



**ASX Release**  
**13 March 2017**

## Letter to Shareholders

13 March 2017

Dear Shareholder

### Renounceable Rights Issue

On 9 March 2017 Metallica Minerals Limited ([ASX:MLM](#)) announced a renounceable pro rata entitlement offer to raise up to approximately \$2.9 million before issue costs (**Offer**). The Offer is underwritten by CPS Capital Group (CPS) for up to \$2.7 million.

Proceeds from this rights issue will be primarily applied towards the Urquhart Bauxite Project and working capital.

The Offer will be made on the basis of 1 new shares for every 4 existing shares held by eligible shareholders (being shareholders with a registered address in Australia or New Zealand) as at 7pm (AEDT) on 16 March 2017 (**Record Date**), at an issue of \$0.052 per share together with a free attaching new option (exercisable at \$0.085 on or before 30 June 2018) for every two new shares issued. Eligible shareholders may also apply for new shares in addition to their entitlement.

New shares to be issued under the offer will rank equally with existing shares. The Company has applied to ASX for the new shares to be listed. Fractional entitlements will be rounded up to the nearest whole number.

A prospectus for the offer has been lodged with ASIC on 10 March 2017 and is available on both the ASX's website and the Company's website (**Prospectus**). Full details of the Offer will be contained in the Prospectus and accompanying personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) to be mailed to eligible shareholders following the Record Date.

Shareholders should consider the prospectus in deciding whether to acquire new securities under the Offer and will need to complete the Entitlement and Acceptance Form to take up their entitlement.

As an eligible shareholder, you may:

- a) take up all or part of your entitlement;
- b) take up all of your entitlement and apply for additional new shares;
- c) sell all of your entitlement;
- d) take up part of your entitlement and sell the balance of your entitlement;
- e) allow all or part of your entitlement to lapse.



The capital structure of the Company following the offer is as follows:

Shares	Underwritten Amount		Full Subscription	
	Number	%	Number	%
Existing Shares	227,745,312	81.5	227,745,312	80.0
New Shares offered under the Prospectus	51,923,077	18.5	57,186,328	20.0
<b>Total Shares</b>	<b>280,668,390</b>	<b>100.0</b>	<b>285,931,641</b>	<b>100.0</b>

Options	Underwritten Amount	Full Subscription
Listed existing options	29,502,013	29,502,013
Unlisted CEO incentive options (exercise price \$0.125 expiry 12 July 2017)	2,000,000	2,000,000
Unlisted Options (exercise price \$0.70 expiry 3 years from date of announcement to mine Kokomo or Lucknow nickel-cobalt-scandium deposits)	1,000,000	1,000,000
New options offered under the Prospectus (exercise price \$0.085 on or before 30 September 2017)	25,961,539	28,593,164
New options issued to CPS Capital (exercise price \$0.085 on or before 30 September 2018)	5,900,000	5,900,000
<b>Total Options following the offer</b>	<b>64,363,552</b>	<b>66,995,177</b>

The exercise price of the listed options on issue will be adjusted in accordance with Listing Rules.

The indicative timetable for the offer is as below:

Prospectus lodged with ASIC and ASX	10 March 2017
Ex date-Shares trade ex Entitlement	15 March 2017
Rights trading commences	15 March 2017
Record date to determine Entitlement	16 March 2017
Prospectus with entitlement and Acceptance Form dispatched	20 March 2017
Offer opens for receipt of Applications	20 March 2017
Rights trading ends	31 March 2017
Closing date for acceptances	7 April 2017
Notify ASX of Shortfall	11 April 2017
Issue of New securities	13 April 2017
Deferred settlement trading ends	13 April 2017

# METALLICA MINERALS LIMITED



Dispatch of shareholding statements

18 April 2017

Normal trading of New Securities expected to commence

18 April 2017

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

**For further information, please contact:**

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