

METALLUM TO ACQUIRE THE KOPORE COPPER PROJECT IN BOTSWANA

ASX ANNOUNCEMENT

30 AUGUST 2017

HIGHLIGHTS

- Metallum to acquire a 100% interest in the Kopore Copper/Silver Project comprising 5,161km² of tenure on the Kalahari Copper Belt via the acquisition of Global Exploration Technologies Pty Ltd
- Metallum appoints Discovery Capital Partners as Lead Advisor to the transaction and secures commitments to raise \$3 million via a placement with Ashanti Capital as Lead Manager and Ironside Capital as Co-Manager
- Dominant ground position with 100% owned tenements that adjoin MOD Resources Limited's tenure, with over 200km of favourable geological horizon identified and confirmed by coincident geophysical & soil anomalies forming immediate targets
- In-country management team with deep knowledge of the Kalahari Copper Belt in place to advance exploration and development of the assets
- Subject to shareholder approval and successful completion of the acquisition and capital raising, Metallum will fund a focussed copper exploration program along the Kalahari Copper Belt
- Experienced directors Grant Ferguson and Tim Goldsmith to join the Board as Managing Director and Chairman respectively post completion
- Metallum to further explore and develop its existing Australian projects via a targeted drilling campaign supported by further geological studies

Metallum Limited (ASX:MNE) ("**Metallum**" or "**the Company**") is pleased to announce that it has entered into a binding heads of agreement (**Agreement**) to acquire the Kopore Botswana Copper/Silver Project (**Kopore Project**) via the acquisition of 100% of the existing shares in Global Exploration Technologies Pty Ltd (to be renamed "Kopore Metals Australia Pty Ltd") (**Kopore**) in consideration for the issue of 137,500,000 shares in the Company (**Transaction**).

The acquisition of the Kopore Project represents an opportunity to secure a highly prospective portfolio of tenements in a world class copper region that the Company believes will add significant growth potential to Metallum and enhance its profile as an emerging mineral exploration company.

The proposed incoming Managing Director of Metallum, Mr Grant Ferguson said:

"We are pleased to deliver this exciting portfolio of copper tenements to Metallum, who shares our view of the exploration potential of the rapidly emerging Kalahari Copper Belt.

“Metallum presents a complementary and natural acquirer of Kopore, given its existing exposure in the copper sector. Going forward, the Company will have projects in two highly regarded and pro-mining investment jurisdictions and a solid foundation for potential exploration success in the future.

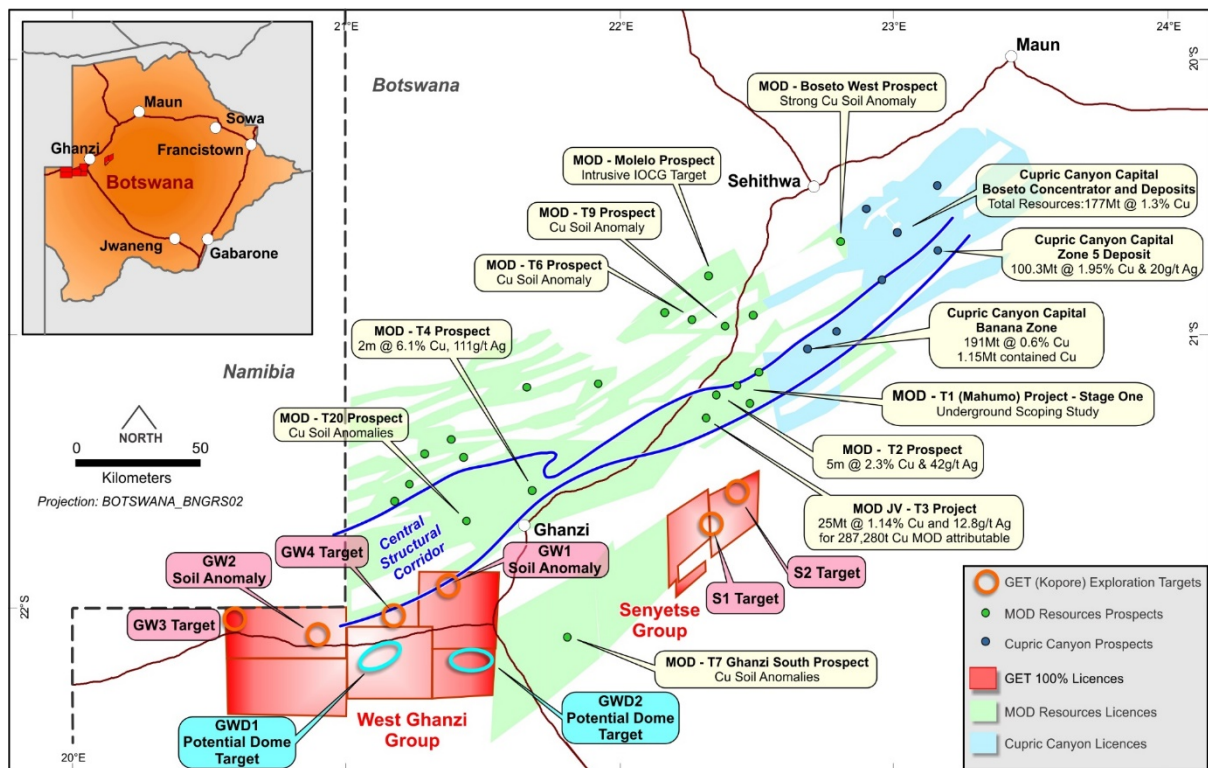
“Our strategy is to rapidly implement an aggressive exploration campaign at Kopore and in doing so, create the next major Australian listed copper company.

