

San Sebastian Mine Exploration Target

ASX ANNOUNCEMENT

8 April 2015

Highlights

- **Significant underground potential outlined at the San Sebastian Mine**
- **Exploration target covers 400m of the 6km of mapped strike of the San Sebastian vein**

Perth-based copper developer **Metallum Ltd (ASX: MNE)** is pleased to provide the following update on its 100%-owned San Sebastian copper mine at the El Roble Project, Chile (Figure 1).

The Company has estimated an exploration target for the immediate San Sebastian Mine area of between approximately 280,000 tonnes and 360,000 tonnes at a copper grade of between approximately 2.90% Cu and 4.75% Cu based on data collected over the past 6 months. The term "exploration target" should not be misunderstood or misconstrued as an estimate of Mineral Resources as defined by the JORC Code (2012), and therefore the term has not been used in this context. Exploration targets are conceptual in nature, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Metallum Managing Director, Mr Zeff Reeves, commented: *"Our initial exploration target for the immediate mine area demonstrates the potential of the San Sebastian vein over a very limited strike length of 400 metres."*

"The parameters used to calculate the exploration target are considered very conservative given that we have mapped this vein for over 6 kilometres along strike and have a delivered grade to the processing facility of around 4.80% copper to date."

"As additional levels are established at the San Sebastian Mine, we believe we will then have sufficient data and geological confidence to calculate a maiden Mineral Resource for San Sebastian." Mr Reeves added.

San Sebastian Exploration Target

The exploration target estimated for the immediate San Sebastian Mine area has been calculated utilising data collected over the last six months during the evaluation and the subsequent mining operation established at San Sebastian and has been extrapolated along strike and down dip of the mine based on geological interpretation and three dimensional models of the mineralised vein, developed during the mining process.

The data utilised includes copper assay results from detailed grade control sampling of underground mine workings (see Appendix 1), geological mapping of the surface expression of the vein and in underground exposures, the extent of historic mining activity, underground survey information, ground magnetic data, surface topographical survey data and density measurements of samples submitted for assay. At this stage the Company has deemed that there is insufficient data to calculate a Mineral Resource in accordance with the JORC Code.

Underground grade control sampling is routinely undertaken along horizontal development drives, within vein vertical access shafts and during production stoping. Within underground development drives, samples are collected at a nominal 3 metre spacing perpendicular to the vein where practicable. Within shafts, the vein is sampled at a nominal vertical spacing of 5 metres and during stoping, grab samples of blasted material are routinely collected to monitor grades being trucked to the processing facility. The grade of mined material has validated the grade ranges reported in the exploration target, with the Company having already delivered material from the San Sebastian mine to the processing facility at an average grade of 4.80% Cu.

The Company has also made the following assumptions in regard to calculating the exploration target:

Strike length covered = 400m
Dip extend covered = 200m
Dip of vein = 65 degrees
Density (undiluted) = 2.93t/m³
Vein width range between = 1.20m to 1.60m
Estimated copper grade range = approximately 2.90% - 4.75% Cu

During the calculation of the estimation target the Company determined there is higher levels of geological certainty within an area immediately adjacent to the current mine workings where there is significant geological and assay data available due to the mining activities (Figure 2). The Company is actively mining this area and is utilising the geological models developed to plan the near term mine development. Within this zone the Company has established an exploration target of between approximately **35,000 tonnes and 50,000 tonnes at a copper grade of between approximately 3.80% and 4.80% Cu**. This zone forms part of the overall exploration target.

The Company has made the following assumptions in regard to calculating the higher confidence area exploration target:

Strike length covered = 170m
Dip extend covered = 130m
Dip of vein = 65 degrees
Vein width range between = 1.15m to 1.60m
Density (undiluted) = 2.93t/m³
Percentage of vein at mineable width (greater than 0.80m) = 70%
Estimated copper grade range = approximately 3.80% - 4.80% Cu

The Company envisages as further mining levels are established at San Sebastian in addition to extending the current 1030 level along the strike, geological confidence will increase allowing to the estimation of a maiden Mineral Resource in proximity to this development (refer to "Higher Confidence Area" in Figure 2).

It should be noted that the Company has used what it believes to be conservative parameters in calculating the exploration target, based on geological knowledge gained from the current mining of the San Sebastian vein. To date the exposed vein within the San Sebastian stope has an overall average width of 1.50m and locally exceeds 2.50m.

