METALLICA MINERALS LIMITED
ABN: 45 076 696 092
ASX Code: MLM

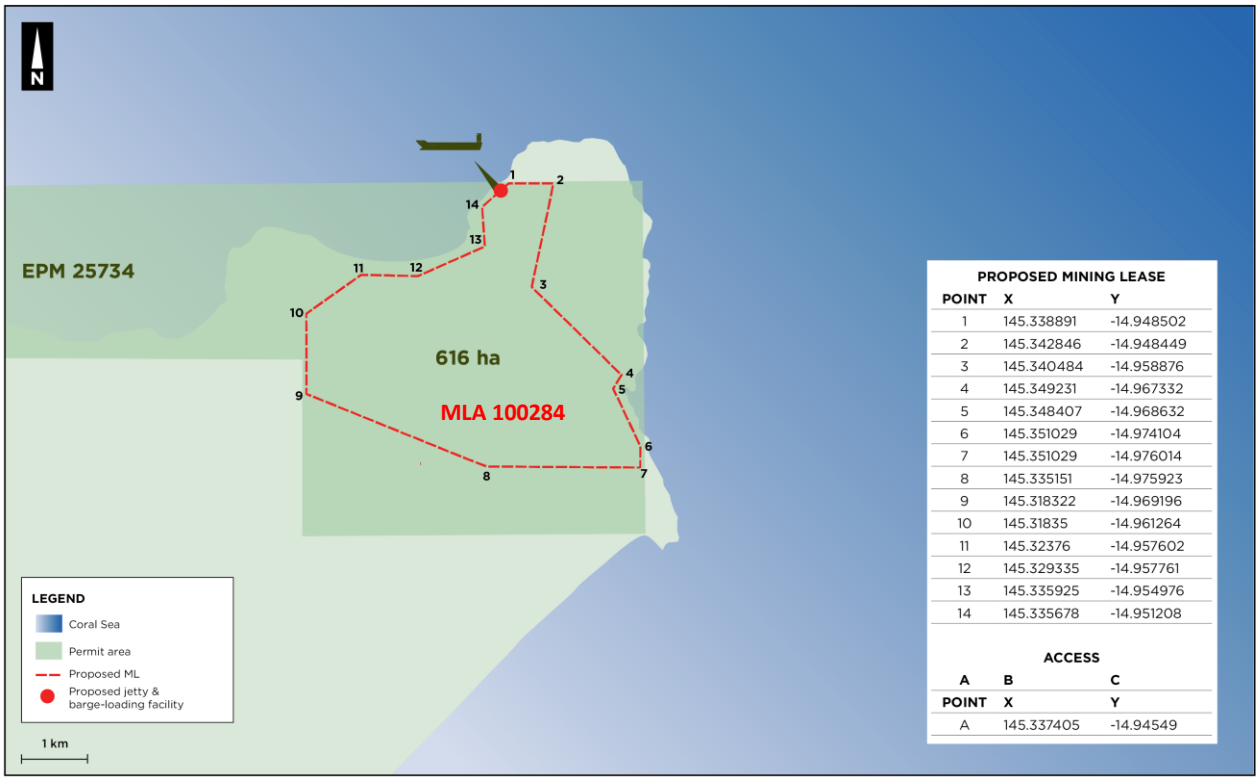
15 June 2021

Cape Flattery Silica Sand Project advances as Mining Lease Application Lodged

Highlights

- **Mining Lease Application (MLA) lodged for the Cape Flattery Silica Sand project**
- **The MLA area of 616 Hectares contains the current JORC Mineral Resource of 38mt (see Table 1 on page 3) and will be the area of focus for the next phase of drilling, which is planned to be completed in July 2021**
- **Metallurgy study results are planned to be completed this month and the Scoping Study is planned to be completed thereafter**
- **Dry season environmental studies to start in late June 2021**

Metallica Minerals Limited (**Metallica**, ASX: MLM) is pleased to announce that a Mining Lease Application (ML 100284) has been lodged with the Queensland Department of Resources for its 100% owned Cape Flattery Silica sand project. The MLA is located within Metallica's EPM 25734 as indicated on the map below.



