



## Quarterly Activities Report – March 2017

**ASX ANNOUNCEMENT**

**27 April 2017**

---

Perth-based exploration company **Metallum Limited (ASX: MNE)** provides the following activities and cashflow report for the quarter ended 31 March 2017.

### **Teutonic Project**

Following its successful exploration program in late 2015 and early 2016 the Company has commenced the next stage of exploration at its prospective Western Australian Teutonic project.

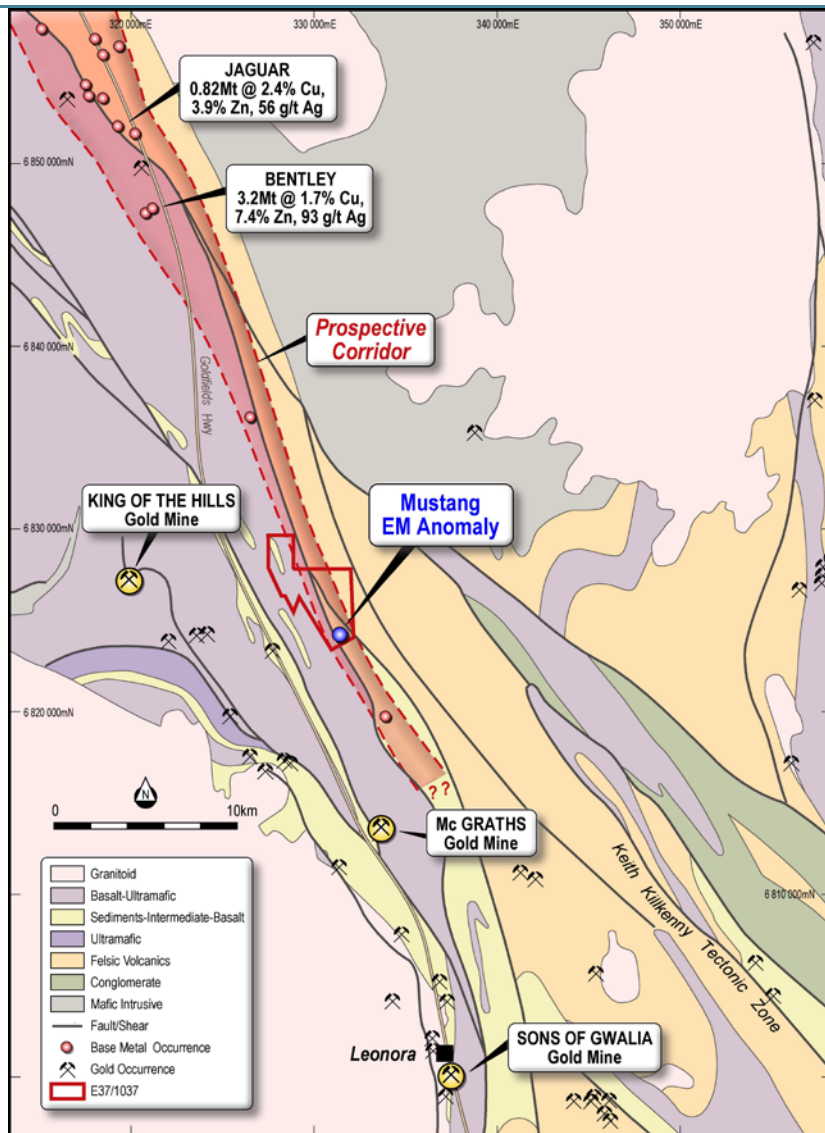
A ground Moving Loop Electromagnetic (MLEM) survey over the northern extensions of the Mustang target with approximately 30, 1100m long MLEM survey lines was commenced post the quarter end to test the VMS prospective corridor to the north of the Mustang VMS target, over a strike distance of 5,500m (ASX announcement 13 March 2017).

Previous work at Mustang has included MLEM surveying, drilling of two diamond drill holes and follow up down hole electromagnetic surveying (DHEM) (ASX Announcement 7 January 2016). Drilling produced encouraging results with the Company deciding to continue exploration to test for VMS base metal mineralisation similar to Independence Group Limited's (ASX:IGO) Bentley and Jaguar VMS deposits to the north of the Teutonic Project area (Figure 1).

