

MOLLACAS COPPER PROJECT UPDATE ON MOLLACAS ACCESS RIGHTS

Metminco Limited (“Metminco” or the “Company”) (ASX: MNC; AIM: MNC) announced on 28 March 2014 that the Court of Appeal of the IV Region, Chile (the “Court of Appeal”), ruled that the Company’s First Easement Extension (the “First Extension”), which would have enabled the Company to engage in mining activities, was invalid. The Company’s wholly owned subsidiary Minera Hampton Chile Limitada lodged an application seeking leave to appeal the ruling with the Supreme Court of Chile in Santiago (“Supreme Court”) on 3 April 2014 (“Appeal”) on a number of grounds.

The Supreme Court review panel, having reviewed only one of the grounds, has recently rejected the Company’s application on the basis that the Court of Appeal did not err at law in its interpretation of Mining Code 15 when it determined that the extension of an easement to permit mining activities cannot be granted without the land holder’s permission should a ‘plantation’ exist in the specified area.

The Company has since appealed the Supreme Court review panel’s determination on the basis that the review panel only considered one of the arguments presented in the Company’s Appeal prior to making its determination. Under Chilean law the Supreme Court is required to address all arguments prior to making such a determination.

Further, in making its determination, the Supreme Court did not consider the rules of evidence followed by the Court of Appeal in accepting the land holder’s assertions that a ‘plantation’ existed on the land in 2007 when the First Extension was lodged, and in the Court of Appeal’s interpretation of the application of Civil and Mining Codes, in particular Mining Code 15.

The Company has also lodged an appeal to the Chilean Constitutional Tribunal for a determination on the Court of Appeal’s application of various Civil and Mining Codes in making its ruling. Should the Company’s application be successful then, among other matters, the courts will not be able to rely on the Court of Appeal’s interpretation of these Codes.

As previously announced the Court of Appeal did confirm that the Original Easement permitting access to the Mollacas Project (viz. Exploration and Exploitation Concessions), granted in 2004 by the First Court of Ovalle, remains current and in full force and effect.

The Company holds title to 20 Exploitation Concessions covering the Mollacas deposit and surrounding area, and owns 179 ha of land adjacent to the proposed open pit operation, which is located on private land. The infrastructure for the mining operation will be located on Company owned land. In addition, Metminco also owns water rights to approximately 175 litres/sec from two canals, albeit that the estimated water usage for the mining operation will be 40 litres/sec.

William Howe



Managing Director

Company Background

Metminco is a dual ASX and AIM listed company with a portfolio of copper, molybdenum and gold projects in Peru and Chile.

Projects and Mineral Resources

The Los Calatos Project, located in southern Peru, has an open pittable Mineral Resource of 493 million tonnes at 0.38% Cu and 0.023% Mo (at cut-off grade of 0.15% CuEq) to a vertical depth of 700 metres below surface and an underground bulk mining Mineral Resource of 926 million tonnes at 0.51% Cu and 0.022% Mo (at a cut-off grade of 0.35% CuEq) commencing at an elevation of 2,300 metres (approximately 700 metres below surface).

The Chilean assets include the Mollacas Copper Project with a Mineral Resource of 15.5 million tonnes consisting of a Measured Resource of 11.2 million tonnes at 0.55% Cu and 0.12g/t Au and an Indicated Resource of 4.3 million tonnes at 0.41% Cu and 0.14g/t Au (at a 0.2% copper cut-off); and the Vallecillo Project with a Mineral Resource of 8.9 million tonnes consisting of a Measured Resource of 5.5 million tonnes at 0.84g/t Au, 9.99g/t Ag, 1.12% Zn and 0.32% Pb, an Indicated Resource of 2.6 million tonnes at 0.80g/t Au, 10.23g/t Ag, 0.94% Zn and 0.35% Pb and an Inferred Resource of 0.8 million tonnes at 0.50g/t Au, 8.62g/t Ag, 0.48% Zn and 0.17% Pb (at a cut-off grade of 0.2g/t Au).

The Company also has a number of early stage exploration projects where initial exploration activities have identified anomalous copper, molybdenum and gold values.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Colin Sinclair, BSc, MSc, who is a Member of the Australasian Institute of Mining and Metallurgy and is currently employed by the Company in Chile.

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

Forward Looking Statement

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

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

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

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