

Supplementary Prospectus

Metallica Minerals Limited

ACN 076 696 092

Important Information

This is a supplementary prospectus dated 23 April 2021 (**Supplementary Prospectus**) and lodged with the Australian Securities and Investments Commission (**ASIC**) pursuant to Section 719 of the *Corporations Act 2001* (Cth) on that date. This Supplementary Prospectus is intended to be read with the prospectus dated 25 March 2021 (**Prospectus**) issued by Metallica Minerals Limited ACN 076 696 092 (**Company**).

ASIC, ASX Limited (**ASX**), and their officers take no responsibility as to the contents of this Supplementary Prospectus. This Supplementary Prospectus shall be read in its entirety together with the contents of the Prospectus. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, this Supplementary Prospectus will prevail. If you are in any doubt as to the contents of this document, you should consult your professional advisers without delay.

Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms used in this Supplementary Prospectus shall have the same meaning ascribed to them in the Prospectus.

1. Background

This Supplementary Prospectus has been prepared to provide for an issue of further securities under the Prospectus and to provide updated disclosure to investors regarding new developments.

The Company advises that, as a result of excess demand under the Shortfall Offer, it has agreed to issue an additional 71,166,667 New Shares and 35,583,334 attaching New Options under the Prospectus to raise an additional \$2,135,000 (**Follow-on Placement**). Additional funds raised will be used for the purposes set out in the Prospectus.

The Follow-on Placement is made without Shareholder approval, and the securities will be issued under the Company's existing capacity under Listing Rule 7.1 and Listing Rule 7.1A.

The New Options will be listed under the ASX code MLMOB.

Attached to this Supplementary Prospectus is an announcement made by the Company to ASX on 22 April 2021 concerning the Follow-on Placement.

The Company will close the Shortfall Offer shortly and no further issues will be made under the Prospectus.

The Company makes amendments to the Prospectus as set out in section 2 below.

2. Amendments to Prospectus

The following sections of the Prospectus are amended as follows:

2.1 Capital structure

Sections 3 and 8.4 of the Prospectus are amended to reflect the current number of securities on issue at close of the Offer:

Shares currently on issue	324,377,408
Existing Options currently on issue	11,000,000
Shares to be issued under the Offer	233,355,371
New Options to be issued under the Offer	116,677,686
Underwriter Options to be issued to the Underwriter	14,001,322
Total Shares on issue at close of the Offer	557,732,779
Total Options on issue at close of the Offer	141,679,008
Offer Price per New Share	\$0.03
Maximum amount to be raised under the Offer	\$7,000,661

2.2 Use of funds

Section 8.1 of the Prospectus is amended to reflect the increased amount raised:

Project/Purpose	\$
Complete Cape Flattery Silica Sand (CFS) Project Studies	1,300,000
Progress Authorities and Licenses to Operate the CFS Project (Environment and ML Approvals, Native Title Agreements)	2,000,000
Exploration Activities, Resource Drilling and Project Definition	1,000,000
Costs to further advance the CFS Project including working towards offtake agreements	1,000,000
New Project Development	300,000
Working capital	820,661
Costs of the Offer	580,000
TOTAL	\$7,000,661

2.3 Pro Forma balance sheet

Set out in Schedule 2 of this Supplementary Prospectus is the Company's audit reviewed balance sheet as at 31 December 2020 and the pro forma balance sheet as at 22 March 2021, on the basis of the following assumptions:

- (a) the Offer was effective 22 March 2021;
- (b) no further Shares are issued other than all Shares offered under this Prospectus;
- (c) \$7,000,661 is received under the Offers; and
- (d) (cash) costs of the Offer are \$580,000.

