New Gold Target Identified at Leonora

ASX ANNOUNCEMENT **12 September 2017**

HIGHLIGHTS

- **2km long, 400m wide gold anomaly identified from historic drilling on Metallum's newly granted tenement E37-1281**
- **Historic aircore drilling encountered coherent gold mineralisation over 100ppb within a felsic/granitic intrusive body with results including 3m @ 0.47g/t gold within weathered granite**
- **Majority of historic drill holes not drilled beyond the leached weathered zone**
- **Gold anomaly coincident with circular magnetic feature interpreted to be felsic intrusive**
- **Examples of intrusion related gold systems occur to the south of Metallum's Project, associated with the Keith-Kilkenny Tectonic Zone, include Carosue Dam gold camp and the Porphyry gold camp**

Perth-based exploration Company **Metallum Ltd (ASX: MNE)** is pleased to announce that following a review of publicly available data covering the recently granted tenement E37-1281 (Metallum 100%), a new gold target (Pump Station Target) has been identified which shows geophysical similarities to other economically significant gold deposits occurring along the Keith-Kilkenny Tectonic Zone (**KKTZ**). The tenement E37-1281 is located approximately 10km north of Leonora, adjacent to the KKTZ.

The Company has compiled and analysed the publicly available historical data over the tenement and identified a high priority gold exploration target from the historical drill results. The area has been sporadically explored since the 1980's and includes surface geochemical sampling, drilling and geophysical datasets. The majority of drilling was conducted during the late 1990's and early 2000's mainly by Sons of Gwalia Ltd (see Table 1). The Company's data review has identified an extensive aircore and RAB drill hole gold anomaly which is coincident with a magnetic feature interpreted to be intrusion related.

Metallum Chairman Winton Willesee said "*The Company is excited by this new development at Leonora on our recently granted exploration licence. This anomaly presents a compelling exploration target when considered in the regional setting and exploration history of other granite hosted gold deposits along the KKTZ. We will continue to work on the target to better resolve the controls on gold mineralisation and consider the best way to test its potential.*"

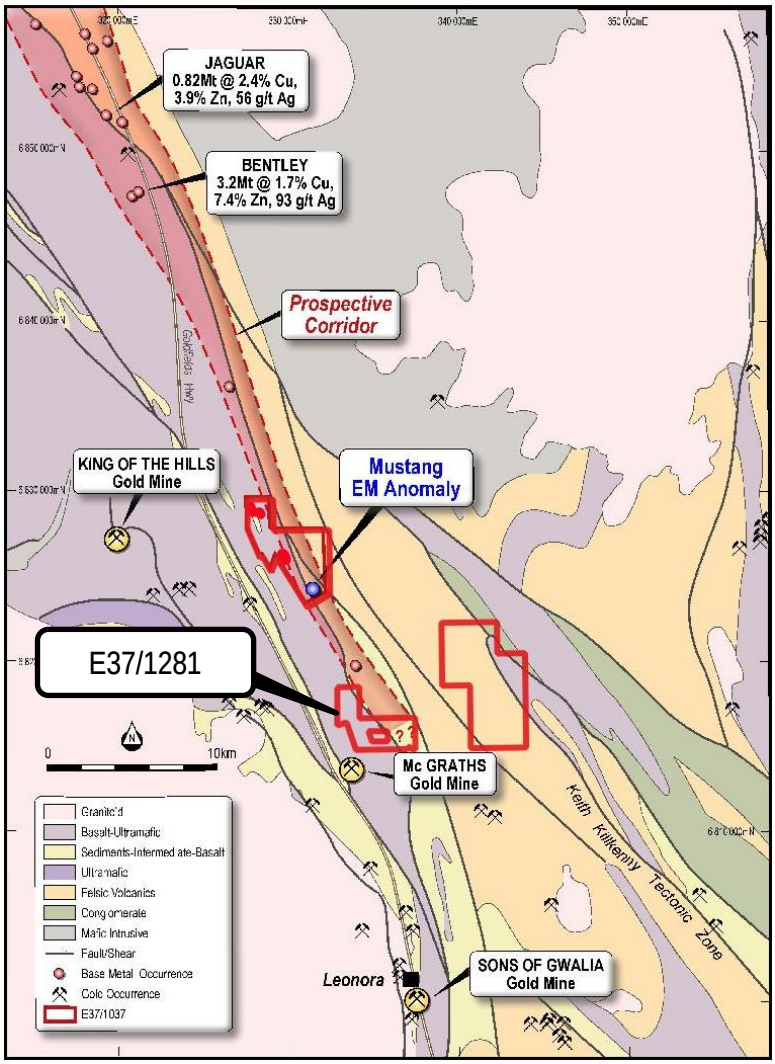

Figure 1– Regional geology and location of E37/1281 in relation to the KKTZ and Metallum's VMS target, Mustang, to the north. Red outlines display all Metallum tenements for the Teutonic Project.

