

METALLICA MINERALS LIMITED | ASX:MLM

# QUARTERLY REPORT

DECEMBER 2023



CAPE  
FLATTERY  
SILICA



# ASX RELEASE

## 31 December 2023 Quarterly Report

22 January 2024

Metallica Minerals is an Australian development company focused on delivering high purity silica sand to a diversified global customer-base.

### ASX: MLM

Metallica Minerals Limited (ASX: MLM) ("Metallica", "the Company") is pleased to present its activities report for the quarterly period ended 31 December 2023.

### Directors

Theo Psaros	<b>Executive Chairman</b>
Brad Sampson	<b>Non-Executive Director</b>
Mark Bojanjac	<b>Non-Executive Director</b>

### Senior Management

Scott Waddell	<b>CFO &amp; Company Secretary</b>
Nicholas Villa	<b>GM Cape Flattery Silica Sand Project</b>
Sam Fisher	<b>GM Commercial</b>

## CORPORATE AS AT 31 DECEMBER 2023

### Issued Capital

959,923,922 Ordinary Shares  
179,630,557 Listed Options  
33,000,000 Unlisted Options

### Shareholders

1,459 shareholders  
Top 20 shareholders hold 66.0%

### Largest Shareholders

Ilwella Pty Ltd - 24.1%  
Sibelco Asia Pacific Pty Ltd - 16.4%  
SpartagAG - 9.6%

### Cash Balance

As at 31/12/2023, MLM's cash balance was approximately \$4.8m

### Website

[metallicaminerals.com.au](http://metallicaminerals.com.au)



A short video presentation on our Cape Flattery Project is available on our website.

# KEY EVENTS

**1.**

Updated DFS for Cape Flattery Silica Sand Project supports 3Mtpa sales

**2.**

Cape Flattery Silica Sand Project declared a Coordinated Project by of the Office of Coordinator-General

**3.**

Cape Flattery Silica signs MoU with Eternal Asia

**4.**

Discussions underway with Government agencies to progress the potential for Cape Flattery to be designated a Critical Mineral Zone

**5.**

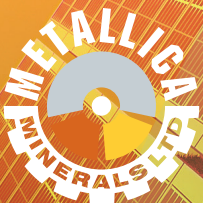
Annual General Meeting held with all resolutions passed on a poll

**6.**

Drilling completed at Leo Grande Graphite Gold Prospect

**7.**

\$4.8 million in cash is available at quarter end, with no debt



# DEVELOPMENT & EXPLORATION

## CAPE FLATTERY SILICA SANDS

MLM  
Interest  
100%

The Cape Flattery Silica Project is adjacent to the world class Cape Flattery Silica Sand mining and shipping operation owned by Mitsubishi.

During the December 2023 quarter, the Company continued to advance through numerous studies, approval processes and stakeholder engagement activities that are all key components of our project development for the Cape Flattery Silica Sand Project.

### Updated Definitive Feasibility Study completed

The Updated Definitive Feasibility Study (DFS) was completed on 15 November 2023 (refer ASX Release “Cape Flattery Silica updated DFS supports ~3Mtpa saleable product”).

The Updated DFS built on the July DFS (refer 17 July 2023 ASX Release “Cape Flattery Silica DFS confirms excellent economics”) and enhances the CFS Project’s potential as a low-cost, high-purity silica sand operation which achieves improved project economics through accelerated productivity and higher utilization of capital intensive elements. The study was prepared by Metallica Management with targeted support from Turner & Townsend JukesTodd, and based on parameters that formed the basis of the July 2023 DFS.

#### The highlights of the Updated DFS are listed below:

- » The Updated DFS delivers:
  - Life of Project cash revenue of A\$3,065M, returning pre-tax Net Present Value
  - (NPV<sup>10</sup> nominal) of A\$702.4M, and an Internal Rate of Return (IRR) of 37.2%.
  - Average cash margin from the project increases to \$53.06 per tonne and average EBITDA is \$134.5M per annum.
- » Economies of scale are achieved with only a modest increase in capital costs. An additional dry mining unit, process plant, stockpile and stacker are included in the additional capital
- estimate. The marine infrastructure and transshipping operation do not require any additional capital resulting from the additional processing capacity.
- » Optimisation of the original July DFS (refer ASX release 17 July 2023) for the wholly owned CFS project supports an increase in saleable product from 1.45Mtpa to approximately 3.0Mtpa and significantly improves forecast project economics.
- » The increase in production from Year 3 of the project delivers a significant decrease in unit operating costs to an average of \$27.48/t FOB Opex costs.
- » The updated initial Capital Cost of the Cape Flattery Silica Sand Project is estimated to be \$236.7M (including a 10% contingency of \$21.5M) with a payback period from commencement of production of 3.2 years.
- » The Ore Reserve of 47 million tonnes (Mt) @ 99.18% SiO<sub>2</sub> (within a Mineral Resource of 49.5Mt @ 99.19% SiO<sub>2</sub>, refer to Tables 4 and 5), is to be processed over a 15-year Project life. All production is based on the Ore Reserve of 47Mt (refer Table 4 – Ore Reserve).
- » The Updated DFS does not include the Inferred Resource for the Western Area of EPM 25734 (see ASX release 3 March 2023 “Maiden Inferred Resource of 12Mt at 99.15% SiO<sub>2</sub>, 0.09% Fe<sub>2</sub>O<sub>3</sub> Estimated for CFS West Project”). This may represent an additional opportunity to further improve the economics for the CFS Project.
- » Development of the Cape Flattery Silica Sand Project will deliver employment, apprenticeship training and new business opportunities to the townships of Hope Vale and Cooktown, particularly the local Indigenous communities.
- » The Cape Flattery Silica Sand Project will contribute to and benefit from the Queensland Government’s Critical Minerals Strategy which supports development of ‘new economy’ minerals projects in Far North Queensland.