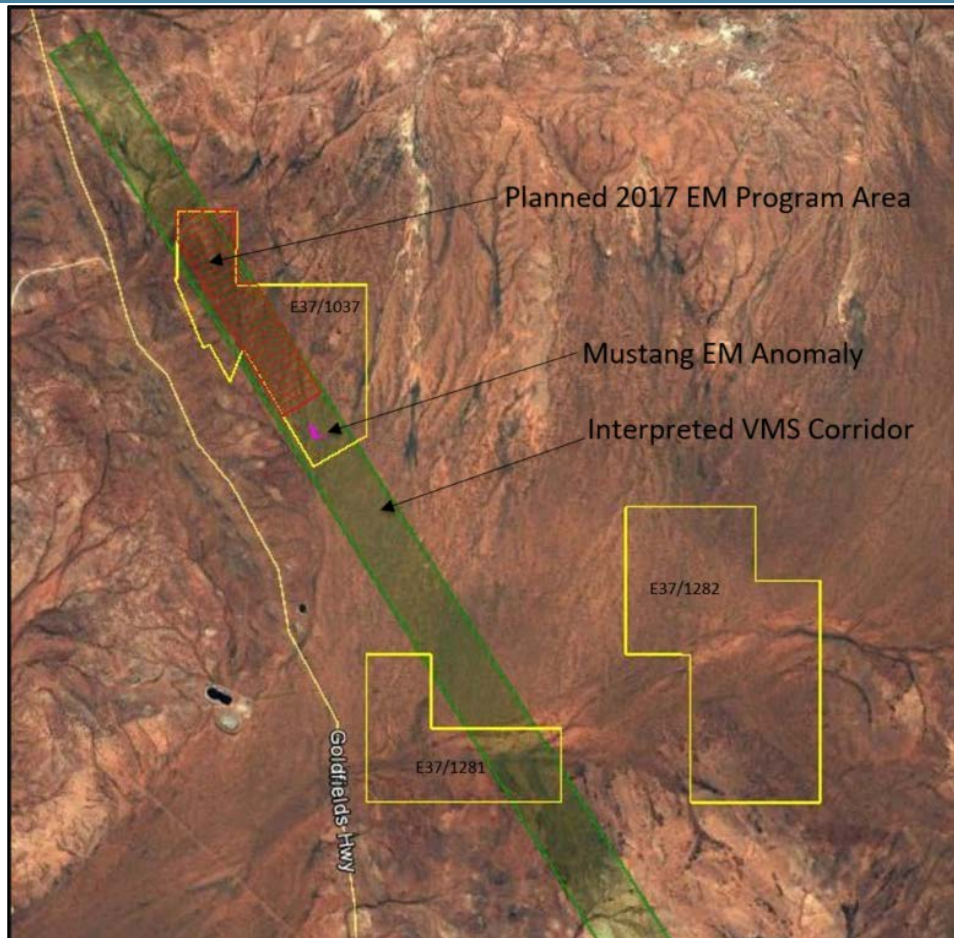
Previous work has identified that the prospective VMS corridor may extend along strike to the north of the tenement E37/1037 and the MLEM survey will test the prospective corridor to the northern tenement boundary (Figure 2).

The MLEM survey is progressing and the Company anticipates results being available within the June quarter 2017.

In March 2017, the Company was granted two exploration licences comprising a total of approximately 3,900 hectares to add to its landholding at its Teutonic Project (Figure 2).



**Figure 1— Regional geology and location of the Teutonic Project and Mustang Conductor showing proximity to the Jaguar and Bentley VMS deposits. Resource figures for Bentley and Jaguar sourced from Independence Group’s website.**



**Figure 2 – Satellite image showing location of planned 2017 ground MLEM program (red) along strike from the Mustang EM Conductor (pink), within the interpreted VMS corridor (green). Yellow outlines show Teutonic Project tenements including E37/1281 and E37/1282.**

### **Comval Project**

The Company continues to hold the Comval Copper Gold Project in the Philippines on care and maintenance while it seeks partners to assist in progressing the project. The Company's interest is now being diluted in accordance with the original acquisition terms.

### **Corporate**

On 8 March 2017, the Company released its Half Year Report on ASX.

No other significant corporate matters occurred during the quarter.

### **Outlook**

Concurrently with its work on the Teutonic Project, the Company continues to seek and review complementary resource and other projects.

---

For further information please contact:

Winton Willesee

Chairman

Metallum Ltd

P: + 61 8 9322 6424

**About Metallum Limited**

Metallum Limited (ASX: MNE) is an Australian-based company that acquires and develops copper and gold projects around the world. The Company currently has interests in its Australian-based Teutonic Project as well as the Comval Copper Project in the Philippines.

**Tenement Schedule**

| Tenement         | Name     | Location              | Size (Ha) | Grant Date                  | Expiry Date | % Ownership |
|------------------|----------|-----------------------|-----------|-----------------------------|-------------|-------------|
| E37/1037         | Teutonic | Western Australia     | 1,613     | 23/07/2010                  | 22/07/2020  | 70%         |
| E37/1281         | Teutonic | Western Australia     | 954       | 21/03/2017                  | 20/03/2022  | 100%        |
| E37/1282         | Teutonic | Western Australia     | 2,350     | 21/03/2017                  | 20/03/2022  | 100%        |
| EP-000001-00-XI  | Comval   | Mindanao, Philippines | 2,171     | 30/01/2009<br>(2nd renewal) | 29/01/2011  | Diluting    |
| EP -000002-09-XI | Comval   | Mindanao, Philippines | 2,139     | 15/08/2015<br>(2nd renewal) | 14/08/2017  | Diluting    |
|                  |          |                       |           |                             |             |             |