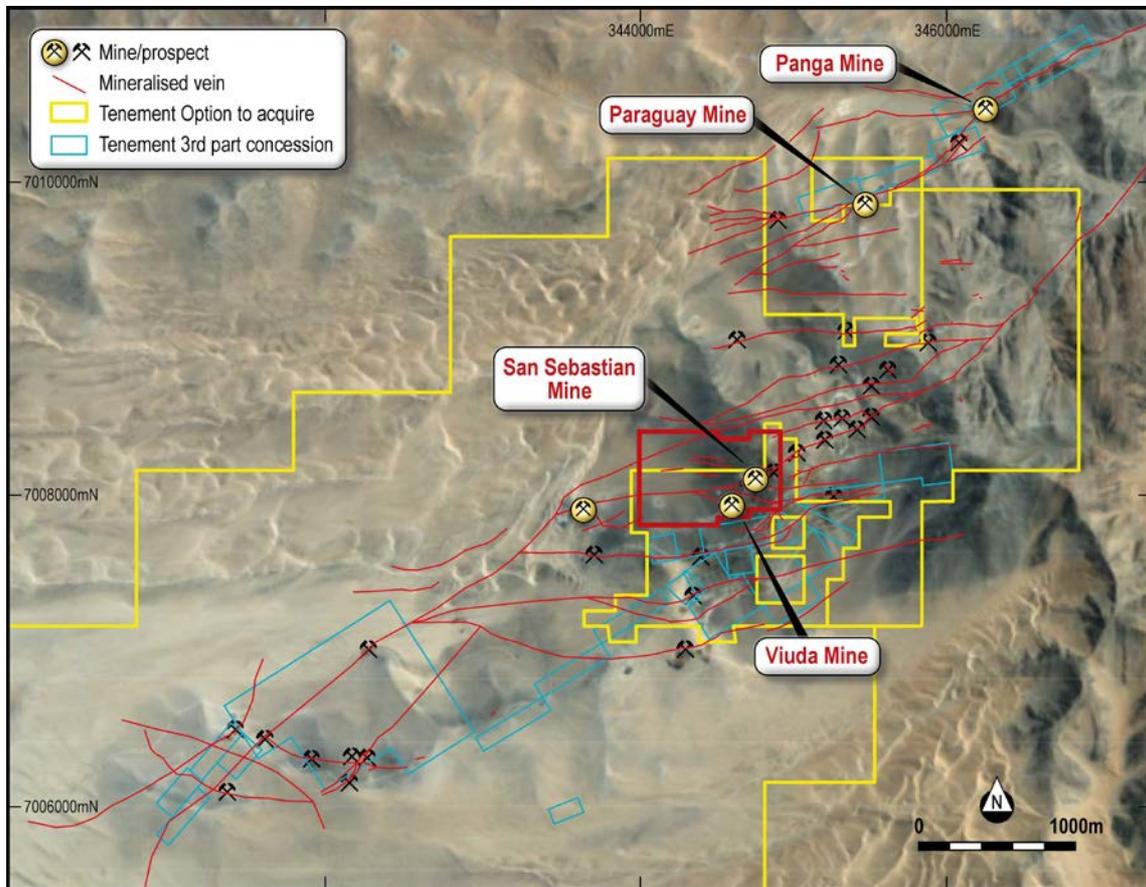


Figure 1– Map of the north east sector of the El Roble Project, Chile, showing the location of the San Sebastian, Viuda, Paraguay and Panga Mines within a strike continuous mineralised corridor where Metallum has mapped over 60km of prospective veins. The 100% owned San Sebastian concession is outlined in red and supersedes any overlying concessions.

