



METALLICA MINERALS LIMITED

Subsidiary Companies

NORNICO Pty Ltd ACN 065 384 045 | Oresome Australia Pty Ltd ACN 071 762 484 | Greenvale Operations Pty Ltd ACN 139 136 708
Lucky Break Operations Pty Ltd ACN 126 272 580 | Scandium Pty Ltd ACN 138 608 894 | Phoenix Lime Pty Ltd ACN 096 355 761

ABN: 45 076 696 092

ASX RELEASE

14 MARCH 2011

BUY BACK OF NON-MARKETABLE SHARE PARCELS

Metallica Minerals Limited (ASX-MLM) is pleased to announce it has offered to buy back all of the shares held by shareholders who hold less than a marketable parcel (having a value less than \$500 based on the closing price of 28 cents for the Company's shares on 10 March 2011) of shares in the Company,

The buy back offer letter which has been mailed to 565 shareholders holding a total of 408,770 shares is attached.

The buyback is being utilised to "free up" the smaller holdings which will in turn reduce the Company's overall administrative cost burden to the benefit of shareholders generally.

If shareholders wish to retain their shareholding in the Company, they must complete and sign the Share Retention Form which accompanies the offer and forward it to the Company to be received by no later than 5.00pm Brisbane time on 11 April, 2011 (the Closing Date).

The total Buy-back Price for the respective minimum holdings that have been bought-back shall be remitted by cheque to the holders within 10 days of the Closing Date. The Company shall bear all costs and expenses associated with the buy-back. Should all the shares subject to the buyback offer be bought back, the total consideration paid by the Company will be approximately \$115,000.

For further information:

John Haley

Director/Company Secretary

Metallica Minerals Limited

(07) 3249 3000

For personal use only



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11 March 2011

Dear Shareholder,

Re: Offer by Metallica Minerals Limited (Company) to buy-back minimum holdings in the Company

The Directors of the Company wish to offer to buy-back the minimum holdings of shareholders in the Company under the terms set out in this Offer and the procedure in Section 257B of the *Corporations Act (Cth) 2001 (Corporations Act)*.

As at 7pm (AEDST) on 10 March 2011, the Company currently has approximately 2,325 shareholders of which 565 hold less than a marketable parcel of shares in the Company. A marketable parcel of shares is defined in the ASX Listing Rules as a parcel of securities of not less than \$500 based on the closing share price of Company's shares.

The Directors of the Company have resolved to proceed with buy-back procedure as provided for in Section 257B of the Corporations Act for the buy-back of minimum holdings (**Minimum Holdings Buy-back Procedure**). A "minimum holding buy-back" is defined in Section 9 of the Corporations Act as a buy-back of all of a holder's shares in a listed corporation if the shares are less than a marketable parcel within the meaning given in the ASX Listing Rules.

In general, this process is being utilised to "free up" the smaller holdings which will in turn reduce the Company's overall administrative cost burden to the benefit of shareholders generally.

The Register of Members of the Company as at 7pm (AEDST) on 10 March 2011 indicates that you or an entity that is associated with you currently holds less than a marketable parcel of shares (**Minimum Holdings**).

Pursuant to the Minimum Holdings Buy-back Procedure, the Board of Directors hereby offers to buy-back your shares in the Company for \$0.28 per share (**Buy-back Price**) being the closing share price of the Company on 10 March 2011.

We must stress that the Company shall not buy-back your shares if you wish to retain your shareholding. To this end, if you wish to retain your shareholding in the Company, please complete and sign the enclosed Share Retention Form and forward it to the Company in the reply paid envelope provided by the Company to be received by no later than 5.00pm Brisbane time on the date that is 30 days from the date of this Offer being 11 April, 2011 (**the Closing Date**).



If you do not wish to retain your holding in the Company or do not execute and return the enclosed Share Retention Form or otherwise fail to advise the Company that you wish to keep your holding by the Closing Date, your shares will be liable to buy-back by the Company in accordance with the Minimum Holding Buy-back Procedure. Upon the buy-back of your shares, the Company shall cancel those shares and shall notify the Australian Securities and Investments Commission and ASX Ltd accordingly.

- Upon the expiry of the Closing Date, if you have indicated that you do not wish to retain your shareholding, have not executed and returned the enclosed Share Retention Form or otherwise have failed to advise the Company that you wish to keep your holding by the Closing Date, the total Buy-back Price for the respective Minimum Holdings that have been bought-back shall be remitted by cheque to the Minority Holders within 10 days of the Closing Date. The Company shall bear all costs and expenses associated with the buy-back contemplated herein.

