

Metallica Minerals Limited

ACN 076 696 092

Annual Financial Report - 30 June 2015

Metallica Minerals Limited
Corporate directory
30 June 2015

Directors	B J Casson - Non-executive Chairman A L Gillies - Non-executive Director Wu Shu - Non-executive Director S Zhang - Alternate Director for Wu Shu
Chief Executive Officer	S J Slesarewich
Company secretary	J K Haley
Notice of annual general meeting	The details of the annual general meeting of Metallica Minerals Limited are: HopgoodGanim Level 7, Waterfront Place, 1 Eagle Street Brisbane QLD 4001 10.00am on Tuesday, 24 November 2015
Registered office	71 Lytton Road East Brisbane QLD 4169
Principal place of business	71 Lytton Road East Brisbane QLD 4169
Share register	Link Market Services Limited Level 19, 324 Queen Street Brisbane QLD 4001
Auditor	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000
Solicitors	HopgoodGanim Level 8, Waterfront Place, 1 Eagle Street Brisbane QLD 4001
Stock exchange listing	Metallica Minerals Limited shares are listed on the Australian Securities Exchange (ASX code: MLM)
Website	www.metallicaminerals.com.au
Corporate Governance Statement	www.metallicaminerals.com.au/corporate-governance

Metallica Minerals Limited
Directors' report
30 June 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metallica Minerals Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons were directors of Metallica Minerals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Barry J Casson (appointed Chairman 30 June 2015)
Andrew L Gillies
Wu Shu
Shu Zhang (alternate to Wu Shu) (appointed 21 August 2014)
David K Barwick (retired 30 June 2015)
Tao Li (alternate to Wu Shu) (retired 21 August 2014)

Principal activities

During the financial year the principal activities of the consolidated entity consisted of mineral exploration, evaluation and progressing studies into the feasibility of development of its zircon-rutile heavy mineral sands (HMS) and bauxite (Urquhart Point) projects and commencing construction of a HMS processing plant. No substantive exploration or studies on the scandium-cobalt-nickel (SCONI) project were conducted, but discussions continued in relation to a potential joint venture to fund and progress the project. There were no significant changes in the principal activities of the consolidated entity except that it commenced construction of the HMS processing plant.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$7,722,353 (30 June 2014: \$15,333,124).

The 30 June 2015 consolidated loss includes the following:

- a) A gain of \$2,057,407 on the sale of the consolidated entity's investment in Metro Mining Limited.
- b) A gain of \$1,559,039 resulting from the formation of the Oresome joint operation. The consolidated entity contributed an initial 33.33% of its interest in heavy mineral sands and bauxite tenements to the joint operation.
- c) Impairment of the mining assets in the Oresome joint operation of \$4,041,815 and impairment of the SCONI exploration and evaluation assets of \$4,990,495. The impairment of these assets was the result of a combination of factors including volatility in commodity prices.

During the current year the consolidated entity:

(a) Executed a joint venture (JV) agreement with a private Chinese investor. The JV is between Oresome Australia Pty Ltd (a wholly owned subsidiary of Metallica Minerals Ltd) and Ozore Resources Pty Ltd (Ozore) (wholly owned by the Chinese investor). Under the JV agreement, Ozore is required to provide a total of A\$7,500,000 to develop the company's Urquhart Point Project including construction of a HMS plant in South Africa, and explore for other Heavy Mineral Sands and Bauxite deposits on its tenements on the western side of Queensland's Cape York Peninsula. On 27 August 2014 the company announced that Foreign Investment Review Board (FIRB) approval had been received for the joint venture. The FIRB approval was the final condition precedent to the JV agreement. At 30 June 2015, Ozore had paid A\$6,500,000 to the joint venture resulting in it earning a 43.33% interest in the joint venture. Subsequent to 30 June 2015, the balance of A\$1,000,000 has been called by the joint venture manager of which \$350,000 has been received. On receipt of the balance of funds of \$650,000, the JV will be a 50/50 joint venture. The HMS plant construction has been finished in South Africa, and the plant is currently awaiting shipment to Australia and if a decision is made by the JV to proceed to production, this could commence post the 2015/2016 North Queensland wet season.

(b) Commenced a detailed review of its extensive Cape York tenement portfolio with a view to ascertaining, in addition to its Heavy Mineral Sands (HMS) project, the portfolio's potential to host significant bauxite deposits. The review successfully identified 15 highly prospective bauxite zones within Oresome's tenement package near Urquhart and Vrilya Points. The combined areas have an estimated Exploration Target potential of 47 to 138 million tonnes of Bauxite. The potential quantity and grade of the bauxite exploration targets are conceptual in nature. There is insufficient information at this time to define a mineral resource and there is no certainty that further exploration will result in the determination of a mineral resource in these areas. Drill results released subsequent to 31 December 2014, have confirmed a maiden resource of high grade bauxite adjacent to Metallica's Urquhart Point HMS development on Cape York suitable for direct shipping, and a Mining Lease Application has been lodged over this area.

(c) Completed a drilling program on the T-16 Mineral Sand tenements. This drilling program downgraded the potential of the T-16 area.

(d) Successfully completed a book build for working capital in August 2014, leading to the successful placement of 6.25 million ordinary shares at 8 cents per share, raising \$500,000 (before costs).

(e) Entered into a royalty agreement with a private company to allow the mining and extraction of nickel ore from the company's Dingo Dam Mining Lease in Queensland. The lease is part of the company's non-core Lucky Break Nickel Project. The company received its first royalty payment of \$250,000 in January 2015 and a second royalty payment of \$200,000 was received in September 2015.

(f) Sold its entire shareholding of 64.3 million ordinary shares in Metro Mining Limited for \$2,057,407.

(g) Received \$579,280 refundable tax offset under the Federal Government's Research and Development ("R&D") Tax Incentive program, for expenditure in relation to the SCONI scandium-cobalt-nickel project in North Queensland.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Consolidated Entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Consolidated Entity to successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development.

Should the Consolidated Entity not be able to raise capital or dispose of non-core assets when required or manage its expenditure so as to conserve cash over the coming 12 months, there exists a material uncertainty regarding the Company's and Consolidated Entity's ability to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the Consolidated Entity not be able to continue as a going concern.

The company's auditor has, without qualifying their audit opinion, included an 'emphasis of matter' paragraph in their audit report which draws attention to the aforementioned uncertainty regarding going concern.

Capital expenditure

During 2015, \$750,388 was incurred on capitalised exploration, development and project study expenditure (2014: \$2,835,880). The majority of the expenditure incurred was on the Urquhart Point exploration and development assets. The consolidated entity also incurred \$2,827,167 (2014: \$15,078) on additions to property, plant and equipment of which the Oresome Joint Venture accounted for \$2,812,231. The Oresome Joint Venture property, plant and equipment additions were funded by the joint venture partner, Ozore Resources Pty Ltd.

Cash flow and Liquidity

During 2015 the consolidated entity had net cash outflows from operating activities of \$2,394,890 (2014: \$2,182,996). In the current financial year, the consolidated entity received other revenue of \$853,932 (2014: \$nil) which comprised of mainly grants and royalties. The increase in other revenue was offset by an increase in payments to suppliers.

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For the year ended 30 June 2015 net cash inflows from investing activities amounted to \$2,377,612 (2014: \$873,710). In the current financial year the consolidated entity received \$2,057,407 for the sale of its shares in MetroCoal Limited and recognised a cash inflow of \$3,334,669 which represents Metallica's share of the Oresome Joint Venture cash and cash equivalents on formation of the joint operation. An additional cash inflow of \$883,400 was recognised following further cash contributions received by the joint operation from Ozore Resources Pty Ltd. The consolidated entity also received a research and development tax incentive of \$579,280 (2014: \$3,056,636). Cash outflows for plant and equipment, mining development assets and, exploration and evaluation amounted to \$4,374,163 (2014: \$2,850,958).

In August 2014 the company raised \$500,000 by way of a share placement.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year, except that it commenced construction of the HMS processing plant.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Mr Simon Slesarewich was appointed Chief Executive Officer effective from 13 July 2015. Mr Andrew Gillies retired from the Managing Director role on 13 July 2015 and is now a non-executive Director.

On 9 July 2015 the company announced that it had executed a sales agreement to sell four granted non-core mining leases covering the Ootann limestone tenements and associated quarrying equipment to a private group for \$500,000. The proceeds from the sale of the leases and equipment were received in September 2015.

On 28 July 2015 the company announced that it has executed a conditional sale and purchase agreement for the sale of its non-core Star Limestone Project to a private group for a cash consideration of \$370,000. The project consists of a single mining lease. The proceeds from the sale of the mining lease were received in September 2015.

The company received a second royalty payment of \$200,000 in September 2015 for nickel ore extracted from its Lucky Break Mining Lease west of Townsville.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The company, with its Joint Venture (JV) partner, has completed construction of the Urquhart Point Mineral Sands Project HMS processing plant since year end, and is currently awaiting shipping to Australia. If a decision is made by the JV to proceed to construction at site and commence production, this production could commence post the 2015/16 North Queensland wet season. The company has retained all its Mining Leases including those related to the SCONI nickel/cobalt/scandium project. The company will continue to rigorously review and control costs and will actively evaluate other projects and progress the Urquhart Point Bauxite Project.

