



Additional high grade mine identified at San Sebastian

ASX ANNOUNCEMENT

23 December 2014

Highlights

- **50m long high grade copper zone identified at the Viuda Mine**
- **Sampling returns grades of up to:**
 - **10.55% Cu and 2.82g/t Au**
 - **9.92% Cu and 1.53 g/t Au**
 - **8.08% Cu and 1.34 g/t Au**
- **Viuda is located 225m south of the San Sebastian Mine, within the 100% owned San Sebastian concession**
- **Viuda has potential to provide an additional mining area at El Roble**

Perth-based copper developer Metallum Ltd (ASX: MNE) is pleased to announce the identification of a second potential high grade copper mine on the 100% owned San Sebastian concession.

Metallum has identified the Viuda vein, only 225m south of the San Sebastian Mine, as having high potential to provide an additional small scale underground mining area on the San Sebastian concession. Initial sampling and mapping of the existing underground tunnel has identified a high grade copper zone over 50m along strike which has returned grades of up to 10.55% Cu and 2.82 g/t Au.

Metallum Managing Director Zeff Reeves said: "The identification of the Viuda Mine as an additional potential mine on the San Sebastian concession is very exciting.

"Viuda is only 225m south of San Sebastian, has an existing underground tunnel giving immediate access and our preliminary work has already delineated a 50m long high grade copper zone confirming the potential of the mineralised structure.

"Viuda is located next to San Sebastian on the side of a hill so if we decide to mine there, it is possible to utilise the existing infrastructure and workforce, as well as having easy access to the vein beneath the existing tunnel"

"We are highly encouraged by the amount of mineralisation on the San Sebastian concessions and Viuda certainly has the potential to provide another source of high grade material that we can begin mining in a relatively short timeframe, utilising the existing mining permit over the San Sebastian concession," Mr Reeves added.

Viuda Mine

The Viuda Mine consists of a single tunnel accessing a high grade copper vein into the side of a hill, approximately 225m south of the San Sebastian Mine (Figure 1). The vein above the access tunnel has been partially mined out with a 50m long high grade copper zone identified from Metallum's sampling (Figure 2)

which consisted of channel and rock chip sampling across the vein where safely accessible. It should be noted that due to the presence of historic stoping areas, sampling was only conducted where safe to do so and as such no full vein width channel samples were able to be collected.

The vein varies from 0.40m wide to 3.00m wide and dips approximately 55 degrees to the north. The entrance to the Viuda tunnel has been established on the side of a steep hill and the opportunity exists to establish another access tunnel along the vein below the existing workings.

Viuda Next Steps

The Company will continue to evaluate the Viuda Mine with a view to commencing mining operations as soon as possible if the evaluation process continues to produce positive results.

The next stage of evaluation will be to conduct further detailed sampling of the existing tunnel across the vein on the floor of the tunnel in order to obtain full width sampling and grade data. In addition, an earthmoving program is planned for early 2015 to expose the vein below the existing mine entrance to test for down dip continuity. This work will be carried out in conjunction with engineering studies, it should be noted that any proposed mining activities at Viuda can be carried out utilising the existing San Sebastian mining permit.



Figure 1 – Satellite image over the San Sebastian concession showing the location of the Viuda Mine (red) and San Sebastian Mine (purple), grid size is 250m.

