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MERGER PRESENTATION

BUILDING AN ASX-LISTED
CASH FLOW FOCUSSED RESOURCE COMPANY



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Forward-looking statements are based on assumptions regarding Metallica Minerals Limited ("Metallica") and Melior Resources Inc. ("Melior"), business strategies, plans and objectives of the Company for future operations and development and the environment in which Metallica may operate.

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Compelling Merger Rationale

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01

Enhanced Capital Market Profile: An increased market capitalisation facilitates increased share trading liquidity, analyst coverage and a potential re-rating.

02

Stronger, More Diversified Shareholder Register: The merged entity will have a strong and supportive shareholder base with a balance of institutional, strategic and retail investors.

03

Highly Experienced Board: Consisting of three directors from each Company committed to driving long term sustainable value for shareholders. . George Lloyd to assume the Chair.

04

Increased Management Capability: The combined management team has complementary skills, are culturally aligned and will enhance overall corporate capability. Simon Slesarewich to continue as Managing Director.

05

Complementary Combination of Assets: The combined portfolio will see bauxite, mineral sands and silica sand assets all Qld based with similar project technical features and favourable commodity price outlooks.

06

Access to Goondicum Near Term Production and Cash Flow: Goondicum is on schedule to commence production in Q4 CY2018, be cash flow positive by Q2 CY2019 and forecast to deliver pre-tax cash flow of over US\$90M over the nine year mine life.

07

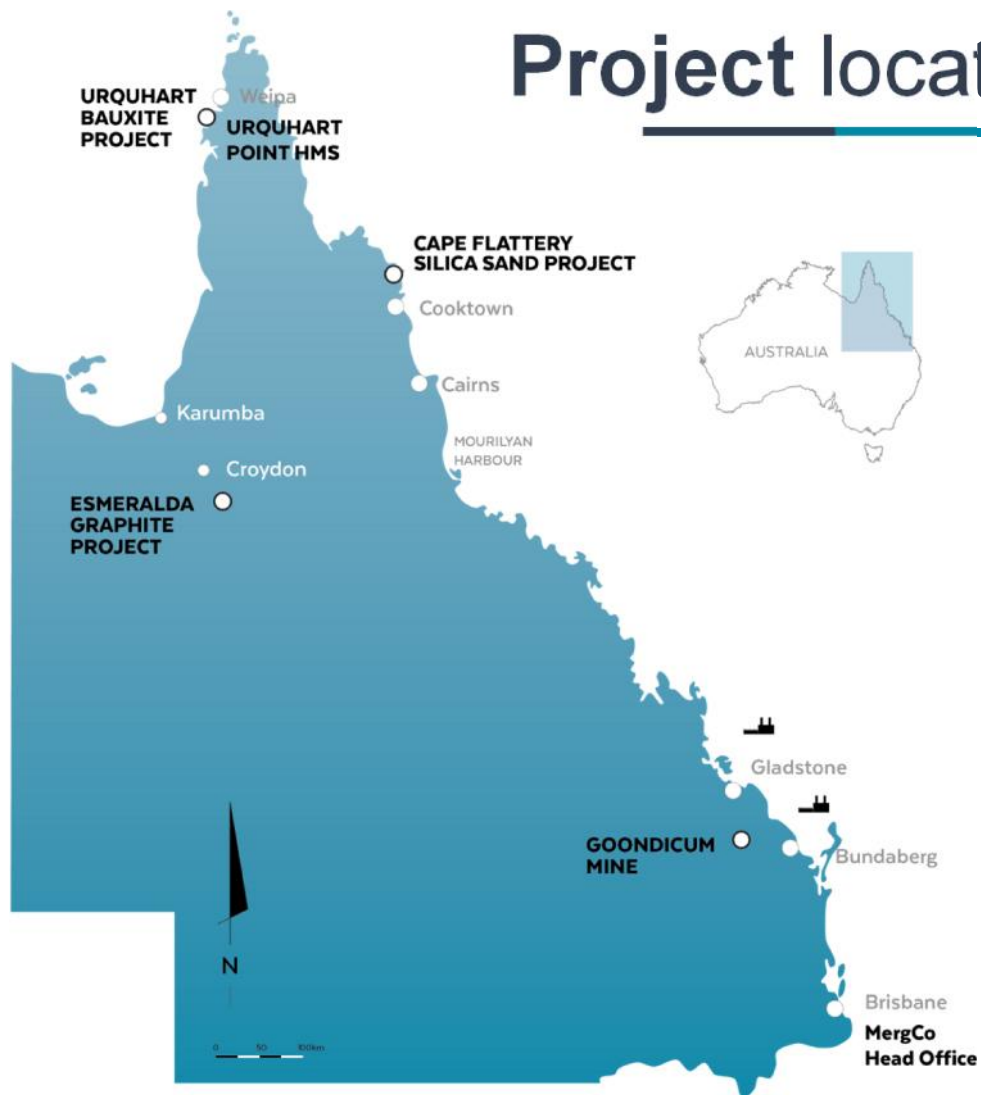
Urquhart Bauxite Development Scheduled Soon After: Urquhart Bauxite is a simple development proposition with a granted mining lease. Management are optimising the logistics solution to maximise project returns.