**Table 1:** Summary of key outcomes - Definitive Feasibility study (A\$ – Australian dollars) mid 2025 AUD

Key Financial Metrics	Unit	July DFS	Updated DFS	Percent Change
Pre-Tax Project NPV <sup>10</sup> (nominal)	AUD m	\$437.3	702.4	61%
Pre-Tax Project IRR	%	32.19	37.21	16%
Post-Tax Project NPV <sup>10</sup> (nominal)	AUD m	\$279.9	434.4	55%
Post-Tax Project IRR	%	26.59	29.71	12%
Total Silica Sales	Tonnes m	36.1	38.1	5%
Initial Construction CAPEX	AUD m	\$165.0	236.7	43%
Payback (no tax)	Years	2.85	3.20	12%
LOM Revenue	AUD m	\$2,910.1	3,064.6	5%
LOM C1 OPEX (excl Qld Gov't royalty)	AUD m	\$1,198.2	1,011.6	(16%)
LOM EBITDA	AUD m	\$1,679.5	2,018.8	20%
Cash Flow Pre-Tax	AUD m	\$1,341.0	1,539.0	15%
C1 Cost/t product	\$/prod tonne	\$33.16	26.58	(20%)
FOB Cost/t product	\$/prod tonne	\$34.06	27.48	(19%)
AISC/t product (including sustaining CAPEX)	\$/prod tonne	\$37.90	32.93	(13%)

CAPEX pricing reflects market conditions as of Q2, 2023. The base date of the estimate is then escalated to mid-2025.

**Table 2:** Key Sand Extraction & Processing Metrics

	Unit	July DFS	Updated DFS	Percent Change
Mineral Resources (see Table 5)	Tonnes M	49.5	49.5	-
Ore Reserve (see Table 4)	Tonnes M	47	47	-
LOM	Years	25	15	(40%)
Sand mined & processed	LOM Tonnes M	44.6	47.0	5%
Silica sand sales over LOM	LOM Tonnes M	36.1	38.1	6%
Plant operating capacity	Mtpa	1.8-1.9	3.6-3.9	
Plant yield	%	81%	81%	

