



25 March 2021

RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$4.9 MILLION

- Fully Underwritten 1 for 2 Renounceable Rights Issue to raise up to \$4.9 million to advance the Cape Flattery Silica Sand project
- With every two New Shares issued, shareholders will receive one free attaching New Option (with an exercise price of 6 cents and a term of 3 years)
- New Cornerstone investor Ilwella Pty Ltd, the private investment vehicle of the Flannery Family Office, sub-underwriting approximately \$2.2 million
- Funds to be used for the Cape Flattery Silica Sand development studies, further drilling & evaluation, Mining Lease application, Environmental and other commercial evaluation
- Directors intend to participate for their full entitlement and also sub-underwrite part of any shortfall

Metallica Minerals Limited (ASX: MLM) (“Metallica Minerals” or “the Company”) is pleased to announce a renounceable Rights Issue to raise up to \$4,865,661 to fund the next phase of the development of its 100% held silica sand project located in the world class Cape Flattery Dune field.

The Rights Issue has been supported by a new cornerstone investor, Ilwella Pty Ltd representing the private interests of the Flannery Family Office. Equally importantly, existing shareholders can also choose to participate in the Rights Issue.

Under the offer, shareholders will be offered the following terms:

- Attractively priced at 3.0 cents per share
- Discount of 29% to the to the 30-day VWAP of 4.2 cents
- With every 2 New Shares, shareholders receive 1 free attaching New Option
- New Options will have Exercise Price of 6 cents, term of 3 years and will be listed
- Shareholders can trade their rights and apply for additional shares and options
- Rights to start trading from 29 March 2021.

On completion, the Company will be well-funded with up to \$4.9 million available for:

- Further resource drilling and evaluation in the key area that holds a 38.3mt JORC resource*
- Finalisation of the Cape Flattery Silica Sand (CFS) Scoping Study
- Mining Lease application made
- Environmental studies and applications to advance the project's development
- Undertake Pre-Feasibility Study in to the development of the Cape Flattery Silica Sand project.

Ilwella Chief Investment Officer, Quentin Flannery said: *“We are pleased to be joining the Metallica team on their journey to developing their high-quality Cape Flattery silica sands project. We are committed to being a substantial long-term shareholder and look forward to seeing this project in production. We have a strong view that the world’s appetite for high grade Cape Flattery silica sand products will continue to grow and this project will play a key part in meeting this future demand. We*

believe the silica sands market represents a huge opportunity over the next decade and continue to be committed to supporting high quality projects in this space.”

Executive Chairman, Theo Psaros said: *“We are very pleased to have the support of Ilwella Pty Ltd. Their investment, along with continued support from existing and new shareholders, positions our company very positively to develop our silica sand project.”*

The Rights Issue is open to all eligible shareholders who have a registered address within Australia or New Zealand, and who hold Shares on the Record Date. The Rights Issue will close on 20 April 2021 (unless extended), and eligible shareholders can apply for shortfall in excess of their entitlement (subject to the Corporations Act). Shareholders can also trade their rights from 29 March 2021.

Mahe Capital Pty Ltd advised on the issue and acts as Lead Manager and Underwriter. The issue is fully underwritten to \$4.9 million.

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and Options. A Prospectus in relation to the Rights Issue was lodged with ASIC on 25 March 2021 and, together with a personalised Entitlement and Acceptance Form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the Prospectus in deciding whether to acquire securities under the Rights Issue, and will need to follow the instructions on the Entitlement and Acceptance Form that will accompany the Prospectus. The following are indicative dates in respect of the capital raising:

Event	Date
Notice sent to shareholders	25 March 2021
Ex entitlement date	29 March 2021
Rights trading commences on a deferred settlement basis	
Record Date for determining entitlements (5:00pm EST)	30 March 2021
Prospectus and personalised Entitlement and Acceptance Forms sent out to Eligible Shareholders	1 April 2021
Rights trading ends	13 April 2021
Closing date of entitlement issue (5:00pm EST)	20 April 2021
ASX notified of under subscriptions	23 April 2021
Issue date	27 April 2021

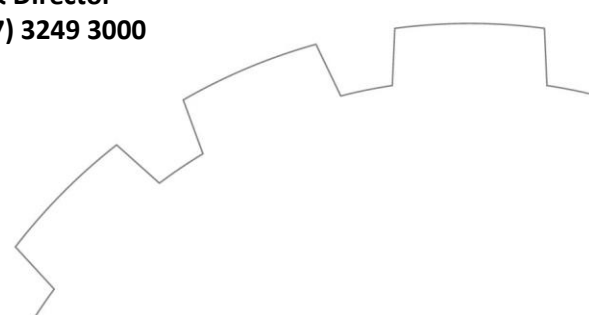
These dates are indicative only and may change, subject to the Corporations Act and Listing Rules.