08

Additional Prospective Development & Exploration Assets: Urquhart Pt Mineral Sands, Cape Flattery Silica Sands and the Esmeralda Graphite project provide additional opportunities to unlock value from the portfolio.



Project locations



“Building an ASX-listed cash flow focussed resources company together”

Benefits of the Transaction

Benefits for Melior Shareholders



GROWTH OPPORTUNITIES

Melior shareholders set to benefit from the Urquhart Bauxite project and pipeline of future growth opportunities



STRONGER BALANCE SHEET

Melior shareholders will benefit from a stronger balance sheet due to Metallica's favourable net cash position



FURTHER POTENTIAL

The cash flow generated by Goondicum has the potential to realise further value from Urquhart and the Joint Venture more broadly



BALANCED SHARE REGISTER

More balanced share register with the introduction of a larger spread of retail investors

Benefits for Metallica Shareholders



CASHFLOW

Metallica shareholders will benefit from the near term cashflow generation of the long life Goondicum project



\$120M

Will gain exposure to over \$120 million of investment in Goondicum by previous owners



EXPLORATION

Significant exploration opportunities in the surrounding tenure of Goondicum which has the potential to nearly double the existing mine life of nine years



FURTHER POTENTIAL

The cash flow generated by Goondicum has the potential to realise further value from Urquhart and the Joint Venture more broadly



BALANCED REGISTER

More balanced share register with the introduction of Institutional and strategic investors, including Pala as a 30% shareholder

Transaction Details

Structure

- Merger to be via a court approved Plan of Arrangement in British Columbia, Canada.
- Metallica to be the surviving entity and to maintain its ASX listing
- Melior shareholders to receive 20 Metallica shares for every 1 Melior share held

Relative Ownership

- Metallica shareholders will hold 36% of MergeCo
- Melior shareholders will hold 64% of MergeCo

Board

MergeCo Board will comprise of three representatives each from Metallica and Melior

Metallica

Simon Slesarewich (Managing Director)
Peter Turnbull
Ian Jacobson

Melior

George Lloyd (Chairman)
Mark McCauley (Executive Director)
Martyn Buttenshaw

Recommendation and Support

- Metallica and Melior boards unanimously recommend the transaction.
- Metallica and Melior boards intend to vote in favour of all resolutions put to respective shareholders
- Melior has entered into binding agreements representing almost 80% of Melior shares to vote in favour of the transaction

Shareholder Approvals

Metallica will seek shareholder approval to:

- Issue the Consideration Shares
- Approve Pala holding over 20% of MergeCo following implementation of the transaction
- Any other ASX or ASIC requirements
- Implement a corporate name change

Melior will seek court and shareholder approval to:

- Implement the Plan of Arrangement in accordance with British Columbia laws

Conditions

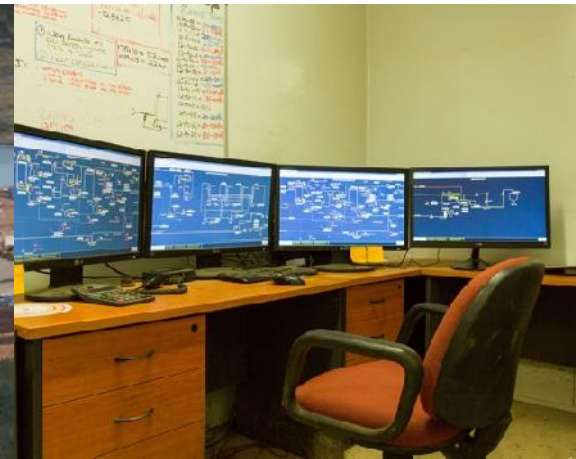
- Receipt of all regulatory, shareholder and other approvals including ASX, ASIC, TSXV approvals;
- Approval of the Plan of Arrangement by Melior shareholders and the Court;
- Independent Expert concluding that the transaction is in the best interests of Metallica shareholders;
- Other conditions customary to this type of transaction, including the absence of a material adverse change, no prescribed transactions occurring, accuracy of representations and warranties, obtaining waivers and consents from third parties as necessary, a break fee payable under prescribed circumstances



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Melior Key Project

Goondicum Ilmenite Mine



Goondicum Ilmenite Project

Highlights

100% Owned

100% owned high-grade ilmenite and apatite mine located in Monto, Queensland

Mine Re-start

Mine re-start on schedule to commence commissioning in CY 2018

Cash flow

Positive free cash flow due in Q2 2019. US\$51M first three years production

Fully Financed

Fully financed and de-risked via off-take agreements

Major Shareholder

Pala Investments, has supported the funding package through a Restart Facility

Off-take Agreements

Ilmenite offtake agreements with Hainan Wensheng (China) and Sojitz (Japan and South Korea)

15% Premium

Goondicum ilmenite to receive a 15% premium to the benchmark

Off-take

Apatite life of mine off-take signed with domestic organic agricultural group

Mine Life

Current nine year mine life with strong potential to extend this through conversion of Resources to Reserves

Exploration

Current mining lease occupies only 20% of the Goondicum crater and the area demonstrates consistent geology and mineralisation

Previous Investment

Advantage of over \$120 million of previous investment

Simple

Simple open cut mining process with zero strip ratio and low operational risk. IP processing technology has potential to further improve processing



Goondicum PEA*

Project NPV

After-tax Project NPV of US\$46.4M

Project IRR

After-tax Project IRR of 92%

Payback Period

After-tax Project payback period of 1.6 years

US \$7M

Prestart capital costs of US\$7M (with the majority already expended)

US \$92M

Total life of mine before tax cash flow of US\$92M with US\$51M generated in the first three full years of production

US\$204/tonne

Independent minerals consultant, TZMI, forecast long term prices for Goondicum ilmenite of US\$204/tonne FOB Australia

US \$124/tonne

Average unit operating cash cost of production of US\$124/tonne FOB of product produced

160,000t

Average annual ilmenite production of 160,000 tonnes with peak production of 198,000 tonnes

9 year

Mine life of nine years using a high-grade mine plan

23.25Mt

Total mineral resource processed over life-of-mine of 23.25Mt at an average ilmenite and apatite grade of 7.0% and 2.3% respectively

Mineral Resources

Total indicated mineral resources: 66Mt for 3.4Mt of contained ilmenite and 1.2Mt of contained apatite

