



Trucking and mining rate continues to increase at El Roble

ASX ANNOUNCEMENT

9 March 2015

Highlights

- 995 tonnes of high grade copper bearing material trucked from San Sebastian in 4 weeks as production increases
- 3,700 tonnes of high grade copper material mined from San Sebastian since commencement of mining
- Approximately 2,000 tonnes stockpiled at San Sebastian which remain within the stope
- Payment received from ENAMI for 1,208 tonnes from San Sebastian, returning an average grade of 4.81% Cu and average sale price of AUD\$237 per tonne
- In the coming weeks, material between the 1040 and 1090 levels will be completely blasted and hauling rates are planned to ramp up significantly
- Grade control grab sampling from within the San Sebastian stoping panel continues to return very high grades including:
 - 28.60% Cu and 2.55 g/t Au
 - 20.80% Cu and 2.33g/t Au
 - 15.905% Cu and 3.09 g/t Au
 - 9.15% Cu and 1.18 g/t Au
 - 7.69% Cu and 0.92 g/t Au

Perth-based copper developer **Metallum Ltd (ASX: MNE)** is pleased to provide an update on mining and trucking activities at the El Roble Copper Project in Chile.

At the San Sebastian mine, drilling and blasting of the 1040 level stoping panel is progressing well, with approximately 2,000 tonnes of material blasted and remaining within the stope. Moderate tonnages continue to be trucked, with 995 tonnes trucked in the last 4 weeks. Delivered grade to the ENAMI plant continues to exceed expectations, with an average grade of 4.81% Cu being achieved for all material processed to date from San Sebastian.

The Company is currently working toward expanding its operations at El Roble, which will include the implementation of additional infrastructure to support increased workforce numbers and additional mining equipment to increase development and production rates at the San Sebastian, Viuda and Paraguay mines.

Metallum Managing Director, Mr Zeff Reeves, said: "San Sebastian continues to impress with the grades it is producing and we are focussed on getting the 1040 level stope into full production as quickly as possible.

“We are utilising a shrinkage mining method to extract the ore panel and this means that a majority of blasted material remains within the mine and is used for access as we mine up toward the 1090 level. Once all the material between the 1040 and 1090 levels has been blasted, we can then begin to continuously haul that material to the plant at a much increased production rate.

“As a result, we’ll build a significant stockpile during March but still be able to truck moderate levels of material to the plant and obviously the grade is a major bonus.

“Additionally, the capital raising announced on 2 March 2015 will enable us to inject a little more capital into the operation to increase our workforce and further increase our production capabilities at El Roble”, Mr Reeves added.

San Sebastian Mine Work

Since commencing mining at San Sebastian in December 2014, the Company has mined 3,700 tonnes of high grade copper ore.

From that 3,700 tonnes, 1,785 tonnes has been trucked to the ENAMI processing plant in Copiapo and the Company has been paid for 1,208 tonnes with an overall average delivered grade of 4.81% Cu and an average sale price of AUD\$237 per tonne.

Approximately 2,000 tonnes of material is currently stockpiled at San Sebastian and the stockpile level is expected to increase over the course of March as the 1030 level stope is filled with blasted material, which will remain in place until the stope panel is completely blasted. It should be noted that approximately 30% of the blasted material is removed on a daily basis during this process, which provides moderate tonnages for immediate trucking to the plant.

During the stoping process, grade control activities take place in order to assess the overall grade of the stope panel and monitor trucked grade to the ENAMI processing plant. Recent results continue to return exceptionally high grades which are reflected in the processed grade delivered to the plant.

Recent grade control grab sampling from material being trucked to the plant has returned an average grade of 5.64% Cu and 1.06 g/t Au and grades of up to 28.60% Cu have been returned. Sampling highlights are presented in Table 1 and full assay results in Appendix 1.

Sample_ID	Au g/t	Cu %
MGC00531	2.55	28.60
MGC00532	2.33	20.80
MGC00533	3.09	15.90
MGC00518	1.18	9.15
MGC00522	0.92	7.69
MGC00565	1.40	7.32
MGC00564	1.84	7.24
MGC00525	1.31	6.91
MGC00566	1.16	6.30
MGC00541	1.30	6.28

Table 1 – Grab sampling highlights from blasted stope material and trucked ore, full results presented in Appendix 1.