The pro forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as noted below. The historical and pro forma financial information is presented in abbreviated form, in that it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements

2.4 Dilution

Examples of how the dilution may impact Shareholders (assuming no New Options are exercised before the Record Date) set out in section 8.6 of the Prospectus are amended to reflect the current number of securities on issue at close of the Offer:

Holder	Holding as at Record date	% at Record Date	Entitlement - Shares	Holdings if Entitlement not taken Up	% post Offer
Shareholder 1	40,099,678	12.36%	20,049,839	40,099,678	7.19%
Shareholder 2	13,287,502	4.10%	6,643,751	13,287,502	2.38%
Shareholder 3	9,000,000	2.78%	4,500,000	9,000,000	1.61%
Shareholder 4	6,000,000	1.85%	3,000,000	6,000,000	1.08%
Shareholder 5	2,745,121	0.85%	1,372,561	2,745,121	0.49%
Shareholder 6	2,000,000	0.62%	1,000,000	2,000,000	0.36%

2.5 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Supplementary Prospectus with ASIC withdrawn their written consent:
 - (i) to be named in the Supplementary Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Supplementary Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Supplementary Prospectus;
- (b) was not involved in the preparation of this Supplementary Prospectus or any part of it and did not authorise or cause the issue of this Supplementary Prospectus;
- (c) makes no express or implied representation or warranty in relation to this Supplementary Prospectus, the Company or the Offer;
- (d) does not make any statement in this Supplementary Prospectus, nor is any statement in this Supplementary Prospectus based on any statement made by the below persons; and
- (e) to the maximum extent permitted by law, disclaims and takes no responsibility for any material in, or omission from, this Supplementary Prospectus other than the reference to its name.

Name	Role
Mahe Capital Pty Limited	Lead Manager and Underwriter

2.6 Expenses of the Offer

Section 11.18 of the Prospectus is amended to reflect the total (cash) expenses of the Offer now estimated to be \$580,000, consisting of the following:

Cash Item ¹	\$
ASIC, ASX and other fees	55,000
Lead Manager Fees ²	130,000
Underwriter Fees ²	350,000
Legal fees, Share registry, printing and other costs	45,000
Total	580,000

Notes

¹ These expenses have or will be paid by the Company.

² The terms of the Underwriting Agreement are set out in section 11.1(a) of the Prospectus.

3. Other Material Information

The Directors are not aware of any facts, matters or things (not already described in the Prospectus) which may be material to the making of an informed assessment of:

- (a) the effect of the Offer on the Company; or
- (b) the rights attaching to the Shares.

The Directors do not consider the circumstances disclosed in this Supplementary Prospectus to be materially adverse from the point of view of an investor, and no withdrawal rights will be offered to investors.

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC.

Terms defined in the Prospectus have the same meaning in the Supplementary Prospectus.

Dated: 23 April 2021



Theo Psaros
Chairman

On behalf of Metallica Minerals Limited

Schedule 1 ASX Announcement made on 22 April 2021



METALLICA MINERALS LIMITED

ABN: 45 076 696 092
ASX Code: MLM

22 April 2021

Rights Issue Closes

Highlights

- Renounceable rights issue seeking to raise \$4.9 million closes
- Significant support from shareholders and new institutional and professional investors
- Top-up placement of \$2.1 million to accommodate some of the excess demand for the shortfall
- Metallica now well-funded to ramp up development of the Cape Flattery silica project

Metallica Minerals Limited (ASX: MLM) (Metallica or the Company) is pleased to announce that the renounceable rights issue announced on 25 March 2021 has closed, raising **\$4.9 million** (before costs). To accommodate a portion of the excess demand for the shortfall from new investors, the Company has agreed to undertake a placement to raise additional \$2,135,000 on the same terms as the rights issue (Follow-on Placement).

Following completion of the Follow-on Placement, the total amount raised will be \$7 million (before costs). The Company will issue a total of 233,355,371 new fully paid ordinary shares (Shares) and 116,677,686 new options exercisable at \$0.06, with an expiry date of 25 March 2024 (Options). The Options will be quoted under the ASX code MLMOB.

Under the Follow-on Placement, the Company will issue 71,166,667 new Shares and 35,583,334 MLMOB options. These will be issued using the Company's existing capacity under Listing Rule 7.1 and 7.1A.

Mahe Capital Pty Ltd (ACN 634 087 84) (Mahe Capital) acted as Lead Manager and Underwriter to the Rights Issue and advised Metallica on the Rights Issue and the Follow-on Placement.

The proceeds from the rights issue and the Follow-on Placement will be used for:

- Completing the Cape Flattery Silica Sand (CFS) Project Studies.
- Progressing authorities and licenses to operate the CFS Project (including Environment and ML Approvals, Native Title Agreements).
- Exploration activities (including resource drilling and project definition).
- Costs to further advance the CFS Project including working towards offtake agreements.
- General working capital costs and to cover costs associated with the offers.

