

## JUNE 2015 PRODUCTION UPDATE

ASX ANNOUNCEMENT

9 July 2015

### Highlights

- 2,355 tonnes of high grade ore mined during June
- 1,363 tonnes trucked to processing facility, representing a +30% increase on May
- Year to date delivered grade averaging 3.61% Cu

Perth-based copper developer **Metallum Ltd (ASX: MNE)** is pleased to provide the following update on activities at the El Roble Copper Project in Chile.

Production at the San Sebastian, Viuda and Paraguay underground copper mines within the El Roble Copper Project (Figure 4) has continued in line with expectations. During June 2015, 2,355 tonnes of high grade ore was mined and 1,363 tonnes was delivered for processing, representing a 30% increase on May's deliveries.

Metallum's Managing Director, Mr Zeff Reeves, commented: *"Stope production from all three mines at El Roble continued at forecast levels which is moving Metallum closer to becoming cashflow positive. We have also seen a steady increase in deliveries to the processing facility over the last two months, at good grade."*

### April - June Mine Production Summary

A breakdown of April to June 2015 mine production is presented in the following table.

**Table 1 – Production breakdown for El Roble Copper Project, April to June 2015**

	April 2015	May 2015	June 2015
Tunnel development	162m	189m	162m
Ore tonnes extracted	2,009	2,927	2,355
End of month Stockpiles (tonnes)	4,179*	2,550	710
Material delivered to processing facility	600t	1,025t	1,363t
Material processed	357t	890t	808t
Processed grade	3.24% Cu	3.10% Cu	3.12% Cu

\* April's stockpile included material blasted and available for haulage from underground in the San Sebastian 1030 stope. Reported stockpile figures from May onwards will only include surface stockpiles.

Year to date (YTD) mine production is summarised in Table 2 and highlights the increase in ore tonnes extracted, with the average grade delivered to the processing facility YTD being 3.61% Cu. As of the end of June, payment remains outstanding for approximately 800 tonnes of delivered ore.

**Table 2 – YTD production summary for El Roble Copper Project**

	Jan 2015	Feb 2015	March 2015	April 2015	May 2015	June 2015
<b>Tunnel development</b>	<b>80m</b>	<b>99m</b>	<b>96m</b>	<b>162m</b>	<b>189m</b>	<b>162m</b>
<b>Ore tonnes extracted (t)</b>	<b>487</b>	<b>976</b>	<b>1,248</b>	<b>2,009</b>	<b>2,927</b>	<b>2,355</b>
<b>Waste tonnes movement (t)</b>	<b>1,065</b>	<b>1,211</b>	<b>1,421</b>	<b>961</b>	<b>571</b>	<b>890</b>
<b>Material delivered to plant (t)</b>	<b>523</b>	<b>472</b>	<b>268</b>	<b>600</b>	<b>1,025</b>	<b>1,363t</b>

An adjustment was made to the stockpile tonnages during June, which now stands at 710 tonnes, following the removal of lower grade material sourced from development drives which is unlikely to be processed in the near term. During the period the Company reduced the high grade onsite stockpiles to 710 tonnes. From the May stockpile of 2,550 tonnes, approximately 1,000 tonnes was either trucked or classified as economic and forms part of the 710 tonne stockpile. A further 1,550 tonnes was classified as low grade (<1.5% cu) and has been stockpiled for blending. The low grade material was predominantly sourced from ore development tunnels which are subject to dilution, depending on vein width.