Map 1 – Cape Flattery Silica Sand project MLA area boundary and EPM

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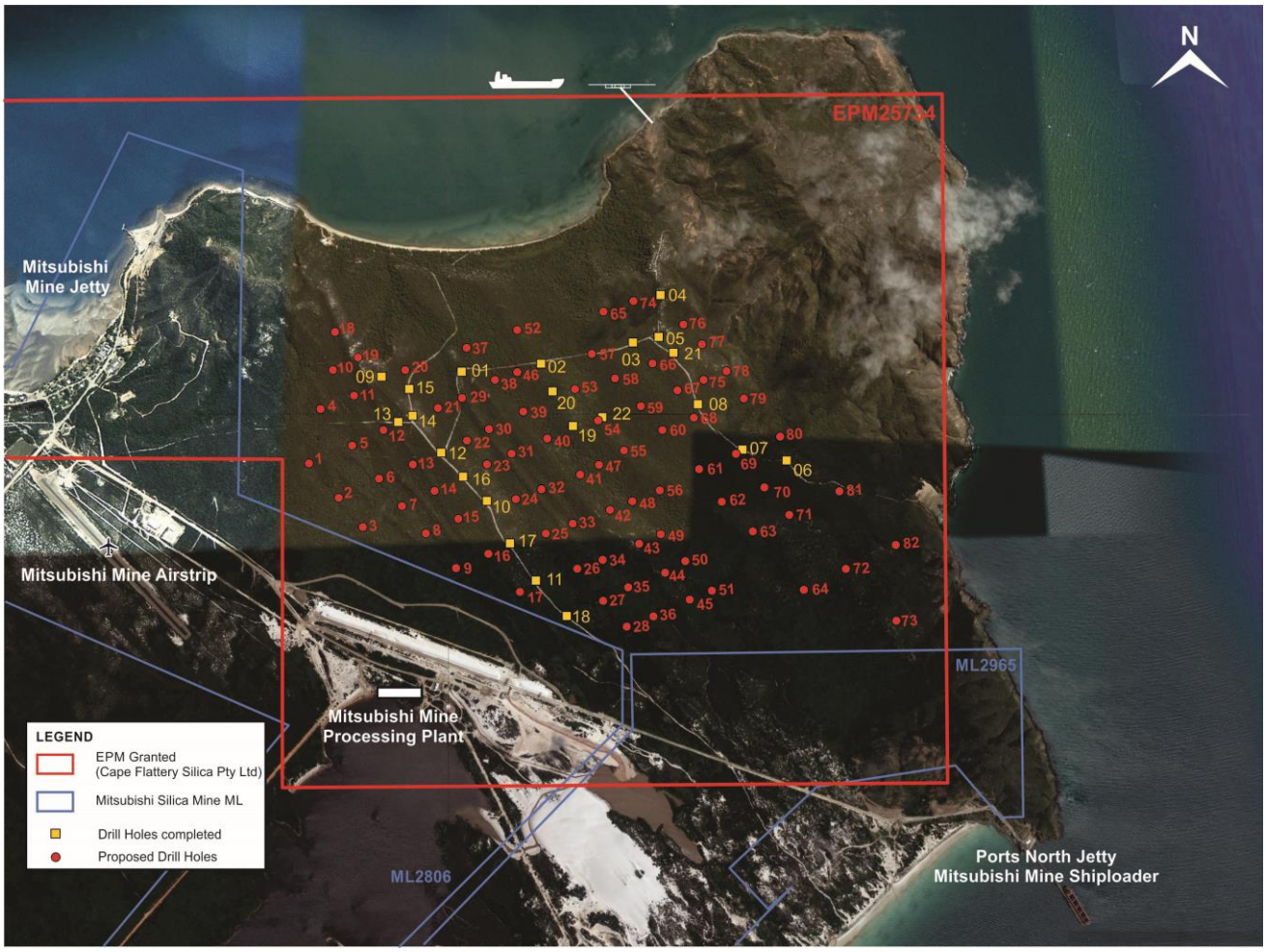
Metallica Executive Chairman, Theo Psaros, said “the Mining Lease Application reflects our confidence in our project and is an important milestone as we continue our pathway to progress the permitting and development of our exciting silica sand project. With the results of our first phase of metallurgy studies planned to be finalised shortly and then followed by the completion and planned release of the results of a Scoping Study, the project is progressing as planned. Cultural Heritage clearance is expected to start early in July 2021 and the drilling soon thereafter (see ASX release dated 29 April 2021 Silica Sand Project update). We expect the drilling program to be completed in July 2021 in addition to the Company’s environmental consultants working on further dry-season studies in June 2021.”



