



12 February 2024

Cape Flattery Silica Sand Project Update

Highlights

- Consultants appointed to start Environmental Impact Assessment process
- Discussion with Queensland Government's Office of Coordinator General on the draft EIS Terms of Reference to begin later this month
- Department of Climate Change, Energy, the Environment and Water has accepted the variation to the CFS Project that sought an increase in production to up to 4mtpa without any further conditions
- Market development activities continue with multiple parties
- National Native Title Tribunal mediation process is underway

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.

Environmental Impact Assessment process (EIS)

The combination of the cyclone in far North Queensland in late 2023 and further rain in the region this year has put back the start of the EIS field activities. As previously disclosed, a number of environmental studies have already been completed. The decision was taken to undertake some pre-work on some studies in advance of the receipt of the Terms of Reference (ToR) for the EIS from the Office of Coordinator General (OCG). This pre-work is for studies that are well understood and customary and do not need to wait for final ToRs.

Studies to be undertaken initially, are the Social Impact Assessment and the Economic Impact Assessment. It is expected these will formally begin in March and be completed by Q3-2024.

We have been advised that the draft ToRs are likely to be provided by the OCG at the end of February 2024. When completed they will be publicly available for comment.

Department of Climate Change, Energy, the Environment and Water (CCEEW)

Consistent with the application to the OCG for up to 3mtpa of saleable product from the CFS Project (see ASX release 15 November 2023: "Cape Flattery Silica Updated DFS Supports ~3mtpa Saleable Product"), MLM was required to seek a variation to the CCEEW decision that required an EIS for saleable product of 1.5mtpa.

Metallica Minerals Executive Chairman, Theo Psaros said "we were pleased that CCEEW has accepted a variation to our original proposal with no additional action taken under section 156B of the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). Their decision has been published on the CCEEW website."

Traditional Landowner negotiations

Further to the advice that mediation has been sought from the National Native Title Tribunal with the Negotiation Parties - being the Dingaal and Nguurruumungu Clans, the State of Queensland and Metallica's subsidiary Cape Flattery Silica Pty Ltd, the process with the Tribunal has begun (see ASX release 25 September 2023: "Cape Flattery Silica Sand Project Update").

Potential Offtake partners & Marketing

With growing interest in the CFS Project's high purity silica sand, Commercial GM, Sam Fisher will again travel to Asia to meet with prospective customers. Product from the bulk metallurgical tests (ASX release 19 Sept 2023, Bulk metallurgical tests confirm High Purity Silica Sand at Cape Flattery) has been supplied to prospective customers for their own testing, and early-stage discussions on offtake and in market support are ongoing.

Metallica continues to develop an in depth understanding of the key drivers of the growing Asia Pacific seaborne silica sand market, through engagement with processors, traders and prospective customers.

Australian Critical Minerals Prospectus

On 31 January 2024, the Australian Government, via the Australian Trade and Investment Commission, released an updated Critical Minerals Prospectus. The Prospectus showcases investment ready critical minerals projects and the Cape Flattery Silica project has been included.

The Prospectus will be promoted internationally as the Australian Government recognises that these resources will be vital in the global shift to environmentally positive technology including solar panels.

The media release was issued by The Hon Madeleine King MP, Minister for Resources and Minister for Northern Australia.

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 Saleable Product".

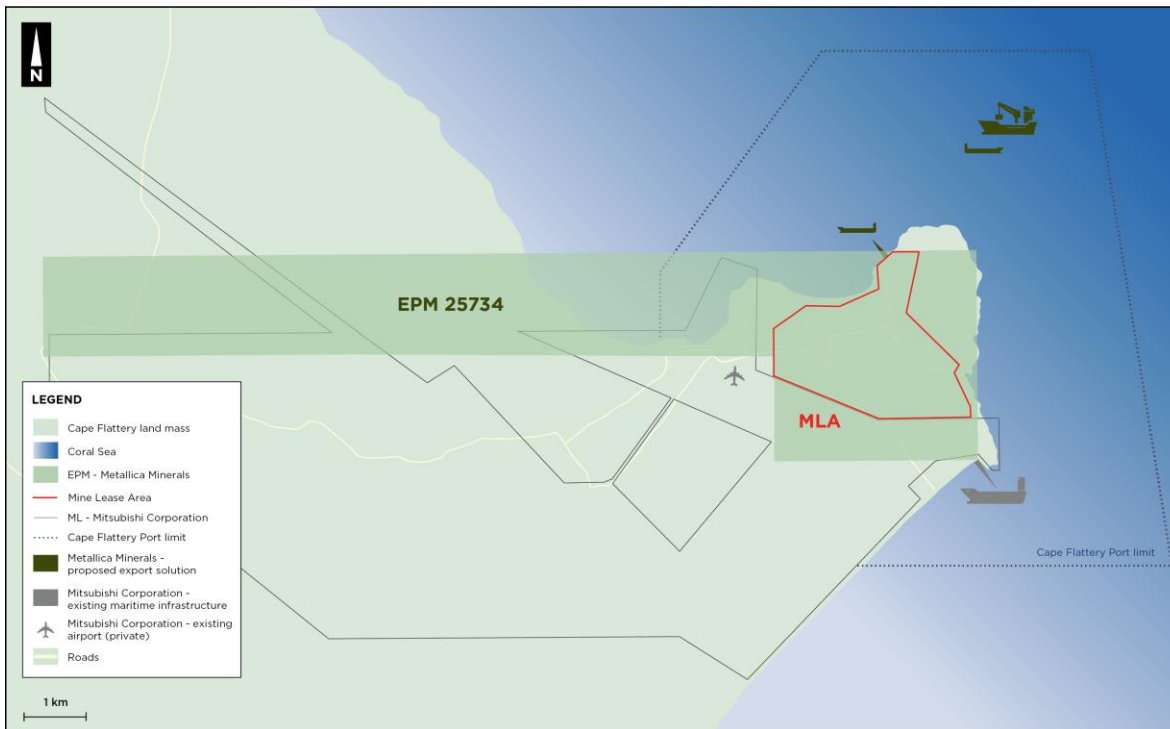


Figure 1: EPM 25734 location and orientation at Cape Flattery and within the Cape Flattery Port limit

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 15 November 2023 (ASX announcement [“Cape Flattery Silica Updated DFS Supports ~3mtpa Saleable Product”](#)). The Company confirms that all material assumptions underpinning the production target set out in the announcement released on 15 November 2023 continue to apply and have not materially changed.