

30 September 2010

Metminco to gain 100% of Hampton

Metminco Limited (Metminco) will take 100% ownership of its subsidiary company Hampton Mining Limited (Hampton) in a deal which will optimize the exploration and possible future development of the world scale Los Calatos copper-molybdenum project in Peru.

Hampton's other exploration assets, in Chile, will also be subject to an accelerated exploration program.

Exploration at Los Calatos is set to resume quickly once the three way deal to acquire the remaining minority equity interest owners of Hampton is finalised and shareholders vote on the proposal.

Under the proposal Hampton, currently owned 72.6% by Metminco, will become 100% owned, a milestone in streamlining the management of Hampton's outstanding project portfolio in Peru and Chile.

Agreements

Pursuant to the Takoradi Share Exchange Agreement, a mix of 195 million Metminco fully paid ordinary shares (Metminco Shares) and A\$3.35 million cash (A\$175,000 paid on signing and A\$3.125 million payable on completion) will be issued to Takoradi Limited (Takoradi) in exchange for Takoradi's current 25.4% stake in Hampton, subject to shareholder approval. For a period of four months commencing on the completion date, Takoradi will not dispose of more than 50 million of the consideration shares without the prior written approval of Metminco. Subject to completion of the Takoradi Share Exchange Agreement, Mr Rodney Hudspeth will resign as a director of Hampton and the application by Mr Hudspeth to the Federal Court seeking leave under s237 of the Corporation Act to pursue legal action on behalf of Hampton will be dismissed on a without admissions basis and each party to the application will pay its own costs.

In accordance with a separate agreement between the Sentient Group and Takoradi, Takoradi has irrevocably directed Metminco to issue 35 million of the 195 million Metminco Shares to the Sentient Group on closing.

In addition, Metminco will issue Metminco Shares to each of Notesan Pty Ltd (Notesan) and A J Holdings Corporation (A J Holdings) to acquire their 1.3% and 0.7% respective equity stakes in Hampton. Metminco has entered into a share exchange agreement to acquire Notesan's 2,858,519 Hampton Shares (1.3% interest) for consideration of 11,434,076 Metminco Shares. Completion is to occur, and will only occur, at the same time and at the same place as closing under the Takoradi Share Exchange Agreement. Metminco has entered into a share exchange agreement to acquire A J Holding's 1,600,000 Hampton Shares (0.7% interest) for consideration of 6,400,000 Metminco Shares. Completion is to occur within 14 days of closing under the Takoradi Share Exchange Agreement.

A notice of meeting to Metminco shareholders will be issued shortly to, among other matters, seek shareholder approval for the issue of 195 million Metminco Shares to Takoradi.

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Hampton and wholly owned subsidiary, North Hill Holdings Group Inc have also entered into a variation agreement whereby Hampton's option to acquire the Alpha, Gamma and Nelson tenements which form part of the Los Calatos Project is extended from 30 September 2010 to 24 January 2011, by which time Hampton, subject to completion of the above share exchange agreements, will be a 100% owned subsidiary of Metminco.

Los Calatos Project

Hampton's premier project is the Los Calatos copper and molybdenum porphyry deposit, located in southern Peru. The project occurs at an elevation of around 2800 metres in dry undulating desert topography near the coast, near the port of Ilo, and near and in a similar geological setting to three large existing copper-molybdenum porphyry mines: Cerro Verde to the northwest, and Cuajone and Toquepala to the southeast.

In July 2010 Hampton announced revised JORC compliant resources for Los Calatos of 926 million tonnes at an average grade of 0.51% copper equivalent (CuEq), at a cutoff grade of 0.2% copper, assuming a ratio of Mo / Cu prices of 5. Total resources comprise Indicated Resources of 111 million tonnes at 0.39% Cu and 380ppm (0.039%) Mo and Inferred Resources of 815 million tonnes at 0.37% Cu and 260ppm (0.026%) Mo.

Other Hampton Projects

Hampton's other advanced projects are the Mollacas copper leach SXEW project and the Vallecillo gold-zinc project. Both these projects are located in Chile, inland from La Serena and approximately 500km north of Santiago.

In the same area, north of Vallecillo, Hampton holds two large early stage exploration projects. Camaron, south of Vicuna, contains a large low sulphidation gold system ready for drill testing, and Isidro, northeast of Vicuna, contains stacked copper-gold manto mineralisation, also waiting drill testing.



John Fillmore
Chairman
Metminco Limited

Metminco background

Metminco was listed on the ASX in October 2007 as a diversified Australian focussed mineral explorer. In July 2009, Metminco acquired an initial 36.5% of the issued capital of Hampton and in May 2010 secured a controlling interest of 69.4% through acquisition of shares held by a private Chilean investor. During 2010 Metminco subscribed fully for Hampton rights offers and in July 2010 completed the acquisition of further Hampton minority shareholders' interests, thereby increasing its interest in Hampton to 72.6% by 30 September 2010. Metminco is also listed on London's AIM market.