The buy-back of Minimum Holdings will proceed as follows:

- The Closing Date by which any holder of less than a marketable parcel of shares (**Minority Holder**) must notify the Company using the enclosed Share Retention Form that they wish to retain their shareholding is 11 April, 2011 being 30 days from the date of this Offer;
- Upon the expiry of the Closing Date, the Directors will resolve to buy-back the shares of those Minority Holders who do not wish to retain their shareholding, have not executed and returned the Share Retention Form enclosed with this Offer or have otherwise failed to advise the Company that they wish to keep their holding by the Closing Date;
- The total Buy-back Price for the respective Minimum Holdings that have been bought-back shall be remitted by cheque to the Minority Holders within 10 days of the closing date. The Company shall bear all costs and expenses associated with the buy-back contemplated herein.

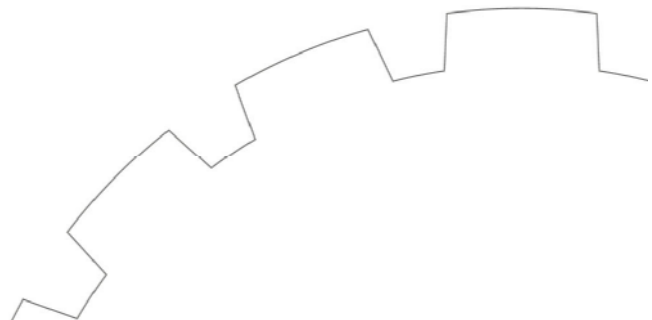
The Directors wish to stress and reiterate that any person who wishes to retain their shareholding in the Company will be able to do so by simply executing the enclosed Share Retention Form and returning the same to the Company by no later than the Closing Date.

Should any shareholder have any questions in relation to the buy-back of Minimum Holdings process as contained within this Offer including in respect of any possible taxation implications, should consult their professional advisers.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Barwick', written over a circular stamp or seal.

David Barwick
Chairman.



For personal use only

METALLICA MINERALS LIMITED

ABN 45 076 696 092

All Registry communications to:
Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
Telephone: 1300 554 474
From outside Australia: +61 2 8280 7454
Facsimile: (02) 9287 0309
ASX Code: MLM
Website: www.linkmarketservices.com.au



SRN/HIN:

Number of Shares held as at
the Record Date, 7:00pm (AEDST)
on 10 March 2011

IMPORTANT NOTICE

Please complete this form if you do not wish your Shares in Metallica Minerals Limited to be cancelled. If you do not understand this notice you should immediately consult your financial adviser.

SHARE RETENTION FORM

If you wish to retain your Shareholding in Metallica Minerals Limited ("MLM") you must complete this form and return it to MLM's Registry, so that it is received no later than 5:00pm (AEDST), on 11 April 2011. Forms may be mailed or delivered to the addresses below.

Mailing Address

Metallica Minerals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or

Hand Delivery

Metallica Minerals Limited
C/- Link Market Services Limited
Level 12, 680 George Street,
Sydney NSW 2000 **(Do not use this address for mailing purposes)**

This form must be received by MLM's Registry no later than 5:00pm (AEDST), on 11 April 2011, or your Shares will be cancelled.

Retention of Shares

I/We the Shareholder(s) described above by signing this form, hereby give notice that I/we wish to retain my/our Shareholding in MLM.

Contact Details

Enter your telephone number(s) where we may contact you regarding this form.

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Shareholder Signature(s) – This MUST be completed

Shareholder 1

Individual or Sole Director and
Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date

This form should be signed by the Shareholder. If a joint holding, all Shareholders should sign. If signed by the Shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Link Market Services Limited advises that Chapter 2C of the *Corporations Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your securityholding and if some or all of the information is not collected then it might not be possible to administer your securityholding. Your personal information may be disclosed to the entity in which you hold securities. You can obtain access to your personal information by contacting us at the address or telephone number shown on this form. Our privacy policy is available on our website (www.linkmarketservices.com.au).

**THIS FORM MUST BE RECEIVED BY LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:00PM (AEDST), ON 11 APRIL 2011**

If you require further information on how to complete this form, please contact the Metallica Minerals Limited Information Line on 1300 551 472 (within Australia) or +61 2 8280 7706 (from outside Australia) between 8:30am and 5:30pm (AEDST), Monday to Friday.

MLM RSS001