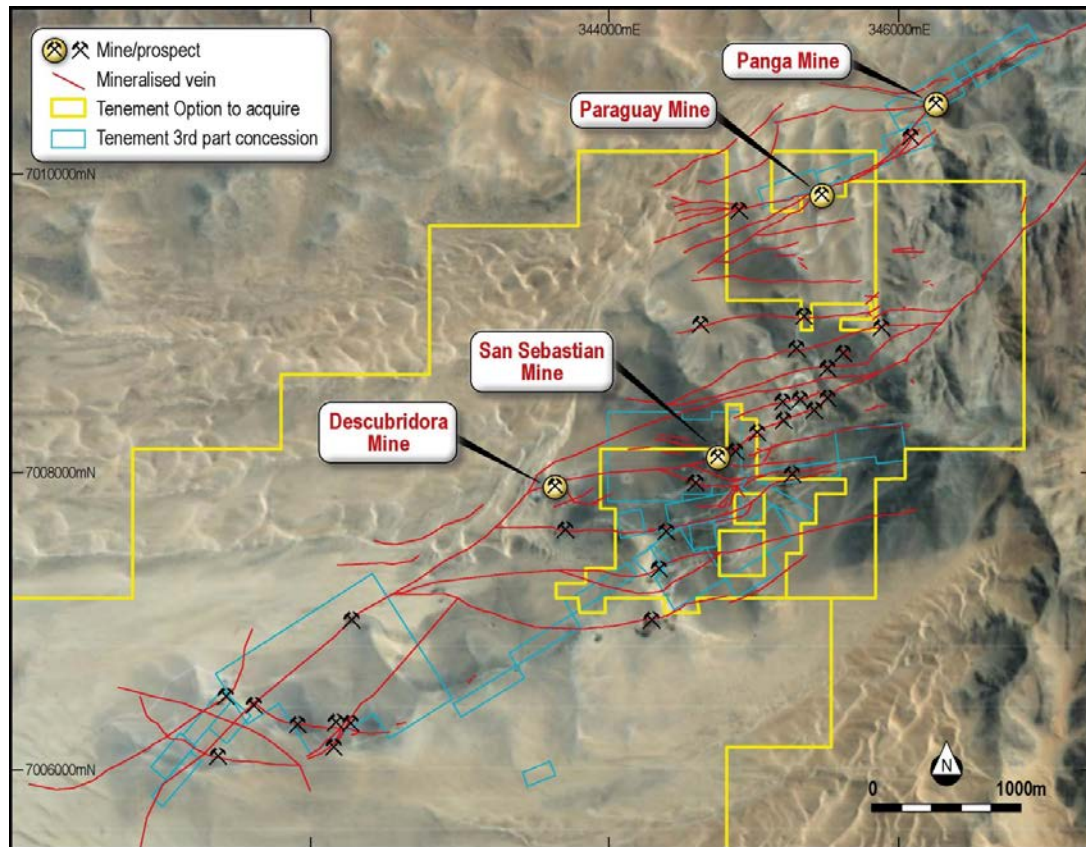


Figure 1 – Map of the north east sector of the El Roble Project, Chile, showing the location of the San Sebastian, Paraguay and Panga Mines within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins.

