



Metallum obtains mining permit at Paraguay

ASX ANNOUNCEMENT

16 December 2014

Highlights

- **Metallum receives mining permit for the Paraguay Mine**
- **Mining to commence immediately**

Perth-based copper developer **Metallum Ltd (ASX: MNE)** is pleased to announce it has received a mine operating permit for the Paraguay Mine, part of the El Roble Copper Project in Chile (Figure 1).

Metallum Managing Director, Mr Zeff Reeves, said: "We are pleased to have finally been granted a permit to operate at Paraguay and we can now commence work there immediately.

"The Paraguay Mine has a high grade zone defined in the existing workings which we can commence stoping on immediately. Our previous sampling has delineated a zone approximately 40m long up to 3.20m wide and having an average grade of 3.10% Cu including samples of over 17% Cu.

"Our plan is to install the in-vein access shafts to set up the first stope, as well as continue the horizontal development to extend the mineralised zone. This will very quickly produce material we can truck to the ENAMI plant to complement the production coming out of San Sebastian and Panga.

"We are now in a position where we have access to high grade mineralisation from multiple sources and have all the resources on site to be able to increase the tonnages we are delivering to the plant, so we are very excited about our prospects going forward," Reeves added.

Paraguay Mine

The Paraguay Mine consists of a single, approximately 80m long strike drive, following the mineralised vein, which is the south-west extension of the Panga vein, situated approximately 1km to the north-east. The Company has identified a high-grade zone (Figure 2) from detailed sampling carried out previously (ASX announcements 18 February 2014 and 14 March 2014) which has returned single assays of up to 17.50% Cu and a consistent 1.50m to 3.20m of mineralised width ranging in grade from 2.00%Cu to 6.89% Cu, exposed within the tunnel developed along the vein.

The mineralised zone is open along strike in both directions and provides the Company with immediate access to high-grade copper-bearing material for extraction. The Company has received a permit to extract up to 5,000 tonnes per month of mineralised material from the Paraguay concession (Note: The permit to extract up to 5,000 tonnes per month of mineralised material is not a production target).

The Company plans to begin mining operations at Paraguay immediately, initially with the installation of access shafts in the vein in preparation for stoping. In addition, horizontal development work will commence to extend the existing tunnel and extend the high grade copper zone. Material mined will be trucked to the

ENAMI plant at Copiapo and add additional tonnage to material currently being extracted and trucked from Panga and San Sebastian.