* Preliminary Economic Assessment April 2018



Ilmenite Market

Demand

strongly correlated to global GDP

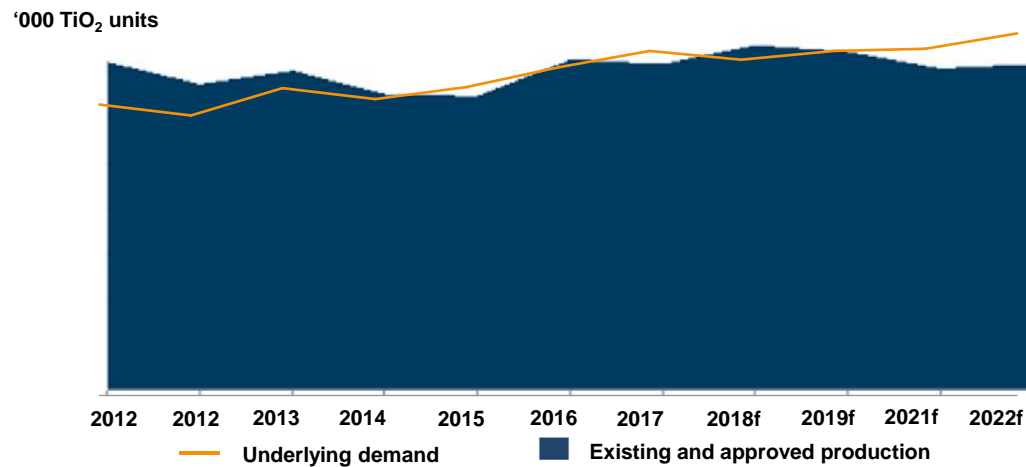
Supply

Average grade and mineral assemblage of new supply is reducing

Consumption

Per capita consumption in China remains <50% of North America and Europe

Global supply/demand balances and outlook to 2022

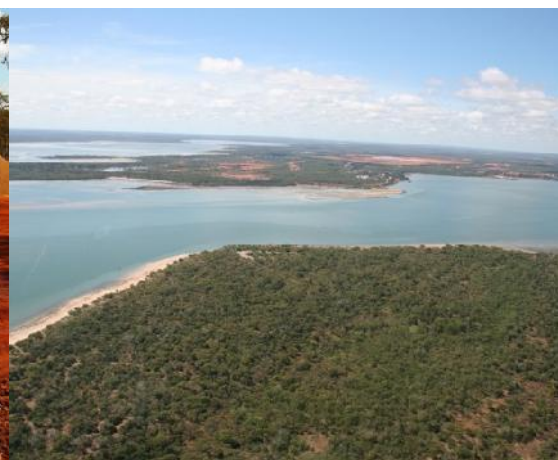


“... the supply/demand outlook continues to show an increasing supply deficit for the period to 2022 due to the rapid rate of supply decline from existing operations. If no new supply is commissioned, TZMI’s current projections suggest the supply gap could reach 900,000 TiO₂ units by 2022.” TZMI May 2018

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Metallica Key Project

Urquhart Bauxite Project



Urquhart Bauxite Project

Highlights

50% Owned

50% owned Bauxite project located in Cape York, Queensland

Fully Funded

Fully funded, low capex, DSO mining operation

Simple mining

Short ramp-up to full production given simple mining operation

Mining costs

Mining costs have largely been locked in via contracts

Potential to extend

Potential to extend mine life via conventional screening of low grade material

Resource

JORC Resource
9.5 million tonnes

Reserves

Reserve 6.5Mt
Base Case

Hey Point

GCR successfully recommenced barging and shipping operations from Hey Point

Granted

Mining Lease granted

Executed

Traditional Land Owner agreements executed

Haul Road

Finalising outstanding agreements with Stakeholder with assistance from Queensland government

Optimisation

Potential to further optimise via additional infrastructure



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Urquhart PFS*

Key Outputs of the PFS

Item	Unit	Base Case (100% Basis)	Base Case (MLM share – 50% basis)
Total Saleable Product	dry kt	6,532	3,266
Total Al ₂ O ₃	%	52.7	52.7
Total SiO ₂	%	13.3	13.3
Total Revenue	A\$m	389	195
EBITDA	A\$m	68.8	34.4
NPV ₁₀ Pre Tax	A\$m	47.3	23.7
NPV ₁₀ Post Tax	A\$m	33.7	20.5
IRR Post Tax		364%	469%
LOM Capital	A\$m	2.2	1.1
Avg CFR Costs*	A\$ tonne	49.08	49.08
Avg CFR Received	A\$ tonne	59.62	59.62
Payback	years	< 2 yrs	< 2 yrs