The final results from the Rights Issue and the details of the Follow-on Placement are set out below:

	Funds raised	Shares	MLMOB Options*
Rights taken up	\$1,947,718.83	64,923,961	32,461,981
Shortfall placed	\$2,917,942.29	97,264,743	48,632,371
Follow-on Placement	\$2,135,000.00	71,166,667	35,583,334
Total	\$7,000,661.12	233,355,371	116,677,686

*The number of new Shares and MLMOB Options issued is subject to rounding. A further 14,001,322 MLMOB options will be issued to the underwriter as described in the Prospectus.

The new securities are expected to be issued on 27 April 2021, in accordance with the timetable in the Prospectus.

Metallica's Executive Chairman, Theo Psaros said: "We would like to thank our existing shareholders for the support they have shown during this Rights Issue, demonstrating their continued commitment to the Company and enthusiasm for our future as we continue development of our 100% owned Cape Flattery Silica Sand project. We also welcome a number of new shareholders and thank them for their interest in supporting our strategy."

This announcement has been approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

For further information, please contact:

Mr Theo Psaros
Executive Chairman
+61 (7) 3249 3000

Mr Scott Waddell
CFO & Director
+61 (7) 3249 3000



Schedule 2 Pro Forma Balance Sheet

	Reviewed	Pro-forma Adjust to	Pro-forma Unaudited	Pro-forma Adjust	Pro-forma Unaudited
	31-Dec-20 \$ (Note 1)	22 Mar-21 \$ (Note 2)	22 Mar-21 \$ (Note 3)	Fund Raising \$ (Note 4)	After Funding \$
Assets					
Current assets					
Cash and cash equivalents	2,406,194	-495,302	1,910,892	6,420,661	8,331,553
Trade and other receivables	62,182		62,182		62,182
Total current assets	2,468,376	-495,302	1,973,074	6,420,661	8,393,735
Non-current assets					
Property, plant and equipment	11,495		11,495		11,495
Exploration and evaluation assets	175,460	350,000	525,460		525,460
Other non-current assets	33,138		33,138		33,138
Total non-current assets	220,093	350,000	570,093	0	570,093
Total assets	2,688,469	-145,302	2,543,167	6,420,661	8,963,828
Liabilities					
Current liabilities					
Trade and other payables	200,328	-50,000	150,328		150,328
Employee benefits	82,051		82,051		82,051
Total current liabilities	282,379	-50,000	232,379	0	232,379
Total liabilities	282,379	-50,000	232,379	0	232,379
Net assets	2,406,090	-95,302	2,310,788	6,420,661	8,731,449
Equity					
Issued capital	36,442,827		36,442,827	7,000,661	43,443,488
Reserves	8,165,651		8,165,651		8,165,651
Accumulated losses	-42,202,388	-95,302	-42,297,690	-580,000	-42,877,690
Total equity	2,406,090	-95,302	2,310,788	6,420,661	8,731,449

Note 1

The Metallica Minerals Statement of Financial Position at 31 December 2020 Reviewed has been extracted from the reviewed financial statements of Metallica Minerals for the half year ended 31 December 2020 as released to the ASX on 18 February 2021.

Note 2

The pro-forma adjustments for actual material changes subsequent to 31 December 2020 and up to 22 March 2021 comprise:

- (a) Decrease of Cash and cash equivalents by \$495,302 due to expenditure on Exploration and evaluation assets and other overhead expenditure.
- (b) A reduction to Trade and other payables to the value of \$50,000.
- (c) General expenditure offset by income.

Note 3

The Unaudited pro-forma Statement of Financial Position at 22 March 2021 is based on the Metallica Minerals Statement of Financial Position at 31 December 2020 adjusted for material changes subsequent to that date including the items in Note 2.

Note 4

The pro-forma adjustments fund raising comprise: estimated transaction costs of \$580,000 to be paid in cash and offset against the Accumulated Losses account. The issue of 233,355,371 New Shares through the rights issue resulted in a total contribution to equity of \$7,000,661 and increased the cash held by \$6,420,661. Note that this section excludes any adjustment to the Reserves and excludes any effects from the issue of options to Mahe Capital as part of their fees as outlined in Section 11.1(a) of the Prospectus.