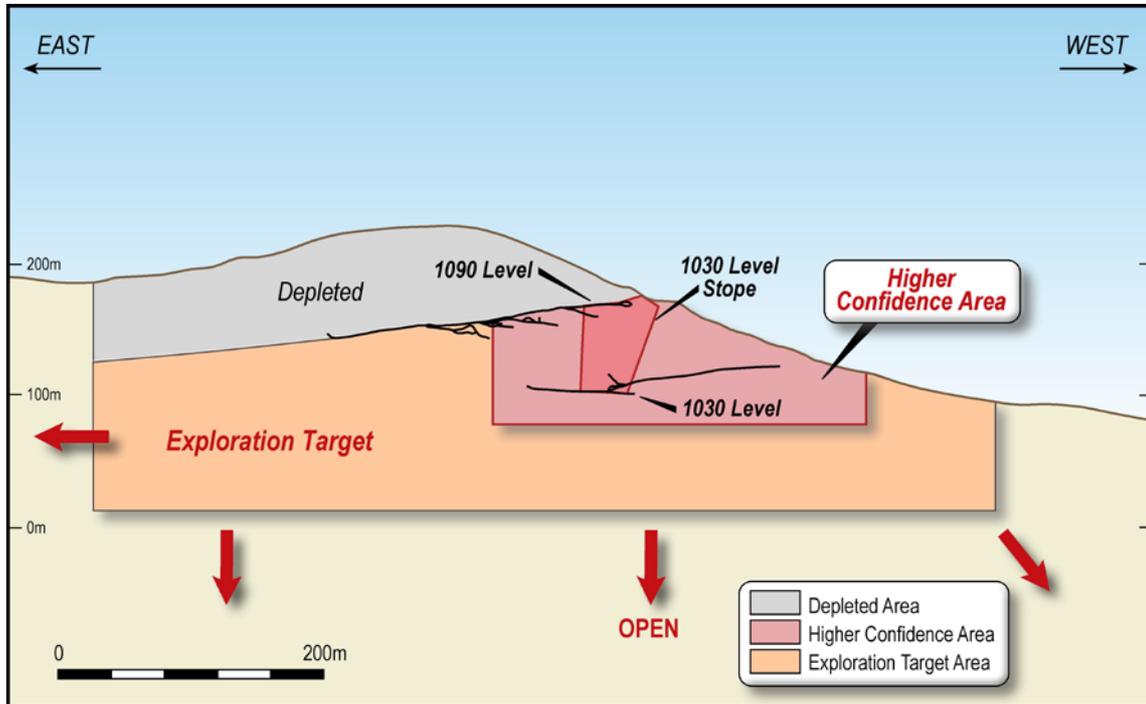


Figure 2 – Long section of the San Sebastian Mine looking south and the area covered by the initial exploration target. The higher confidence area is defined by a higher level of certainty due to proximity to mine workings where a high level of data coverage exists. Mineralisation is open down dip and along strike in all directions.

For more information, please 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. The Company has commenced trucking copper-bearing material from the Panga mine at El Roble for processing at a nearby plant.

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

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

For more information visit the Metallum Limited website at www.metallum.com.au

Competent Person’s Statement

The information in this report that relates to Exploration Targets 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. 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. Mr Reeves is a full time employee and Managing Director of Metallum Limited. For new Exploration Results, Mr Reeves consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

APPENDIX 1: JORC Table 1, Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	<ul style="list-style-type: none"> • Minimum sample interval was 0.25m and maximum of 1.00m are collected from core, sampled to geological boundaries. • Rock chip samples collected are of a minimum 2kg weight. • Minimum sample interval was 0.50m and maximum of 2.00m were collected along installed channels. • Samples sent to ALS Laboratories, Copiapo, Chile • Samples submitted to ALS were pulverised to obtain a 30g charge for fire assay for gold • ALS samples used a 0.5g charge was digested by four acid near total digest and analyses using ICP-OES for multi-element analysis, including copper • ALS Ore grade copper samples over 10,000ppm (10%) are re-assayed using AAS • High grade gold samples over 10 g/t are re-assayed using a fire assay fusion and gravimetric finish.
Drilling techniques	<ul style="list-style-type: none"> • NA - No drill results are presented in this announcement
Drill sample recovery	<ul style="list-style-type: none"> • NA - No drill results are presented in this announcement
Logging	<ul style="list-style-type: none"> • All drill holes and rock samples are geologically logged by qualified geologists. • Geological data is recorded in the Company's geological database. • Logging is qualitative in nature and describes lithology, alteration, structure and mineralisation visually observed by the logging geologist. • Total length of each sample interval has been logged.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • The sample collection and preparation technique is deemed suitable and industry standard for drill core and rock sampling. • Samples are coarse crushed to 70% passing 2mm and then split produce a 30g sample for gold assay and 0.5g sample for multi-element assay. Sub samples are then pulverised to 85% passing 75 microns prior to assay. • No duplicate samples have been carried out. • Sample size is deemed appropriate. • Samples may be subject to nonuniform grade distribution and nugget effect in relation to copper grade due to geological and mineralogical characteristics.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • Assay techniques are deemed suitable and accurate for the elements being tested. • Standard reference materials have been submitted in each sample run every 20 samples. • Blank reference materials are submitted in each sample run every 50 samples.
Verification of sampling and assaying	<ul style="list-style-type: none"> • All significant intersections have been calculated using weighted averaging to sample length. • All significant intersections have been checked by alternative company geological personnel. • No duplicate sampling or twinned holes have been completed • All data collected is done so in accordance with the Company's written data collection procedures and is kept within the Company's electronic database. Original sample logs and written data collection forms are also retained in the Company's data library. • No adjustment to data has been done.
Locations of data points	<ul style="list-style-type: none"> • All drill holes and channels have been surveyed using a measurement from known survey points in underground areas with appropriate control points used and referenced to ensure accuracy of survey information. • Collar locations for channels RCPCH00375-RCPCH00381 have not been surveyed and have been located using measurements from known survey points. No elevation data is available until survey has been completed. • Co-ordinates have an error of +/-10cm. • Co-ordinates are recorded in WGS84 co-ordinate system
Data spacing and distribution	<ul style="list-style-type: none"> • The current drill and channel spacing is deemed appropriate for the current early stage of exploration
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> • Wherever possible drill holes and channels have been planned to intersect mineralised structures perpendicular to the structure. • Drill Hole intercepts are downhole widths and do not indicate true widths of any mineralised structure.

Sample security	<ul style="list-style-type: none">• All sampling was conducted under the supervision of the companies project manager who supervised sample collection and the chain of custody from the drill to the sample preparation and logging facility is continually monitored by the project manager. Samples are shipped to the lab by qualified couriers or Company personnel under locked bags.
Audits or reviews	<ul style="list-style-type: none">• No audit or review has been conducted due to the early stage exploration nature of the work.