



12 December 2023

Cape Flattery Silica signs MOU with Eternal Asia

Highlights

- Cape Flattery Silica Pty Ltd has signed a Memorandum of Understanding (MOU) with Eternal Asia Supply Chain Management Ltd (EA)
- The MOU allows for technical exchange, testing of samples and discussion on further processing and value adding of processed silica sand from the CFS project using EA's proprietary technology
- Pending the successful outcome of the cooperation, the parties will commence commercial discussions on the basis of sharing the value improvement from the further processing, with the objective of concluding a long-term sales contract for CFS high purity silica sand

Metallica Minerals Limited (**Metallica**, ASX: MLM) is pleased to announce that its wholly owned subsidiary, Cape Flattery Silica Pty Ltd (CFS) has signed an MOU with Eternal Asia Supply Chain Management Ltd (EA).

The MOU is non-binding and valid for 12 months. Under the MOU, CFS will provide samples of processed high purity silica sand from the CFS project for testing by EA to assess its suitability for further processing and value adding using EA's proprietary technology.

Pending the successful outcome of the discussions and cooperation outlined above, the Parties will have commercial discussions on the basis of sharing the value improvement from the further processing of the silica sand prior to entering into a Heads of Agreement (HOA) that shall form the basis of a long-term sales contract that is binding on both parties. This HOA would be applicable for the silica sand products that CFS will produce from its Cape Flattery silica sand project.

Metallica Executive Chairman, Theo Psaros, said "The MOU with Eternal Asia is a great outcome for both parties. For CFS it provides an opportunity to move our already high purity silica sand into a non-glass market segment with a higher value, through further processing using EA's technology. For EA they obtain a secure supply of high purity silica sand, once our project is in production. We look forward to working with EA in this new strategic partnership for mutual benefit."

THE THIRD QUARTZ SAND FOR PLATE IN CHINA SUPPLY AND DEMAND MEETING 2023/07/19 SHANDONG-LINYI

第三届全国板材用石英砂供需洽谈会

山东·临沂 2023.07.19



Mr Tao. Zhu (EA GM of New Semiconductor Materials BU) and Sam Fisher (CFS Commercial GM)

About Eternal Asia Supply Chain Management Ltd (EA)

EA was established in 1997 and is a subsidiary of Shenzhen Investment Holdings Co., Ltd., a Fortune 500 company, and China's first listed supply chain company (stock code 002183). The group has nearly 10,000 employees and its multi-regional global network extends to more than 320 cities across China alone. One of EA's goals is to strengthen the industrial chain by focusing on new energy raw materials and industrial raw materials. The MOU with CFS fits into this strategic initiative.

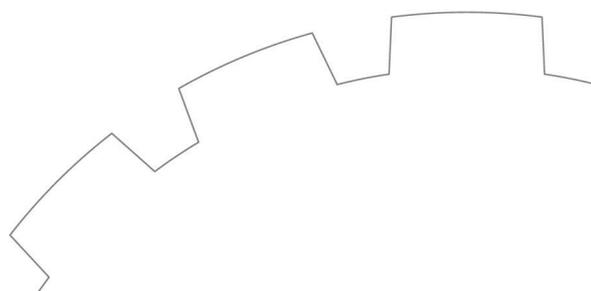
About the Cape Flattery silica sand project

A full description of the Cape Flattery silica sand project can be found in the ASX release dated 15 November 2023 "Cape Flattery Silica Updated DFS supports 3MTPA Sales".

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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.