



## ASX RELEASE

9 March 2017

### METALLICA FULLY FUNDS WEIPA BAUXITE MINE

#### HIGHLIGHTS

- Metallica secures A\$4.0 million in equity funding to fully fund the Company to bauxite production and cash flow from the Urquhart Bauxite project targeted for mid 2017
- Funding package consists of:
  - Renounceable Rights Issue to raise up to A\$2.97 million
  - Options expiring 30 June 2017 fully underwritten to raise approximately \$1.3 million
  - Advanced discussions for a stand-by working capital facility of up to \$2 million
- Lead Manager, CPS Capital Group, to underwrite \$2.7 million of the Renounceable Rights Issue in addition to all of the 30 June 2017 options
- Shareholders are offered 1 new share for every 4 shares held at 5.2 cents per share with 1 free new option for every 2 new shares issued
- Shareholders can apply for additional shares above their entitlement
- Funds will be primarily used to bring the Urquhart Bauxite Project to first production

Emerging bauxite producer, Metallica Minerals Limited ([Metallica](#)) ([ASX:MLM](#)) is pleased to announce a pro rata Renounceable Rights Issue (Rights Issue) of 1 new Metallica fully paid ordinary shares at 5.2 cents (Issue Price) for every 4 Metallica shares, to be offered to eligible shareholders on 15 March 2017 (Record Date). The issue will raise up to approximately \$2.97 million (before costs) with \$2.7 million being underwritten by CPS Capital Group (CPS) which is acting as the Lead Manager and Underwriter.

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Subscribers will receive 1 free attaching new option for every 2 new shares allotted under the Rights Issue. The new options are exercisable at 8.5 cents on or before 30 September 2018. The Company will seek to have the new options listed on the ASX.

In addition, CPS has agreed to underwrite the existing listed options expiring 30 June 2017 exercisable at 4.5 cents each, which will result in approximately a further \$1.3 million (before costs) being raised. Metallica will pay CPS a fee of 6% for underwriting the listed options.

Funds raised from the Rights Issue will be primarily used to advance the Urquhart Bauxite Project just south of Weipa through to maiden production targeted for mid this year and for working capital purposes.

Shareholders on the Record Date with an address in Australia or New Zealand will be eligible to participate. Eligible Shareholders, including those with unmarketable parcels, may apply for additional shares in excess of their entitlement.

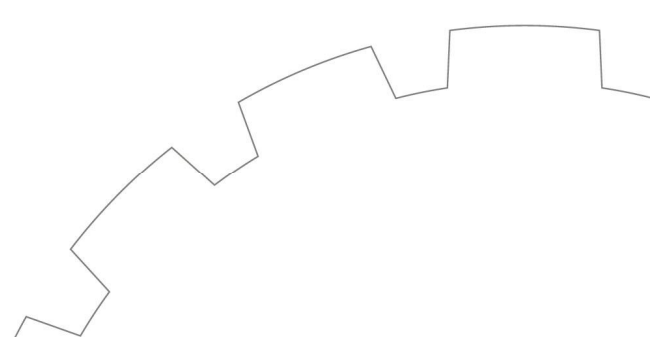
Metallica believes that the Rights Issue is appropriately priced so as to encourage existing shareholders to participate, as well as attract new investors. Based on Metallica's closing share price as at 8 March 2017 the Issue Price represents:

- an 18% discount to the theoretical ex-rights price (TERP);
- a 35% discount to the last traded price; and
- a 23% discount to the 30 day VWAP.

Metallica is also in advanced discussions with various parties for the provision of a stand-by credit facility of up to \$2 million. Although it is not currently expected that the stand-by credit facility will be drawn upon, Metallica believes it is prudent to put in place the stand-by credit facility should unforeseen and extreme circumstances occur during critical times during project finalisation and commissioning through to achieving scheduled production rates.

As a result of the financing initiatives, Metallica will have access to potentially more than \$6 million of funding, ensuring the Urquhart Bauxite project is fully funded through to production start based on current parameters, as well as providing working capital to the Company.