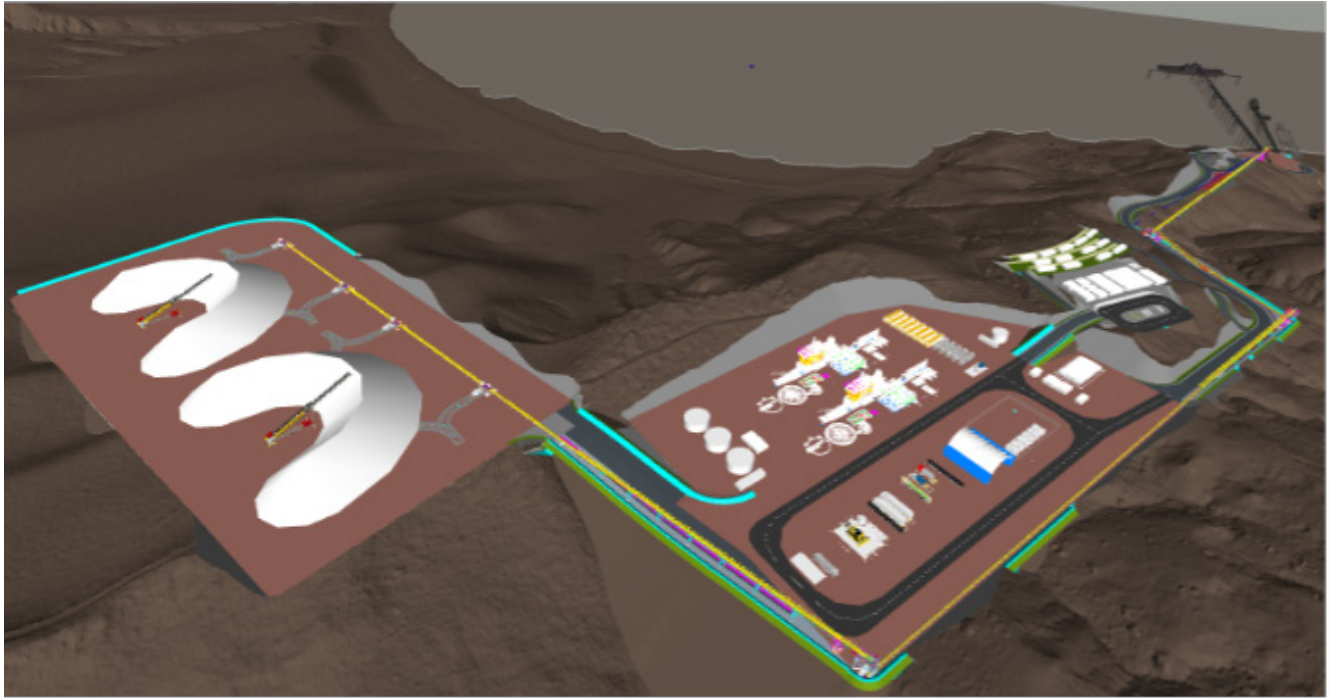
Notes

- » The Probable Ore Reserve and Measured and Indicated Mineral Resource underpinning the above production assumption targets has been prepared by a Competent Person in accordance with the requirements of the JORC Code 2012 (refer Table 4 - Ore Reserves; and Table 5 - Mineral Resources).

**Table 3:** Discounted cash flow financial model key assumptions

LOM assumptions	Unit	Value
Exchange rate	AUD:USD	0.72
Discount rate (nominal, unleveraged)	% p.a.	10.00
Average yield	%	81
Average sales price - real 2025	USD/prod t	\$57.92
Average sales price - real 2025	AUD/prod t	\$80.54

The updated study uses an almost identical project footprint as defined in the July DFS, with only modest reconfiguration. Changes are attributable to a second process plant, stockpile and stacker that are required to achieve the increase in production.



**Table 4:** Reserve Statement

Ore Reserve Category	Tonnage Mt	SiO <sub>2</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	Waste Mt
Probable Reserve	47	99.11	0.09	0.14	0.15	0.24	4.0

**Table 5:** Mineral Resource for the Cape Flattery Silica Project

Resource Category	Silica Sand Mt	SiO <sub>2</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %	Al <sub>2</sub> O <sub>3</sub> %	Density t/m <sup>3</sup>	Silica Sand Mm <sup>3</sup>
<b>Measured</b>	16.1	99.20	0.08	0.12	0.13	0.22	1.6	10.1
<b>Indicated</b>	33.2	99.05	0.10	0.18	0.15	0.25	1.6	20.7
<b>Inferred</b>	0.2	99.00	0.12	0.27	0.13	0.28	1.6	0.1
<b>Total</b>	<b>49.5</b>	<b>99.10</b>	<b>0.09</b>	<b>0.16</b>	<b>0.14</b>	<b>0.24</b>	<b>1.6</b>	<b>30.9</b>

For further details on the Updated DFS please refer to the 15 November 2023 ASX Release “Cape Flattery Silica updated DFS supports ~3Mtpa saleable product”.

## Coordinated Project

On the 15 December 2023 the company received approval from the Office of the Co-Ordinator General that the Cape Flattery Silica project meets the criteria for a coordinated project under the State Development and Public Works Organisation Act 1971 (QLD) (SDPWO Act) (refer to ASX Announcement "Cape Flattery Silica Project - declared a Coordinated Project by Office of Coordinator-General").

The Company lodged its submission with the Office of the Coordinator-General in September 2023. The submission sought approval for up to 4mtpa of production which aligns with our ASX Announcement "Cape Flattery Silica updated DFS supports ~3Mtpa saleable product" lodged on 15 November 2023.

A Coordinated Project designation is intended to streamline interactions with key State and Commonwealth Government departments and agencies. The Coordinator-General will now prepare draft terms of reference for an Environmental Impact Statement (EIS) which will be released to the public for comment. To date significant environmental works have been undertaken which can be used towards meeting the requirements of the EIS.

## Environmental Impact Statement

The final Guidelines for the EIS will be subject to the decision by the Office of Coordinator-General on the submission outlined above. However, there are many components of the EIS that are standard components and accordingly those studies have started.