PUMP STATION GOLD ANOMALY

From analysis of historic drill and geophysics data covering the tenement E37/1281, the Company has identified a prospective gold anomaly hosted in granitic lithologies coincident with a circular magnetic feature, interpeted to be a felsic intrusive. Historic drillholes were completed across the tenement by Sons of Gwalia Ltd in a number of exploration campaigns between 1998 and 2002.

All holes were drilled by aircore or RAB methods and from the reports available no holes were terminated in fresh rock, with most finishing in leached, pale saprolite. A number of holes reported gold assays above 100ppb within granitic/felsic lithogies. These holes outline a NW trending gold anomaly approximately 2km long and 400m wide, coincident with the interpreted magnetic feature as shown in Figure 2. A summary of anomalous reuslts and end of hole lithology is presented as Table 1.

The Company is assessing the target in more detail to determine the most suitable method to further test its potential.

HOLE_ID	NORTH_AMG	EAST_AMG	RL	DEPTH_m	DIP	AZ	HOLE_TYPE	EOH Rock	Results
SSA489	6815958.093	333656.988	389.037	54	-90	0	Aircore	Monzogranite	***3m@128ppb- 21m-24m***
SSA490	6815958.094	333816.988	389.414	58	-90	0	Aircore	Monzogranite	***3m@240ppb 18m-21m***
SSA495	6816358.093	333416.985	389.73	58	-90	0	Aircore	Monzogranite	***2m@107ppb - 56m-58m***
SSA496	6816358.094	333496.985	389.927	64	-90	0	Aircore	Monzogranite	***2m@188ppb - 62m-64m***
SSA498	6816358.095	333656.985	389.571	54	-90	0	Aircore	Monzogranite	***3m@109ppb - 48m-51m***
SSA507	6816758.091	332856.98	390.45	68	-90	0	Aircore	Monzogranite	***9m@207ppb 21m-30m***
SSA536	6815958.096	334296.991	390.599	41	-90	0	Aircore	Monzogranite	***2m@299ppb 39m-41m***
SSA537	6815958.096	334136.991	389.936	33	-90	0	Aircore	Monzogranite	***3m@211ppb 3m-6m***
SSA538	6815958.095	333976.989	389.98	47	-90	0	Aircore	Monzogranite	***3m@247ppb 3m-6m***
SSR307	6816559.795	333654.116	390.416	33	-90	0	RAB	Monzogranite	***3m@186ppb 12m-15m***
SSR308	6816559.873	333493.853	389.997	39	-90	0	RAB	Monzogranite	***3m@200ppb 18m-21m***

Table 1 – Summary of historical RAB and aircore drilling. Hole locations presented in Figure 2 as pink dots.