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**Metallica CEO, Mr Simon Slesarewich:**

*"The March quarter has been an exciting period for 2017 for Metallica Minerals as we head towards first bauxite output and first cash flow. This multi-faceted funding package provides access to direct and stand-by funding so as to allow the focus to remain squarely on successfully bringing Urquhart Bauxite into profitable production.*

*"The Company is pleased to offer the Renounceable Rights Issue to shareholders at an attractive price. On successfully closing the funding package and securing the stand-by credit facility, Metallica is positioned to be fully funded as we make the transition from project developer to bauxite miner and exporter."*

The proposed Rights Issue timetable and Appendix 3B are attached. Further information on the Rights Issue will be contained within a prospectus which will be lodged with ASIC on or about 10 March 2017, and mailed to eligible shareholders shortly after the Record Date. Shareholders may view all the Company's ASX announcements, including those relating to the offer on the Company's website: [www.metallicaminerals.com.au](http://www.metallicaminerals.com.au)

Persons should consider the prospectus before deciding whether to acquire shares, and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus.

For more information please contact:-

Simon Slesarewich  
Chief Executive Officer

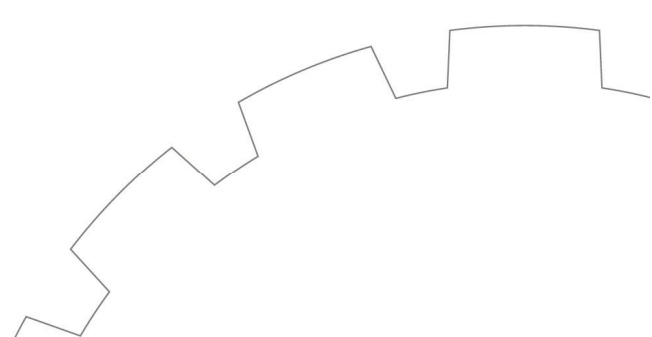
John Haley  
CFO/Company Secretary

Phone: + 61 7 3249 3000

Phone: + 61 7 3249 3000

[admin@metallicaminerals.com.au](mailto:admin@metallicaminerals.com.au)

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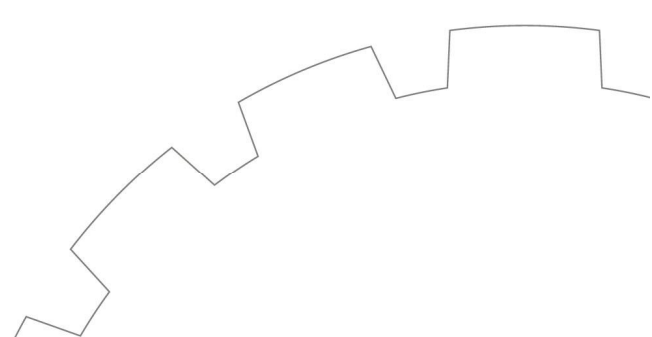


**Table 1 - Metallica Minerals Limited Renounceable Rights Issue Indicative Timetable**

Shares commence trading on an ex rights basis	15 March 2017
Rights trading commences	15 March 2017
Record Date for the Offer	16 March 2017
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	20 March 2017
Opening Date of Offer	20 March 2017
Rights trading ends	31 March 2017
Shares quoted on a deferred settlement basis	3 April 2017
Closing Date of Offer	7 April 2017
Advise ASX of any shortfall	11 April 2017
Expected date of despatch of New Shares holding statements	18 April 2017
Commencement of trading of New Shares on ASX on a normal basis	18 April 2017

*Note:* The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time.

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# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Metallica Minerals Limited

ABN

45 076 696 092

We (the entity) give ASX the following information.

### Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- |   |   |   |
|---|---|---|
| 1 | +Class of +securities issued or to be issued  | Fully Paid Ordinary Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 57,186,328 ordinary shares and 34,493,164 options issued under a Renounceable entitlement offer   |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares terms will be the same as existing fully paid ordinary shares.<br><br>The Options to acquire Fully paid Ordinary Shares exercisable at \$.085 on or before 30 September 2018 |

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**Appendix 3B**  
**New issue announcement**

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<p>4 Do the <sup>+</sup>securities rank equally in all respects from the <sup>+</sup>issue date with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?</p> <p>If the additional <sup>+</sup>securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The new shares will rank pari passu with the Fully Paid Ordinary Shares already on issue</p>
<p>5 Issue price or consideration</p>	<p>\$0.052</p>
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be primarily used to advance the Urquhart Bauxite Project, as well as for new project generation, existing other projects, working capital, and to cover the issue costs.</p>
<p>6a Is the entity an <sup>+</sup>eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the <sup>+</sup>securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of <sup>+</sup>securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of <sup>+</sup>securities issued with security holder approval under rule 7.1A</p>	

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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of +securities issued under an exception in rule 7.2							
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.							
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1-23,033,774 securities Rule 7.1A-16,689,183 securities						
7	+Issue dates  Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.  Cross reference: item 33 of Appendix 3B.	13 April 2017						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">285,931,641</td> <td>Ordinary fully paid shares</td> </tr> <tr> <td style="text-align: center;">63,996,177</td> <td>Options to acquire ordinary fully paid shares</td> </tr> </tbody> </table>	Number	+Class	285,931,641	Ordinary fully paid shares	63,996,177	Options to acquire ordinary fully paid shares
Number	+Class							
285,931,641	Ordinary fully paid shares							
63,996,177	Options to acquire ordinary fully paid shares							

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**Appendix 3B**  
**New issue announcement**

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	3,000,000 Unlisted options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
<b>Part 2 - Pro rata issue</b>		
11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1:4
14	+Class of +securities to which the offer relates	Fully Paid Ordinary Shares and Options to acquire fully paid Ordinary Shares
15	+Record date to determine entitlements	16 March 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractions to be rounded up
18	Names of countries in which the entity has security holders who will not be sent new offer documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	All jurisdictions other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	7 April 2017
20	Names of any underwriters	CPS Capital Group Pty. Ltd

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21	Amount of any underwriting fee or commission	5% of amount underwritten and/or placed by the Underwriter
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	20 March 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	13 March 2017
28	Date rights trading will begin (if applicable)	15 March 2017
29	Date rights trading will end (if applicable)	31 March 2017
30	How do security holders sell their entitlements <i>in full</i> through a broker?	By completing the relevant section of the entitlement and acceptance form to be sent to each shareholder. See lodging instructions on the entitlement and acceptance form.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	By completing the relevant section of the entitlement and acceptance form to be sent to each shareholder. See lodging instructions on the entitlement and acceptance form.

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**Appendix 3B**  
**New issue announcement**

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32 How do security holders dispose of their entitlements (except by sale through a broker)?

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Company's share registrar) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application monies. If you hold Existing Shares registered on CHES, you should contact your sponsoring broker.

33 <sup>+</sup>Issue date

13 April 2017

**Part 3 - Quotation of securities**

*You need only complete this section if you are applying for quotation of securities*

34 Type of <sup>+</sup>securities  
(tick one)

(a)  <sup>+</sup>Securities described in Part 1

(b)  All other <sup>+</sup>securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

**Entities that have ticked box 34(a)**

**Additional securities forming a new class of securities**

*Tick to indicate you are providing the information or documents*

35 If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories

- 1 - 1,000
- 1,001 - 5,000
- 5,001 - 10,000
- 10,001 - 100,000
- 100,001 and over

37  A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

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**Entities that have ticked box 34(b)**

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: .....  
(Director/Company secretary)

Date: 9/03/2017

Print name: John Haley

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# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

### Part 1

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	166,891,830
<p><b>Add</b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b>Subtract</b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	166,891,830

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Appendix 3B  
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<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	25,033,774
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	2,000,000 options issued 13/07/2016
“C”	<b>2,000,000</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	25,033,774
<b>Subtract “C”</b> <i>Note: number must be same as shown in Step 3</i>	2,000,000
<b>Total</b> [“A” x 0.15] – “C”	23,033,774 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

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**Part 2**

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	166,891,830
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	16,689,183
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	Nil
<b>“E”</b>	Nil

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,689,183
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> ["A" x 0.10] – "E"	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

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