



Metallum obtains mining permit for the San Sebastian mine

ASX ANNOUNCEMENT

20 October 2014

Highlights

- **Mining permit obtained for the San Sebastian mine**
- **First mining panel prepared for extraction**

Perth-based copper developer **Metallum Ltd (ASX: MNE)** is pleased to announce it has received a second mining permit at El Roble over the San Sebastian concession, part of the El Roble Copper Project in Chile. The permit allows the extraction of up to 5,000 tonnes per month of copper bearing material¹.

Metallum Managing Director, Mr Zeff Reeves, said: "The receipt of this permit gives us immediate access to begin mining the San Sebastian high grade copper vein.

"Within the exploration tunnel at the 1040 level, we have already delineated a high grade panel approximately 30 metres long with an average width of 1.60 metres and grading nearly 6% copper², with 40 metres to mine up to the level above, so we are keen to begin stoping that as quickly as possible.

"In addition, we'll be starting work on tunnels to enter the vein below the 1040 level to expose additional mining areas so we can begin to increase the volumes we are sending to the mill.

"This is a very significant step for the Company as we can now commence mining the grades that have had us so excited since exploration began at San Sebastian. The width and consistency of the vein has made it a priority target, with several hundred metres of strike length and an average width of 3 metres observed in the old mine, we see San Sebastian as key in progressing our strategy and expanding operations throughout the highly mineralised corridor at El Roble," Mr Reeves added.

Metallum has entered into an option to acquire 100% of the San Sebastian concessions for total consideration of \$US250,000 (ASX announcement 27 August 2014), of which it has paid \$US83,333. The Company intends on paying the balance of \$US166,666 as soon as possible, to enable it to take 100% ownership of the concession and commence trucking material. Work will remain ongoing to prepare mining areas for extraction.

¹ Note: The mining permit allowing the extraction of 5,000t per month of copper bearing material is not a production target.

² ASX Announcement 14 October 2014.