Consultants have been engaged to manage the EIS and more specifically, undertake the Economic Impact Assessment and Social Impact Assessment. This work has commenced and will ramp up in 2024. The respective scope of work for these components of the EIS will be updated when final Guidelines/Terms of Reference for the EIS are agreed with the Queensland and Commonwealth Governments.

## Federal Environmental Approval process

In December 2022, the Company submitted a Referral under the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act). The Federal Department of Climate Change, Energy, the Environment and Water (DCCEE) has confirmed that the Federal process will run bilaterally with the Office of the Coordinator-General leading the process.

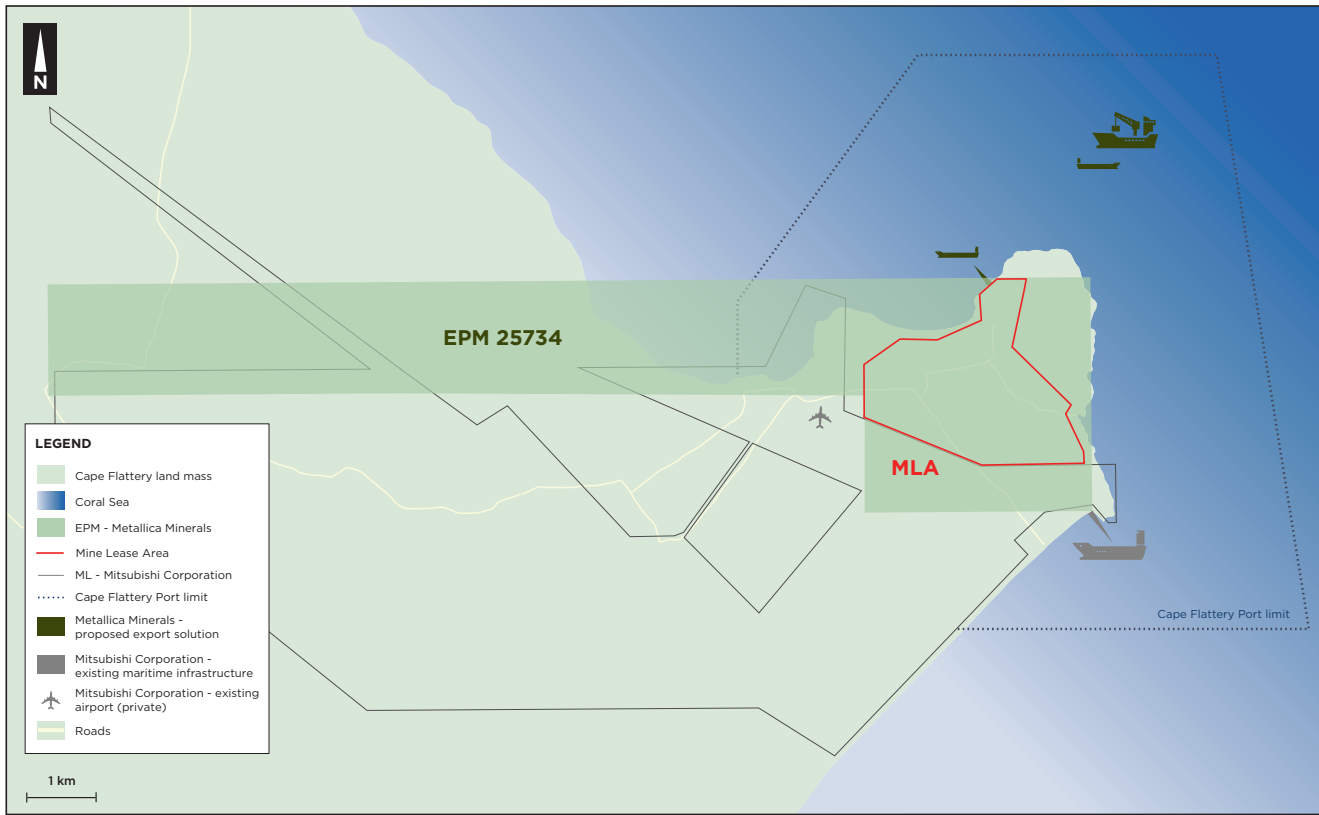
The bilateral agreement between Commonwealth of Australia and the State of Queensland allows the Coordinator-General to conduct a single environmental assessment process that also addresses Commonwealth matters of national environmental significance. The Commonwealth of Australia will make a decision under the Environment Protection and Biodiversity Conservation Act 1999 after considering the Coordinator-General's evaluation report for a project under the bilateral agreement.

## Traditional Landowner update

The Company has been meeting with representatives of the native title holders for the shared area (Dingaal and Nguurruumungu Clans) since October 2020 and formally negotiating since November 2021. To date we have held seven meetings with the Negotiation representatives which have been held in a professional and respectful manner.