Map 2 – targeted holes for July 2021 drilling program

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:

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About the Cape Flattery Silica Sand (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sands (CFS) project is adjacent to the world class Cape Flattery Silica Sand mining and shipping operation owned by Mitsubishi. Exploration drilling to date has now confirmed that the sand dunes within EPM 25734 contain high purity silica sands with an in-situ quality which is understood to be comparable to Mitsubishi's Cape Flattery Silica Mine.

On 2 March 2021, the Company released an upgraded resource in the CFS Eastern Resource Area estimated and summarised in Table 1, as follows:

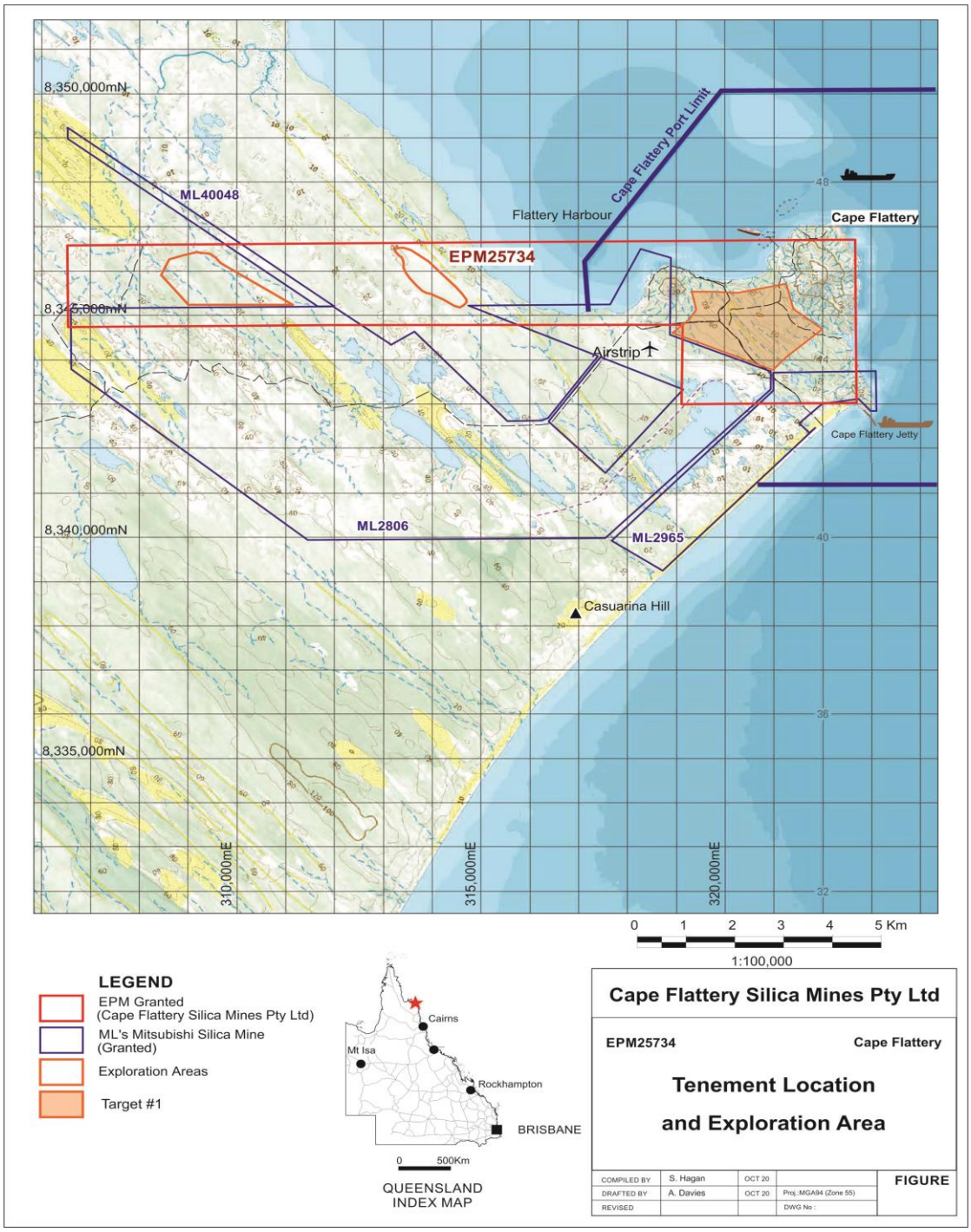
Classification	Silica Sand (Mt)	Silica Sand (Mm^3)	Density (t/m^3)	SiO_2 %	Al_2O_3 %	Fe_2O_3 %	TiO_2 %	LOI %
Indicated Resource	**5.4**	**3.4**	**1.6**	**99.1**	**0.04**	**0.09**	**0.13**	**0.13**
Inferred Resource	**32.9**	**20.5**	**1.6**	**99.0**	**0.07**	**0.12**	**0.15**	**0.11**
Total	**38.3**	**23.9**	**1.6**	**99.0**	**0.06**	**0.12**	**0.15**	**0.12**