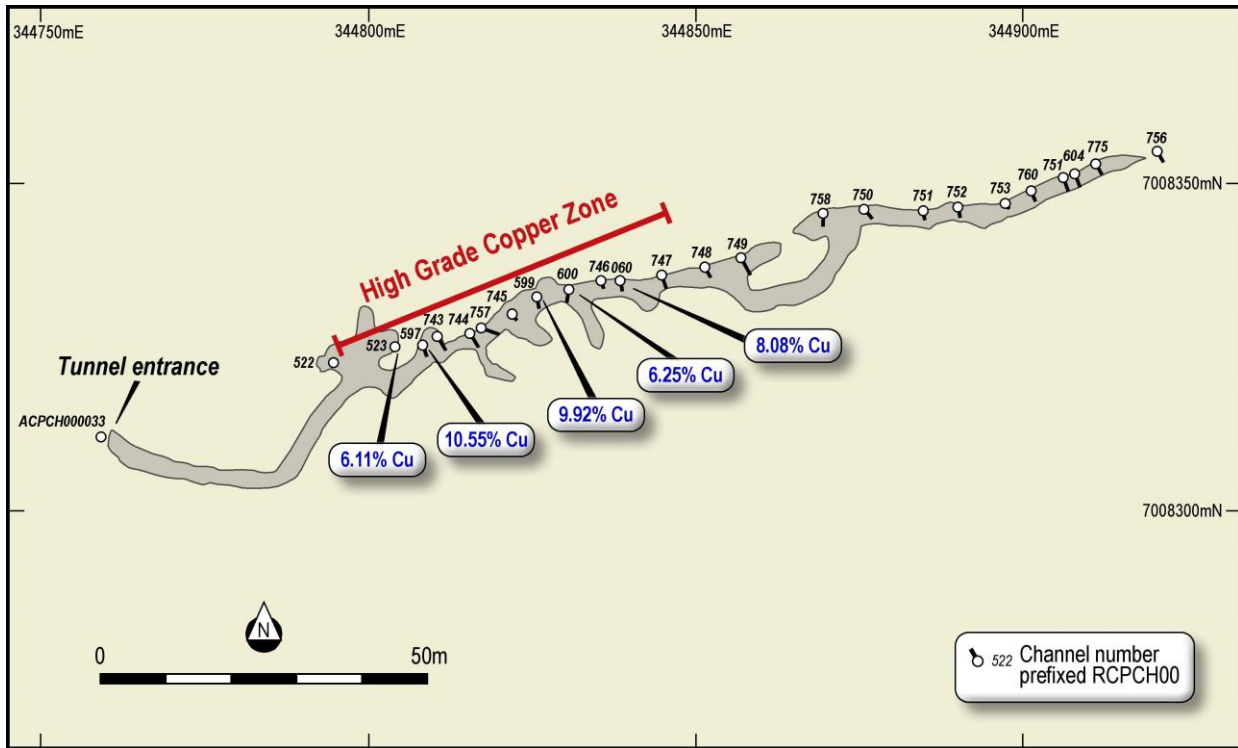


Figure 2 – Plan view of the Viuda Mine and high grade copper samples identifying an approximately 50m long high grade copper zone, full results presented in Appendix 1.

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. Mr Reeves consents to the inclusion in this report of the new Exploration Results in the form and context in which it appears.

Appendix 1 Sampling Data

1) Location Data

hole_id	psad56_northing	psad56_easting	psad56_rl	max_depth	dip	Azimuth
RCPCH00522	7008322.61	344794.49	1017.82	0.60	0	320
RCPCH00523	7008324.92	344804.01	1018.09	0.50	0	190
RCPCH00597	7008325.38	344808.11	1017.29	2.00	0	160
RCPCH00599	7008332.72	344825.69	1017.81	1.85	0	170
RCPCH00600	7008333.85	344830.59	1018.19	2.00	0	190
RCPCH00602	7008335.19	344838.44	1017.19	1.60	0	170
RCPCH00603	7008348.89	344901.43	1017.39	1.80	0	160
RCPCH00604	7008351.38	344908.20	1017.76	1.90	0	170
RCPCH00743	7008326.66	344810.48	1017.14	2.50	0	150
RCPCH00744	7008327.07	344815.55	1016.48	2.40	0	150
RCPCH00745	7008330.09	344821.95	1018.30	1.15	0	150
RCPCH00746	7008335.11	344835.48	1017.16	1.25	0	160
RCPCH00747	7008336.00	344844.77	1017.63	2.20	0	160
RCPCH00748	7008337.20	344851.46	1017.19	1.80	0	150
RCPCH00749	7008338.68	344856.90	1018.38	3.10	0	150
RCPCH00750	7008346.10	344875.81	1017.92	1.90	0	140
RCPCH00751	7008345.89	344884.88	1017.53	1.50	0	170
RCPCH00752	7008346.41	344890.18	1018.00	1.70	0	170
RCPCH00753	7008346.97	344897.43	1018.09	1.20	0	150
RCPCH00754	7008350.86	344906.26	1017.74	2.10	0	160
RCPCH00755	7008352.99	344911.34	1017.11	2.10	0	150
RCPCH00756	7008354.93	344920.70	1017.27	1.90	0	150
RCPCH00757	7008327.88	344817.28	1015.80	2.70	0	110
RCPCH00758	7008345.42	344869.58	1016.00	2.00	0	180

2) Assays

Hole_ID	Sample_ID	Depth_From	Depth_to	Cu %	Au ppm
RCPCH00522	MGC04285	0	0.6	2.19	0.918
RCPCH00523	MGC04286	0	0.2	6.11	0.628
RCPCH00523	MGC04287	0.2	0.5	0.406	0.072
RCPCH00597	MGC04662	0	0.8	1.215	0.052
RCPCH00597	MGC04663	0.8	1	10.55	2.82
RCPCH00597	MGC04664	1	2	0.588	0.021
RCPCH00599	MGC04671	0	0.25	0.464	0.066
RCPCH00599	MGC04672	0.25	0.65	9.92	1.53
RCPCH00599	MGC04673	0.65	0.85	1.545	0.063
RCPCH00599	MGC04674	0.65	0.85	0.003	0.009
RCPCH00599	MGC04675	0.85	1.85	0.804	0.058
RCPCH00600	MGC04676	0	0.5	0.741	0.008
RCPCH00600	MGC04677	0.5	0.8	0.622	0.084
RCPCH00600	MGC04678	0.8	1.1	6.25	0.069
RCPCH00600	MGC04679	1.1	1.5	0.637	0.01
RCPCH00600	MGC04680	1.5	2	1.14	0.019
RCPCH00602	MGC04687	0	0.7	0.484	0.016
RCPCH00602	MGC04688	0.7	0.9	0.773	0.075
RCPCH00602	MGC04689	0.9	1	8.08	1.335
RCPCH00602	MGC04690	1	1.1	4.08	0.238
RCPCH00602	MGC04691	1.1	1.6	0.535	0.011
RCPCH00603	MGC04692	0	0.5	0.192	0.637
RCPCH00603	MGC04693	0.5	1.1	0.201	1.31
RCPCH00603	MGC04694	0.5	1.1	0.563	0.309
RCPCH00603	MGC04695	1.1	1.2	0.239	0.144
RCPCH00603	MGC04696	1.2	1.4	0.245	0.056
RCPCH00603	MGC04697	1.4	1.8	0.25	0.047
RCPCH00604	MGC04698	0	0.7	0.418	0.028
RCPCH00604	MGC04699	0.7	1.1	0.65	0.368
RCPCH00604	MGC04700	1.1	1.5	0.567	0.144
RCPCH00604	MGC04701	1.5	1.9	1.235	0.01
RCPCH00745	MGC00316	0	0.5	0.837	0.078
RCPCH00745	MGC00317	0.5	0.75	3.78	0.114
RCPCH00745	MGC00318	0.75	1.15	0.265	0.029
RCPCH00746	MGC00319	0	0.5	0.593	0.0025