During the September 2023 Quarter, Metallica requested the assistance of the National Native Title Tribunal to mediate among the Negotiation Parties - being the Dingaal and Nguurruumungu Clans, the State of Queensland and Metallica's subsidiary Cape Flattery Silica Pty Ltd to assist in obtaining their agreement for the grant of mining lease 100284. The benefit of mediation is that it will assist the parties to work together to seek a common focus for the negotiation process. There are outstanding matters that could be best resolved under a more formal process.

To date no meetings have been held with the National Native Title Tribunal.



**Figure 1:** Metallica Minerals’ CFS EPM 25734 & MLA location adjacent to the Cape Flattery Port Limit and proximity of MLA area to the planned purpose-built jetty

## Potential Offtake partners

Following the visit by Metallica’s Commercial GM, Sam Fisher, to China in July 2023 a second trip was completed in October 2023. Interest from potential offtake parties in China has continued as well as ongoing discussions with groups in South Korea and Japan.

In December 2023, a Memorandum of Understanding (MoU) (refer to ASX Release dated 12 December 2023 “Cape Flattery Silica signed MOU with Eternal Asia”) was signed with Cape Flattery Silica and Eternal Asia Supply Chain Management Ltd. The MoU is non-binding and valid for 12 months. Under the MoU, CFS will provide samples of processed high purity silica sand from the CFS project for testing by EA to assess its suitability for further processing and value adding using EA’s proprietary technology.

Pending the successful outcome of the discussions and cooperation outlined above, the parties will have commercial discussions on the basis of sharing the value improvement from the further processing of the silica sand prior to entering into a Head of Agreement (HOA) that shall form the basis for a long-term sales contract that is binding on both parties. This HOA would be applicable for the silica sand products that CFS will produce from its Cape Flattery Silica Sand project.





# CLERMONT

## COPPER-GOLD

Transitioning to 51% PGE Minerals Pty Ltd a 100% owned subsidiary of Metallica Minerals Limited

MoU Diatreme Resources Pty Ltd

On 5 August 2021, the Company announced it had signed a Memorandum of Understanding (MoU) with Diatreme Resources for a potential Joint Venture on the Clermont Project which comprises EPM 17968.

The Clermont tenement is held as a Joint Venture between PGE Minerals Ltd (a wholly owned subsidiary of Metallica Minerals Limited) and Chalcophile Pty Ltd (a wholly owned subsidiary of Diatreme Resources Limited). On 12 October 2023, Metallica elected to expend an additional \$1M to earn an additional 24% in the Clermont Project, which will increase Metallica's ownership of the project from 51% to 75% under the terms of the JV agreement with Diatreme Resources (DRX).

In the September Quarter, MLM reviewed all the historical data for the Leo Grande prospect (LGGP) and noted that graphite had been observed in all of the 54 RC holes drilled at the Leo Grande prospect in 1989 and 1990. The drilling completed at the Leo Grande prospect was designed to test a 3.2km shear zone which hosts a gold bearing mylonite which the graphite appears to be associated with. The graphite mineralisation in the holes was never quantified with the amount