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:

Mr Theo Psaros
Executive Chairman
+61 (7) 3249 3000
Page 2 of 5

Mr Scott Waddell
CFO & Director
+61 (7) 3249 3000



About the Cape Flattery Silica Sand (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sands (CFS) project is adjacent to the world class Cape Flattery Silica Sand mining and shipping operation owned by Mitsubishi. Exploration drilling to date has now confirmed that the sand dunes within EPM 25734 contain high purity silica sands with an in-situ quality which is understood to be comparable to Mitsubishi's Cape Flattery Silica Mine.

On 2 March 2021, the Company released an upgraded resource in the CFS Eastern Resource Area estimated and summarised in Table 1, as follows:

Classification	Silica Sand (Mt)	Silica Sand (Mm ³)	Density (t/m ³)	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Indicated Resource	5.4	3.4	1.6	99.1	0.04	0.09	0.13	0.13
Inferred Resource	32.9	20.5	1.6	99.0	0.07	0.12	0.15	0.11
Total	38.3	23.9	1.6	99.0	0.06	0.12	0.15	0.12

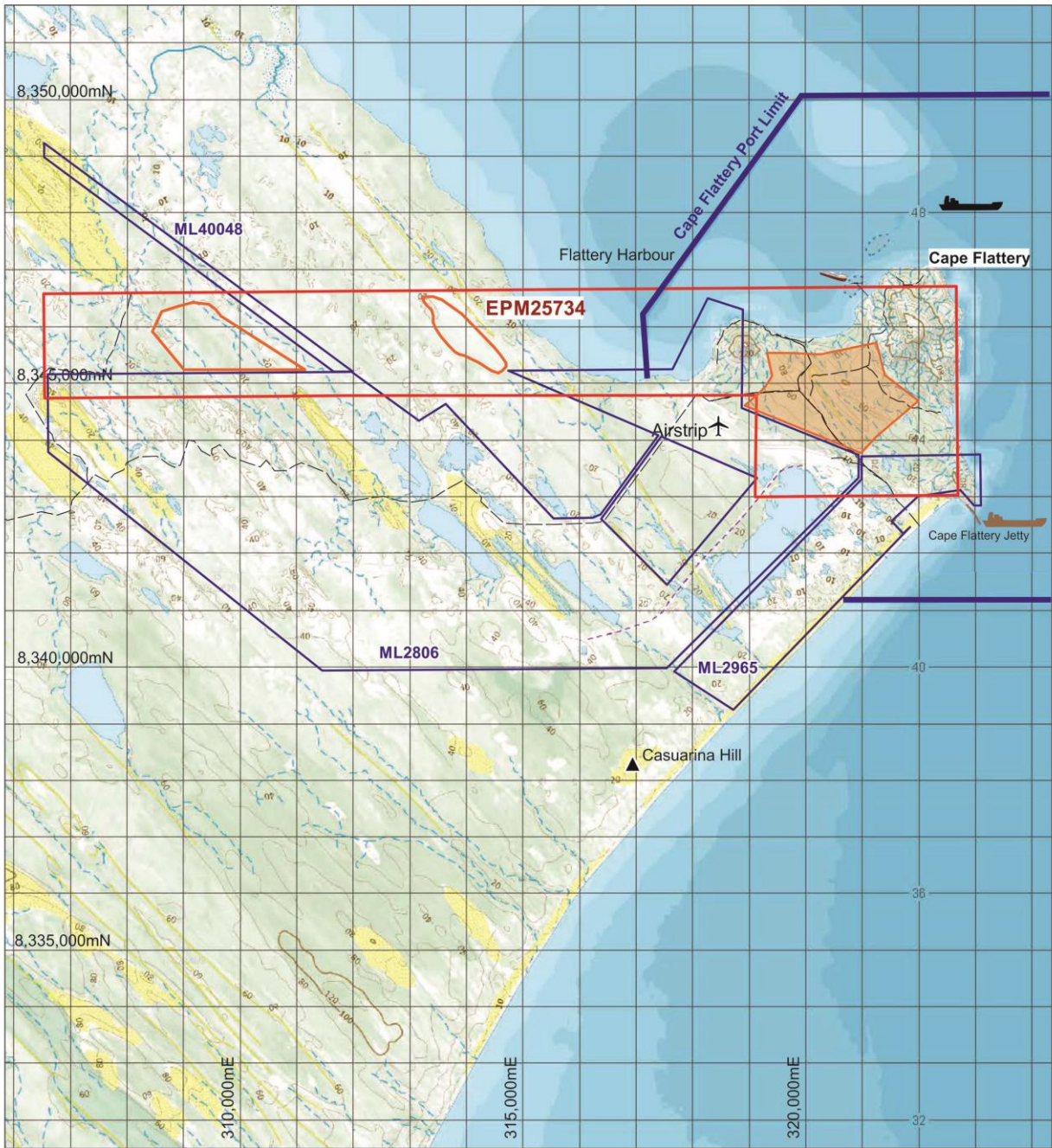
Table 1 – EASTERN RESOURCE Area Cape Flattery Silica Project

