

21 July 2016
ASX RELEASE

QUARTERLY ACTIVITIES REPORT JUNE 2016

Metallum Limited (ASX:MNE) is pleased to provide the following activities report for the quarter ended 31 March 2016.

HIGHLIGHTS

- Metallum Limited ("**MNE**" or the "**Company**") has entered into a binding agreement to acquire 100% of the shares in Squirrel Ltd (**Squirrel**), a FinTech company that develops and markets SMSF software and services (**Transaction**).
- On completion, MNE will become a software and services company and be renamed "**Squirrel Limited**".
- Completion of the Transaction is conditional upon the Company obtaining all necessary shareholder approvals and re-complying with Chapters 1 and 2 of the ASX Listing Rules.
- Squirrel is targeting the mass market with a user friendly SMSF platform that drives down average consumer costs of financial and investment services and removes many of the fees, charges and hidden commissions traditionally paid to financial planners, fund managers, brokers and banks.
- Squirrel's proprietary platform has achieved 100% quarter on quarter, client and revenue growth since its July 2015 launch with a modular design making it highly scalable.

Squirrel

As announced 17 June 2016, MNE has entered into a binding share sale agreement with the shareholders of Sydney-based financial software and services company Squirrel, pursuant to which it has agreed to acquire 100% of the issued capital of Squirrel. Squirrel develops and sells vertically integrated SMSF software and services direct to the mass consumer market.

MNE (which, subject to shareholder approval, will be renamed "**Squirrel Limited**" as part of the Transaction) has agreed to a transformational acquisition to obtain 100% ownership of Squirrel.

Squirrel is an Australian unlisted public company having focussed investment in R&D and software development since 2014. The business launched its digital platform in 2015 and was met with immediate demand and 100% quarter on quarter client and revenue growth thereafter. Squirrel has built a national presence with clients in every Australian state and territory serviced efficiently via its web-based software and supported by its Sydney-based team of 25 professional employees.

Key Acquisition Terms

In consideration for the acquisition of Squirrel, MNE will issue to the Squirrel shareholders an aggregate of:

- 690,000,000 fully paid ordinary shares in MNE (**MNE Shares**) at a deemed issue price of \$0.024 each; and
- 126,000,000 performance shares in MNE (**Performance Shares**) convertible into MNE Shares in the event that Squirrel records revenue from ordinary operations of

not less than \$30,000,000 in its consolidated audited accounts for the financial year ended 30 June 2018.

All MNE Shares and Performance Shares (the **Consideration Shares**) will be subject to escrow restrictions.

As per agreed terms of the acquisition, MNE intends to raise up to \$3,000,000 by the issue of MNE Shares under a prospectus and \$3,185,507 by the exercise of existing options on issue exercisable at \$0.024 each on or before 31 July 2016, with such exercise to be fully underwritten by Merchant Corporate Finance Pty Ltd.

As announced on 19 July 2016, due diligence has been satisfactorily completed by both Metallum and Squirrel, each a condition precedent. Settlement of the acquisition of Squirrel is conditional upon the satisfaction (or waiver) of the remaining conditions precedent, including:

- MNE obtaining shareholder approval for the Transaction, including approval for:
 - the appointment of Squirrel's nominee directors to the board of MNE;
 - the change of name of MNE to Squirrel Limited;
 - the change in the nature and scale of MNE's activities;
 - the issue of the Consideration Shares; and
 - the consolidation of the issued capital of MNE;
- MNE complying with any requirements of ASX in relation to the acquisition including, if necessary, receiving conditional approval to have its shares readmitted to trading on the Official List of ASX and those conditions being satisfied;
- MNE lodging a prospectus with ASIC to raise a minimum of \$3,000,000 by the issue of MNE Shares; and
- Execution by the Squirrel shareholders of ASX restriction agreements for the Consideration Shares.

The conditions will need to be satisfied by 30 November 2016 (or such later date as is agreed by MNE and Squirrel). The indicative timetable for the completion of the Squirrel transaction is detailed below.

Event	Date
Announcement of Transaction	17 June 2016
Completion of Due Diligence	18 July 2016
General Meeting of MNE Shareholders to approve the transaction	August 2016
Lodgement of Prospectus with the ASIC	August 2016
Close of the Offer under the Prospectus	October 2016
Targeted completion of the acquisition of Squirrel and satisfaction of all conditions for reinstatement to trading on ASX	October 2016
Reinstatement to trading on ASX	November 2016

Corporate

MNE entered a trading halt on 17 May 2016 in order to finalise the execution of the share sale agreements with Squirrel. As MNE did not come out of trading halt within the required time, the securities were suspended. On 17 June MNE executed a binding Heads of Agreement to acquire 100% of the shares in Squirrel. The Company's securities will remain suspended pending re-compliance with Chapters 1 and 2 of the ASX listing rules.

On 10 June 2016, MNE issued 493,625 shares following the exercise of 493,625 listed options exercisable at \$0.024 each on or before 31 July 2016.

On 30 June 2016, 35,000 unlisted MNE options, exercisable at \$20.00 each, expired unexercised.

Post quarter end, on 6 July 2016, MNE announced it had executed an Underwriting Agreement with Merchant Corporate Finance Pty Ltd (**Merchant**) pursuant to which Merchant will fully underwrite the exercise of the Company's 132,235,818 unlisted options, exercisable at \$0.024 each on or before 31 July 2016 (**Options**).

Under the terms of the Underwriting Agreement, which is a condition precedent to the proposed acquisition of Squirrel, Merchant will arrange for the subscription of fully paid ordinary shares equivalent to the number of unexercised Options at 31 July 2016.

The Underwriting Agreement is subject to standard terms and conditions, including a 6% underwriting fee on the total value of the underwritten Options.

Winton Willesee
Chairman
Metallum Limited

Further enquiries:
Ms Shannon Coates
Company Secretary
(08) 9322 4328

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