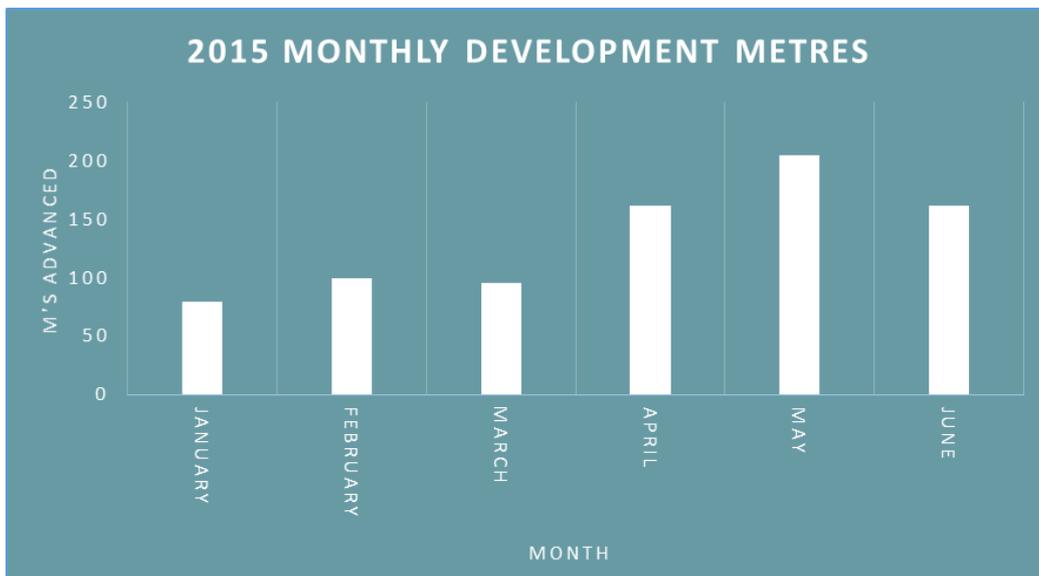
In late June, the first access shafts to establish the first stope at Viuda had commenced. The main ore sources for July through to August will include the San Sebastian 1030 stope sill pillar, the Paraguay 985 Stope and the Viuda 1005 shafts and stope.



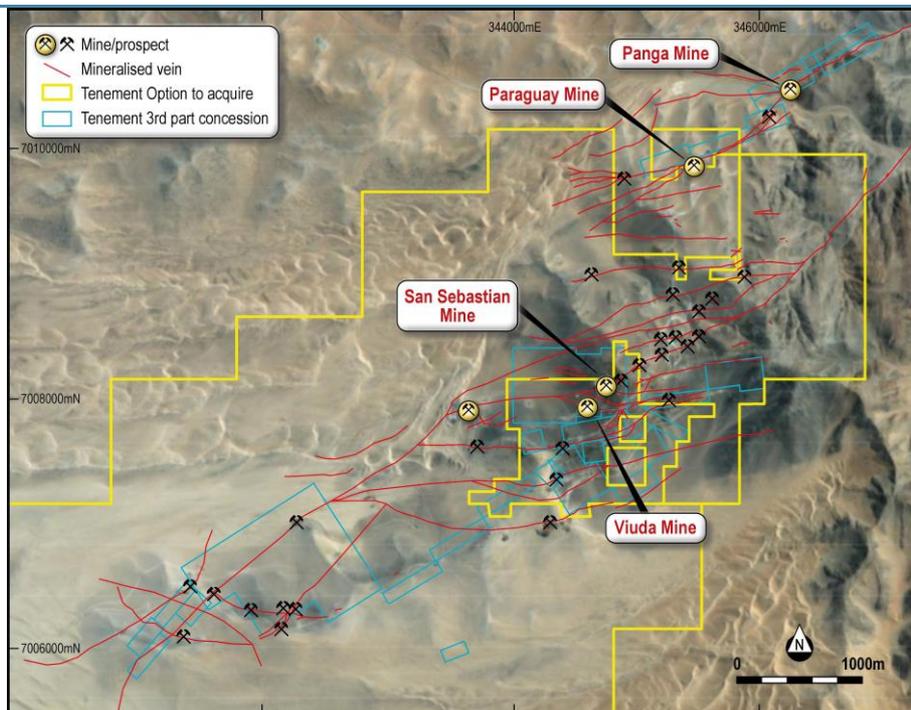
**Figure 1 – Graph of 2015 ore tonnes mined. YTD total is 10,002 tonnes**



**Figure 2 – Graph of 2015 ore deliveries to ENAMI. YTD total is 4,251 tonnes delivered**



**Figure 3 – Graph of 2015 tunnel development metres. YTD is 803.40metres**



**Figure 4 – Map of the north east sector of the El Roble Project, Chile, showing the location of the San Sebastian, Viuda, Paraguay and Panga Mines within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins.**

For more information visit the Metallum website at [www.metallum.com.au](http://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.

Metallum also has an interest in the Comval Copper Project in the Philippines, and its Australian-based project, Teutonic, which is prospective for gold and base metal mineralisation.

Metallum has a strong Board and management team with considerable technical, commercial and corporate experience in the resources sector.