* Includes all operating costs, royalties and other payments

* Pre-Feasibility Study, September 2018



Bauxite Market

Outlook

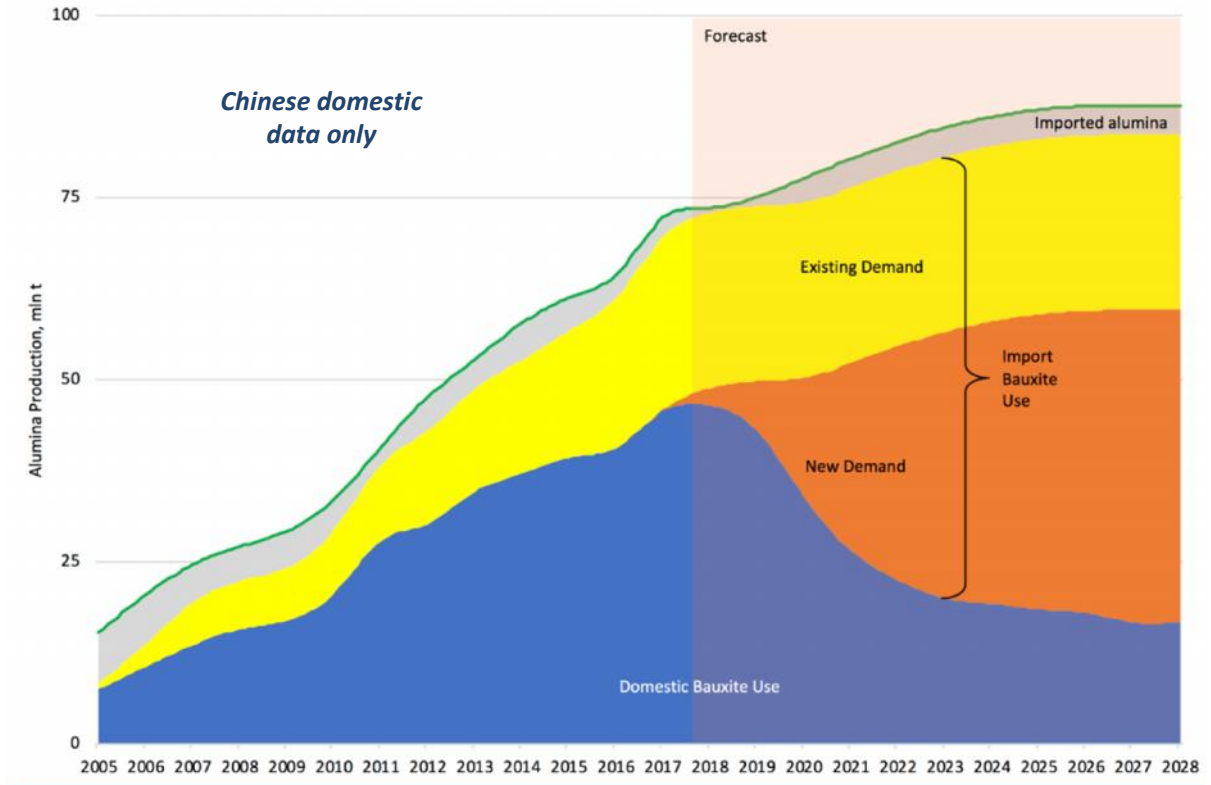
Pricing and demand remains robust

China

Imported approximately 7.3Mt bauxite in May 2018, up 17% month on month and equating to an annual rate of 87Mt