## Notes:

1. EP-000001-00-XI expired on the 29/01/2011. The Company's Philippines subsidiary has applied to the Philippines Mines and Geosciences Bureau for a 2 year renewal.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

METALLUM LIMITED

### ABN

73 149 230 811

### Quarter ended ("current quarter")

31 March 2017

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration & evaluation                              | (1)                        | (16)                                  |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) staff costs   | (33)                       | (114)                                 |
| (e) administration and corporate costs                    | (46)                       | (211)                                 |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 1                          | 6                                     |
| 1.5 Interest and other costs of finance paid              | -                          | -                                     |
| 1.6 Income taxes paid                                     | -                          | -                                     |
| 1.7 Research and development refunds                      | -                          | -                                     |
| 1.8 Other (Squirrel transaction costs)                    | -                          | (129)                                 |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(79)</b>                | <b>(464)</b>                          |

|  |   |   |
|--|---|---|
| <b>2. Cash flows from investing activities</b> |   |   |
| 2.1 Payments to acquire:                       |   |   |
| (a) property, plant and equipment              | - | - |
| (b) tenements (see item 10)                    | - | - |
| (c) investments                                | - | - |
| (d) other non-current assets                   | - | - |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 2.2   | Proceeds from the disposal of:                        |                                    |  |
|   | (a) property, plant and equipment                     | -                                  | -  |
|   | (b) tenements (see item 10)                           | -                                  | -  |
|   | (c) investments                                       | -                                  | -  |
|   | (d) other non-current assets                          | -                                  | -  |
| 2.3   | Cash flows from loans to other entities               | -                                  | -  |
| 2.4   | Dividends received (see note 3)                       | -                                  | -  |
| 2.5   | Other (provide details if material)                   | -                                  | -  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b> | <b>-</b>                           | <b>-</b>                                       |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>Cash flows from financing activities</b>                                 |          |          |
| 3.1         | Proceeds from issues of shares  | -        | -        |
| 3.2         | Proceeds from issue of convertible notes                                    | -        | -        |
| 3.3         | Proceeds from exercise of share options                                     | -        | 1        |
| 3.4         | Transaction costs related to issues of shares, convertible notes or options | -        | -        |
| 3.5         | Proceeds from borrowings  | -        | -        |
| 3.6         | Repayment of borrowings   | -        | -        |
| 3.7         | Transaction costs related to loans and borrowings                           | -        | -        |
| 3.8         | Dividends paid  | -        | -        |
| 3.9         | Other (provide details if material)   | -        | -        |
| <b>3.10</b> | <b>Net cash from / (used in) financing activities</b>                       | <b>-</b> | <b>1</b> |

|            |  |            |            |
|------------|--|------------|------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |            |            |
| 4.1        | Cash and cash equivalents at beginning of period                             | 1,068      | 1,452      |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | (79)       | (464)      |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | -          | -          |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | -          | 1          |
| 4.5        | Effect of movement in exchange rates on cash held                            | -          | -          |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>989</b> | <b>989</b> |

| 5.  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances   | 984                        | 1,063                       |
| 5.2 | Call deposits   | 5                          | 5                           |
| 5.3 | Bank overdrafts   | -                          | -                           |
| 5.4 | Other (details)   | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>989</b>                 | <b>1,068</b>                |

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

30

-

1.2(e) Payments made to a director related entity for company secretarial services and for sub-lease of office premises for the quarter summed \$15,000 and \$2,659, respectively.

**7. Payments to related entities of the entity and their associates**

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-



## Mining exploration entity and oil and gas exploration entity quarterly report

| <b>8. Financing facilities available</b>   | <b>Total facility amount<br/>at quarter end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|--|---|--|
| <i>Add notes as necessary for an understanding of the position</i>   |   |  |
| 8.1 Loan facilities  | -   | -  |
| 8.2 Credit standby arrangements  | -   | -  |
| 8.3 Other (please specify)   | -   |  |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. |   |  |

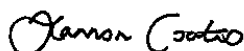
|  |
|--|
|  |
|--|

| <b>9. Estimated cash outflows for next quarter</b> | <b>\$A'000</b> |
|--|----------------|
| 9.1 Exploration and evaluation                     | 120            |
| 9.2 Development                                    | -              |
| 9.3 Production                                     | -              |
| 9.4 Staff costs                                    | 65             |
| 9.5 Administration and corporate costs             | 45             |
| 9.6 Other (provide details if material)            | -              |
| <b>9.7 Total estimated cash outflows</b>           | <b>230</b>     |

| <b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>                            | <b>Tenement reference and location</b> | <b>Nature of interest</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced |  |                           |   |                                   |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased           |  |                           |   |                                   |

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here: .....  
(Company secretary)

Date: 27 April 2017

Print name: Shannon Coates

### **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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.