The consolidated entity's goal is to become a reliable and profitable supplier of mineral sands, bauxite, nickel, scandium, and cobalt.

Environmental regulation

The consolidated entity is subject to environmental regulations under laws of Queensland where it holds mineral exploration and mining tenements. During the financial year the consolidated entity's activities recorded no non-compliance issues.

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Information on directors

Name:	Barry J Casson
Title:	Non-executive Director until 30 June 2015 and Non-executive Chairman thereafter
Age:	64
Qualifications:	MAICD
Experience and expertise:	Non-executive Director since 1 December 2010. Mr Casson has more than 40 years experience in accounting, finance and general management with several listed and unlisted companies, primarily in the resources industry. He has had extensive international experience in project financing and corporate transactions.
Other current directorships:	Non-executive director of Unitywater since 2013 (statutory authority)
Former directorships (last 3 years):	Non-executive director of Global Resources Corporation Limited from 2006 to 2013
Special responsibilities:	Chairman of the Audit & Risk Management Committee and Remuneration Committee until 30 June 2015**
Interests in shares:	None
Interests in options:	None
Interests in rights:	None
Name:	David K Barwick (retired 30 June 2015)
Title:	Non-executive Chairman until 30 June 2015
Age:	71
Qualifications:	N/A
Experience and expertise:	In his capacity as Chairman, Managing Director and or President, Mr Barwick has played a significant role in successfully funding and bringing into production, four mining projects throughout his career in both Australia and Canada and has been Chairman of more than 30 public listed companies. He has considerable expertise in the restructure and financing of entities. An accountant by profession, Mr Barwick has over 40 years experience in the management and administration of publicly listed companies in both Australia and North America. As a director, he has used his strong skills in strategic planning to successfully restructure these and give them a solid financial base from which to operate. He has experience in preparing prospectuses and ensuring companies meet the necessary compliance standards for listing on both the Australian and Canadian Securities Exchanges.
Other current directorships:	Chairman of Jumbo Interactive Limited (director since 2006)
Former directorships (last 3 years):	Non-executive Chairman of: MetroCoal Limited (2006 - 2012), Orion Metals Limited (2008 – 2012), Planet Metals Limited (2009 – 2013)
Special responsibilities:	Member of the Audit & Risk Management Committee and the Remuneration Committee until 30 June 2015**
Interests in shares:	None*
Interests in options:	None*
Interests in rights:	None*

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Name:	Andrew L Gillies
Title:	Non-executive Director (Managing Director until 13 July 2015)
Age:	52
Qualifications:	Bachelor of Science (Geology), MAusIMM
Experience and expertise:	Mr Gillies graduated from the University of Queensland in 1985 with a BSc (Geology), is a member of the Aus.I.M.M. Mr Gillies' key strength is mineral resource management and strategic planning specialising in project generation, selection and acquisition. He has acquired a considerable database and significant knowledge of mineral deposits in Queensland. Since 1985 he has worked continuously as a geologist in the mining and exploration industry, accruing over 30 years experience across a range of commodities. He has valuable experience in the fields of exploration feasibility studies, development, open pit and underground mining of mineral deposits.
Other current directorships:	None
Former directorships (last 3 years):	Non-executive director of: Planet Metals Limited (2009 – 2012), Orion Metals Limited (2008 – 2012), MetroCoal Limited (2006 - 2014)
Special responsibilities:	Managing Director until 13 July 2015 and Non-executive Director thereafter
Interests in shares:	10,600,000
Interests in options:	None
Interests in rights:	None
Name:	Wu Shu
Title:	Non-executive Director
Age:	49
Qualifications:	MBA
Experience and expertise:	Wu Shu is a director of Jien Mining Pty Ltd which holds 40,099,678 shares in Metallica Minerals Limited.
Other current directorships:	Chairman and Director of Jilin Jien Nickel Industry Co. Ltd listed on the Shanghai Stock Exchange (director since 2003), Director of Liberty Mines Inc. listed on the TSX, Canada (director since 2009)
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit & Risk Management Committee and the Remuneration Committee until 30 June 2015**
Interests in shares:	None
Interests in options:	None
Interests in rights:	None
Name:	Tao Li (retired 21 August 2014)
Title:	Alternate Director to Wu Shu
Age:	60
Qualifications:	BE and PhD in Mining Engineering
Experience and expertise:	Dr Tao Li is a specialist in geotechnical and mining engineering as the Principal and Director of TL Geotechnics & Mining. He provides technical and business advice to Australian, Canadian, and Chinese mining companies. He previously worked for 7 years in the Chinese mining industry and for the past 23 years he was an internal advisor to the Australian mining industry as an engineer, manager and group manager for organisations such as Mount Isa Mines, WMC Resources, Gold Fields and Newcrest Mining.
Other current directorships:	Non-executive director of Orion Metals Limited (director since 2010)
Former directorships (last 3 years):	Director of Liberty Mines Inc. listed on the TSX, Canada from 2010 to 2013
Special responsibilities:	Alternate director for Wu Shu on the Audit & Risk Management Committee and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

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Name:	Shu Zhang (appointed 21 August 2014)
Title:	Alternate Director to Wu Shu
Age:	59
Qualifications:	BE in Mining Engineering, Ph.D and ME Candidate in Civil and Mining Engineering
Experience and expertise:	Dr Shu Zhang has over 40 years' experience in mining, first as a Miner, then a Mining Engineer, and later an Executive Manager in operations and project development in companies in Australia, China, and Canada. Dr Zhang was one of the key members who played a critical role in the successful development of Sino Gold Mining Limited. Dr Zhang has worked for the Jilin Nickel Group since 2011, and is a director of Jilin's Canadian subsidiaries, being the unlisted Canadian Royalties Inc., and the TSX listed Northern Sun Mining Corporation.
Other current directorships:	Director of Northern Sun Mining Corporation, listed on the TSX, Canada (director since June 2011)
Former directorships (last 3 years):	None
Special responsibilities:	Alternate director for Wu Shu on the Audit & Risk Management Committee and Remuneration Committee until 30 June 2015**
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

* Interests in the shares, options and rights of the company as at the date of resignation as a director.

** With effect from 30 June 2015, the Board decided that it was no longer appropriate to have separate committees for Audit & Risk and Remuneration. The Board as part of its role will undertake the responsibilities of these Board committees and will carry out the functions set out in their respective charters to ensure that their objectives are met.

Company secretary

The Company Secretary in office for the whole of the financial year was John Haley. John is a Chartered Accountant with over 30 years experience in accounting and finance. John has served in Chief Financial Officer and Company Secretary roles for a number of listed and non listed entities.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit & Risk Management Committee		Remuneration Committee	
	Attended	Held	Attended	Held	Attended	Held
B J Casson	12	12	4	4	-	-
A L Gillies	11	12	-	-	-	-
D K Barwick	12	12	4	4	-	-
W Shu (alternate Tao Li/S Zhang)	11	12	4	4	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

There were no meetings of the remuneration committee during the year ended 30 June 2015.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency

The remuneration structure for key management personnel, excluding non-executive directors, is set by the Board and is based on a number of factors including, market remuneration for comparable companies, particular experience of the individual concerned and overall performance of the consolidated entity. The contracts for service between the consolidated entity and key management personnel are on a continuing basis the terms of which are not expected to change in the immediate future. The consolidated entity retains the right to terminate contracts immediately by making payment of an amount based on the employees' years of service. Upon retirement or termination key management personnel, excluding non-executives, are paid employee benefits accrued to date of retirement or termination. No other termination benefits are payable under service contracts except that Mr Andrew Gillies (who retired and was paid his termination benefits on 13 July 2015) and Mr John Haley are entitled to 6 months salary if a change in control of the company occurs or their employment is terminated, provided the amount payable does not exceed any amount allowable under the Corporations Act 2001 or the ASX Listing Rules. Mr. Simon Slesarewich who was appointed CEO on 13 July 2015 is entitled to 3 months salary if his employment is terminated. Any options issued which are not exercised on or before the date of termination lapse 3 months after termination. Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

The remuneration framework is aligned to shareholders' interests through:

- a focus on sustained growth in share price and key non-financial drivers of value
- attracting and retaining high calibre executives

The remuneration framework is aligned to employees' interests through:

- rewards capability and experience
- reflecting competitive rates of remuneration in respect of skills and responsibility
- provides a clear structure for earning rewards
- providing recognition for contribution

In accordance with best practice corporate governance, the structure of non-executive directors and executive remuneration is separate.

Non-executive director remuneration

Remuneration of the non-executive directors is approved by the Board and set in aggregate within the maximum amount approved by the shareholders from time to time. The fees have been determined by the Board having regard to industry practice and the need to obtain appropriately qualified independent persons.

The aggregate pool of remuneration paid to non-executive directors was approved by shareholders on 24 November 2010 and is currently \$300,000 per annum for Metallica Minerals Limited as parent entity. The amount paid to non-executive directors of the parent entity (Metallica Minerals Limited) during the year to 30 June 2015 was \$160,150 (2014: \$137,000).

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Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration, both fixed and variable, based on their position and responsibility.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The long-term incentives ('LTI') include share-based payments. Options to acquire shares may be awarded to executives. Performance rights have a nil exercise price and the performance hurdles applicable to any performance period (including how they will be measured) is set out in the invitation to the eligible executives.