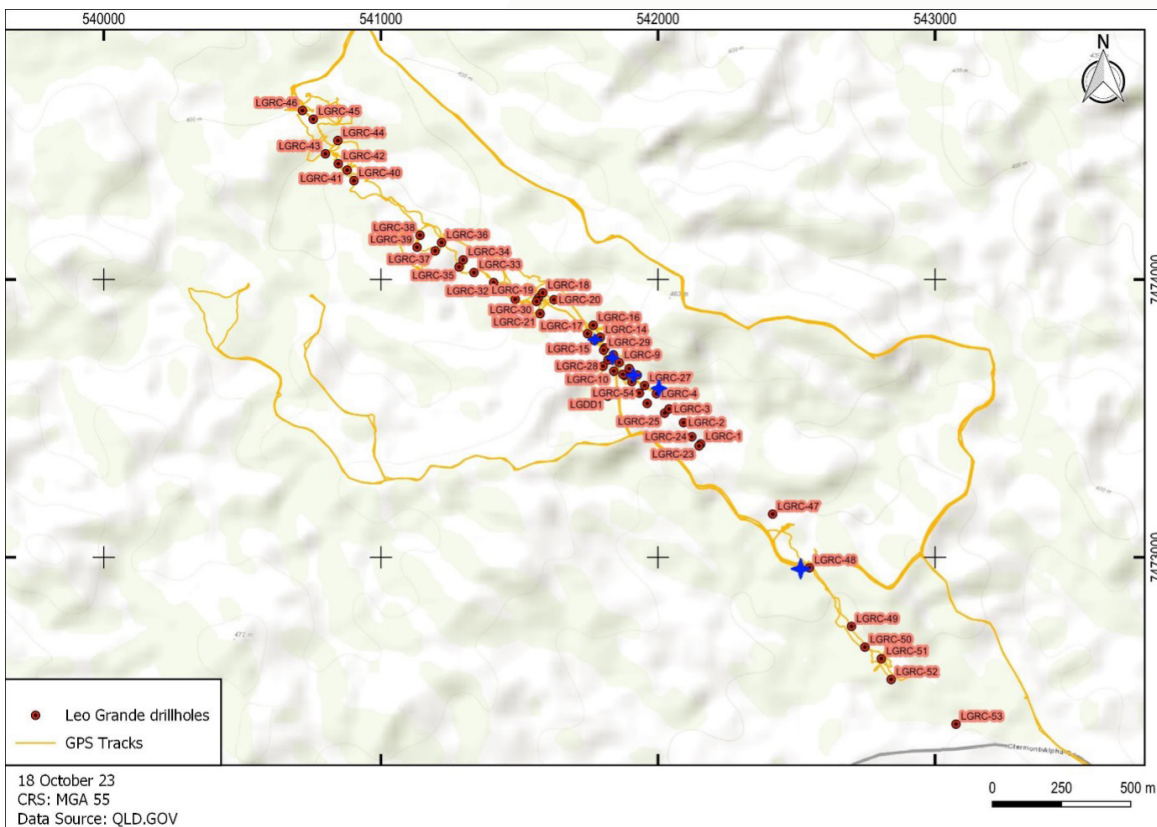
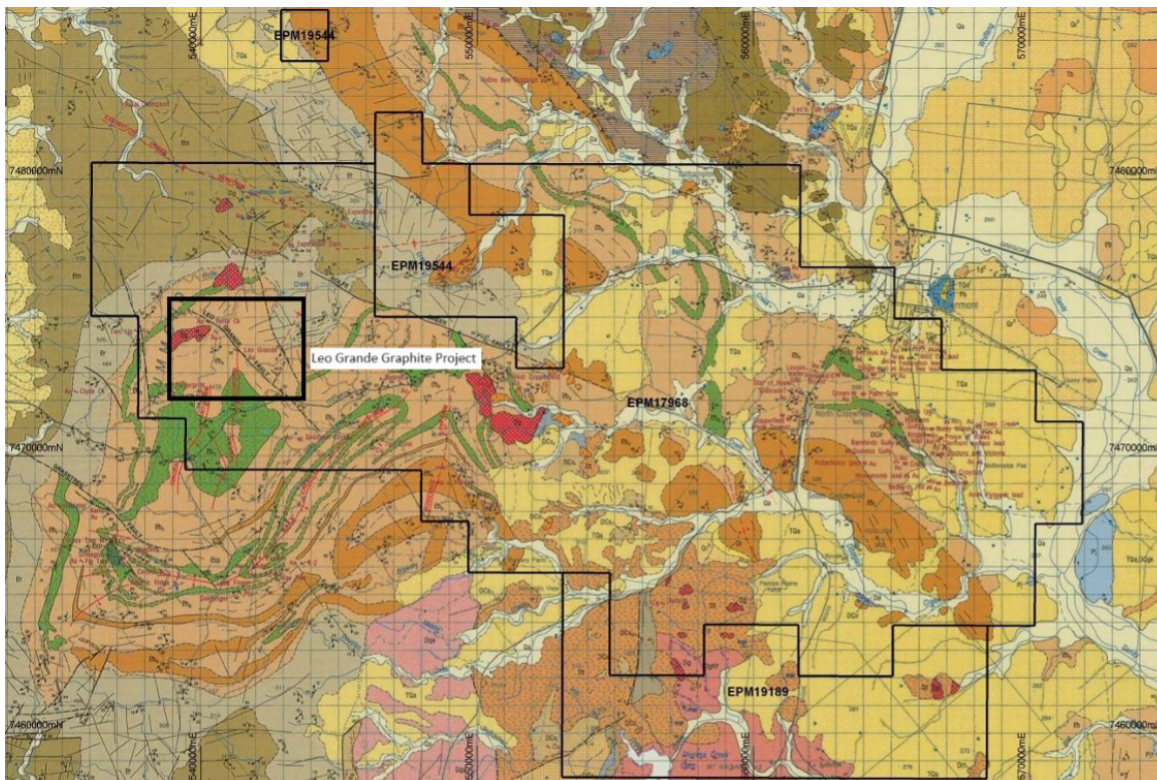
of graphite recorded varying from trace graphite to high graphite content.