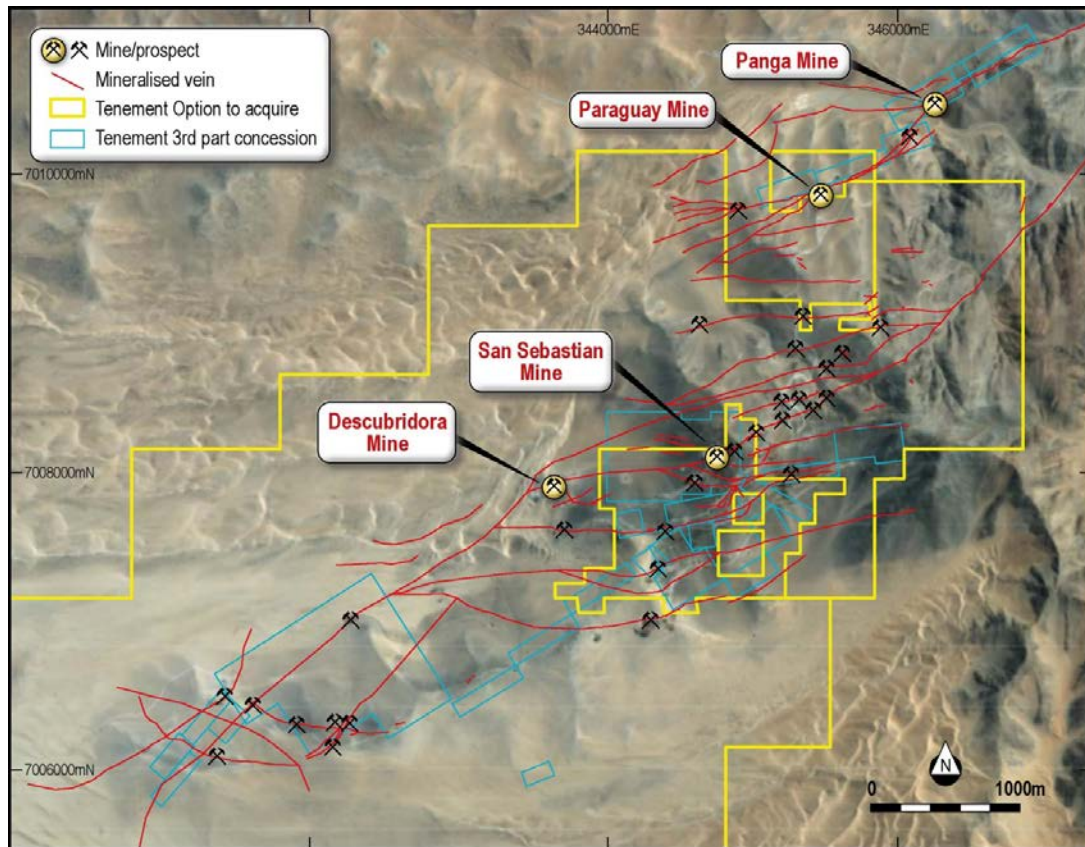
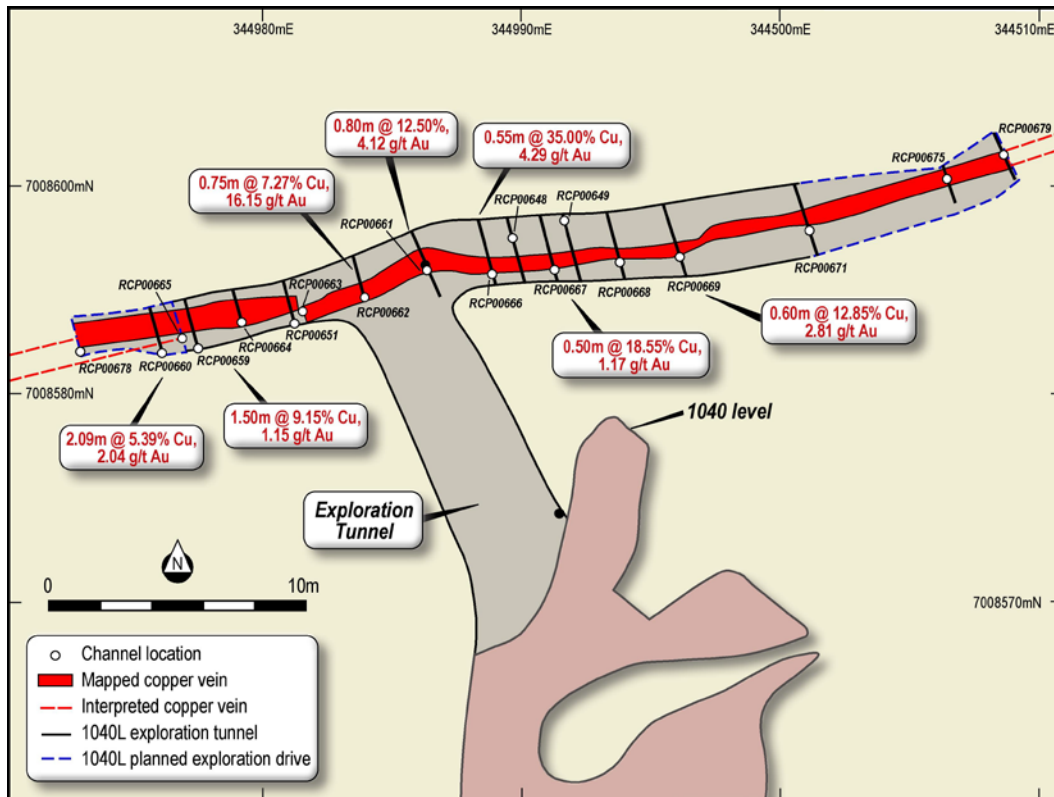


Figure 1 – Map of the north east sector of the El Roble Project, Chile, showing the location of the San Sebastian mine within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins



Figure 2 – San Sebastian mine and vein looking north. Note favourable topography for access, vertical distance between the 1040 level and 1090 level entrances is approximately 50m. Work is planned to establish additional mining access tunnels into the vein below the 1040 level.



Plan view of San Sebastian 1040 level exploration tunnel and high grade copper and gold results. Sampling has delineated a high grade panel averaging 1.60m wide at an average copper grade of 5.94% Cu and approximately 30m long (ASX Announcement 14 October 2014)

Metallum is also awaiting receipt of a mining permit to allow extraction of up to 5,000 tonnes per month of copper bearing material from the Paraguay concession however is experiencing delays due to historical administrative issues in relation to the concession. This delay is being worked through with Sernageomin and the Company will update the market in due course. The Company has no reason to believe that the permit will not be granted.

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. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.