



11 May 2023

Cape Flattery Silica Sand Project Update

Highlights

- Definitive Feasibility Study (DFS) progressing.
- Recent requirement for an Environmental Impact Statement (EIS) by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) will impact project approval processes and construction timing.
- Discussions continue with the DCCEEW on the draft Guidelines for the EIS
- Several different barge designs are being considered for transshipping operations from a purpose-built barge loading facility
- Potential offtake partner to visit CFS project in May 2023
- CFS representatives attended the inaugural PV Glass Manufacturing conference in China's Anhui Province

Metallica Minerals Limited (**Metallica**, ASX: MLM, Company) is pleased to provide an update on progress towards development of its 100% owned Cape Flattery Silica (CFS) sand project.

Metallica Minerals Executive Chairman, Theo Psaros said, "We are currently advancing the DFS for the CFS project. The decision by the DCCEEW to seek an EIS for the project, will result in delays to the project's approvals and timing on construction. We also advise that we expect the DFS results will be released in Q3 of 2023, primarily as there have been delays in receiving key inputs to the DFS from external consultants."

Environmental Studies

The EIS will start soon after the Guidelines are issued by DCCEEW. A meeting was held recently in Canberra with representatives of the DCCEEW to discuss the draft Guidelines for the EIS. This meeting also allowed the DCCEEW to gain a greater understanding of the CFS project. MLM is waiting on the next version of the draft Guidelines.

When the Guidelines are finalised with DCCEEW, applications will be underway with the relevant Queensland Government departments.

Potential Offtake partners & Marketing

Representatives of CFS attended the PV Glass Manufacturing conference in Anhui Province, China held in April. There was significant interest in the CFS project on the back of large actual and forecast increases in Chinese solar panel manufacturing capacity. In addition to the growing interest, the CFS marketing team gained first-hand market information on future demand and the potential forecast pricing and supply shortfall of silica sand in the Asia-Pacific region.



Figure 1: Metallica Minerals booth at the PV Glass Manufacturing conference in Anhui Province

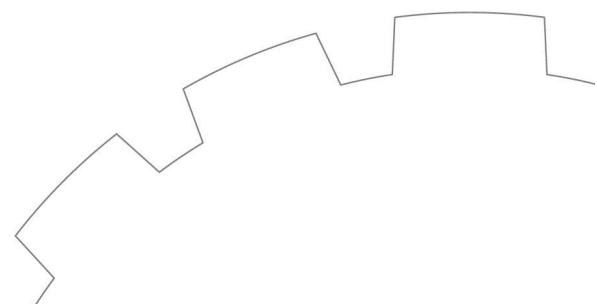
Later in May, CFS will be hosting a site visit to Cape Flattery with a potential offtake partner. This is the next step in their evaluation of the project following meetings held during the March 2023 international roadshow.

Representatives of the Traditional Landowner clans, Dingaal and Nguurruumungu will also accompany the visitors. The presence of clan members is a constant and greatly appreciated aspect of all visits by potential international offtake partners.

Water Application

Following the CFS Project being designated a Project of Regional Significance by Queensland’s Department of Regional Development, Manufacturing & Water (DRDMW), further work is underway for the formal application to extract ground water for the planned sand recovery and processing operations from the Cape York unallocated strategic reserve. (see ASX release 24 February 2022: Cape Flattery Silica granted Project of Regional Significance Status).

A bore water draw-down test is required to progress the water licence application. This work will permit the modelling of groundwater systems that must accompany the Water Licence Application. Due to the extended wet season and adverse site conditions the bore water draw-down testing has been delayed. The Company is monitoring the site conditions and are currently planning on completing the test on the aquifer towards the end of May.



About the Cape Flattery Silica (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sand (CFS) Project is located in the Cape Flattery area, on the eastern coastline of Cape York Peninsula, 220 km north of Cairns, and 55km from Cooktown. Metallica is developing the CFS Project adjacent to the Cape Flattery Silica Sand mining and shipping operation owned by the Mitsubishi Corporation. Initial exploration drilling in late 2019 confirmed the presence of high purity silica sand within EPM 25734.

The Project's development will be a major boost to the North Queensland economy, leveraging off its strategic location, within the declared Cape Flattery Port area and within the silica sand hub area.

The Company has successfully signed an MOU for offtake with Mitsui (see ASX announcement dated 30 August 2022), with the project forecast to produce 1.35 million tonnes of high-purity silica sand per annum.

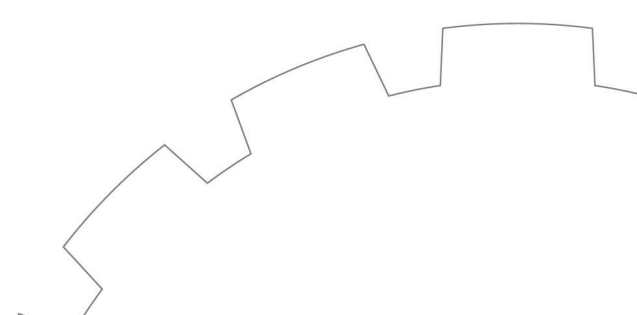


Figure 2: EPM 25734 location and orientation at Cape Flattery and within the Cape Flattery Port limit

This announcement has been approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board. For further information, please contact:

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Forward-looking statements

Forward-looking statements are based on assumptions regarding Metallica, business strategies, plans and objectives of the Company for future operations and development and the environment in which Metallica may operate.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of Metallica could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Metallica, which may cause the actual results, performance or achievements of Metallica to differ materially from those expressed or implied by the forward-looking statements. For example, the factors that are likely to affect the results of Metallica include general economic conditions in Australia and globally; ability for Metallica to fund its activities; exchange rates; production levels or rates; demand for Metallica's products, competition in the markets in which Metallica does and will operate; and the inherent regulatory risks in the businesses of Metallica. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.

Production Targets

Information in relation to the CFS Pre-Feasibility Study production targets included in this report is extracted from an ASX Announcement dated 21 March 2022, ("[Cape Flattery Silica PFS - confirms excellent economics](#)"). The Company confirms that all material assumptions underpinning the production target set out in the announcement released on 21 March 2022 continue to apply and have not materially changed.