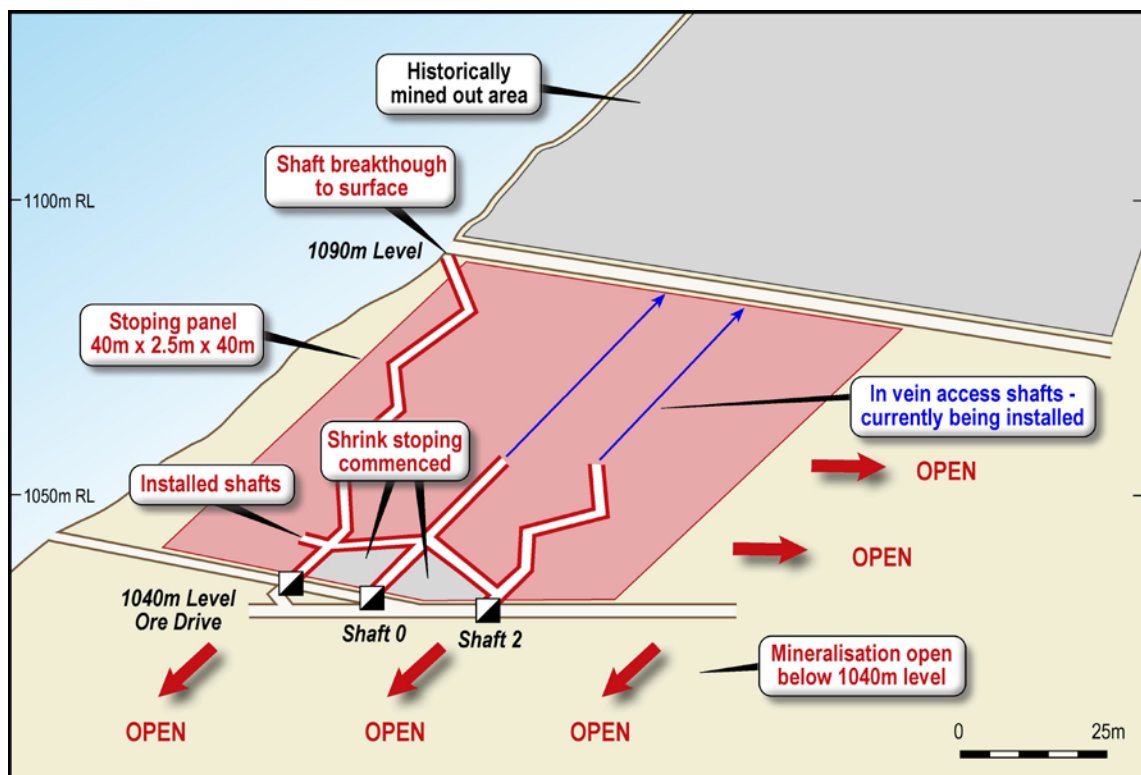


Figure 2- Schematic long section of the San Sebastian Mine showing location and access of the first stopping panel (in pink) currently being prepared between the 1040 level and 1090 level. Shaft 1 has broken through to the surface and is providing natural ventilation though the mine. Shrink stopping has commenced between Shaft 2-Shaft 0 and Shaft 0-Shaft 1. Mineralisation is open along strike and down dip.

Other Work

The Company is currently focused on expanding its current workforce and acquiring additional capital equipment in order to further increase production rates at El Roble and establish additional stoping areas.

Development work is continuing at the San Sebastian, Viuda and Paraguay mines to bring on line additional stoping areas as quickly as possible and updates will be provided on this work in due course.

Metallum is focused on achieving growth and shareholder value through the development of near-term, small-scale mining operations at El Roble to enable self-funded growth.

For more information visit the Metallum website at www.metallum.com.au or contact:

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About Metallum Limited

Metallum Limited (ASX: MNE) is an Australian-based company that acquires and develops copper and gold projects around the world with a focus on Chile. The Company has an interest in the highly prospective, high grade El Roble Copper Project in Region III of Chile, targeting IOCG-style copper and gold mineralisation. The Company is focused on achieving growth and shareholder value through the development of near-term, small-scale mining operations at El Roble which will enable self-funded growth into the future. El Roble is ideally located 25km from the port of Caldera and within 80km of two copper toll treatment plants within the world class Atacama IOCG region, which has a history of high-grade copper production. The Company has commenced trucking copper-bearing material from the Panga mine at El Roble for processing at a nearby plant.

Metallum Limited also has an interest in the Comval Copper Project in the Philippines, and its Australian-based project, Teutonic, is prospective for gold and base metals.

Metallum Limited has a strong Board and management team with considerable technical, commercial and corporate experience in the resources sector.

For more information visit the Metallum Limited website at www.metallum.com.au

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) (Applied Geology) MBA, MAIG), a member of the Australian Institute of Geoscientists. Mr Reeves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeves is a full time employee and Managing Director of Metallum Limited. For new Exploration Results, Mr Reeves consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