In December 2023, a five-hole drilling program at LGGP was completed with a total of 301m drilled. The holes were "twins" of holes drilled in 1989 and 1990 which had recorded moderate to high levels of graphite in the logs. The Metallica drilling was completed to quantify the graphite content in the holes and to determine the nature of the graphite. Hole LGRC055, which was a twin of LGRC027 appeared to contain the highest level of graphite with hole LGRC059 (twin of LGRC048) containing the least amount of graphite. Details of the holes drilled at the LGGP in December are presented in the table below.

The graphite was invariably associated with the gold bearing mylonite, with only minor graphite observed in the adjacent quartz mica schist. The graphite appears to occur as fine particles in the mylonite and not as amorphous graphite or flakey graphite, but further work is required to determine exactly what type of graphite occurs at the LGGP.

Assay results are expected to be received in late January 2024.

Hole Number	Easting	Northing	RL	Dip	Azim	Depth (m)	Comments
LGRC055	541,951	7,473,622	426	-90	-	59	Wide Graphite zone within mylonite intersected
LGRC056	541,860	7,473,703	419	-60	032	59	Graphite intersected in mylonite below water table
LGRC057	541,846	7,473,730	419	-60	032	53	Graphite intersected in mylonite below water table
LGRC058	541,880	7,473,655	406	-90	-	71	Graphite intersected in mylonite below water table
LGRC059	542,583	7,472,942	390	-60	032	59	Small (10m) zone of graphitic mylonite - low to trace amounts



Location of the historical drill holes at the LGGP and new holes (blue stars)





# CORPORATE

The Annual General Meeting of the Company was held at 9:30am on Wednesday 22 November 2023. All seven resolutions were passed on a poll.

Executive Chairman, Theo Psaros and Commercial Manager, Sam Fisher hosted webinar presentation and business update on 22 November 2023, this can be viewed on our website. The webinar also included a Question and Answer session at conclusion of the presentation.

## Financial and Cashflow Update For the Quarter

Attached to this report is the Appendix 5B containing the Company's cash flow statement for the December 2023 Quarter. The significant cash outflows during the quarter include \$419k in relation to expenses for exploration and evaluation that were capitalised. These capitalised expenses included the following key activities:

- » Consultants and contractors that were engaged on completing the DFS;
- » Traditional landowner negotiation meetings;
- » Completing metallurgical studies;
- » Completing drilling at the LGGP graphite gold project; and
- » Approvals and environmental activities.

Cash inflows for the quarter were \$32k which related to interest payments.

Metallica ended the December 2023 quarter with \$4.8 million in cash and without any debt.

Pursuant to ASX LR4.7C.1 and as outlined in the Appendix 5B, the aggregate amount paid to related parties and their associates of \$121k represents Director fees and the Executive Chairman salary. These payments relate to the existing remuneration agreements for the Executive and Non-Executive Directors.

## Stay Connected

We encourage Shareholders and other interested parties to sign up to our email database to receive updates direct from the Company. This can be done via the Contact Us page on our website.

## March 2024 Quarter Outlook

Metallica's focus for the March 2024 Quarter is to:

- » Continue to work with the Office of Coordinator-General;
- » Receive Terms of Reference (ToR) from the Office of the Coordinator-General;
- » Advance the EIS on ground activities (subject to weather events);
- » Commence Economic Impact Assessment and Social Impact Assessment for the Cape Flattery Silica Project;
- » Continue discussions with the Queensland Government to progress the potential for Cape Flattery to be designated a Critical Minerals Zone;
- » Progress studies to build a barge-loading facility to tranship silica product onto Ocean-Going Vessels;
- » Commence the process with the National Native Title Tribunal for mediation among the Negotiation Parties;
- » Continue an assessment on the silica sand market and potential for establishing customer off-take agreements;
- » Complete further work at Clermont to further define the graphite target;



## Interest In Mining Tenements At the End of the Quarter

This section provides information required under ASX listing rule 5.3.3 for mineral exploration entities.

State	Tenement Name	Tenement ID	Status	Location	Interest	Holder
QLD	Cape Flattery Silica	EPM 25734	Granted	Cape Flattery	100%	Cape Flattery Silica Pty Ltd
QLD	Cape Flattery Silica	ML 100284	Application	Cape Flattery	100%	Cape Flattery Silica Pty Ltd
QLD	Clermont Copper Gold	EPM 17968	Granted	Clermont	51%	PGE Minerals Pty Ltd

Table as at 31 December 2023.

This announcement has been authorised by the Board of Metallica Minerals Limited.



# NOTICES

## COMPETENT PERSON STATEMENTS

### Clermont and Cape Flattery Silica Sands Exploration Results

The information in this report that relates to the Exploration Sampling and Exploration Results is based on information compiled by Mr Patrick Smith, a Competent Person who is a Member of the Australian Institute of Mining and Metallurgy.