Consolidated entity performance and link to remuneration

Because the consolidated entity is in exploration and development, not production, there is no direct relationship between the consolidated entity's financial performance and the level of remuneration paid to key management personnel.

At 30 June 2015 the market price of the company's ordinary shares was 6 cents per share (30 June 2014: 4 cents per share). No dividends were paid during the year ended 30 June 2015.

Given that the remuneration is commercially reasonable, the link between remuneration, company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration. The company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the company's shareholders.

Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as determined by the Board of Directors. Except in so far as Directors and other key management personnel hold options or performance rights over shares in the company, there is no relationship between remuneration policy and the company's performance.

Use of remuneration consultants

The company did not engage remuneration consultants during the financial year ended 30 June 2015.

Voting and comments made at the company's 20 November 2014 Annual General Meeting ('AGM')

The company received 95% of 'for' votes in relation to its remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

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The key management personnel of the consolidated entity consisted of the following directors of Metallica Minerals Limited:

- B J Casson
- A L Gillies
- Wu Shu
- Shu Zhang (appointed 21 August 2014)
- Tao Li (retired 21 August 2014)
- D K Barwick (retired 30 June 2015)

And the following persons:

- J K Haley - Chief Financial Officer and Company Secretary - Metallica Minerals Limited

Changes since the end of the reporting period:

Simon Slesarewich was appointed Chief Executive Officer on 13 July 2015. Andrew Gillies retired from the Managing Director role and is now a non-executive Director.

	Short-term benefits		Post-employment	Long-term benefits		Share-based payments	
	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Termination benefits	Options, rights & shares	Total
2015	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
B J Casson	38,500	-	-	-	-	-	38,500
D K Barwick	59,954	-	5,696	-	-	-	65,650
S Zhang (alternate)	38,500	-	-	-	-	-	38,500
T Li (alternate)	17,500	-	-	-	-	-	17,500
<i>Executive Directors:</i>							
A L Gillies	146,063	-	17,576	(1,225)	-	-	162,414
<i>Other Key Management Personnel:</i>							
J K Haley	101,426	-	21,982	6,591	-	25,585	155,584
	401,943	-	45,254	5,366	-	25,585	478,148

Dr. Wu Shu (Non-executive director) did not receive any remuneration during the 2015 financial year.

Mr. S W Hagan, a member of key management for the 2014 financial year, was not considered to be a member of key management for the 2015 financial year. Mr. Hagan's employment with Phoenix Lime Pty Ltd terminated on 15 September 2014 following his appointment as Project Manager with the mineral sands joint venture. Mr. Hagan's employment with the Joint Venture was terminated on 14 September 2015.

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	Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments	
	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Termination benefits	Options, rights & shares	Total
2014	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
D K Barwick	59,954	-	5,546	-	-	-	65,500
B J Casson	43,500	-	-	-	-	-	43,500
T Li (alternate)	42,000	-	-	-	-	-	42,000
<i>Executive Directors:</i>							
A L Gillies	159,686	-	16,791	7,845	-	10,350	194,672
<i>Other Key Management Personnel:</i>							
J K Haley*	133,324	-	10,715	3,562	-	9,330	156,931
G S Becker**	78,323	-	7,245	(2,325)	25,171	26,850	135,264
S W Hagan	155,818	-	15,059	24,961	-	3,600	199,438
	672,605	-	55,356	34,043	25,171	50,130	837,305

Dr. Wu Shu (Non-executive director) did not receive any remuneration during the 2014 financial year.

*Mr J K Haley retired as a director on 26 November 2013 but continued as the company's Chief Financial Officer and Company Secretary. Amounts shown above include all Mr Haley's remuneration during the reporting period including the period when he was a director. Amounts received in his position as a director amounted to \$78,769, made up of cash salary and fees of \$71,358, superannuation of \$5,927 and long service leave of \$1,484.

** Mr G S Becker was Chief Executive Officer of Metallica Minerals Limited until 18 October 2013. Mr Becker received 124,837 ordinary shares of \$16,500 in lieu of his cash salary during the 2014 financial year.

The proportion of remuneration linked to performance (i.e. options) and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2015	2014	2015	2014	2015	2014
<i>Non-Executive Directors:</i>						
B J Casson	100%	100%	-%	-%	-%	-%
D K Barwick	100%	100%	-%	-%	-%	-%
T Li	100%	100%	-%	-%	-%	-%
<i>Executive Directors:</i>						
A L Gillies	100%	95%	-%	-%	-%	5%
<i>Other Key Management Personnel:</i>						
J K Haley	84%	94%	-%	-%	16%	6%
G S Becker*	-%	80%	-%	-%	-%	20%
S W Hagan	-%	98%	-%	-%	-%	2%

* Mr G S Becker received ordinary shares of \$16,500 in lieu of his cash salary during the 2014 financial year

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Andrew Langham Gillies
Title: Managing Director (until 13 July 2015 and Non-executive Director thereafter)
Agreement commenced: 23 March 2009
Term of agreement: Agreement terminated on 13 July 2015
Details: The contract could be terminated by 1 months' notice from either party. The contract was reviewed annually by the Board of Directors and was last reviewed in November 2014. Following this review the base salary (including the superannuation guarantee levy) remained unchanged at \$165,000 (the short term benefits disclosed in the remuneration table for Andrew Gillies includes amounts received from controlled entities). As set out in the contract, Andrew Gilles was paid 6 months base salary following the termination of the contract on 13 July 2015.

Name: John Kevin Haley
Title: Chief Financial Officer and Company Secretary
Agreement commenced: 1 July 2009
Term of agreement: Ending on 31 December 2015
Details: The contract may be terminated by 1 months' notice from either party. The contract is to be reviewed annually by the Board of Directors and was last reviewed in November 2014. Following this review the base salary including the superannuation guarantee levy remained unchanged at \$120,000 (the short term benefits disclosed in the remuneration table for John Haley includes amounts received from controlled entities). The contract provides for payment of 6 months of base salary if control of the company changes or John Haley's employment is terminated. John is also entitled to 1,000,000 options to acquire shares in the company at 10 cents per share. 500,000 options were granted on 20 December 2013 and 500,000 options were granted on 21 August 2014. The options expire on 31 December 2016.

Name: Simon Joseph Slesarewich
Title: Chief Executive Officer
Agreement commenced: 13 July 2015
Term of agreement: 12 July 2017
Details: The contract may be terminated by 3 months' notice from either party. The contract is to be reviewed annually by the Board of Directors on or about 1 July of each year. The contract provides for an annual base salary of \$250,000 per annum (inclusive of the minimum statutory superannuation contributions) and an annual cash bonus of up to 50% of Simon Slesarewich's base salary. The cash bonus is dependent on the achievement of KPI's. Simon is also entitled to the following options to acquire shares in the company: (a) 4 million options that vest on commencement of employment. The first tranche of 2 million options are exercisable at 7.5 cents per option and expire on 1 July 2016 and the second tranche of 2 million options are exercisable at 10 cents per option and expire on 31 December 2016. (b) 2 million options at an exercise price of 12.5 cents per option, vesting on 14 July 2016 and expiring on 12 July 2017. (c) 2 million options at an exercise price of 15 cents per option, vesting on the date on which the Board of Directors resolves to develop a bauxite mine in which the company holds at least a 40% interest. These options expire on 12 July 2018.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares granted to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Metallica Minerals Limited
Directors' report
30 June 2015

Options

The terms and conditions of options over ordinary shares that were granted as compensation to each director and other key management personnel during the reporting period are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
21 August 2014	21 August 2014	31 December 2016	\$0.100	\$0.051

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Number of options granted during the year 2015	Number of options vested during the year 2015
J K Haley	500,000	500,000

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
J K Haley	25,585	-	-	15%

For the options that lapsed during the year, the value of the options at the date they lapsed was nil.

Performance rights

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	2015 \$	2014 \$	2013* \$	2012* \$	2011 \$
Profit/(loss) after income tax	(7,722,353)	(15,333,124)	(20,008,012)	(23,949,504)	24,887,604

The factors that are considered to affect Total Shareholders Return ('TSR') are summarised below:

	2015	2014	2013*	2012*	2011
Share price at financial year end (\$)	0.06	0.04	0.09	0.22	0.32
Basic earnings per share (cents per share)	(4.65)	(9.55)	(14.13)	(17.84)	21.10
Share buy-back (\$)	-	-	-	-	81,709

Metallica Minerals Limited
Directors' report
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- * The 2012 and 2013 loss after tax and basic earnings per share have been restated for the change in accounting policy relating to the R&D tax offsets (refer note 1). The loss for the year ended 30 June 2012 increased by \$2,108,658 and the loss for the year ended 30 June 2013 reduced by \$2,108,658. The change in accounting policy had no impact on the profit or loss after tax and the basic earnings per share of the other reporting periods.

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received on vesting of rights	Additions	Disposals/ other*	Balance at the end of the year
<i>Ordinary shares</i>					
A L Gillies	10,475,000	-	125,000	-	10,600,000
J K Haley	30,000	-	250,000	(200,000)	80,000
S W Hagan	323,600	-	-	(323,600)	-
	<u>10,828,600</u>	<u>-</u>	<u>375,000</u>	<u>(523,600)</u>	<u>10,680,000</u>

None of the shares above are held nominally by the directors or any of the other key management personnel.

