



ASX Release  
26 February 2016

## Letter to Shareholders

26 February 2016

Dear Shareholder

### Renounceable Rights Issue

On 25 February 2016 Metallica Minerals Limited ([ASX:MLM](#)) announced a renounceable pro rata entitlement offer to raise up to approximately \$2 million before issue costs (**Offer**). The Offer is partially underwritten by CPS Capital Group (CPS).

Proceeds from this rights issue will be primarily applied towards the Urquhart Bauxite Project and working capital.

The Offer will be made on the basis of 2 new shares for every 5 existing shares held by eligible shareholders (being shareholders with a registered address in Australia or New Zealand) as at 7pm (AEDT) on 3 March 2016 (**Record Date**), at an issue of 0.03 per share together with a free attaching new option (exercisable at \$0.045 on or before 30 June 2017) for every new share issued. Eligible shareholders may also apply for new shares in addition to their entitlement.

New shares to be issued under the offer will rank equally with existing shares. The Company has applied to ASX for the new shares to be listed. Fractional entitlements will be rounded up to the nearest whole number.

A prospectus for the offer has been lodged with ASIC on 25 February 2016 and is available on both the ASX's website and the Company's website. The Company will mail the prospectus and accompanying personalised entitlement and acceptance form (**Entitlement and Acceptance Form**) to eligible shareholders following the (**Record Date**).

Shareholders should consider the prospectus in deciding whether to acquire new shares under the Offer and will need to complete the Entitlement and Acceptance Form to take up their entitlement.

CPS has agreed to act as lead manager and underwrite the offer for a \$30,000 lead manager management fee if the issue raise less than \$1.5 million, and \$60,000 if the issue raises more than \$1.5 million or more, and an underwriting fee of 5% of the Underwritten Amount and any shares placed by the Underwriter.



As an Eligible Shareholder, you may:

- a) take up all or part of your Entitlement;
- b) take up all of your Entitlement and apply for Shortfall Securities;
- c) sell all of your Entitlement;
- d) take up part of your Entitlement and sell the balance of your Entitlement;
- e) allow all or part of your Entitlement to lapse.

The capital structure of the Company following the offer is as follows:

Shares	Underwritten Amount		Full Subscription		
	Number	%	Number	%	%
Existing Shares	167,440,316	96.17	167,440,316		66.67
New Shares offered under the Prospectus	6,666,667	3.83	66,976,127		33.33
<b>Total Shares</b>	<b>174,106,983</b>	<b>100</b>	<b>203,416,443</b>		<b>100</b>

Options	Underwritten Amount		Full Subscription	
Unlisted existing Options	8,000,000		8,000,000	
New Options offered under the Prospectus (exercise price \$0.045 on before 30 June 2017)	3,333,333		33,488,564	
<b>Total Options following the offer</b>	<b>11,333,333</b>		<b>41,488,564</b>	

The exercise price of Options on issue will be adjusted in accordance with Listing Rules.

The indicative timetable for the offer is as below:

Prospectus lodged with ASIC and ASX	25 February 2016
Ex date-Shares trade ex Entitlement	1 March 2016
Rights trading commences	1 March 2016
Record date to determine Entitlement ( <b>Record Date</b> )	3 March 2016
Prospectus with entitlement and Acceptance Form dispatched	4 March 2016
Offer opens for receipt of Applications	4 March 2016
Rights trading ends	8 March 2016
Closing date for acceptances ( <b>Closing Date</b> )	16 March 2016

# METALLICA MINERALS LIMITED



Notify ASX of Shortfall	21 March 2016
Issue of New securities	23 March 2016
Deferred settlement trading ends	23 March 2016
Dispatch of shareholding statements	24 March 2016
Normal trading of New Securities expected to commence	24 March 2016

The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date, subject to such date being no later than 3 months after the date of this Prospectus. As such the date the New Shares are expected to commence trading on ASX may vary.

**For further information, please contact:**

**Simon Slesarewich**

Chief Executive Officer

Phone: + 61 7 3249 3000

Email: [admin@metallicaminerals.com.au](mailto:admin@metallicaminerals.com.au)

**John Haley**

CFO/Company Secretary

Phone: + 61 7 3249 3000