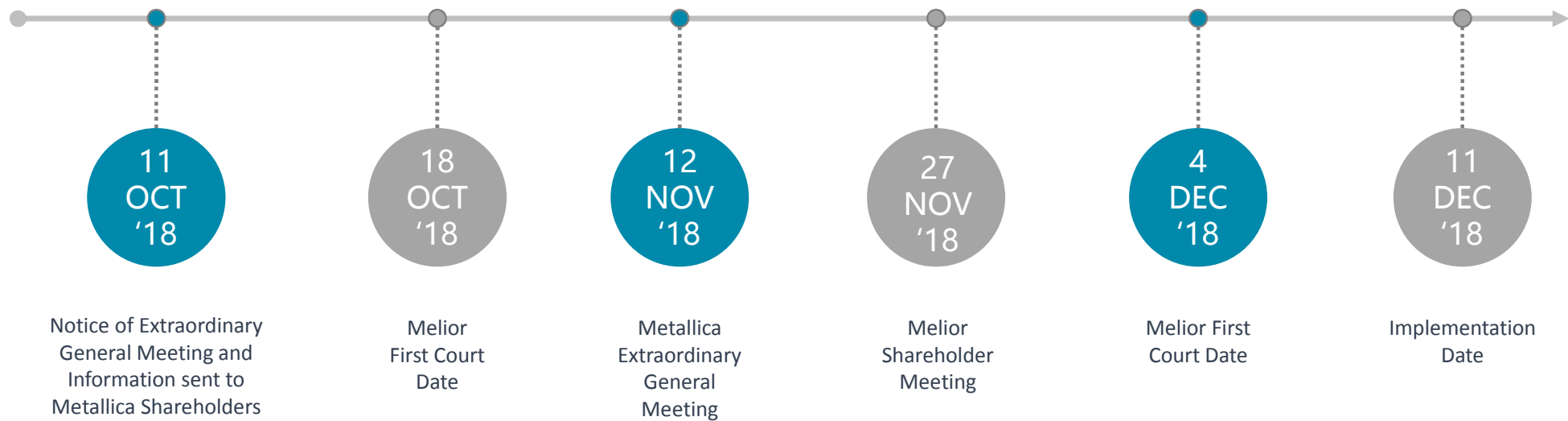
USA

Changes relating to the application of tariffs on imported goods to date has had no apparent impact on Australian producers



“... Chinese demand for bauxite is forecast to increase by 65-75Mt per annum over the next 5-7 years as a result of domestic depletion and new alumina refining capacity being built, with approximately 60% of this new demand to be met by imported bauxite.” CM Group May 2018

Indicative Transaction Timetable



Competent Person Statements

Metallica Minerals Ltd

Urquhart Bauxite

The Mineral Reserve estimate and Production Target estimates were undertaken by Mr Stewart Lewis, Mining Engineer, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and the CEO of IMC Mining Pty Ltd. Mr Lewis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lewis consents to the inclusion of this information in the form and context in which it appears in this release/report.

The Mineral Resource estimate was undertaken by Mr John Horton, Principal Geologist, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an associate at IMC Mining Pty Ltd. Mr Horton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Horton consents to the inclusion of this information in the form and context in which it appears in this release/report.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by John Cameron (a geologist of over 25 years experience), and a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a contract consultant to Metallica Minerals Ltd. Mr Cameron has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cameron consents to the inclusion of this information in the form and context in which it appears in this release/report.

Cape Flattery Silica Sands

The information in this report that relates to the Exploration Results and Targets was undertaken by Mr Neil Mackenzie-Forbes, who is a Member of the Australian Institute of Geoscientist and is a Consulting Geologist employed by Sebprof Projects Pty Ltd. Mr Neil Mackenzie-Forbes has in excess of 20 years mining and exploration experience in Australia with major mining and junior exploration companies. Mr Mackenzie-Forbes 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. Mr Neil Mackenzie-Forbes consents to the inclusion of this information in the form and context in which it appears in this release/report.

Melior Resources Inc

Goondicum Ilmenite

The Qualified Persons who reviewed Melior's technical information are: Steven Gilman, BAppSc (Extractive Metallurgy), FAusIMM (CP) (105881), SME (1158500), employed by TZMI as Principal Consultant; Simon Tear, BSc Hons (Mining Geology), P.Geo (Institute of Geologists of Ireland 17), EurGeol (26), employed by H&S Consultants Pty Ltd as a director and Consultant Geologist; and Graham Lee as an Associate to H&S Consultants Pty Ltd, BSc(Hons) FAusIMM (101602) and registered as a Chartered Professional Geologist (CP(Geo)) with the Australasian Institute of Mining and Metallurgy.



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