



ASX RELEASE

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UPDATE ON NEW CAPE YORK MINERAL SANDS PLANT

Metallica Minerals Limited (ASX:MLM) advises that the new Heavy Mineral Sands (HMS) process plant fabrication and assembly for the Company's HMS mine and processing project near Weipa on Queensland's western Cape York is near completion of trial assembly at the South African-based engineering facility operated by contractor, Consulmet.

The processing plant components have been inspected by Oresome Australia's (Metallica subsidiary) Cape York joint venture General Manager, Mr Stewart Hagan, and a consulting engineer, during a visit last week to Consulmet's Klerksdorp yard in South Africa.

Following a logistics review, the Joint Venture parties (Oresome Australia Pty Ltd and Ozore Resources Pty Ltd) expect loading of the containers on to a ship in Durban to be completed in July.

Our site inspections have acknowledged that the engineering and fabrication works of the plant and associated equipment undertaken and supplied by Consulmet are robust and of good standard.

Onsite civil works on the designated Urquhart Point Mining Lease just south of Weipa have been prepared in readiness for the arrival of the newly manufactured processing plant.

Mineral sand prices (particularly titanium minerals rutile and ilmenite) have continued to decline in 2015 and the Joint Venture is monitoring this and periodically reviewing options while continuing to progress the development of the Urquhart Point HMS project on a more cautious step-by-step or staged approach.

For more information, please contact:

Andrew Gillies, Managing Director or
Phone: +61 07 3249 3000
Email: admin@metallicaminerals.com.au

John Haley, CFO/Company Secretary
Phone: +61 07 3249 3000