



ASX RELEASE
22 FEBRUARY 2019

COMPANY, PROJECT AND REVIEW UPDATE

Metallica Minerals Limited (ASX: MLM) provides the following update of activities undertaken by the new Board following their appointment on 1 February 2019.

The Board has:

1. commenced the review into the status of all MLM projects, and that review is proceeding as planned;
2. met with a number of key stakeholders, including joint venture partners, contractors, third party suppliers and potential suppliers to both determine the current status of matters relevant to the company's operations and to commence a process of re-engagement with those stakeholders;
3. completed the sale of 6.6 million shares in Australian Mines Limited (ASX: AUZ) for a consideration of \$273,000. MLM continues to hold 10.2 million AUZ shares as of the date of this announcement;
4. commenced a review of Urquhart Bauxite project development options and forecast revenue;
5. in conjunction with its joint venture partner, continued investigations into access arrangements for the barge-loading facility at the Urquhart Bauxite project to enable the bauxite to be exported. This includes possible access to the third-party owned Hey Point transhipping facility. At the date of this ASX release, no binding agreement or contract has been entered into for the provision of transhipping services from the Hey Point facility and failing having such an agreement or contract on acceptable terms, the commencement of full operations will be further delayed; and
6. commenced the review into MLM's administration, management and corporate costs including a review into the arrangements of a number of Company service providers for the purpose of reducing costs. At the date of this announcement the board has already taken steps to reduce the Chairman's remuneration from \$80k to \$55k p.a. and Director remuneration from \$50k to \$40k p.a. The Interim CEO, co-director Mr Scott Waddell does not receive any Director fee, whilst undertaking the Interim CEO position, which is currently a nominal four-day/week contract role.

The Company expects to continue the review process over the coming weeks and will report the outcomes of the review when these are available.

Following the completion of that review, the board intends to then develop and execute on its strategic plan to address the issues identified by the review, including the issues associated with bringing the Urquhart Bauxite project into production.

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