

Quarterly Activities Report March 2016

ASX ANNOUNCEMENT

27 April 2016

Perth-based mining and exploration company **Metallum Limited (ASX: MNE)** provides the following activities and cash flow report for the quarter ended 31 March 2016.

Teutonic Project

On 7 January 2016, Metallum announced that drilling to test the Mustang electromagnetic (EM) conductor at its Teutonic Project (MNE earning 70%) in the Eastern Goldfields region of Western Australia had been successfully completed and all assays received.

Two drill holes, MCPDH00001 and 00002 were completed for a total of 780.1m. Zones of massive to semi-massive, banded sulphide consisting of pyrrhotite, lesser sphalerite and minor chalcopyrite were intercepted at the modelled position of the Mustang EM conductor.

Two holes were drilled to target the modelled position of the Mustang EM conductor discovered by the Company in 2014 after regional geological targeting suggested that the Jaguar-Bentley VMS trend extended into the project area (see Figure 1).

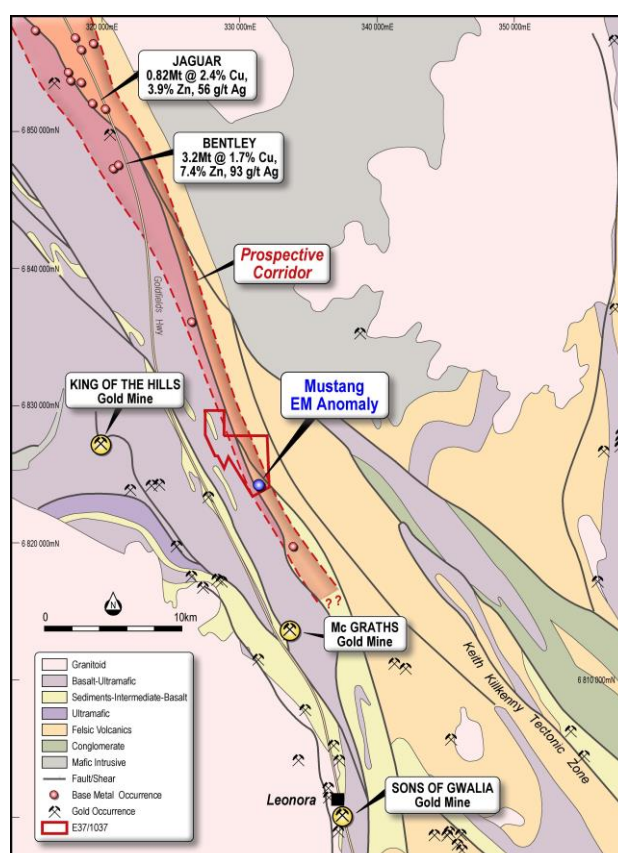


Figure 1– Regional geology and location of the Teutonic Project and Mustang Conductor showing proximity to the Jaguar and Bentley VMS deposits. Resource figures for Bentley and Jaguar sourced from Independence Group's website.

The Company published the full results on 7 January 2016 and refers investors to that release for full details.

The Company is encouraged by the results of the drilling program completed at the Mustang Prospect and is reviewing the strategic opportunities these results avail for the Company.

Corporate

At a general meeting held on 26 February 2016, the Company received shareholder approval for its reconstruction and recapitalisation program.

The program included a capital raising, the settlement of some creditor liabilities via an equity issue, the removal of its Chilean liabilities, and a consolidation of its existing shares and options.

As part of the program the Company completed a capital raising of approximately \$2 million to help meet its existing creditor obligations, advance the Teutonic project in Western Australia, review the best options for its Comval assets in the Philippines and seek other opportunities to create value for shareholders and for working capital.

On 26 February 2016 shareholders approved the disposal of the Chilean assets to related parties and the divestment was effected on 26 February 2016.

On 17 March 2016, the Company issued a total of 132,729,443 Shares on a post-consolidation basis (being a 1 for 400 consolidation), at an issue (or deemed) issue price of \$0.02 each and 132,729,443 free attaching options, at an exercise price of \$0.024 each and with an expiry date of 31 July 2016 (**Options**). 100,000,000 Shares and 100,000,000 Options were issued pursuant to the above mentioned capital raising, 18,000,000 Shares and 18,000,000 Options were issued on conversion of convertible loans, 8,906,938 Shares and 8,906,938 Options were issued on conversion of fees to related parties and 5,822,505 Shares and 5,822,505 Options were issued to certain creditors on conversion of amounts owed.

The Company now has 134,857,775 shares on issue along with 132,729,443 options with an exercise price of \$0.024 (Excluding its suite of now 'out-of-the-money' options).