Hole_ID	Sample_ID	Depth_From	Depth_to	Cu %	Au ppm
RCPCH00746	MGC00320	0.5	0.75	0.706	0.01
RCPCH00746	MGC00321	0.75	1	5.98	0.409
RCPCH00746	MGC00322	1	1.25	0.397	0.033
RCPCH00747	MGC00324	0	0.8	0.638	0.005
RCPCH00747	MGC00325	0.8	1.6	1.2	0.713
RCPCH00747	MGC00326	1.6	2.2	0.017	0.0025
RCPCH00748	MGC00327	0	0.3	0.383	0.012
RCPCH00748	MGC00328	0.3	0.6	0.151	0.096
RCPCH00748	MGC00329	0.6	1	0.378	0.43
RCPCH00748	MGC00330	1	1.8	0.228	0.007
RCPCH00749	MGC00331	0	0.4	0.024	0.007
RCPCH00749	MGC00332	0.4	1	0.192	0.117
RCPCH00749	MGC00333	1	1.9	0.654	0.476
RCPCH00749	MGC00334	1.9	2.1	0.442	0.072
RCPCH00749	MGC00335	2.1	3.1	0.463	0.008
RCPCH00750	MGC00336	0	0.6	0.38	0.057
RCPCH00750	MGC00337	0	0.6	0.002	0.0025
RCPCH00750	MGC00338	0.6	1.1	1.045	7.42
RCPCH00750	MGC00339	1.1	1.9	0.274	0.033
RCPCH00751	MGC00340	0	0.3	1.06	0.129
RCPCH00751	MGC00341	0.3	0.5	1.895	0.106
RCPCH00751	MGC00342	0.5	1.5	0.698	0.042
RCPCH00752	MGC00343	0	0.6	0.606	0.054
RCPCH00752	MGC00344	0.6	0.9	1.925	0.062
RCPCH00752	MGC00345	0.9	1.7	0.199	0.0025
RCPCH00753	MGC00346	0	0.2	0.453	0.268
RCPCH00753	MGC00347	0.2	1.2	0.324	0.025
RCPCH00754	MGC00348	0	1.1	0.504	0.006
RCPCH00754	MGC00349	1.1	1.4	0.324	0.308
RCPCH00754	MGC00350	1.4	2.1	0.314	0.011
RCPCH00755	MGC00351	0	0.8	0.358	0.033
RCPCH00755	MGC00352	0.8	1.3	0.483	0.818
RCPCH00755	MGC00353	1.3	2.1	0.405	0.024
RCPCH00756	MGC00354	0	0.4	0.491	0.146
RCPCH00756	MGC00355	0.4	0.9	2.22	0.414
RCPCH00756	MGC00356	0.9	1.9	0.259	0.015

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

Criteria	Explanation
Sampling techniques	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> NA - No drill results are presented in this announcement
Drill sample recovery	<ul style="list-style-type: none"> NA - No drill results are presented in this announcement
Logging	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The current drill and channel spacing is deemed appropriate for the current early stage of exploration
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Metallum owns 100% of the San Sebastian concession on which the Viuda and San Sebastian mines are located
Exploration by other parties	<ul style="list-style-type: none"> No information has been used in this report from exploration by other parties.
Drill hole information	<ul style="list-style-type: none"> Details of channel, drill holes, depth and intercept depths are contained within this announcement (Appendix 1).
Geology	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 <ol style="list-style-type: none"> $A1 \times B1 = C1$, $A2 \times B2 = C2$, $A3 \times B3 = C3$ $A1 + A2 + B2 = \text{total interval}$ $(C1 + C2 + C3) / \text{total interval} = \text{length weighted grade average}$ No metal equivalent values have been used.
Relationship between mineralization widths and intercept lengths	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Pertinent maps, plans and sections are within this announcement
Balanced Reporting	<ul style="list-style-type: none"> Full results of all samples taken are presented in Appendix 1 of this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> No other data other than that presented has been used or relied upon.
Further work	<ul style="list-style-type: none"> 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.