“I look forward to working with the Metallum Board with the clear objective of creating shareholder value through discovery and development of the Company’s projects.”

Overview of Acquisition and Essential Terms

The Kopore Project consists of a portfolio of eight 100% owned prospecting licences with a total area of 5,161km² in the western part of the Kalahari Copper Belt. The Kalahari Copper Belt in north-west Botswana is a relatively underexplored and emerging world class copper province with total reported Mineral Resources of over 7Mt of contained Cu (14Bn lbs Cu) and 260Moz contained silver¹, and located in one of the most highly ranked mining investment jurisdictions in Africa.

Figure 1 - The Kopore Kalahari Copper Belt Projects



Under the terms of the Agreement, the consideration for the acquisition of 100% of the issued capital of Kopore is 137,500,000 fully paid ordinary shares in Metallum at a deemed issue price of \$0.02 per share (**Consideration Shares**). The Company will also issue a further 3,750,000 shares in Metallum at a deemed issue price of \$0.02 per share to directors of Kopore in lieu of unpaid directors’ fees (**Kopore Director Shares**).

¹ See Figure 1

In addition, Kopore's highly experienced management team, which includes Grant Ferguson, Tim Goldsmith and David Catterall, all of whom have extensive experience in southern Africa, will join the Company. Mr Ferguson will be appointed as the Company's Managing Director and Mr Goldsmith will be appointed as Chairman. Mr Catterall, who was previously Geologist and Exploration Manager for Cupric Canyon, the dominant entity on the Kalahari Copper Belt, will join Metallum as its Exploration Manager.

Winton Willesee and Erlyn Dale will retire from the Board of the Company.

As part of the Transaction, and subject to shareholder approval, Metallum will issue 20 million options in the Company, exercisable at \$0.06 each, on or before the date which is three years after the date of issue to the existing and proposed directors of the Company (or their nominees) (**MNE Director Options**).

The acquisition is subject to the following material conditions precedent:

- Metallum obtaining shareholder and regulatory approvals necessary to implement the Transaction and the Capital Raising (defined below), including obtaining shareholder approval under Listing Rule 11.1.2;
- completion of the Capital Raising of \$3,000,000 at \$0.02 per share; and
- Metallum and Kopore each being satisfied with their due diligence enquiries within seven days.

The Company proposes to hold a shareholder meeting to seek the shareholder approvals necessary to complete the Transaction and the Capital Raising, including (amongst other things) approval under ASX Listing Rule 11.1.2. The Company will provide further information to its shareholders in relation to the proposed shareholder meeting in due course.

Capital Raising

Metallum is pleased to advise that the Company has secured commitments to raise \$3 million, by way of a placement of 150,000,000 fully paid shares in the Company at \$0.02 per share (**Capital Raising**). The issue of shares under the Capital Raising is subject to the approval of Company shareholders.

Ashanti Capital is Lead Manager to the Capital Raising and Ironside Capital is Co-Manager.

Subject to shareholder approval, the Company also proposes to issue 35 million broker and lead manager options in connection with the Capital Raising, on the same terms as the MNE Director Options (see above) (**Broker Options**).

Proposed activities and use of funds

Following completion of the Transaction and the Capital Raising, Metallum intends to:

- further explore and develop its existing Australian projects via a targeted drilling campaign supported by further geological studies and, subject to drill results, further exploration work to be undertaken; and
- fund a focussed copper exploration program on the Kopore Project along the Kalahari Copper Belt, including soil sampling, mapping, geophysics and drilling.

In support of the activities outlined above, following completion of the Transaction Metallum proposes to use its existing cash reserves and the proceeds of the Capital Raising as set out in the table below:

Use of funds	Amount \$	%
Expenses of the Transaction (including the Capital Raising) ¹	\$450,000	12.2
Exploration and development costs: Kopore Project	\$1,730,000	47.0
Exploration and development costs: Existing Assets	\$1,100,000	29.9
General working capital	\$400,000	10.9
TOTAL	3,680,000²	100

Note: The above table is indicative only and a statement of current intentions. The allocation of funds set out in the above table may change depending on a number of factors.

1. This includes a 6% placement fee for funds raised under the Capital Raising and fees payable to the Lead Advisor, on commercial terms.
2. This includes current cash of approximately \$680,000 in the Company and Kopore.

Effect of the Transaction of Metallum's capital structure

The Transaction (including the Capital Raising) will result in changes to Metallum's capital structure as set out in the table below:

	Shares	Options
Current issued capital in the Company	135,401,400	88,750
Consideration Shares ¹	137,500,000	Nil
Kopore Director Shares ¹	3,750,000	Nil
Advisory Shares ^{1,2}	7,500,000	Nil
Broker Options	Nil	35,000,000
MNE Director Options	Nil	20,000,000
Capital Raising	150,000,000	Nil
TOTAL (following completion of the Transaction and Capital Raising)	434,151,400	55,088,750

1. None of the Consideration Shares, Kopore Director Shares or Advisory Shares will be issued to a related party of the Company.
2. Pursuant to the HOA, the Co-Manager may elect to receive its portion of the placement fee for funds raised under the Capital Raising in shares instead of cash. In this event, an additional 744,000 Advisory Shares will be issued.

Name Change

The Company intends to seek shareholder approval to change its name to Kopore Metals Limited and its proposed new ticker is ASX:KMT

Timetable

The indicative timetable to completion of the Transaction is as set out in the table below:

Event	Indicative timing
Date of announcement of the Transaction	30 August 2017
Dispatch Notice of Meeting	Est. 14 September 2017
Shareholder meeting to approve Transaction	Est. 16 October 2017
Completion of Transaction	Est. 17 October 2017

Note: The dates set out above are indicate only and are subject to change.

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Corporate Advisor



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.