Outlook

The Company is now well positioned to continue its programs to maximize the benefit of its Teutonic and Comval projects, whilst seeking additional complementary of projects for the benefit of our shareholders.

The Company takes this opportunity to thank those shareholders who have supported the Company through this recent difficult period and looks forward to sharing its future successes.

For further information please contact:

Winton Willesee
Chairman
Metallum Ltd
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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. The Company currently has interests in its Australian-based Teutonic Project as well as the Comval Copper Project in the Philippines.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) (Applied Geology) MBA, MAIG), a member of the Australian Institute of Geoscientists and is a consultant of the Company. Mr Reeves has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The Company confirms that the form and context in which the information is presented has not been materially modified and it is not aware of any new information or data that materially affects the information included in the relevant market announcements, as detailed in the body of this announcement.

Tenement Schedule

Tenement	Name	Location	Expiry Date	% Ownership
E37/1037	Teutonic	Western Australia	22/07/2015	70%
EP-000001-00-XI	Comval	Mindanao, Philippines	30/01/2011 ¹	80% (before claw backs)
EP -000002-09-XI	Comval	Mindanao, Philippines	07/08/2017	80% (before claw backs)

Notes:

1. EP-000001-00-XI expired on the 30/01/2011. The Company's Philippines subsidiary has applied to the Philippines Mines and Geosciences Bureau for a 2 year renewal.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

METALLUM LIMITED

ABN

73 149 230 811

Quarter ended ("current quarter")

31 March 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	-	199
1.2	Payments for (a) exploration & evaluation	(171)	(252)
	(b) development	-	-
	(c) production	-	(455)
	(d) administration	(370)	(699)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	1	1
1.6	Income taxes paid	-	-
1.7	Other (Exploration Incentive Scheme)	-	47
Net Operating Cash Flows		(540)	(1,159)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(540)	(1,159)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(540)	(1,159)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,000	2,533
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	62	398
1.17	Repayment of borrowings	-	(221)
1.18	Dividends paid	-	-
1.19	Share issues not yet allotted	-	-
1.20	Other – share issue costs	(40)	(67)
	Net financing cash flows	2,022	2,643
	Net increase (decrease) in cash held	1,482	1,484
1.20	Cash at beginning of quarter/year to date	184	181
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,666	1,666

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	87
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments made to a director related entity for company secretarial services and for sub-lease of office premises for the quarter summed \$23,900 and \$7,034, respectively. \$21,666 included in 1.23 reflects payments to a prior director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

NB: Convertible loan convertible to ordinary shares subject to shareholder approval. See ASX Release dated 15 October 2015 for further details.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	18
4.2 Development	-
4.3 Production	-
4.4 Administration	202
Total	220

* NB: administration payments will include payments to aged creditors from prior periods.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,661	179
5.2 Deposits at call	5	5
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,666	184

+ See chapter 19 for defined terms.

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements and petroleum tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
Preference securities (description)	-	-	-	-
7.2				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3				
+Ordinary securities	134,857,775	134,857,775	-	-
7.4				
Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	132,729,443 (849,071,407)	132,729,433 (849,071,407)	\$0.02 per share Reorganisation 400:1	\$0.02 per share
7.5				
+Convertible debt securities (description)			-	-

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

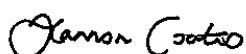
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options (description and conversion factor)	35,000 20,000 25,000 2,500 34,500 7,500 37,501 222,223 21,750 132,729,433	- - - - - - - - - -	<i>Exercise price</i> \$20.00 \$13.60 \$14.80 \$20.00 \$7..44 \$7.60 \$6.00 \$6.00 \$2.92 \$0.024	<i>Expiry date</i> 30/06/2016 17/10/2016 19/10/2017 30/11/2016 17/11/2017 09/03/2019 15/07/2017 30/06/2017 16/07/2018 31/07/2016
7.8	Issued during quarter	132,729,433	-	\$0.024	31/07/2016
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter* (Decrease during the quarter is a result of the equity reorganisation)	(13,965,000) (7,980,000) (9,975,000) (997,500) (13,765,000) (2,992,500) (13,854,167) (74,812,500) (8,678,250)	- - - - - - - - -	<i>Exercise price</i> \$0.05 \$0.034 \$0.037 \$0.05 \$0.0186 \$0.019 \$0.015 \$0.015 \$0.0073	<i>Expiry date</i> 30/06/2016 17/10/2016 17/10/2017 30/11/2016 17/11/2017 09/03/2019 15/07/2017 30/06/2017 16/07/2018
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report



Sign here:
(Director/Company secretary)

Date: 27 April 2016

Print name:
SHANNON COATES

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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