

6 July 2016

Dear Option Holder

**YOUR OPTIONS TO ACQUIRE METALLUM SHARES AT 2.4 CENTS EXPIRE  
ON 31 JULY 2016**

We are writing to you as a registered holder of options in Metallum Limited (exercisable at \$0.024 each on or before 31 July 2016) ("Options") to remind you that the Options will expire at 5.00pm WST on 31 July 2016.

Your Options may be exercised in whole or in part by payment of 2.4 cents for each Option by no later than 31 July 2016. If payment is not received by 5.00pm WST on 31 July 2016 the Options will lapse and all your rights under the Options will cease at that time.

The courses of action available to you as a holder of these soon to expire Options are:

- (a) Exercise some or all your Options on or before 31 July 2016; or
- (b) Do nothing (i.e. allow your Options to expire). If you do not exercise or sell your Options they will expire on 31 July 2016 and your right to subscribe for ordinary shares in Metallum Limited at 2.4 cents per share will lapse.

There is no obligation on option holders to exercise their Options.

The Company has agreed terms with Merchant Corporate Finance Pty Ltd to underwrite the exercise of the Options. Accordingly, Merchant Corporate Finance Pty Ltd (or its nominated sub-underwriters) will subscribe, at 2.4 cents each, for the number of shares in Metallum Limited which represents the Options not exercised at expiry. The underwriting agreement with Merchant Corporate Finance Pty Ltd is on standard terms and conditions, further details of which are set out in the announcement to ASX dated 6 July 2016.

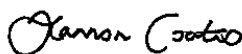
**If you wish to exercise your Options then you must complete the "Notice of Exercise of Options" form accompanying this notice and forward it with payment of 2.4 cents per Option exercised to be received by no later than 5.00pm WST on 31 July 2016 to the Company's head office, being:**

**Metallum Limited  
Suite 5, 62 Ord Street  
West Perth WA 6005**

Cheques should be made payable to "Metallum Limited" and should be crossed "Not Negotiable".

All questions should be directed to Ms Shannon Coates (Company Secretary) on 08 9322 4328.

Yours faithfully



Shannon Coates  
Company Secretary