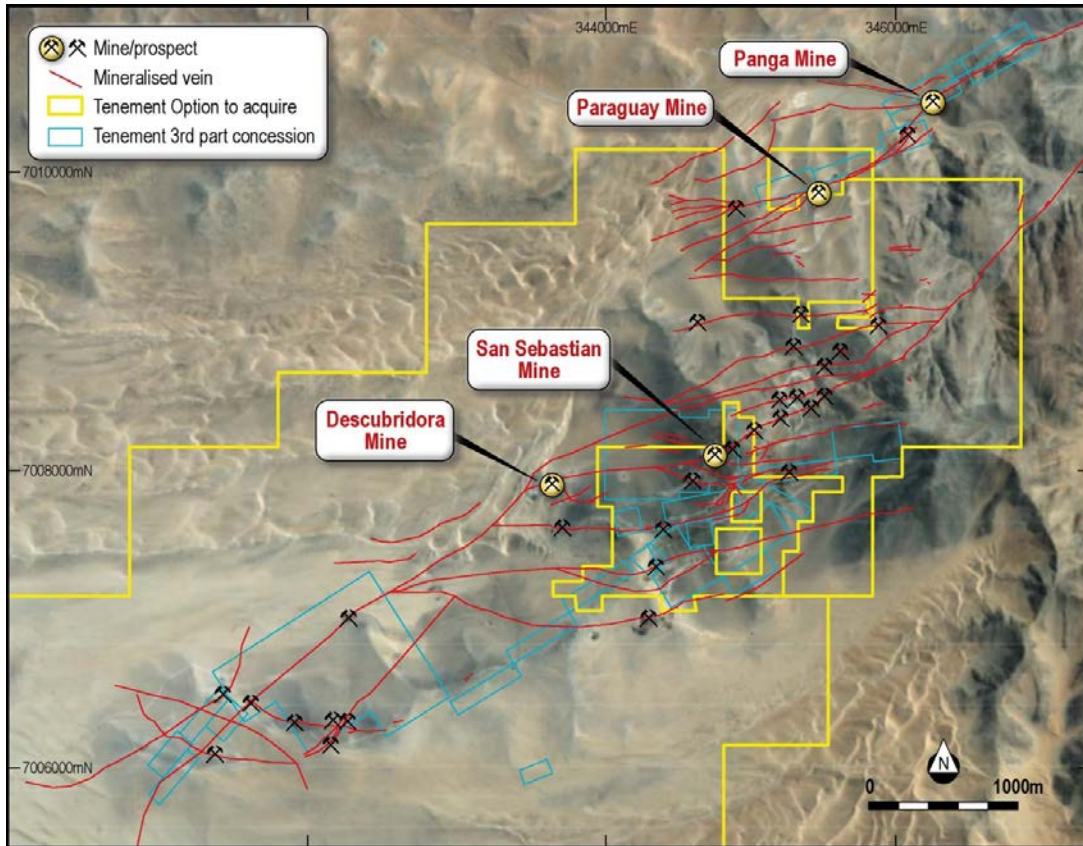


Figure 1 – Map of the north east sector of the El Roble Project, Chile, showing the location of the Paraguay Mine within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins

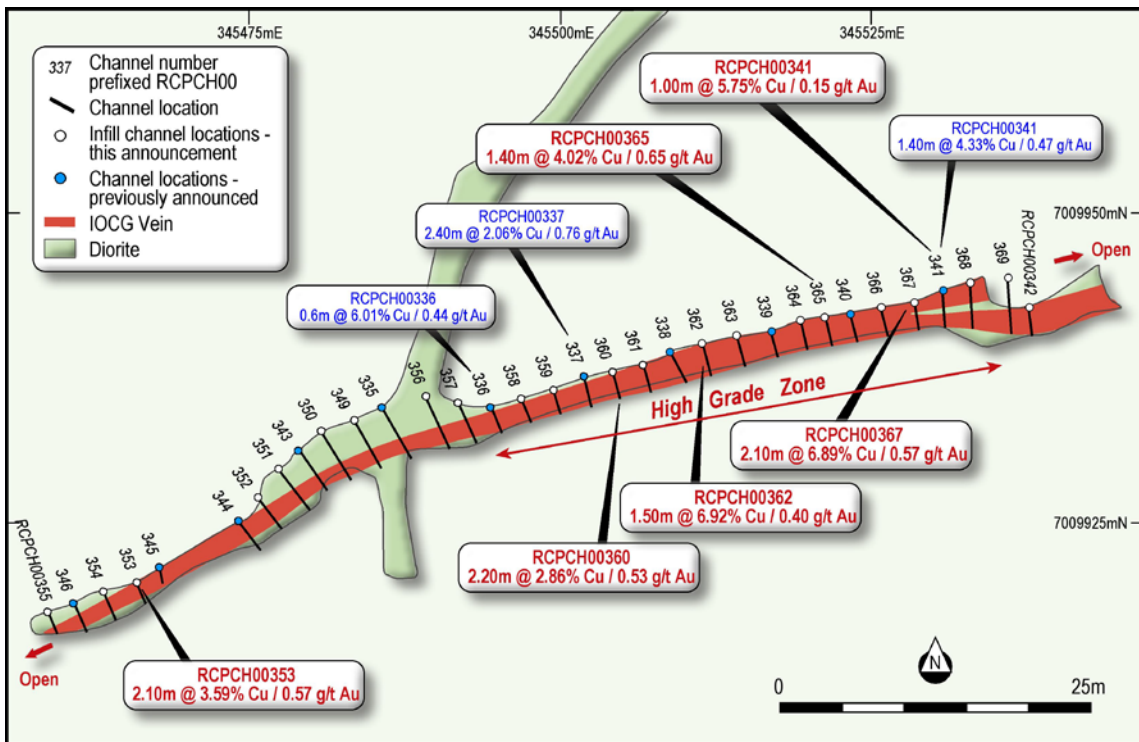


Figure 2 – Plan view of the Paraguay mine showing high grade results. Results in red announced to ASX on 18 February 2014, results in blue announced 14 March 2014.

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 Exploration Results are 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.