Appendix 1 Grab Sampling Data

Hole_ID	Sample_ID	Au g/t	Cu %	Sample reference
GRAB0000531	MGC00531	2.55	28.60	Truck samples (AC-8253)
GRAB0000532	MGC00532	2.33	20.80	Truck samples (AC-8253)
GRAB0000533	MGC00533	3.09	15.90	Truck samples (AC-8253)
GRAB0000518	MGC00518	1.18	9.15	Truck samples (WF-9132)
GRAB0000522	MGC00522	0.92	7.69	Truck samples (WF-9132)
GRAB0000565	MGC00565	1.40	7.32	Truck samples (WF-9132)
GRAB0000564	MGC00564	1.84	7.24	Truck samples (WF-9132)
GRAB0000525	MGC00525	1.31	6.91	Truck samples (AC-8253)
GRAB0000566	MGC00566	1.16	6.30	Truck samples (WF-9132)
GRAB0000541	MGC00541	1.30	6.28	Truck samples (WF-9132)
GRAB0000543	MGC00543	1.66	5.92	Truck samples (WF-9132)
GRAB0000536	MGC00536	1.05	5.86	Truck samples (WF-9132)
GRAB0000517	MGC00517	0.70	5.84	Truck samples (WF-9132)
GRAB0000516	MGC00516	1.58	5.75	Truck samples (WF-9132)
GRAB0000542	MGC00542	1.05	5.67	Truck samples (WF-9132)
GRAB0000493	MGC00493	0.70	5.64	Truck samples (WF-9132)
GRAB0000535	MGC00535	0.96	5.64	Truck samples (WF-9132)
GRAB0000524	MGC00524	0.78	5.51	Truck samples (WF-9132)
GRAB0000540	MGC00540	0.89	5.48	Truck samples (AC-8253)
GRAB0000504	MGC00504	0.95	5.41	Truck samples (WF-9132)
GRAB0000529	MGC00529	1.13	5.23	Truck samples (WF-9132)
GRAB0000492	MGC00492	0.82	5.10	Truck samples (WF-9132)
GRAB0000507	MGC00507	0.73	5.08	Truck samples (WF-9132)
GRAB0000538	MGC00538	1.06	4.98	Truck samples (AC-8253)
GRAB0000526	MGC00526	1.26	4.94	Truck samples (AC-8253)
GRAB0000491	MGC00491	0.87	4.82	Truck samples (WF-9132)
GRAB0000534	MGC00534	1.33	4.76	Truck samples (WF-9132)
GRAB0000505	MGC00505	0.84	4.75	Truck samples (WF-9132)
GRAB0000509	MGC00509	0.60	4.74	Truck samples (WF-9132)
GRAB0000494	MGC00494	0.90	4.68	Truck samples (WF-9132)
GRAB0000490	MGC00490	0.94	4.57	Truck samples (WF-9132)
GRAB0000528	MGC00528	1.18	4.57	Truck samples (WF-9132)
GRAB0000512	MGC00512	0.62	4.52	Truck samples (WF-9132)
GRAB0000523	MGC00523	0.84	4.48	Truck samples (WF-9132)
GRAB0000510	MGC00510	0.74	4.36	Truck samples (WF-9132)
GRAB0000511	MGC00511	1.14	4.31	Truck samples (WF-9132)
GRAB0000489	MGC00489	0.84	4.29	Truck samples (WF-9132)
GRAB0000537	MGC00537	1.25	4.26	Truck samples (AC-8253)
GRAB0000513	MGC00513	1.31	4.24	Truck samples (AC-8253)
GRAB0000488	MGC00488	1.04	4.16	Truck samples (WF-9132)
GRAB0000495	MGC00495	0.91	4.16	Truck samples (WF-9132)
GRAB0000506	MGC00506	1.19	4.10	Truck samples (WF-9132)
GRAB0000503	MGC00503	0.80	4.01	Truck samples (WF-9132)
GRAB0000527	MGC00527	1.23	3.97	Truck samples (AC-8253)
GRAB0000530	MGC00530	1.34	3.90	Truck samples (WF-9132)
GRAB0000498	MGC00498	0.99	3.82	Truck samples (WF-9132)
GRAB0000519	MGC00519	0.57	3.74	Truck samples (AC-8253)
GRAB0000515	MGC00515	0.47	3.72	Truck samples (AC-8253)
GRAB0000500	MGC00500	0.99	3.36	Truck samples (WF-9132)
GRAB0000497	MGC00497	0.65	3.30	Truck samples (WF-9132)
GRAB0000499	MGC00499	0.73	3.30	Truck samples (WF-9132)
GRAB0000514	MGC00514	0.56	2.94	Truck samples (AC-8253)
GRAB0000501	MGC00501	0.71	2.74	Truck samples (WF-9132)
GRAB0000502	MGC00502	0.83	2.70	Truck samples (WF-9132)
GRAB0000520	MGC00520	0.59	2.44	Truck samples (AC-8253)
GRAB0000496	MGC00496	0.95	2.41	Truck samples (WF-9132)
GRAB0000521	MGC00521	0.43	1.46	Truck samples (AC-8253)