[1] **Table 1 – EASTERN RESOURCE Area - Cape Flattery Silica Project**

For further details, see ASX Release on 2 March 2021 titled "38 Mt of High Purity Silica Sand Resource at Cape Flattery Silica Sands Project".

The Resource has been prepared in accordance with the JORC Code 2012 – A cut-off grade 98.5% has been defined based on the surrounding data. These results show there is good potential to produce a premium grade silica product using standard processing techniques.

According to industry research firm IMARC Group, high-purity silica sands are becoming more sought after, with the global market growing at a compound annual growth rate (CAGR) of around 6% between 2010 and 2017. In 2017, a total of 188 Mt of silica sand was produced globally. This growth has been driven by silica sand's applications across a broad range of industries including glass-making, foundry casting, water filtration, chemicals and metals, hydraulic fracturing and an increasing number of hi-tech products, including solar panels. For example, in the global glass-making industry, one of the major consumers of high-purity silica has experienced significant growth recently from the construction and automotive industries. IMARC also estimated the global silica sand market could grow from US$7 billion in 2019 to US$20 billion in 2024.



Competent Person Statement

The information in this announcement that relates to the Cape Flattery Silica Sand Project-Eastern Exploration Target and this Resource Estimation was based on results and data collected and complied by Mr Neil Mackenzie-Forbes, who is a Member of the Institute of Geoscientists and is a Consulting Geologist employed by Sebrof Projects Pty Ltd and engaged by Metallica Minerals Ltd. Mr Mackenzie-Forbes has more than 20 years mining and exploration experience in Australia with major mining and junior exploration companies. Mr Neil Mackenzie-Forbes consents to the inclusion of this information in the form and context in which it appears in this release/report.

The information in this announcement that relates to the Cape Flattery Silica Sand Project - Eastern Resource Area is based on information and modeling undertaken by Mr Chris Ainslie, Geotechnical Engineer, who is a full-time employee of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy. The work was supervised by Mr Carl Morandy, Mining Engineer who is Managing Director of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy and also by Mr Brice Mutton who is a Senior Associate Geologist for Ausrocks Pty Ltd. Mr Mutton is a Fellow of the Australasian Institute of Mining & Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Morandy and Mr Ainslie and Mr Mutton are employed by Ausrocks Pty Ltd who have been engaged by Metallica Minerals Ltd to prepare this independent report, there is no conflict of interest between the parties. Mr Morandy, Mr Ainslie and Mr Mutton consent to the disclosure of information in the form and context in which it appears in this release/report.

The overall resource work for the Cape Flattery Silica Sand Project - Eastern Resource Area is based on the direction and supervision of Mr Mutton who 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".

Forward-looking statements

Forward-looking statements are based on assumptions regarding Metallica, business strategies, plans and objectives of the Company for future operations and development and the environment in which Metallica may operate.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of Metallica could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Metallica, which may cause the actual results, performance or achievements of Metallica to differ materially from those expressed or implied by the forward-looking statements. For example, the factors that are likely to affect the results of Metallica include general economic conditions in Australia and globally; ability for Metallica to funds its activities; exchange rates; production levels or rates; demand for Metallica's products, competition in the markets in which Metallica does and will operate; and the inherent regulatory risks in the businesses of Metallica. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.