Dr. Wu Shu (Non-executive Director) is a director of Jien Mining Pty Ltd which holds 40,099,678 shares in Metallica Minerals Limited.

* Includes the removal from the table of the shareholdings for key management personnel who have either resigned during the period or are no longer considered to be a key management person.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
J K Haley	500,000	500,000	-	-	1,000,000
	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>

		Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>				
J K Haley		1,000,000	-	1,000,000
		<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

No other key management personnel held options.

Loans to key management personnel and their related parties

There were no loans owing by key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2015.

Other transactions with key management personnel and their related parties

There were no other transactions with key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2015.

This concludes the remuneration report, which has been audited.

Metallica Minerals Limited
Directors' report
30 June 2015

Shares under option

Unissued ordinary shares of Metallica Minerals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
3 August 2011	3 August 2016	\$0.500	1,000,000
20 December 2013	31 December 2016	\$0.100	500,000
21 August 2014	31 December 2016	\$0.100	500,000
13 July 2015*	1 July 2016	\$0.075	2,000,000
13 July 2015*	31 December 2016	\$0.100	2,000,000
13 July 2015*	12 July 2017	\$0.125	2,000,000
13 July 2015*	12 July 2018	\$0.150	2,000,000
			<u>10,000,000</u>

*Options granted to the Chief Executive Officer, Simon Slesarewich, on the date of his appointment. Refer to the 'Service agreements' section of the remuneration report for details of the options granted.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares under performance rights

There were no unissued ordinary shares of Metallica Minerals Limited under performance rights outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of Metallica Minerals Limited issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of Metallica Minerals Limited issued on the exercise of performance rights during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers

Each of the Directors and the Secretary of the company have entered into a Deed with the company whereby the company has provided certain contractual rights of access to books and records of the company to those Directors and Secretary. The company has insured all of the Directors of Metallica Minerals Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

Indemnity and insurance of auditor

Other than the standard indemnities, the company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 27 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

Metallica Minerals Limited
Directors' report
30 June 2015

The directors are of the opinion that the services as disclosed in note 27 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of BDO Audit Pty Ltd

There are no officers of the company who are former partners of BDO Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



B J Casson
Chairman

25 September 2015
Brisbane



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000,
GPO Box 457, Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF METALLICA MINERALS LIMITED

As lead auditor of Metallica Minerals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Metallica Minerals Limited and the entities it controlled during the year.

A handwritten signature in black ink, appearing to be 'A J Whyte', written over a circular stamp or seal.

A J Whyte
Director

BDO Audit Pty Ltd

Brisbane, 25 September 2015

Metallica Minerals Limited

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General information

The financial statements cover Metallica Minerals Limited as a consolidated entity consisting of Metallica Minerals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Metallica Minerals Limited's functional and presentation currency.

Metallica Minerals Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

71 Lytton Road
East Brisbane
QLD 4169

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2015. The directors have the power to amend and reissue the financial statements.

Metallica Minerals Limited
Statement of comprehensive income
For the year ended 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Revenue	4	716,602	374,307
Share of losses of associates accounted for using the equity method		-	(3,214,699)
Other income	5	4,346,637	4,818
Expenses			
Advertising and promotional costs		(49,685)	(20,937)
Raw materials and consumables used		(161,672)	(125,006)
Rental expenses		(217,640)	(220,286)
Employee benefits expense		(883,337)	(1,136,682)
Exploration costs		(669,169)	(217,232)
Depreciation and amortisation expense	6	(45,307)	(52,917)
Impairment of property, plant and equipment	13	(551,389)	-
Impairment of mining assets	15	(4,041,815)	-
Loss on sale of investments	6	-	(696,151)
Listing fees and share register expenses		(52,214)	(63,728)
Exploration and evaluation expenditure impaired	14	(4,990,495)	(10,400,989)
Legal fees		(105,823)	(126,666)
Impairment of financial assets	6	-	(924,771)
Airfares and conferences		(78,732)	(29,486)
Professional fees		(153,180)	(126,452)
Other expenses		(780,506)	(546,254)
Finance costs	6	(4,628)	(2,023)
Loss before income tax benefit		(7,722,353)	(17,525,154)
Income tax benefit	7	-	2,192,030
Loss after income tax benefit for the year attributable to the owners of Metallica Minerals Limited	23	(7,722,353)	(15,333,124)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Metallica Minerals Limited		<u>(7,722,353)</u>	<u>(15,333,124)</u>
		Cents	Cents
Basic earnings per share	38	(4.65)	(9.55)
Diluted earnings per share	38	(4.65)	(9.55)

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Metallica Minerals Limited
Statement of financial position
As at 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,440,755	988,033
Trade and other receivables	9	165,659	90,695
Inventories	10	147,100	91,437
Current tax receivable		-	579,280
Held to maturity investments	11	250,657	244,190
Other	12	52,039	-
Total current assets		<u>2,056,210</u>	<u>1,993,635</u>
Non-current assets			
Property, plant and equipment	13	2,002,790	135,340
Exploration and evaluation	14	5,018,477	14,586,098
Other	16	318,275	215,264
Total non-current assets		<u>7,339,542</u>	<u>14,936,702</u>
Total assets		<u>9,395,752</u>	<u>16,930,337</u>
Liabilities			
Current liabilities			
Trade and other payables	17	257,949	576,068
Employee benefits	18	214,196	128,019
Total current liabilities		<u>472,145</u>	<u>704,087</u>
Non-current liabilities			
Employee benefits	20	28,010	103,885
Total non-current liabilities		<u>28,010</u>	<u>103,885</u>
Total liabilities		<u>500,155</u>	<u>807,972</u>
Net assets		<u>8,895,597</u>	<u>16,122,365</u>
Equity			
Issued capital	21	30,603,461	30,133,461
Reserves	22	7,903,478	7,877,893
Accumulated losses	23	(29,611,342)	(21,888,989)
Total equity		<u>8,895,597</u>	<u>16,122,365</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Metallica Minerals Limited
Statement of changes in equity
For the year ended 30 June 2015

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2013	30,116,961	7,814,113	(6,555,865)	31,375,209
Loss after income tax benefit for the year	-	-	(15,333,124)	(15,333,124)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(15,333,124)	(15,333,124)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 39)	-	63,780	-	63,780
Contributions of equity net of transaction costs (note 23)	16,500	-	-	16,500
Balance at 30 June 2014	<u>30,133,461</u>	<u>7,877,893</u>	<u>(21,888,989)</u>	<u>16,122,365</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	30,133,461	7,877,893	(21,888,989)	16,122,365
Loss after income tax benefit for the year	-	-	(7,722,353)	(7,722,353)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(7,722,353)	(7,722,353)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	470,000	-	-	470,000
Share-based payments (note 39)	-	25,585	-	25,585
Balance at 30 June 2015	<u>30,603,461</u>	<u>7,903,478</u>	<u>(29,611,342)</u>	<u>8,895,597</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Metallica Minerals Limited
Statement of cash flows
For the year ended 30 June 2015

	Note	Consolidated 2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		218,872	412,749
Payments to suppliers and employees (inclusive of GST)		(3,530,768)	(2,644,772)
		(3,311,896)	(2,232,023)
Interest received		67,702	51,050
Other revenue		853,932	-
Interest and other finance costs paid		(4,628)	(2,023)
Net cash used in operating activities	36	(2,394,890)	(2,182,996)
Cash flows from investing activities			
Net cash inflow on formation of joint operation	34	3,334,699	-
Net cash inflow on reduction of interest in joint operation		883,400	-
Payments for property, plant and equipment	13	(2,827,167)	(15,078)
Payments for security deposits		(103,011)	(1,015)
Payments for mining development assets	15	(796,608)	-
Payments for exploration and evaluation	14	(750,388)	(2,835,880)
Receipt of Research and Development tax offset		579,280	3,056,636
Proceeds from sale of investment in Cape Alumina Limited		-	183,796
Proceeds from sale of shares in MetroCoal Limited	5	2,057,407	-
Receipt for term deposit		-	485,251
Net cash from investing activities		2,377,612	873,710
Cash flows from financing activities			
Proceeds from issue of shares	21	500,000	-
Share issue transaction costs		(30,000)	-
Net cash from financing activities		470,000	-
Net increase/(decrease) in cash and cash equivalents		452,722	(1,309,286)
Cash and cash equivalents at the beginning of the financial year		988,033	2,297,319
Cash and cash equivalents at the end of the financial year	8	<u>1,440,755</u>	<u>988,033</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The Financial Statements of Metallica Minerals Limited were authorised for issue in accordance with a resolution of the Directors on 25 September 2015 and cover the consolidated entity consisting of Metallica Minerals Limited and its subsidiaries as required by the Corporations Act 2001. Metallica Minerals Limited is a for profit entity for the purposes of preparing these financial statements. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards and amendments to standards affected any of the amounts recognised in the current period or any prior period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Change in accounting policy

During the year the consolidated entity changed its accounting policy for refundable R & D tax offsets.

The consolidated entity previously accounted for refundable R & D tax offsets as an income tax benefit. The company has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income. The group has therefore made a voluntary change in accounting policy during the reporting period. Refundable tax offsets are now accounted for as government grants under AASB 120 "Accounting for Government Grants and Disclosure of Government Assistance" because the directors consider this policy to provide more relevant information to meet the economic decision making needs of users, and to make the financial statements more reliable.

