



Boardroom Radio Webcast Transcript

ASX ANNOUNCEMENT

6 May 2015

Further to the announcement released today, the Company provides the following transcript to the Boardroom Radio Webcast.

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

STACEY: Today on BWR Media, I am speaking to Zeff Reeves, Managing Director of Metallum Limited. Zeff, thank you very much for your time today.

ZEFF: No worries, Stacey, it is good to be back.

STACEY: Zeff, the company's focus during the March quarter was stope and waste development at your San Sebastian mine at El Roble. Can you take listeners through some of the major milestones achieved in the past quarter?

ZEFF: Yeah, sure, Stacey. Look, I am just on site at the moment and look, I must say it is really pleasing to see what I have observed the last couple of days on site. I think we are in the best position that I have seen, and I am starting to really see that things have moved along a long way and we have three mines well established now, all in ore at El Roble. That being San Sebastian, Paraguay, and Viuda and we're pulling ore out of all three of those mines as we speak. So, during the last quarter we made the decision to get quite a bit of waste development done and that really put us in the position that we are today. So overall during the quarter we had a total material movement of around 10,000 tonne so 6,000 tonnes of that was waste and we put a bit of ore in the middle, but we've got significant stockpiles on site, and they're now being trucked to the mill and being replenished as well from all three producing mines. So, as I say, they are now well established; we are hauling ore from the stope at San Sebastian and that is getting cleaned out. We are actually lucky enough that we picked up a few extra tonnes in that stope as well, so that will really contribute during this month particularly, and we are doing ore development and the stope set up at Paraguay and that stope is scheduled to start coming online towards the end of this month, early June. Look, I must say, the development that we are seeing at Paraguay in the ore development drive is looking really good. We have a nice wide vein, it is well mineralised and very continuous and really pleased with how that is looking. We are now in the ore also at Viuda, with our ramp that we put in under the old mine, has entered the vein and we have completed about 20 metres of ore development there. Again, that mineralisation is looking really strong, and that will contribute tonnages during the next quarter also so, really, we are in the best position that we have been in since being involved in the project. Really pleased with the way things are going and obviously during the last quarter there, you know, even our costs with all the waste development that we did, it's still bringing around \$78 a tonne. Direct operational cost was reasonably low and obviously that's going to drop dramatically this quarter with increased tonnages coming out, and with now approximately 2,500 tonnes of stockpiles on site that are now being trucked, we're getting that done as quickly as possible.

STACEY: And you noted that the company is poised for a transformational June quarter. Zeff, what developments can investors expect over the coming months?

ZEFF: Obviously with all that work that we did in the previous quarter, particularly on the waste development, and we're in a position where that reduction profile really begins to improve and puts us where we want to be and in the direction that we want to be. We probably expect this quarter to be our first ever cash flow positive quarter. As I've said before, we've got those stockpiles on the surface, we've got about 1,000 tonnes on surface, we're pulling 1,500 tonne out of the stope at San Sebastian, and we've picked up about an additional 2,000 tonnes in the stope there, that's all going to come out pretty much this month. The first stope at Paraguay coming online and, as I said previously, that development is looking excellent and I think we will be able to squeeze some extra tonnes out of there. The Viuda development will be ongoing and the first stope coming online this quarter also, and we've also entered the vein again at the San Sebastian 1020 level underneath the current stope so we will do some development along there and, again, beginning to set up our next stope there. So really, at the moment, the key is for us to get that stope out at San Sebastian, and the development metres during the month or so are really key for us to exposing more mineralisation and upping our production. But we really are in a very good position at the moment to be able to have overlapping timing on the production stopes to ensure that we get a consistent and flexible tonnage coming out of the whole project between the three mines. As I said, we are envisaging this will be our first cash flow quarter, so we are very pleased where we are positioned at the moment.

STACEY: Zeff, thank you very much for your time and the update today.

ZEFF: Great. Thanks Stacey, you have a good day, good to speak to you.

STACEY: And as always listeners, if you have any questions at all for Zeff, please email us at brr@brrmedia.com.