



EL ROBLE OPERATIONAL UPDATE

ASX ANNOUNCEMENT

15 September 2015

Metallum Limited (ASX: MNE) advises that it has halted mining operations and stood down all production staff at its El Roble Copper Project in Chile. This has been made necessary by recent falls in the copper price and the dramatic price decrease of the ENAMI tariff for delivered ore, along with the anticipated removal by the Chilean government of the copper price support mechanism (ASX Announcement 27 March 2015).

The ENAMI benchmark price for oxide copper ore, at 2.50% Cu content, has been reduced from US\$73.82 in June 2015 to US\$49.66 in September, a 33% reduction. In addition, the realised value, as a percentage of contained metal, for the Company has been reduced from 51% in June 2015 to only 37% in September 2015.

Under the current ENAMI pricing structure, mining at El Roble has become uneconomic for the Company and Metallum has moved to put the mine into care and maintenance.

The Company has taken these unfortunate steps to reduce costs and maintain the key assets whilst it continues to source alternative processing options for the El Roble copper ore. The Company is currently in negotiations with private copper ore processing plants within trucking distance from El Roble in order to attempt to find alternative customers for the El Roble copper ore.

The Company is unable to provide a timeframe on when or if mining operations will recommence and will continue to update the market in due course.

Further, the Company has been in negotiations to restructure its option agreement over certain concessions at the El Roble Copper Project (ASX Announcement 15 August 2013) in order to better align its option payment cash commitments with possible production from the concessions. Whilst the Company remains positive on the prospects of a beneficial outcome to the negotiations it should be noted that, in the context of the aforementioned developments at its operations, it was not in a position to make the most recent option payment and accordingly the option has expired. In the absence of reaching a new agreement with the vendor, the Company will no longer have access to these concessions.

The Company notes that its Panga, Viuda, Paraguay and San Sebastian mines are not part of these licence areas and are not impacted by this option expiry.

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.

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.