The effect of the restatement has been to reduce the carrying value of exploration and evaluation assets by \$2,108,658 at 30 June 2013 and reduce the income tax benefit for that year. However the the reallocation of the tax offset to exploration and evaluation assets at 30 June 2013 was wholly offset by a reversal of \$2,108,658 of the impairment charge for that year due to the tax offset adjustment. Consequently these adjustments had no impact on the opening statement of financial position at 1 July 2013.

For the year ended 30 June 2014 the income tax benefit was reduced by \$579,280 and exploration and evaluation expenditure impairment expense was also reduced by the same amount. These adjustments had no impact on the statement of financial position at 30 June 2014 or on the loss after tax for the year then ended.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business. The ability of the Consolidated Entity to maintain continuity of normal business activities and to pay its debts as and when they fall due is dependent on the ability of the Consolidated Entity to the successfully raise additional capital and/or successful exploration and subsequent exploitation of areas of interest through sale or development.

Should the Consolidated Entity not be able to raise capital or dispose of non-core assets when required or manage its expenditure so as to conserve cash over the coming 12 months, there exists a material uncertainty regarding the Company's and Consolidated Entity's ability to continue as a going concern and realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities which might be necessary should the Consolidated Entity not be able to continue as a going concern.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 1. Significant accounting policies (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of available-for-sale financial assets.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metallica Minerals Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Metallica Minerals Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Note 1. Significant accounting policies (continued)

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the consolidated entity will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs they are intended to compensate. Government grants relating to the purchase or development of assets, including exploration and evaluation activities, are deducted from the carrying value of the asset.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Metallica Minerals Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the group allocation approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 1. Significant accounting policies (continued)

Joint arrangements

Under AASB 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Metallica Minerals Limited has only one joint operation at 30 June 2015 and no joint ventures.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Metallica Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 34.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	15-40% per annum
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Note 1. Significant accounting policies (continued)

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Mining development

Once an undeveloped mining project has been established as commercially viable and approval to mine has been given, expenditure other than on land, buildings, plant and equipment is capitalised under "Mining development" together with any amount transferred from "Exploration and evaluation".

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Restoration, rehabilitation and environmental expenditure

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Estimates of future costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off.

Restoration from exploration drilling is carried out at the time of drilling and accordingly no provision is required.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on Australian Corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Metallica Minerals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparatives

Where required by the Australian Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 1. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the parent entity's Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Entity is managed primarily on a geographic basis that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the Board which is at the Consolidated Entity level.

Other than interest income and incidental revenues associated with a limestone mining lease held for the purposes of the SCONI exploration project (which was sold after the end of the financial year), the Consolidated Entity does not have any products/services it derives revenue from.

Management currently identifies the Consolidated Entity as having only one operating segment, being exploration and development in Australia. All significant operating decisions are based upon analysis of the Consolidated Entity as one segment. The financial results from the segment are equivalent to the financial statements of the Consolidated Entity as a whole.

Note 4. Revenue

	Consolidated	
	2015	2014
	\$	\$
<i>Sales revenue</i>		
Sale of goods	295,436	206,236
<i>Other revenue</i>		
Interest	66,102	51,050
Royalty	250,000	-
Other revenue	105,064	117,021
	<u>421,166</u>	<u>168,071</u>
Revenue	<u><u>716,602</u></u>	<u><u>374,307</u></u>

Note 5. Other income

	Consolidated	
	2015	2014
	\$	\$
Gain on formation of joint operation*	1,559,039	-
Gain on reduction of interest in joint operation	231,323	-
Net gain on disposal of investment in Metro Mining Limited**	2,057,407	-
Government grants	364,545	-
Other income	134,323	4,818
	<u>4,346,637</u>	<u>4,818</u>
Other income	<u><u>4,346,637</u></u>	<u><u>4,818</u></u>

* The gain on formation of the joint operation (refer note 34) resulted from the contribution by the consolidated entity of 33.33% of its heavy mineral sands and bauxite tenements to the joint operation.

** Metallica Minerals Limited sold its entire shareholding of 64.3 million ordinary shares in Metro Mining Limited for \$2,057,407.

Note 6. Expenses

	Consolidated	
	2015	2014
	\$	\$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	35,714	42,192
Motor vehicles	9,593	10,725
Total depreciation	45,307	52,917
<i>Finance costs</i>		
Interest and finance charges paid/payable	4,628	2,023
<i>Net loss on disposal</i>		
Net loss on disposal of investment in Cape Alumina Limited	-	696,151
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	226,951	205,543
<i>Superannuation expense</i>		
Defined contribution superannuation expense	79,318	100,762
<i>Impairment of financial assets</i>		
Impairment of listed investment - Cape Alumina Limited	-	917,224
Impairment of other financial assets	-	7,547
Total impairment of financial assets	-	924,771

The impairments recognised above were to adjust the carrying values of investments in associates after equity accounting (where those balances are in excess of market value) or available-for-sale investments to their market value as at balance date. All impairments are considered significant to each investment.

Note 7. Income tax benefit

	Consolidated	
	2015	2014
	\$	\$
<i>Income tax benefit</i>		
Deferred tax - origination and reversal of temporary differences	-	(2,219,925)
Adjustment recognised for prior periods	-	27,895
Aggregate income tax benefit	-	(2,192,030)
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities (note 19)	-	(2,219,925)
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>		
Loss before income tax benefit	(7,722,353)	(17,525,154)
Tax at the statutory tax rate of 30%	(2,316,706)	(5,257,546)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Disposal of investments	-	842,064
Gain on entering into Oresome Joint Venture	(537,109)	-
Disposal of tenements	1,265,000	-
Gain on disposal of Metro Mining Ltd	(472,561)	-
Other (non-assessable)/non-deductible items	-	21,803
	(2,061,376)	(4,393,679)
Adjustment recognised for prior periods	-	27,895
Current year tax losses not recognised	2,012,265	1,787,567
Adjustment to prior periods unrecognised tax losses	49,111	-
R&D offset reducing current year losses	-	386,187
Income tax benefit	-	(2,192,030)
	Consolidated	
	2015	2014
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Unused tax losses	6,164,441	5,900,398
Exploration and evaluation expenditure	(2,580,365)	(4,325,293)
Other deductible temporary differences	510,724	386,246
Total deferred tax assets not recognised	4,094,800	1,961,351

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Metallica Minerals Limited
Notes to the financial statements
30 June 2015

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2015	2014
	\$	\$
Cash on hand	50	1,082
Cash at bank	1,440,705	986,951
	<u>1,440,755</u>	<u>988,033</u>

Note 9. Current assets - trade and other receivables

	Consolidated	
	2015	2014
	\$	\$
Trade receivables	115,070	65,401
Other receivables	3,000	150
Interest receivable	-	1,600
BAS receivable	47,589	23,544
	<u>165,659</u>	<u>90,695</u>

There were no receivables at 30 June 2015 and 30 June 2014 that were impaired or past their due date.

Note 10. Current assets - inventories

	Consolidated	
	2015	2014
	\$	\$
Finished goods - at cost	147,100	91,437

Note 11. Current assets - held to maturity investments

	Consolidated	
	2015	2014
	\$	\$
Term deposits	250,657	244,190

Note 12. Current assets - other

	Consolidated	
	2015	2014
	\$	\$
Prepayments	52,039	-

Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	2015	2014
	\$	\$
Plant and equipment - at cost	1,247,390	1,074,126
Less: Accumulated depreciation	(979,962)	(944,248)
	<u>267,428</u>	<u>129,878</u>
Motor vehicles - at cost	50,977	21,727
Less: Accumulated depreciation	(24,562)	(16,265)
	<u>26,415</u>	<u>5,462</u>
Capital works in progress	2,260,336	-
Less: Impairment	(551,389)	-
	<u>1,708,947</u>	<u>-</u>
	<u><u>2,002,790</u></u>	<u><u>135,340</u></u>

Refer to note 15 for further information regarding impairment.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and Equipment \$	Motor Vehicles \$	Capital works in progress \$	Total \$
Balance at 1 July 2013	156,991	16,188	-	173,179
Additions	15,078	-	-	15,078
Depreciation expense	(42,191)	(10,726)	-	(52,917)
Balance at 30 June 2014	129,878	5,462	-	135,340
Additions	173,264	30,546	2,623,357	2,827,167
Impairment of assets	-	-	(551,389)	(551,389)
Reduction in interest in joint operation	-	-	(363,021)	(363,021)
Depreciation expense	(35,714)	(9,593)	-	(45,307)
Balance at 30 June 2015	<u><u>267,428</u></u>	<u><u>26,415</u></u>	<u><u>1,708,947</u></u>	<u><u>2,002,790</u></u>

Note 14. Non-current assets - exploration and evaluation

	Consolidated	
	2015	2014
	\$	\$
Exploration and evaluation expenditure	<u><u>5,018,477</u></u>	<u><u>14,586,098</u></u>

Note 14. Non-current assets - exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & Evaluation \$	Total \$
Balance at 1 July 2013	22,730,487	22,730,487
Additions	2,835,880	2,835,880
Impairment of assets	(10,400,989)	(10,400,989)
R&D tax offset	(579,280)	(579,280)
Balance at 30 June 2014	14,586,098	14,586,098
Additions	750,388	750,388
Impairment of assets	(4,990,495)	(4,990,495)
Assets contributed to the joint operation	(5,327,514)	(5,327,514)
Balance at 30 June 2015	<u>5,018,477</u>	<u>5,018,477</u>

During the half year the consolidated entity contributed its heavy mineral sands and bauxite tenements to a joint operation with Ozore Resources Pty Ltd (refer note 34). The total carrying value of the tenements contributed was \$5,327,514.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent upon successful development and commercial exploitation or sale of the respective areas of interest.

