



ASX RELEASE
15 September 2014

NICKEL ORE SALES AGREEMENT DEAL FOR QUEENSLAND DEPOSIT

Metallica Minerals Limited (ASX-MLM) is pleased to announce it has entered into a Royalty Agreement with a privately owned company to allow the mining and extraction of nickel ore from the Company's Dingo Dam Mining Lease (the "Royalty Area") in Queensland.

The lease is part of Metallica's non-core Lucky Break Nickel Project, directly west of Townsville and to the southeast of its larger SCONI scandium-nickel and cobalt project.

The royalty payable to Metallica under the Agreement is as follows:

- First Payment: \$250,000 upon satisfaction of conditions precedent which are to be satisfied within 14 days unless extended by both parties.
- Second Payment: \$200,000 four (4) months from the Signing Date or when a total of 30,000 tonnes of nickel ore is extracted and removed from the Royalty Area, whichever is later.
- Third Payment: \$200,000 eight (8) months from the Start Date or when a cumulative total of 60,000 tonnes of nickel ore is extracted and removed from the Royalty Area, whichever is later.
- Additional Payment: \$4 per tonne for any tonnages above 130,000 tonnes of nickel ore that is extracted and removed from the Royalty Area.

The Dingo Dam Agreement is subject to several conditions precedent regarding road access, and confirmation of compensation payable and access under the existing landowner agreement.

The Agreement will end:

- If the Payer does not extract 60,000 tonnes of nickel ore from the mine site within 12 months from the Signing Date;
- If applicable, any date on which this deed is terminated in accordance with its terms; or
- Two (2) years from the Signing Date.

The Private Company is responsible for conducting all mining operations and activities and associated rehabilitation at Dingo Dam.

The Private Company is also responsible for keeping the Existing Tenement valid and in force and effect including, lodging in good time, all required reports and paying all fees, rates, royalties, taxes and rental payments due.

Any ore which is mined but not removed from the Royalty Area will be stockpiled for Metallica's future use.

For more information please contact:-

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