



20 January 2023

Cape Flattery Silica Project - approval required under the Federal *Environment Protection and Biodiversity Conservation Act.*

Highlights

- Cape Flattery Silica Project deemed a Controlled Action under the Federal Environment Protection and Biodiversity Conservation Act 1999
- Approval pathway to be confirmed by the Federal Environment Department.

Cape Flattery Silica Pty Ltd submitted a Referral under the *Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act)* for the Cape Flattery Silica Sand (CFS) project.

The Federal Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) has assessed the Referral and determined that the CFS project is a *Controlled Action* under Section 75 of the EPBC Act requiring assessment and approval under the EPBC Act prior to final approval.

Metallica Minerals Executive Chairman, Theo Psaros said, “*we accept this decision by the Federal Government. Our environmental studies delivered results that indicated the CFS project has sought to minimise and avoid environmental impacts where possible and that any residual impacts would be managed in accordance with Federal and State approvals. The controls that we will have in place will ensure our operation respects the land on which we are located and will rehabilitate to the highest standards required.*”

We have shared our Progressive Rehabilitation & Closure Plan (PRCP) with the Dingaali and Nguurruumungu clans on whose country the CFS project is located. Our ongoing consultation with the Traditional Landowners will also ensure they are kept informed of our activities and any impact on their land.

We continue to develop the CFS project and to unlock the value of this world-class critical mineral and to position it as a long-life supplier of high-quality silica sand for the manufacture of solar panels for many decades to come.”

The timeline for EPBC Act approval will be known once the CFS project provides additional information to DCCEEW. However, in this case, the DCCEEW has not yet made a decision on the process for assessment of the project. The Company will therefore be providing further information to assist in the determination of the assessment approach.

A Site-Specific Environmental Authority application and the PRCP is planned to be lodged with the Queensland Department of Environment and Science towards the end of Q1 2023.

About the Cape Flattery Silica (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sand (CFS) Project is located in the Cape Flattery area, on the eastern coastline of Cape York Peninsula, 220 km north of Cairns, and 55km from Cooktown. Metallica is developing the CFS Project adjacent to the Cape Flattery Silica Sand mining and shipping operation owned by the Mitsubishi Corporation. Initial exploration drilling in late 2019 confirmed the presence of high purity silica sand within EPM 25734.

Metallica is currently advancing the Definitive Feasibility Study and various other off-take and financing discussions for development comprising sand extraction, processing, and transshipment.

The Project's development will be a major boost to the North Queensland economy, leveraging off its strategic location, within the declared Cape Flattery Port area and within the silica sand hub area.

The Company has successfully signed an MOU for offtake with Mitsui (see ASX announcement dated 30 August 2022), with the project forecast to produce 1.35 million tonnes of high-purity silica sand per annum.

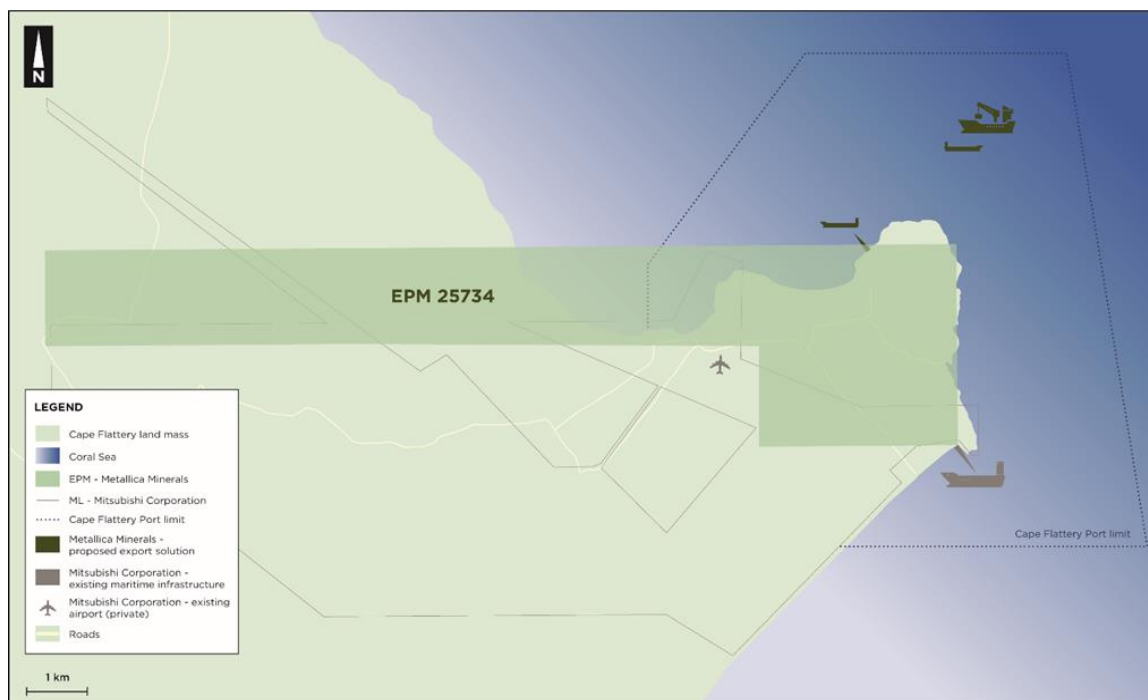


Figure 1 EPM 25734 location and orientation at Cape Flattery and within the Cape Flattery Port limit

As announced on 21 March 2022, the Pre-Feasibility Study outlined exceptional economics including a construction CAPEX requirement of A\$79 million, an internal rate of return of 34.9% and a Net Present Value of \$290 million (pre-tax).

This announcement has been approved in accordance with the Company's published continuous disclosure policy and has been approved by the Board.

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Forward-looking statements

Forward-looking statements are based on assumptions regarding Metallica, business strategies, plans and objectives of the Company for future operations and development and the environment in which Metallica may operate.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties. Actual results, performance or achievements of Metallica could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained in this presentation are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Metallica, which may cause the actual results, performance or achievements of Metallica to differ materially from those expressed or implied by the forward-looking statements. For example, the factors that are likely to affect the results of Metallica include general economic conditions in Australia and globally; ability for Metallica to fund its activities; exchange rates; production levels or rates; demand for Metallica's products, competition in the markets in which Metallica does and will operate; and the inherent regulatory risks in the businesses of Metallica. Given these uncertainties, readers are cautioned to not place undue reliance on such forward-looking statements.

Production Targets and Financial Information

Information in relation to the CFS Pre-Feasibility Study, including production targets and financial information, included in this report is extracted from an ASX Announcement dated 21 March 2022, ("[Cape Flattery Silica PFS - confirms excellent economics](#)"). The Company confirms that all material assumptions underpinning the production target and financial information set out in the announcement released on 21 March 2022 continue to apply and have not materially changed.