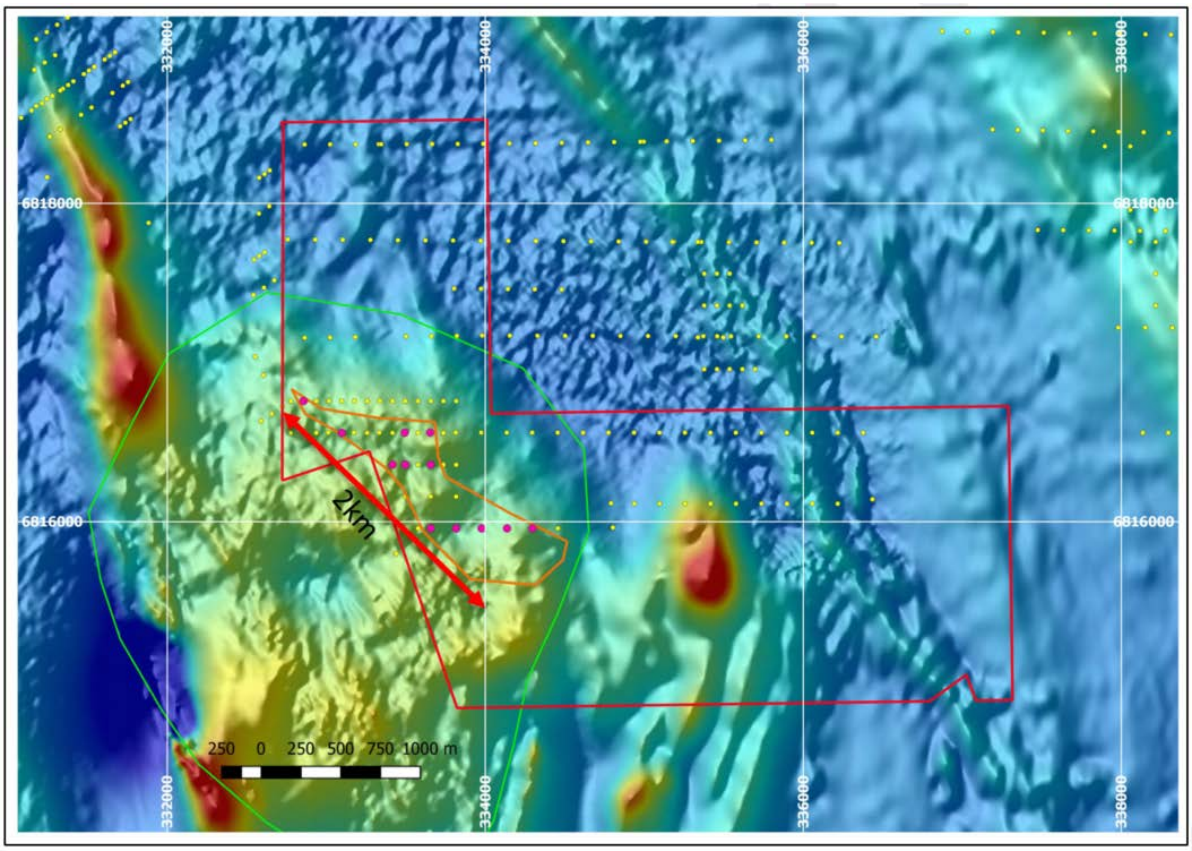

Figure 2- 2km long Pump Station Gold Target. Historic drill hole locations overlain on total magnetic intensity image showing: RED= E37/1281 outline, ORANGE = delineates gold anomaly determined by holes returning at least one down hole assay greater than 100ppb, GREEN = interpreted boundary of intrusive body. Grid scale is 2km x 2km. Grid co-ordinate system GDA94

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. The Company currently has interests in its Australian-based Teutonic Project as well as the Comval Copper Project in the Philippines.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information reviewed by Mr Lyle Thorne (B App Sc (Hons) (Member AusIMM) and is a consultant to the Company. Mr Thorne 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 Thorne 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: JORC Table 1, Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work .
Drilling techniques	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work • References to aircore or RAB drilling on E37/1281 refer to drilling techniques recorded in publicly available data pertaining to the reported historical drill results.
Drill sample recovery	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Logging	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Sub-sampling techniques and sample preparation	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Quality of assay data and laboratory tests	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Verification of sampling and assaying	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Locations of data points	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work • Hole locations were taken from publicly available data from the WAMEX databases
Data spacing and distribution	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Orientation of data in relation to geological structure	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Sample security	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Audits or reviews	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work

JORC Table 7: Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	• Metallum has rights to 100% of tenement E37/1281 through its 100% owned subsidiary Phil-Aust Holdings Pty Ltd
Exploration by other parties	• Historic drilling information has been utilised accessed through the Department of Minerals and Petroleum databases. • Drilling was conducted by Sons of Gwalia Ltd between 1995 and 1997.
Drill hole information	• Details of hole locations, depth and intercept depths are contained within this announcement.

Geology	• E37/1281 occurs within the Norseman-Wiluna greenstone belt. Within the north-west trending Keith-Kilkenny tectonic Zone • Rock types observed include metasedimentary rocks and felsic-intermediate volcanic rocks and high Mg basalt and ultramafic intrusive rocks
Data aggregation methods	• Intercept widths are downhole widths, intercept calculated by length weighted average for all samples where length is the downhole length for each sample interval • 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 1) A1xB1 = C1, A2xB2=C2, A3xb3=C3 2) A1+A2+B2= total interval 3) (C1+C2+C3)/total interval = length weighted grade average • No metal equivalent values have been used.
Relationship between mineralization widths and intercept lengths	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Diagrams	• Pertinent maps, plans and sections are within this announcement
Balanced Reporting	All new exploration results relating to the announcement are reported. • Terms like “best”, “strongest” or “significant” are used to highlight those results considered most important in the context of the announcement. • Some statements in this report regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward-looking statements include, but are not limited to, statements concerning the Company’s exploration programme outlook, target sizes and mineralised material estimates. They include statements preceded by words such as “anticipated”, “expected”, “target”, “scheduled”, “intends”, “potential”, “prospective” and similar expressions.
Other substantive exploration data	• This release reports on the compilation of historic drill results and does not report on any new drilling results, assay or other sampling exploration work
Further work	• Further exploration work including drilling is required to further test the identified gold anomalism • Diagrams cannot be provided until final geological models have been completed, other than what is presented within this notice.