For further details, see ASX Release on 2 March 2021 titled "38 Mt of High Purity Silica Sand Resource at Cape Flattery Silica Sands Project".

The Resource has been prepared in accordance with the JORC Code 2012 – A cut-off grade 98.5% has been defined based on the surrounding data. These results show there is good potential to produce a premium grade silica product using standard processing techniques.

According to industry research firm IMARC Group, high-purity silica sands are becoming more sought after, with the global market growing at a compound annual growth rate (CAGR) of around 6% between 2010 and 2017. In 2017, a total of 188 Mt of silica sand was produced globally.

This growth has been driven by silica sand's applications across a broad range of industries including glass-making, foundry casting, water filtration, chemicals and metals, hydraulic fracturing and an increasing number of hi-tech products, including solar panels. For example, in the global glass-making industry, one of the major consumers of high-purity silica has experienced significant growth recently from the construction and automotive industries. IMARC also estimated the global silica sand market could grow from US\$7 billion in 2019 to US\$20 billion in 2024.



0 1 2 3 4 5 Km

1:100,000

- LEGEND**
- EPM Granted (Cape Flattery Silica Mines Pty Ltd)
 - ML's Mitsubishi Silica Mine (Granted)
 - Exploration Areas
 - Target #1



Cape Flattery Silica Mines Pty Ltd

EPM25734

Cape Flattery

Tenement Location and Exploration Area

COMPILED BY	S. Hagan	OCT 20	
DRAFTED BY	A. Davies	OCT 20	Proj.:MGA94 (Zone 55)
REVISED			DWG No.:

FIGURE

Competent Person Statement

The information in this announcement that relates to the Cape Flattery Silica Sand Project-Eastern Exploration Target and this Resource Estimation was based on results and data collected and compiled by Mr Neil Mackenzie-Forbes, who is a Member of the Institute of Geoscientists and is a Consulting Geologist employed by Sebrot Projects Pty Ltd and engaged by Metallica Minerals Ltd. Mr Mackenzie-Forbes has more than 20 years mining and exploration experience in Australia with major mining and junior exploration companies. Mr Neil Mackenzie-Forbes consents to the inclusion of this information in the form and context in which it appears in this release/report.

The information in this announcement that relates to the Cape Flattery Silica Sand Project - Eastern Resource Area is based on information and modeling undertaken by Mr Chris Ainslie, Geotechnical Engineer, who is a full-time employee of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy. The work was supervised by Mr Carl Morandy, Mining Engineer who is Managing Director of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy and also by Mr Brice Mutton who is a Senior Associate Geologist for Ausrocks Pty Ltd. Mr Mutton is a Fellow of the Australasian Institute of Mining & Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Morandy and Mr Ainslie and Mr Mutton are employed by Ausrocks Pty Ltd who have been engaged by Metallica Minerals Ltd to prepare this independent report, there is no conflict of interest between the parties. Mr Morandy, Mr Ainslie and Mr Mutton consent to the disclosure of information in the form and context in which it appears in this release/report.

The overall resource work for the Cape Flattery Silica Sand Project - Eastern Resource Area is based on the direction and supervision of Mr Mutton who has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken 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".

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.