A review has been undertaken of the carrying value of the SCONI Project as at 30 June 2015. This review took into account a number of relevant attributes including what if any activities are planned for the immediate future and budgets associated with any such activities. Given limited funds currently available and other more immediate development priorities, the directors acknowledge there are no major activities planned in the near term, due to budget constraints across the company.

Directors have also taken to account the current and outlook for the commodities involved, namely nickel, cobalt and scandium. These main commodities of nickel and cobalt remain generally low; the emerging markets for scandium have not developed to the extent anticipated previously. As a result there is insufficient encouragement to justify any of the varied development plans the company has reviewed in recent times. This also severely restricts the company's ability in attracting feasibility study or development funding.

Notwithstanding these considerations the consolidated entity did during the year enter into a royalty agreement to allow the mining and extraction of nickel ore from one of its non-core tenements with in the SCONI project.

As a result of these considerations, the directors have formed a view as to the appropriate carrying value of the SCONI Project. This carrying amount is based on a value in use calculation that takes into account resources and royalty amounts similar to those covered by the royalty agreement entered into during the year. These considerations have resulted in a provision for impairment of \$4,990,945 (2014: \$10,400,989).

Note 15. Non-current assets - mining development

	Consolidated	
	2015	2014
	\$	\$
Mining development - at cost	4,041,815	-
Less: Impairment	(4,041,815)	-
	<u>-</u>	<u>-</u>

Note 15. Non-current assets - mining development (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Mining development at cost \$	Total \$
Balance at 1 July 2013	-	-
Balance at 30 June 2014	-	-
Joint operation mining development assets at formation	3,551,854	3,551,854
Expenditure during the year	796,608	796,608
Impairment of assets	(4,041,815)	(4,041,815)
Reduction in interest in joint operation	(306,647)	(306,647)
Balance at 30 June 2015	-	-

Mining development represents the consolidated entity's share of the mining development assets in the Oresome joint operation (refer note 34).

Impairment of the mining development assets and capital works in progress, which comprise of a single cash generating unit (CGU), is recognised when the carrying amount exceeds the recoverable amount. The recoverable amount of the mining development assets and capital works in progress has been estimated using the value in use basis.

Value in use is estimated based on discounted cash flows using market based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on the life of the joint operation.

Significant judgements and assumptions are required in making estimates of value in use. It should be noted that the valuation of the mining development assets and capital works in progress is subject to variability in key assumptions including, but not limited to, commodity prices, currency exchange rates, discount rates, production profiles and operating and capital costs. An adverse change in one or more of the assumptions used to determine recoverable amount could result in a reduction in the amount recognised for the mining development assets.

The calculation of value in use for the mining development assets and capital works in progress is most sensitive to variability in commodity prices and exchange rates. The key assumptions used in the end of year carrying value assessments are: a commodity price of US\$1,100 per tonne for zircon, US\$800 per tonne for rutile, and a AUD:USD exchange rate of \$0.75.

The fall in commodity prices was the main reason for the impairment of the mining development assets at 30 June 2015.

Note 16. Non-current assets - other

	Consolidated	
	2015	2014
	\$	\$
Security deposits	318,275	215,264

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2015	2014
	\$	\$
Trade payables	235,428	561,708
Other payables	22,521	14,360
	<u>257,949</u>	<u>576,068</u>

Refer to note 25 for further information on financial instruments.

Note 18. Current liabilities - employee benefits

	Consolidated	
	2015	2014
	\$	\$
Annual leave	101,764	128,019
Long service leave	112,432	-
	<u>214,196</u>	<u>128,019</u>

Note 19. Non-current liabilities - deferred tax

	Consolidated	
	2015	2014
	\$	\$
<i>Deferred tax liability comprises temporary differences attributable to:</i>		
Amounts recognised in profit or loss:		
Property, plant and equipment	(485,350)	-
Exploration and evaluation expenditure	2,580,365	4,325,293
Mining assets	109,381	-
Net deferred tax on associates	-	(145,051)
Carried forward tax losses	(2,069,641)	(3,939,047)
Employee benefits	(72,662)	(69,571)
Net deferred tax on available-for-sale investments	-	(56,767)
Other deductible capital raising costs	(57,303)	(78,203)
Other temporary differences	(4,790)	(36,654)
	<u>-</u>	<u>-</u>
<i>Movements:</i>		
Opening balance	-	2,245,512
Charged to profit or loss (note 7)	-	(2,219,925)
Prior year adjustment	-	(25,587)
	<u>-</u>	<u>-</u>
Closing balance	<u>-</u>	<u>-</u>

Note 20. Non-current liabilities - employee benefits

	Consolidated	
	2015	2014
	\$	\$
Long service leave	<u>28,010</u>	<u>103,885</u>

Note 21. Equity - issued capital

	2015 Shares	Consolidated 2014 Shares	2015 \$	2014 \$
Ordinary shares - fully paid	<u>166,891,830</u>	<u>160,641,830</u>	<u>30,603,461</u>	<u>30,133,461</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2013	159,951,993		30,116,961
Performance rights exercised	13 August 2013	565,000	\$0.000	-
Share issue for services rendered	13 August 2013	<u>124,837</u>	<u>\$0.130</u>	<u>16,500</u>
Balance	30 June 2014	160,641,830		30,133,461
Share placement	18 August 2014	6,250,000	\$0.080	500,000
Share issue costs		<u>-</u>		<u>(30,000)</u>
Balance	30 June 2015	<u>166,891,830</u>		<u>30,603,461</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share placement

On 18 August 2014 the company announced that it had successfully completed a book build to raise \$500,000 for working capital. The placement comprised issuing 6,250,000 ordinary shares at 8 cents per share, raising \$470,000 after transaction costs of \$30,000.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The capital structure of the consolidated entity consists of equity attributable to equity holders of the parent entity comprising of issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity. In common with many other exploration companies, the parent raises finance for the consolidated entity's exploration and appraisal activities in discrete tranches.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

There are no externally imposed capital requirements.

The capital risk management policy remains unchanged from the 2014 Annual Report.

The consolidated entity monitors capital on the basis of its working capital position (i.e. liquidity risk). The net working capital of the consolidated entity at 30 June 2015 was \$1,584,065 (2014: \$1,289,548).

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Note 22. Equity - reserves

	Consolidated	
	2015	2014
	\$	\$
Share-based payments reserve	<u>7,903,478</u>	<u>7,877,893</u>

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve \$	Total \$
Balance at 1 July 2013	7,814,113	7,814,113
Share based payments	63,780	63,780
Balance at 30 June 2014	7,877,893	7,877,893
Share based payments	25,585	25,585
Balance at 30 June 2015	<u>7,903,478</u>	<u>7,903,478</u>

Note 23. Equity - accumulated losses

	Consolidated	
	2015	2014
	\$	\$
Accumulated losses at the beginning of the financial year	(21,888,989)	(6,555,865)
Loss after income tax benefit for the year	<u>(7,722,353)</u>	<u>(15,333,124)</u>
Accumulated losses at the end of the financial year	<u>(29,611,342)</u>	<u>(21,888,989)</u>

Note 24. Equity - dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	Consolidated	
	2015	2014
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>583,794</u>	<u>583,794</u>

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 25. Financial instruments

Financial risk management objectives

Risk management is carried out under policies set by the board of directors. The board provides principles for overall risk management, as well as policies covering specific areas.

The board monitors and manages the financial risk relating to the operations of the consolidated entity. The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The overall risk management program focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance of the consolidated entity.

Market risk

Foreign currency risk

The consolidated entity does not currently have any significant exposure to foreign currency risk.

Price risk

The consolidated entity does not currently have any significant exposure to price risk.

Interest rate risk

The consolidated entity's main interest rate risk arises from cash and cash equivalents and held to maturity investments.

	2015		2014	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Consolidated				
Cash and cash equivalents	0.53%	1,440,755	2.20%	986,951
Held to maturity investments	2.31%	<u>250,657</u>	2.80%	<u>244,190</u>
Net exposure to cash flow interest rate risk		<u><u>1,691,412</u></u>		<u><u>1,231,141</u></u>

At 30 June 2015, if interest rates had increased/decreased by 25 basis points (bps) from the year end rates with all other variables held constant, post-tax loss for the year would have been \$4,229 lower/higher (2014 changes of 25 bps: \$3,078 lower/higher), mainly as a result of higher/lower interest income from cash and cash equivalents and held to maturity investments.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 25. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2015						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	235,428	-	-	-	235,428
Other payables	-%	22,521	-	-	-	22,521
Total non-derivatives		257,949	-	-	-	257,949
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2014						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-%	561,708	-	-	-	561,708
Other payables	-%	14,360	-	-	-	14,360
Total non-derivatives		576,068	-	-	-	576,068

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2015	2014
	\$	\$
Short-term employee benefits	401,943	672,605
Post-employment benefits	45,254	55,356
Long-term benefits	5,366	34,043
Termination benefits	-	25,171
Share-based payments	25,585	50,130
	<u>478,148</u>	<u>837,305</u>

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd , the auditor of the company:

	Consolidated	
	2015	2014
	\$	\$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	56,000	52,685
<i>Other services - BDO Audit Pty Ltd</i>		
Tax compliance services	58,563	39,829
	<u>114,563</u>	<u>92,514</u>

Note 28. Contingent liabilities

The consolidated entity does not believe it has any contingent liability arising from any possible Native Title or other claims. The consolidated entity does not believe it has any contingent assets.

