



1 June 2023

Extension of MOU to explore off-take arrangements on the Cape Flattery Silica Sand Project

Silica sand developer, Metallica Minerals Limited (ASX: MLM) is pleased to advise that Mitsui & Co., Ltd. (“Mitsui”) has agreed to extend the Memorandum of Understanding (“MOU”) executed in 2022 (see ASX release 30 August 2022 “MOU signed to explore off-take arrangements on the Cape Flattery Silica Sand project”).

The MOU builds on the positive discussions to date under an agreement first signed in 2022. The extension is to 1 September 2024.

Metallica’s Executive Chairman, Theo Psaros commented: *“Metallica was very pleased to initiate discussions with Mitsui in 2022. Mitsui, one of the largest global trading and investment companies, has been established in Australia since 1901, and has contributed significantly to so many aspects of Australian industry. We continue to engage with Mitsui following meetings in Tokyo and their successful visit to Cape Flattery.”*

As reported in 2022, the MOU builds on discussions between the parties and covers negotiations to evaluate a sale and purchase transaction (off-take transaction) of all or specific portions of the silica sand products that MLM will produce in the future (the “Business Opportunities”). While the MOU does not itself provide for any binding offtake arrangement, it establishes a platform for the parties to collaboratively explore entering into binding offtake arrangements. Recent discussions also included other potential partnership opportunities.

Cape Flattery Silica Project site visit

Earlier this month, MLM was very pleased to host representatives of Mitsui Australia and Mitsui Tokyo for a visit to the Cape Flattery Silica (CFS) project. The CFS management team were joined by representatives of the two Traditional Landowner clans, Dingaal and Nguurruumungu, in welcoming the Mitsui representatives and in providing an overview of the plans to construct the CFS project.



Figure 1: Mitsui team at Cape Flattery with CFS management and Dingaal and Nguurruumungu representatives

About Mitsui

Mitsui & Co., Ltd. (8031: JP) is a global trading and investment company with a diversified business portfolio that spans approximately 63 countries.

Mitsui has about 5,500 employees and deploys talent around the globe to identify, develop, and grow businesses in collaboration with a global network of trusted partners. Mitsui has built a strong and diverse core business portfolio covering the Mineral and Metal Resources, Energy, Machinery and Infrastructure, and Chemicals industries.

Mitsui has a long heritage in Asia, where it has established a diverse and strategic portfolio of businesses and partners that gives it a strong differentiating edge, provides exceptional access for all global partners to the world's fastest growing region and strengthens its international portfolio.

For more information on Mitsui & Co's businesses visit, www.mitsui.com.

About the Cape Flattery Silica (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sand (CFS) Project is located in the Cape Flattery area, on the eastern coastline of Cape York Peninsula, 220 km north of Cairns, and 55km from Cooktown. Metallica is developing the CFS Project adjacent to the Cape Flattery Silica Sand mining and shipping operation owned by the Mitsubishi Corporation. Initial exploration drilling in late 2019 confirmed the presence of high purity silica sand within EPM 25734.

The Project's development will be a major boost to the North Queensland economy, leveraging off its strategic location, within the declared Cape Flattery Port area and within the silica sand hub area.



Figure 2: EPM 25734 location and orientation at Cape Flattery and within the Cape Flattery Port limit

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 & Company Secretary
+61 (7) 3249 3000

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 fund 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.

