidro and Camaron projects, Chile

No work was undertaken on these projects during the quarter.

New project areas

Field work on the new areas identified in the north of Chile commenced during the quarter with initial ground mapping and sampling undertaken at the Caldera project in the Arica district of northern Chile. Recent licence applications at Caldera (42 sq km) have been lodged unopposed by the Company.

The Caldera project, one of three areas under application, is targeting a strongly altered sequence of porphyry rocks within the caldera of an extinct volcano (figure 4). Surface mapping during the quarter identified surface oxide copper mineralisation while the results from geochemical sampling undertaken are still outstanding.

Figure 4 : Caldera project with strong alteration anomaly and surface oxide copper mineralisation identified by mapping.



Competent Persons Statement

"The preparation of the technical information contained herein was supervised and reviewed by Colin Sinclair, General Manager Exploration for Metminco, BSc (Hons) Geology, Durham Univ; MSc London Univ, a Member of the Australian Institute of Mining and Metallurgy (AUSIMM), who is recognized as a Competent Person as defined in the 2004 edition of the Australian Code for Reporting Mineral Resources and Ore Reserves, and who has reviewed and approved the technical information in this press release. "

CORPORATE

S&P/ASX 300

On 18 March 2011 Metminco joined the S&P/ASX 300 index which will provide Metminco with the opportunity for stronger institutional investment support and wider investor recognition for its portfolio of assets in Chile and Peru.

Change of Financial Year

Effective 31 December 2010, the Company changed its financial year from 30 June to 31 December in order to synchronise with the Hampton group of companies. In accordance with this change the Company will in due course be issuing a notice of general meeting of shareholders.

A handwritten signature in dark ink, appearing to read 'William Howe', with a stylized, cursive flourish at the end.

William Howe

Managing Director

About Metminco:

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

The Chilean assets include a 50% interest in the Mollacas copper leach project with JORC compliant resources of 17 million tonnes consisting of Indicated Resources of 7.2 million tonnes at 0.56% copper and Inferred Resources of 9.8 million tonnes @ 0.52% copper (at a 0.2% copper cut-off grade); and a 50% interest in the Vallecillo gold zinc project with JORC compliant resources of 10.1 million tonnes consisting of Indicated Resources of 7.9 million tonnes @ 1.14g/tAu; 11.4g/tAg; 1.32% Zn; 0.29% Pb and Inferred Resources of 2.2 million tonnes @ 0.78g/t Au; 8.2g/t Ag; 0.58% Zn; 0.26% Pb (at a cut-off grade of 0.3g/t Au).

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Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Metminco Limited

ABN

43 119 759 349

Quarter ended ("current quarter")

31 March 2011

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date 3 months \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for (a) exploration and evaluation	(3,656)	(3,656)
	(b) development		
	(c) production		
	(d) administration	(1,018)	(1,018)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	115	115
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other (provide details if material)		
		(4,559)	(4,559)
Net Operating Cash Flows			
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	(782)	(782)
	(b)equity investments	(730)	(730)
	(c) other fixed assets	(31)	(31)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)	(913)	(913)
		(2,456)	(2,456)
Net investing cash flows			
1.13	Total operating and investing cash flows (carried forward)	(7,015)	(7,015)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(7,015)	(7,015)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	(32)	(32)
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (proceeds from equity swap)	971	971
	Net financing cash flows	939	939
	Net increase (decrease) in cash held	(6,076)	(6,076)
1.20	Cash at beginning of quarter/year to date	23,189	23,189
1.21	Exchange rate adjustments to item 1.20	(212)	(212)
1.22	Cash at end of quarter	16,901	16,901

Payments to directors of the entity and associates of the directors

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	354
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Cash payments below are for the period 01Jan 11 – 31 March 11 for directors' fees and services:
J Fillmore: \$25,000 director fees + \$ 75,000 resignation payment = \$ 100,000
W Howe: \$112,500
W Etheridge: \$53,750
F Vergara: \$12,500
P Wing: \$56,750
A Ortuzar: \$18,750

Non-cash financing and investing activities

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

Fully paid ordinary shares issued as follows:

- 164,024 shares issued @A\$0.12 per share in settlement of interest for the quarter ended 31 Dec 2010 in respect of a \$US 500,000 convertible note facility

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

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (Convertible Notes US\$0.5 million)	485	485
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6,000
4.2 Development	
4.3 Production	
4.4 Administration	1,200
Total	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	16,901	23,189
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	16,901	23,189

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference ⁺securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	⁺Ordinary securities	1,231,107,839	1,231,107,839		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	164,024	164,024	A\$ 0.12 per share in settlement of interest for the quarter ended 31 Dec 2010 in respect of a \$US 500,000 convertible note facility	Fully paid
7.5	⁺Convertible debt securities <i>(description)</i>	4,099,839 (subject to USD/AUD exchange rate and the MNC Share price)		US\$0.5 million with a coupon rate of 16% pa convertible at the lower of A\$0.12 and 80% of VWAP over the three dealing days prior to conversion notice expiring 31 March 2012.	
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	Listed: 27,217,517 Unlisted: 4,500,000 14,250,000 14,250,000 2,000,000 2,000,000	Listed: 27,217,517 Unlisted: 4,500,000 14,250,000 14,250,000 2,000,000 2,000,000	Exercise price A\$0.25 A\$ 0.30 A\$ 0.44 A\$ 0.525 A\$ 0.44 A\$ 0.525	Expiry date: 04 Dec 2012 31 Jul 2012 No later than 06 Dec13 No later than 06 Dec13 06 Dec 2013 06 Dec 2013
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Date: 14.04.2011

(Director/Company secretary)

Print name:

.....Philip Killen.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** [ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic \(if any\) must be complied with.](#)

+ See chapter 19 for defined terms.