



ASX AND PRESS RELEASE

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QGM appoints new Chairman following strategic acquisition by Metallica

Queensland minerals explorer Queensland Gold & Minerals (ASX:QGM) announced today that David Barwick had been appointed its new Chairman.

The appointment follows emerging resources company Metallica Minerals Limited (ASX:MLM) acquiring a strategic shareholding in the Brisbane-based QGM.

Mr Barwick, who is chairman of MLM, fills the position vacated by Wayne Reid who resigned as QGM executive chairman on November 3. Mr Barwick has over 30 years experience in directorships and management in mineral exploration companies.

Metallica Managing Director and CEO, Andrew Gillies is also joining the QGM board as a director. Mr Gillies has over 22 years experience in the resource industry.

Both Mr Barwick and Mr Gillies are Brisbane based and QGM Director Adrian Day said the appointment of Mr Barwick and Mr Gillies would significantly strengthen QGM's Board.

"Metallica is on track to become a leading Queensland-focused minerals explorer and resource developer and it is exciting that QGM will be part of Metallica's future," Mr Day said.

"Metallica's position in QGM will enhance QGM's capitalisation, providing funding for working capital, maintaining QGM as a Queensland-orientated mineral exploration company and bringing a well-positioned resource development company as QGM's major shareholder."

Metallica is taking an initial placement of 7,702,500 (15 per cent) ordinary fully paid shares in QGM at an issue price of 0.75 cents per share to raise \$57,569.

Metallica will also provide a further \$292,231 (38,964,133 shares at 0.75 cents per share) in convertible debt funding to QGM and to possibly vend in of one or two southeast Queensland coal properties for ordinary fully paid shares in QGM.

Mr Day said the investment would add to MLM's considerable mineral property portfolio and focus within the Queensland minerals sector.

"QGM currently owns exploration tenements in Queensland that include the Drummond Basin (Rutherford's Table - gold), Georgetown District (gold) and Mt Isa Eastern Fold Belt (Top Camp - iron oxide copper gold)," Mr Day said.

“This will complement Metallica’s significant Queensland-based minerals portfolio which includes nickel-cobalt development focus and 40 per cent ownership of Cape Alumina (bauxite) and 100 per cent ownership of MetroCoal (coal projects).”

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