



25 September 2023

## Cape Flattery Silica Sand Project Update

### Highlights

- Submission lodged with Queensland Coordinator General to be considered a Coordinated Project
- Contracts to be awarded shortly for key components of Environmental Impact Statement studies
- Discussions underway with the Queensland Government on their consideration to have Cape Flattery deemed a Critical Mineral Zone
- National Native Title Tribunal requested to mediate among the Negotiation Parties to the application for mining lease 100284 to assist in obtaining their agreement
- Potential offtake partner discussions continuing

Metallica Minerals Limited (**Metallica**, ASX: MLM, Company) is pleased to provide an update on progress towards development of its 100% owned Cape Flattery Silica (CFS) sand project.

### Coordinated Project submission

Metallica Minerals Executive Chairman, Theo Psaros said “as I disclosed at the Noosa Mining Conference in July 2023, we planned to lodge a submission to the Office of Coordinator General in Queensland, to be considered a Coordinated Project. Our final submission has been lodged and seeks approval for up to 4mtpa of production at the CFS Project. While this is a material increase on the forecast production of 1.8mtpa used as the basis for the DFS released in July 2023 (see ASX release 17 July 2023: Cape Flattery Silica DFS Confirms Excellent Economics), our current production target remains 1.8mtpa. The application for up to 4mtpa provides optionality for the project, subject to capital markets and importantly, demand from potential customers. In seeking approval for the larger production rate, we negate having to initiate a new application in the future.”

“Projects that apply to be Coordinated Projects, do so due to the approval requirements of all levels of government and the strategic significance to a locality, region or the State, including for the infrastructure, economic and social benefits, capital investment or employment opportunities it may provide. We see an important benefit to our project in having one government agency coordinating the evaluation and approval process.”

The Coordinator-General manages the project assessment process, which includes working with advisory agencies, local government and other organisations to seek input on the environmental impact statement (EIS) and on post-EIS statutory approvals; coordinating public submissions on the EIS and other documentation; and preparing a final evaluation report on the project. A 'coordinated project' declaration does not imply government approval of support for or commitment to the project.

A decision from the Office of Coordinator General is expected in Q4 2023.

### **Environmental Impact Statement**

The final Guidelines for the EIS will be subject to the decision by the Office of Coordinator General on the submission outlined above. However, there are many components of the EIS that are standard components and accordingly those studies have started.

Requests for Proposal were issued to consultants to manage the EIS and more specifically, undertake the Economic Impact Assessment and Social Impact Assessment. This work will be underway shortly. The respective scope of work for these components of the EIS will be updated when final Guidelines/Terms of Reference for the EIS are agreed with the Queensland and Commonwealth Governments.

### **Cape Flattery - Critical Minerals Zone**

In June 2023, the Queensland Premier, Anastacia Palaszczuk, unveiled the Queensland Critical Mineral Strategy at the World Mining Congress in Brisbane. The Queensland Government is planning for targeted investment at Cape Flattery, as part of a new strategy to grow Queensland's critical mineral sector.

Since this announcement, an initial meeting has been held with key Queensland government agencies to progress the potential for Cape Flattery to be designated a Critical Minerals Zone. Further meetings are planned.

### **Traditional Landowner negotiations**

A negotiation meeting was recently held in Hope Vale between CFS Project representatives, representatives of the native title holders for the shared area (Dingaal and Nguurruumungu Clans) and the Board of Hopevale Congress Aboriginal Corporation (trustee landholder and agent registered native title body corporate for the Nguurruumungu Clan).

The challenges of seeking a unified response to the outstanding matters has resulted in Metallica requesting the assistance of the National Native Title Tribunal to mediate among the Negotiation Parties - being the Dingaal and Nguurruumungu Clans, the State of Queensland and Metallica's subsidiary Cape Flattery Silica Pty Ltd - to assist in obtaining their agreement for the grant of mining lease 100284.

Theo Psaros said “the benefit of mediation is that it will assist the parties to work together to seek a common focus for the negotiation process. There are outstanding matters that could be best resolved under a more formal process. We have been meeting with the two clans since October 2020 and formally negotiating since November 2021. We have fully respected the process since that time and look forward to the mediation process assisting the parties to reaching a mutually beneficial outcome.”

### **Potential Offtake partners & Marketing**

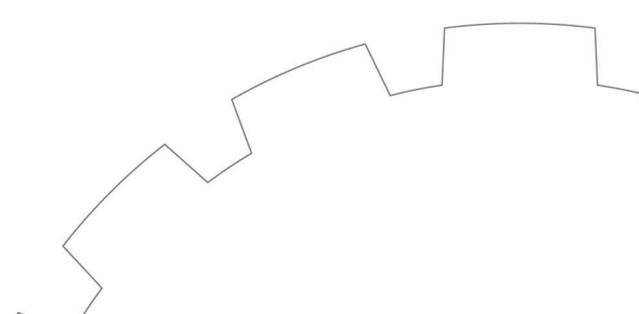
Following the visit by Metallica’s Commercial GM, Sam Fisher, to China in July 2023, interest from potential offtake parties has continued and a second visit will be undertaken in October 2023. In addition to China, meetings will also be held in Taiwan. Discussions continue with interested groups in South Korea, and Japan.

### **Water Testing**

Water bore testing was completed in June 2023. The performance of the aquifer was deemed excellent by the groundwater experts, with it recharging almost immediately after pumping water out. The water was clean, silt free and is expected to be in sufficient volumes necessary for the silica sand processing operation.



Figure 1: water flow from test bore at CFS Project



## About the Cape Flattery silica sand project

A full description of the Cape Flattery silica sand project can be found in the ASX release dated 17 July 2023 “Cape Flattery Silica DFS confirms excellent economics”.



**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:

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### 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.*

### **Production Targets**

Information in relation to the CFS Definitive-Feasibility Study production targets included in this report is extracted from an ASX Announcement dated 17 July 2023 (ASX announcement "Cape Flattery Silica DFS confirms excellent economics"). The Company confirms that all material assumptions underpinning the production target set out in the announcement released on 17 July 2023 continue to apply and have not materially changed.