



26 September 2022

Yushra Haniff
Compliance Adviser, Listings Compliance ASX Limited

Dear Yushua

Metallica Minerals Limited (ASX Code: MLM) – Response to ASX Aware Query

We refer to your letter dated 20 September 2022 (**Letter**). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined. Set out below is the response of Metallica Minerals Limited (**MLM**) to each of the questions in the Letter.

1. ***"Does MLM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?"***

No. At the time of lodgment for release it was conservatively identified as market sensitive noting that designation of an ASX release as either market sensitive or not is provisional, pending final determination by ASX.

2. ***"If the answer to question 1 is "no", please advise the basis for that view."***

MLM is of the view that a reasonable person would not expect the Information to have a material effect on the price or value of its securities.

This view is formed on the following basis:

- 2.1 Metallica is now in the process of preparing a Definitive Feasibility Study (DFS) for its Cape Flattery Silica (CFS) project. Metallica has given ASX information about this project that includes Mineral Resources for the CFS project of 52.2Mt and Ore Reserves of 46Mt.

The exploration results and estimates of minerals resources and reserves referred to above were released on ASX on 7 April 2022. The Company is not aware of any new information or data that materially affects the information included in that ASX release.

The financial information referenced above was released on ASX on 21 March 2022. The Company confirms that all the material assumptions underpinning the production target and financial information derived from that production target in that release continue to apply and have not materially changed.

The tabulation of the CFS Mineral Resources and Ore Reserves is attached.

2.2 In light of the scale of the CFS project already known to MLM investors prior to the 20 September 2022 announcement, 123 meters of hand auger drilling results to 5m depth without any new Mineral Resource or Exploration Target being stated, is not market sensitive information.

MLM notes that Morgans released a research paper on the Company on 15 September 2022, which included an optimistic price target for the Company.

MLM also released an announcement to the market on 13 September 2022, which clarified the port approvals pathway for the Cape Flattery Silica Project.

MLM considers that recent increases in share prices and volumes are likely attributable to these matters.

3. **"When did MLM first become aware of the Information"**

MLM become aware of the information late afternoon on 19 September 2022.

4. **If the answer to question 1 is "yes" and MLM first became aware of the Information before the relevant date, did MLM make any announcement prior to the relevant date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MLM was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MLM took to ensure that the information was released promptly and without delay**

Not applicable.

5. ***Please confirm that MLM is complying with the Listing Rules and, in particular, Listing Rule 3.1.***

MLM confirms it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

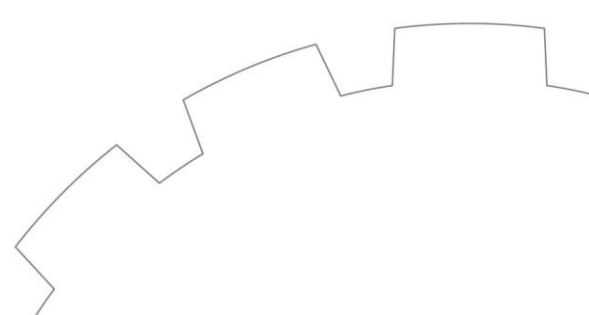
6. ***Please confirm that MLM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MLM with delegated authority from the board to respond to ASX on disclosure matters.***

MLM confirms that this response has been authorised and approved by the Board.

Yours sincerely



Scott Waddell
Company Secretary
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7. Tables summarising the company's resources and reserves

The Company released an upgrade of the Mineral Resources for the CFS Project (see ASX Release 7 April 2022: "Significant Increase in Measured and Indicated Resources at Cape Flattery Silica Project")

Table 1 –Cape Flattery Silica Project Mineral Resources

Resource Classification	Silica Sand (Mt)	SiO ₂ %	Fe ₂ O ₃ %	Al ₂ O ₃ %	TiO ₂ %	LOI %	Silica Sand (Mm ³)	Density (t/m ³)
Measured	16.7	99.26	0.10	0.08	0.13	0.17	10.4	1.6
Indicated	35.2	99.14	0.13	0.13	0.14	0.19	22.0	1.6
Inferred	0.3	99.06	0.14	0.16	0.12	0.23	0.20	1.6
Total	52.2	99.18	0.12	0.11	0.14	0.18	32.60	1.6

The Resource has been prepared in accordance with the JORC Code 2012 – A cut-off grade 98.5% has been defined based on the surrounding data. These results show there is potential to produce a premium grade silica product using standard processing techniques.

Table 2 –Cape Flattery Silica Project Reserve

Ore Reserve Category	Silica Sand (Mt)	SiO ₂ %	Fe ₂ O ₃ %	Al ₂ O ₃ %	TiO ₂ %	LOI %	Silica Sand (Mm ³)	Waste Mt
Probable Reserve	46	99.18	0.12	0.11	0.14	0.19	28.76	2.6

Competent Person Statement Cape Flattery Silica Sand Resource

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".

Cape Flattery Silica Sand Ore Reserves

The information in this report that relates to Ore Reserves at the Cape Flattery Silica Sand Project is based on information reviewed or work undertaken by Mr Carl Morandy. Mr Morandy is a Mining Engineer, the Managing Director of Ausrocks Pty Ltd and a Member of the Australasian Institute of Mining & Metallurgy. Mr Morandy has relied on Metallica Minerals Limited for marketing, environmental, economic, social and government permitting. Ausrocks Pty Ltd have been engaged by Metallica Minerals Limited to prepare this independent report and there is no conflict of interest between the parties.

Mr Morandy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the preparation of mining studies to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Ore Reserves (The JORC Code). Mr Morandy consents to the inclusion in the report on the matters based on their information in the form and context in which it appears. The corresponding JORC 2012 Table 1 is attached in the PFS report dated 21 March 2022

Reference to Previous Releases

PFS and reserve figures of this announcement have been previously reported to the market in the report dated 21 March 2022. Pursuant to Listing Rule 5.19.2, the Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from the production target in the original market announcement continue to apply and have not materially changed.

Drilling, resource estimates and metallurgical results referred to in this announcement have been previously announced to the market in reports dated; 7 April 2022, 12 August 2021, 15 June 2021, 22 June 2021, and 2 March 2021 and are available to view and download from the Company's website: ASX Announcements — Metallica Minerals Limited

Pursuant to Listing Rule 5.23.2, 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. In relation to the referenced estimates of mineral resources and ore reserves, the Company confirms that all material assumptions and technical parameters underpinning the estimates in the referenced market announcement 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 announcements.