Royalty Agreements

On NORNICO Pty Limited (formerly known as QLD Gold Pty Limited) acquiring the Bell Creek Mining Leases, and the Minnamoolka and Kokomo tenements the company entered into royalty agreements with the previous owners of these tenements. Metallica has also entered into a royalty deed with the Dostal Superannuation Fund with respect to the Star River Limestone ML, as a condition of discharging a \$100,000 loan owed to the fund (this loan was converted to 1 million fully paid ordinary Metallica shares in April 2001).

The royalty agreements between Metallica Minerals Limited and third parties are summarised below.

Tenement/Company/Terms of the Royalty Agreement

ML 20549 - AO Australia Pty Limited

\$1.00/t for the first 5 Mt of ore produced and \$2.00/t for production of ore in excess of 5 Mt.

ML 10342 - Whim Creek Consolidated NL

\$50,000 per year upon granting of an ML, reduced by a royalty payable to WCC of \$1.00/ per dry tonne for production to 1 Mt of ore, \$1.50 per dry tonne from 1 – 3 Mt of ore and \$2.00/ dry tonne for production > 3 Mt of ore.

ML 10366 - Renison & Goldfields

\$1.00/t for the first 500,000t of ore produced and \$1.50/t for production in excess of 500,000t.of ore.

ML 10276 - Dostal Superannuation Fund

\$0.20 /t of Limestone produced from the Star River Limestone ML 10276 - this Royalty Agreement was terminated and paid out for \$10,000 in September 2015.

Indigenous Land Use Agreement (ILUA)

Metallica has negotiated an Indigenous Land Use Agreement (ILUA) with the Gugu Badhun People as the Traditional Landowners in the southern portion of the NORNICO project area. The ILUA was signed in Townsville on the 24th February 2005 and covers all of Metallica's southern NORNICO tenements from Broken River in the south to the Burdekin River in the North. The ILUA (QI2005/002) was approved by the National Native Title Tribunal (NNTT) on the 24th of August 2005 and is valid for 20 years.

Under the terms of the agreement, Metallica is required to pay for and facilitate a liaison committee which has to meet every 6 months. Metallica also has to pay a fixed daily amount to members of the Cultural Heritage Survey and Monitoring team, and pay an annual rental fee per exploration tenement for each Exploration Permit for Minerals (EPM) held by Metallica which fall within the area covered by the ILUA. Metallica has suspended the project and agreement, including the payments under the agreement, from late 2013.

Note 28. Contingent liabilities (continued)

The tenements which currently fall within ILUA QI2005/002 are listed below:

EPM 14518 – Mt Garnet South #2 (portion only)

EPM 10699 – Kokomo

EPM13873 – Six Mile

EPM 14070 – Greenvale North

EPM 14181 – Lucky Downs

EPM 14066 – Greenvale South

EPM 14381 – Greenvale South #2

Note 29. Commitments

	Consolidated	
	2015	2014
	\$	\$
<i>Commitments for maintaining exploration tenements payable</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	93,228	561,000
One to five years	372,912	906,000
	<u>466,140</u>	<u>1,467,000</u>
<i>Tenement rentals</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	146,142	264,579
One to five years	584,570	1,058,316
	<u>730,712</u>	<u>1,322,895</u>
<i>Operating lease commitments payable</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	160,124	175,605
One to five years	18,350	74,715
	<u>178,474</u>	<u>250,320</u>
<i>Oresome Joint Venture - the group's share of the tenement commitments made jointly with other joint venturers</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	95,360	-
One to five years	381,440	-
	<u>476,800</u>	<u>-</u>

Operating lease commitments includes contracted amounts for offices and equipment under non-cancellable operating leases expiring within 1 year with an option to extend. The office lease has a consumer price index escalation clause. On renewal, the terms of the leases are renegotiated.

Note 30. Related party transactions

Parent entity

Metallica Minerals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Note 30. Related party transactions (continued)

Associates

Interests in associates are set out in note 33.

Joint operations

Interests in joint operations are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2015	2014
	\$	\$
Other transactions:		
Expenses recovered from associates	-	84,500
Subscription for new ordinary shares by key management personnel as a result of the vesting of performance rights	-	24,300
Shares issued to key management personnel for services rendered	-	16,500

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent	
	2015	2014
	\$	\$
Loss after income tax	(2,847,249)	(12,535,204)
Total comprehensive income	(2,847,249)	(12,535,204)

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Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2015	2014
	\$	\$
Total current assets	1,237,703	1,790,021
Total assets	6,342,806	10,070,493
Total current liabilities	275,954	250,225
Total liabilities	5,874,520	7,250,544
Equity		
Issued capital	30,603,461	30,133,461
Share-based payments reserve	7,903,478	7,877,893
Accumulated losses	(38,038,653)	(35,191,405)
Total equity	468,286	2,819,949

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2015 and 30 June 2014.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2015 and 30 June 2014.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment at as 30 June 2015 and 30 June 2014.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2015	2014
		%	%
Greenvale Operations Pty Limited	Australia	100.00%	100.00%
Scandium Pty Limited	Australia	100.00%	100.00%
NORNICO Pty Limited	Australia	100.00%	100.00%
Oresome Australia Pty Limited	Australia	100.00%	100.00%
Phoenix Lime Pty Limited	Australia	100.00%	100.00%
Lucky Break Operations Pty Limited	Australia	100.00%	100.00%
Touchstone Resources Pty Limited*	Australia	100.00%	-%

* A dormant shell company acquired from one of the directors (Andrew Gillies) for \$700.

Note 32. Interests in subsidiaries (continued)

Unless otherwise stated, the subsidiaries have share capital consisting solely of ordinary shares that are held directly by the consolidated entity, and the proportion of ownership interests is equal to the proportion of voting rights held by the consolidated entity. The country of incorporation is also their principal place of business.

Significant restrictions

There are no significant restrictions on the ability of the consolidated entity to access or use the assets and settle the liabilities of the consolidated entity.

Note 33. Interests in associates

Details of the consolidated entity's material associates at the end of the reporting period are as follows:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2015 %	2014 %
MetroCoal Limited	Exploration & evaluation	-%	30.78%

Note 34. Interests in joint operations

The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications. Information relating to joint operations that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2015 %	2014 %
Oresome Joint Venture	Australia	56.67%	-%

On 1 August 2014 Metallica Minerals Limited executed a joint venture (JV) agreement with a private Chinese investor. The JV is between Oresome Australia Pty Ltd (a wholly owned subsidiary of Metallica Minerals Ltd) and Ozore Resources Pty Ltd (Ozore) (wholly owned by the Chinese investor). Under the JV agreement, Ozore is required to provide a total of A\$7,500,000 to develop the company's Urquhart Point Project including construction of a Heavy Mineral Sands (HMS) plant in South Africa, and explore for other Heavy Mineral Sands and Bauxite deposits on its tenements on the western side of Queensland's Cape York Peninsula. On 27 August 2014 the company announced that Foreign Investment Review Board (FIRB) approval had been received for the joint venture. The FIRB approval was the final condition precedent to the JV agreement. At 30 June 2015, Ozore had paid A\$6,500,000 to the joint venture resulting in it earning a 43.33% interest in the joint venture. Subsequent to 30 June 2015, the balance of A\$1,000,000 has been called by the joint venture manager of which \$350,000 has been received. On receipt of the balance of funds of \$650,000, the JV will be a 50/50 joint venture. The HMS plant construction has been finished in South Africa, and the plant is currently awaiting shipment to Australia, and if a decision is made by the JV to proceed to production, this could commence post the 2015/2016 North Queensland wet season.

The Oresome joint arrangement is classified as a joint operation under Australian Accounting Standards. Metallica Minerals Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. Consequently, Metallica has recognised a cash inflow of \$4,218,011 in the statement of cash flows, which represents Metallica's share of the Oresome JV cash and cash equivalents on formation of the joint operation and on the further sell down of its interest in the joint operation. As stated in the preceding paragraph, these cash resources are being used to fund the construction and commissioning of the plant.

At 30 June 2015 the joint operation had capital expenditure contracted for but not recognised as a liability of \$838,833. This expenditure will be funded by Ozore's contribution to the joint operation. \$485,071 of this liability was paid in September 2015.

Commitments

The consolidated entity did not have any commitments relating to MetroCoal Limited at 30 June 2015.

Note 35. Events after the reporting period

Mr Simon Slesarewich was appointed Chief Executive Officer effective from 13 July 2015. Mr Andrew Gillies retired from the Managing Director role on 13 July 2015 and is now a non-executive Director.

On 9 July 2015 the company announced that it had executed a sales agreement to sell four granted non-core mining leases covering the Ootann limestone tenements and associated quarrying equipment to a private group for \$500,000. The proceeds from the sale of the leases and equipment were received in September 2015.

