

Metallum Ltd

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Mining Group to raise A\$2.48M in fully underwritten capital raising

Mining Group (ASX: MNE) is undertaking a fully underwritten non-renounceable entitlements issue to raise A\$2.48 million to further advance its Comval Copper-Gold Project in the Philippines.

Cygnat Capital has been appointed lead manager and underwriter to the entitlements issue.

The company will issue around 70.9 million shares at \$0.035 per share on the basis of two new shares for every three held.

Mining Group will also issue one free attaching option, exercisable at \$0.06 and expiring on 30 June 2015 for every two new shares issued.

The \$2.48 million raised under the entitlements issue will build on the \$2.58 million in cash Mining Group held at the end of December 2012.

The new money raised, together with existing funds, will be allocated towards exploration and drilling programs at the Comval Project and target generation and reconnaissance field work at the Teutonic Project in Western Australia.

Funds will also be used to assess other opportunities which may fit Mining Group's strategy and for general working capital.

Comval potential

The Comval Project is proving itself as a high quality project in one of the world's most highly mineralised countries.

The Philippines has one of the world's largest copper-gold endowments.

The project is located on the highly prospective Philippines fault zone that hosts numerous copper, gold and copper-gold deposits.

These include Medusa Mining's 6.3 million tonne at 9.6 grams per tonne (g/t) gold Co-O Mine, St Augustine's 962.3 million tonne at 0.25% copper and 0.3g/t gold King-King Project, and Xstrata/Indophil's 2.5 billion tonne at 0.6% copper, 0.2g/t gold and 70 parts per million molybdenum Tampakan Project.

Comval is a target rich property, with two types of copper mineralisation identified – lower tonnage copper-gold-magnetite skarns and larger tonnage porphyry.

High grade gold has also been discovered at surface at the Taub, Ugpo, Panag and Red Clay prospects, with grades of up to 52g/t uncovered.

Share Information

Code: MNE

Listing: ASX

Sector: Mining

Website: www.mininggroup.net.au

Company Synopsis:

Mining Group (ASX: MNE) is an exploration company targeting resource projects in Australia and overseas. Mining Group is focused on the development of the Comval Copper Gold Project in the Philippines and exploration at the company's projects in Western Australia.

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Most recently, drilling at the Taub Prospect has confirmed the potential for the area to host a near surface gold deposit, with Mining Group having now identified 15 new targets worthy of drill testing.

Comval hosts an initial Resource of 136,000 tonnes of copper and 139,000 ounces of gold based on historic work.

A high grade Resource of 8.97 million tonnes at more than 1% copper equivalent plus magnetite potential remains within areas mined commercially in the 1980s.

Recent exploration results confirm the probability of increasing copper and magnetite resources and the potential for high grade gold deposits.

A new high grade gold field has been discovered just to south of the 10.2 million tonne at 9.6g/t gold Dilwalwal Project and the Co-O Mine, with geological similarities.

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