APPENDIX 2: JORC Table 1, Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	- Minimum sample interval was 0.25m and maximum of 1.00m are collected from core, sampled to geological boundaries. - Rock chip samples collected are of a minimum 2kg weight. - Minimum sample interval was 0.50m and maximum of 2.00m were collected along installed channels. - Samples sent to ALS Laboratories, Copiapo, Chile - Samples submitted to ALS were pulverised to obtain a 30g charge for fire assay for gold - ALS samples used a 0.5g charge was digested by four acid near total digest and analyses using ICP-OES for multi-element analysis, including copper - ALS Ore grade copper samples over 10,000ppm (10%) are re-assayed using AAS - High grade gold samples over 10 g/t are re-assayed using a fire assay fusion and gravimetric finish.
Drilling techniques	NA - No drill results are presented in this announcement
Drill sample recovery	NA - No drill results are presented in this announcement
Logging	- All drill holes and rock samples are geologically logged by qualified geologists. - Geological data is recorded in the Company's geological database. - Logging is qualitative in nature and describes lithology, alteration, structure and mineralisation visually observed by the logging geologist. - Total length of each sample interval has been logged.
Sub-sampling techniques and sample preparation	- The sample collection and preparation technique is deemed suitable and industry standard for drill core and rock sampling. - Samples are coarse crushed to 70% passing 2mm and then split produce a 30g sample for gold assay and 0.5g sample for multi-element assay. Sub samples are then pulverised to 85% passing 75 microns prior to assay. - No duplicate samples have been carried out. - Sample size is deemed appropriate. - Samples may be subject to nonuniform grade distribution and nugget effect in relation to copper grade due to geological and mineralogical characteristics.
Quality of assay data and laboratory tests	- Assay techniques are deemed suitable and accurate for the elements being tested. - Standard reference materials have been submitted in each sample run every 20 samples. - Blank reference materials are submitted in each sample run every 50 samples.
Verification of sampling and assaying	- All significant intersections have been calculated using weighted averaging to sample length. - All significant intersections have been checked by alternative company geological personnel. - No duplicate sampling or twinned holes have been completed - All data collected is done so in accordance with the Company's written data collection procedures and is kept within the Company's electronic database. Original sample logs and written data collection forms are also retained in the Company's data library. - No adjustment to data has been done.
Locations of data points	- All drill holes and channels have been surveyed using a measurement from known survey points in underground areas with appropriate control points used and referenced to ensure accuracy of survey information. - Collar locations for channels RCPCH00375-RCPCH00381 have not been surveyed and have been located using measurements from known survey points. No elevation data is available until survey has been completed. - Co-ordinates have an error of +/-10cm. - Co-ordinates are recorded in WGS84 co-ordinate system
Data spacing and distribution	The current drill and channel spacing is deemed appropriate for the current early stage of exploration
Orientation of data in relation to geological structure	- Wherever possible drill holes and channels have been planned to intersect mineralised structures perpendicular to the structure. - Drill Hole intercepts are downhole widths and do not indicate true widths of any mineralised structure.

Sample security	All sampling was conducted under the supervision of the companies project manager who supervised sample collection and the chain of custody from the drill to the sample preparation and logging facility is continually monitored by the project manager. Samples are shipped to the lab by qualified couriers or Company personnel under locked bags.
Audits or reviews	No audit or review has been conducted due to the early stage exploration nature of the work.

JORC Table 7: Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	Metallum owns 100% of the San Sebastian concession on which the Viuda and San Sebastian mines are located
Exploration by other parties	No information has been used in this report from exploration by other parties.
Drill hole information	Details of channel, drill holes, depth and intercept depths are contained within this announcement (Appendix 1).
Geology	The El Roble Project and San Sebastian mine area consists of quartz and iron oxide veins, containing copper and gold mineralisation. The veins are hosted within intrusive dioritic and andesitic volcanic rocks of the Chilean Cretaceous Belt.
Data aggregation methods	- Intercept widths are along channel widths, intercept calculated by length weighted average for all samples and no internal dilution was used, where length is the along channel length for each sample interval - Intercepts comprise of aggregated length weighted average for all samples taken in each channel. Length weighted averages have been calculated using the following formula assuming 3 samples were taken from the channel, where: A=sample interval, B=sample assay value $A1 \times B1 = C1$, $A2 \times B2 = C2$, $A3 \times B3 = C3$ $A1 + A2 + B2 = \text{total interval}$ $(C1 + C2 + C3) / \text{total interval} = \text{length weighted grade average}$ - No metal equivalent values have been used.
Relationship between mineralization widths and intercept lengths	- Channels were designed to be installed perpendicular to the interpreted strike of the mineralized structures unless stated. - Intercept widths are along downhole widths and are not true geological widths.
Diagrams	Pertinent maps, plans and sections are within this announcement
Balanced Reporting	Full results of all samples taken are presented in Appendix 1 of this announcement.
Other substantive exploration data	No other data other than that presented has been used or relied upon.
Further work	- Further exploration work including mapping, sampling and drilling is required, on areas throughout the property. - These areas will be identified in the future through further analysis and interpretation of results. - Diagrams cannot be provided until areas for future exploration have been identified, other than what is presented within this notice.