On 28 July 2015 the company announced that it has executed a conditional sale and purchase agreement for the sale of its non-core Star Limestone Project to a private group for a cash consideration of \$370,000. The project consists of a single mining lease. The proceeds from the sale of the mining lease were received in September 2015.

The company received a second royalty payment of \$200,000 in September 2015 for nickel ore extracted from its Lucky Break Mining Lease west of Townsville.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 36. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2015	2014
	\$	\$
Loss after income tax benefit for the year	(7,722,353)	(15,333,124)
Adjustments for:		
Depreciation and amortisation	45,307	52,917
Share-based payments	25,585	80,280
Share of (profits)/losses - associates	-	3,214,699
Impairment of plant and equipment	551,389	-
Impairment of financial assets	-	917,908
Impairment of exploration and evaluation expenditure	4,990,495	10,400,989
Impairment of mining assets	4,041,815	-
Gain on disposal of investment in MetroCoal Limited	(2,057,407)	-
Gain on formation of joint operation	(231,323)	-
Gain on reduction in interest in joint operation	(1,559,039)	-
Net (gain)/loss on sale of investments	-	696,151
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(74,964)	89,492
Increase in inventories	(55,663)	(93)
Decrease in income tax refund due	-	53,482
Increase in prepayments	(52,039)	-
Increase in other operating assets	(6,467)	-
Decrease in trade and other payables	(300,528)	(25,286)
Decrease in deferred tax liabilities	-	(2,245,512)
Increase/(decrease) in employee benefits	10,302	(84,899)
Net cash used in operating activities	<u>(2,394,890)</u>	<u>(2,182,996)</u>

Note 37. Non-cash investing and financing activities

	Consolidated 2015 \$	2014 \$
Shares issued for services rendered	-	16,500

Note 38. Earnings per share

	Consolidated 2015 \$	2014 \$
Loss after income tax attributable to the owners of Metallica Minerals Limited	(7,722,353)	(15,333,124)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	166,069,912	160,560,561
Weighted average number of ordinary shares used in calculating diluted earnings per share	166,069,912	160,560,561
	Cents	Cents
Basic earnings per share	(4.65)	(9.55)
Diluted earnings per share	(4.65)	(9.55)

Options are considered to be potential ordinary shares but were anti-dilutive in nature and therefore the diluted loss per share is the same as the basic loss per share.

Note 39. Share-based payments

Employee Share Option Plan (ESOP)

At the 2011 annual general meeting, shareholder approval was obtained for potential future issues of securities under the ESOP as an exception to Listing Rule 7.1. The ESOP was established to assist in the retention and motivation of employees providing them with the opportunity to acquire shares in the company. The persons who are eligible to participate in the ESOP are employees of the company or their nominee who have been selected by the Board to participate in the ESOP. The options will be exercisable at a price to be determined in the absolute discretion of the Board.

Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

On 20 December 2013, 500,000 options were granted to John Haley (Chief Financial Officer and Company Secretary). The options vested on grant date, are exercisable at 10 cents and expire on 31 December 2016. The fair value of the options granted was \$9,331.

On 21 August 2014, 500,000 options were granted to John Haley (Chief Financial Officer and Company Secretary). The options vested on grant date, are exercisable at 10 cents and expire on 31 December 2016. The fair value of the options granted was \$25,585.

Performance Rights Plan (PRP)

The establishment of the Performance Rights Plan (PRP) was approved by shareholders at the 2011 annual general meeting. The PRP is designed to:

- (a) align the interests of eligible employees with shareholders through the allocation of equity based incentives which are linked to the performance of the company;
- (b) attract, motivate and retain quality employees; and
- (c) preserve cash reserves.

Metallica Minerals Limited
Notes to the financial statements
30 June 2015

Note 39. Share-based payments (continued)

The performance rights have a nil exercise price and the performance hurdles applicable to any performance period (including how they will be measured) is set out in the invitation to the eligible employees. On vesting, one performance right is exercisable into one share in the company.

There were no performance rights granted during the 2015 and 2014 financial years.

Set out below are summaries of options granted:

2015							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
03/08/2011	03/08/2016	\$0.500	1,000,000	-	-	-	1,000,000
30/08/2011	30/08/2014	\$0.400	200,000	-	-	(200,000)	-
12/09/2011	12/09/2014	\$0.400	200,000	-	-	(200,000)	-
03/10/2011	03/10/2014	\$0.400	200,000	-	-	(200,000)	-
15/03/2013	31/03/2015	\$0.200	512,500	-	-	(512,500)	-
20/12/2013	31/12/2016	\$0.100	500,000	-	-	-	500,000
21/08/2014	31/12/2016	\$0.100	-	500,000	-	-	500,000
			2,612,500	500,000	-	(1,112,500)	2,000,000
Weighted average exercise price			\$0.340	\$0.100	\$0.000	\$0.310	\$0.300
2014							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
28/06/2011	28/06/2014	\$0.350	2,000,000	-	-	(2,000,000)	-
03/08/2011	03/08/2013	\$0.700	1,000,000	-	-	(1,000,000)	-
03/08/2011	03/08/2016	\$0.500	1,000,000	-	-	-	1,000,000
30/08/2011	30/08/2014	\$0.400	200,000	-	-	-	200,000
12/09/2011	12/09/2014	\$0.400	200,000	-	-	-	200,000
03/10/2011	03/10/2014	\$0.400	200,000	-	-	-	200,000
18/11/2011	18/11/2013	\$0.380	5,000,000	-	-	(5,000,000)	-
29/03/2012	02/04/2014	\$0.400	5,000,000	-	-	(5,000,000)	-
15/03/2013	31/03/2015	\$0.200	512,500	-	-	-	512,500
20/12/2013	31/12/2016	\$0.100	-	500,000	-	-	500,000
			15,112,500	500,000	-	(13,000,000)	2,612,500
Weighted average exercise price			\$0.410	\$0.100	\$0.000	\$0.410	\$0.340

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.30 years (2014: 1.48 years).

Set out below are summaries of performance rights granted under the performance rights plan:

2014							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/11/2012	31/07/2013	\$0.000	115,000	-	(115,000)	-	-
21/12/2012	21/12/2015	\$0.000	450,000	-	(450,000)	-	-
			565,000	-	(565,000)	-	-

Note 39. Share-based payments (continued)

Measurement of fair values

The fair value of options granted was measured using the Black-Scholes option pricing model.

Options granted

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21/08/2014	31/12/2016	\$0.091	\$0.100	97.66%	-%	2.70%	\$0.051

The total expense arising from share-based payment transactions recognised during the period as part of employee benefits expense was \$25,585 (2014: \$63,780).

Metallica Minerals Limited
Directors' declaration
30 June 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



B J Casson
Chairman

25 September 2015
Brisbane

INDEPENDENT AUDITOR'S REPORT

To the members of Metallica Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Metallica Minerals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Metallica Minerals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Metallica Minerals Ltd is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements, and/or sale of non-core assets. These conditions, along with other matters as set out in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 14 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Metallica Minerals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit Pty Ltd

BDO



Anthony Whyte
Director

Brisbane, 25 September 2015

Metallica Minerals Limited
Shareholder information
30 June 2015

The shareholder information set out below was applicable as at 2 September 2015.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	113
1,001 to 5,000	525
5,001 to 10,000	378
10,001 to 100,000	805
100,001 and over	161
	<hr/>
	1,982
	<hr/>
Holding less than a marketable parcel	1,028
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Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares % of total shares issued
Number held	
Jien Mining Pty Ltd	40,099,678 24.03
Victorian Ferries Pty Ltd	16,382,860 9.82
Golden Breed Pty Ltd	8,800,000 5.27
Bondline Limited	4,910,966 2.94
Codan Trustees - The Mount Cotton Account	2,500,000 1.50
Asden Investments Pty Limited - Asden P/L Staff S/F A/C	2,403,274 1.44
Minnelex Pty Ltd - Pyper Family A/C	2,394,434 1.43
China Xinfu Group Corporation Limited	1,964,386 1.18
Mr Andrew Langham Gillies & Mrs Karen Gillies - Andrew Gillies S/F A/C	1,900,000 1.14
J P Morgan Nominees Australia Limited	1,790,308 1.07
Uob Kay Hian Private Limited - Clients A/C	1,512,537 0.91
Robert John Gillies	1,342,164 0.80
Althea And Richard Bond - Althea&Richard Bond S/F A/C	1,200,000 0.72
Miss Judith Emily Ruwolt	1,111,911 0.67
Mr Graham Fitch	1,100,000 0.66
Bnp Paribas Noms Pty Ltd - Drp	1,092,089 0.65
Dr Paul Robert Messenger & Ms Mandaley Perkins - Messel Super Fund A/C	1,086,600 0.65
Mr Teddy Tjandramulia	1,066,671 0.64
Bond Street Custodians Limited - Idavid - D06155 A/C	1,000,000 0.60
Carojon Pty Ltd - Imbruglia S/F A/C	1,000,000 0.60
	<hr/>
	94,657,878 56.72
	<hr/>

Unquoted equity securities

There are no unquoted equity securities.

Metallica Minerals Limited
Shareholder information
30 June 2015

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total
		shares issued
Jien Mining Pty Ltd	40,099,678	24.03
Victorian Ferries Pty Ltd	16,382,860	9.82
Golden Breed Pty Ltd	8,800,000	5.27

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.