Mr Smith is the owner and sole Director of PSGS Pty Ltd and is contracted to Metallica Minerals as their Exploration Manager. Mr Smith confirms there is no potential for a conflict of interest in acting as the Competent Person. Mr Smith has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr Smith consents to the inclusion of this information in the form and context in which it appears in this release/report.

### Cape Flattery Silica Sands Mineral Resource and Reserve

The information in this report that relates to the Cape Flattery Silica Project - Eastern Resource Area is based on information and modelling carried out by Chris Ainslie, Project Engineer, who is a full-time employee of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy.

The work was supervised by Mr Carl Morandy, Mining Engineer who is Managing Director of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy and also by Mr Brice Mutton who is a Senior Associate Geologist for Ausrocks Pty Ltd. Mr Mutton is a Fellow of the Australasian Institute of Mining & Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Morandy and Mr Ainslie and Mr Mutton are employed by Ausrocks Pty Ltd who have been engaged by Metallica Minerals Ltd to prepare this independent report, there is no conflict of interest between the parties. Mr Morandy, Mr Ainslie and Mutton consent to the disclosure of information in the form and context in which it appears in this report.

The overall resource work for the Cape Flattery Silica Project - Eastern Resource Area is based on the direction and supervision of Mr Mutton who has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

## REFERENCE TO PREVIOUS RELEASES

Reserve figures of this announcement have been previously reported to the market in the report dated 21 March 2022.

1. ASX Release 3 March 2023 "Maiden Inferred Mineral Resource of 12Mt at 99.15% SiO<sub>2</sub>, 0.09% Fe<sub>2</sub>O<sub>3</sub> Estimated for CFS West Project"
2. ASX Release 1 June 2023 "Extension of MOU to explore off-take arrangements"
3. ASX Release 17 July 2023 "Cape Flattery Silica Definitive Feasibility Study"
4. ASX Results 19 September 2023 "Bulk metallurgical tests confirm High Purity Silica Sand"
5. ASX Release 15 November 2023 "Cape Flattery Silica Updated DFS supports 3Mtpa saleable product"
6. ASX Release 12 December 2023 "Cape Flattery Silica signs MOU with Eternal Asia"
7. ASX Release 15 December 2023 "Cape Flattery Silica Project - declared a Coordinated Project by Office of Coordinator-General"

The statements in this presentation concerning Mineral Resource Estimates at the CFS Project are derived from ASX announcements 1, 3 and 5 above, and are available to view and download from the Company's website: ASX Announcements - Metallica Minerals Limited.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements. MLM confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.



## 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.

## LISTING RULE 5.23

The Company confirms that it is not aware of any new information or data that materially affects the information included in these original market announcements and, in the case of estimates of mineral resources or ore reserves and production forecasts and forecast financial information, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Statements concerning production targets and related financial information are derived from ASX announcements 3 and 5 above.

## LISTING RULE 5.19.2

The Company confirms that all material assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metallica Minerals Limited

ABN

45 076 696 092

Quarter ended ("current quarter")

31 December 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)		-23
(b) development		
(c) production		
(d) staff costs	-201	-529
(e) administration and corporate costs	-261	-489
1.3 Dividends received (see note 3)		
1.4 Interest received	32	88
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>-430</b>	<b>-953</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) tenements		
(c) property, plant and equipment		
(d) exploration & evaluation (if capitalised)	-419	-1,333
(e) investments		
(f) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) entities		
(b) tenements		



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(c) property, plant and equipment		
(d) investments		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-419</b>	<b>-1,333</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>0</b>	<b>0</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	5,670	7,107
4.2 Net cash from / (used in) operating activities (item 1.9 above)	-430	-953
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-419	-1,333
4.4 Net cash from / (used in) financing activities (item 3.10 above)	0	0
4.5 Effect of movement in exchange rates on cash held		
<b>4.6 Cash and cash equivalents at end of period</b>	<b>4,821</b>	<b>4,821</b>

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,525	2,374
5.2 Call deposits	3,296	3,296
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,821</b>	<b>5,670</b>

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1 \*
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter  
\$A'000**

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility  
amount at quarter  
end  
\$A'000****Amount drawn at  
quarter end  
\$A'000****7.5 Unused financing facilities available at quarter end**

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	-430
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-419
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	-849
8.4 Cash and cash equivalents at quarter end (Item 4.6)	4,821
8.5 Unused finance facilities available at quarter end (Item 7.5)	0
8.6 Total available funding (Item 8.4 + Item 8.5)	4,821
8.7 <b>Estimated quarters of funding available (Item 8.6 divided by Item 8.3)</b>	<b>6</b>

*Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.*

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

22 January 2024

Date: .....

Authorised by: By the Board of Directors

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### Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash*

**Mining exploration entity or oil and gas exploration entity quarterly cash flow report**

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*Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.