METALLICA MINERALS LIMITED
ABN: 45 076 696 092
ASX Code: MLM

7 April 2022

Significant Increase in Measured and Indicated Resources at Cape Flattery Silica Project

Highlights

- **The Measured Resource for the Cape Flattery Silica Sand Project has increased 74% from 9.6Mt @ 99.29% SiO_2 to 16.7Mt @ 99.26% SiO_2 (see Table 1)**
- **Total Measured and Indicated Resources for Cape Flattery total 51.9Mt @ 99.18% SiO_2, an increase on the previously reported 47.8Mt @ 99.18% SiO_2 (see ASX release: 21 October 2021, Revised: 40% increase of the CFS Sand Resource to 53.5Mt)**
- **The Upgraded Resource and a new Ore Reserve will be used in the Definitive Feasibility Study that is currently underway. A Maiden Ore Reserve prepared for the PFS (ASX Release: 21 March 2022) supported a 25-year mine life with 1.8Mtpa.**
- **The insitu SiO_2 grade for the Measured and Indicated Resources averages 99.18% SiO_2 at a 98.5% SiO_2 cut-off grade**

Metallica Minerals Limited (Metallica, ASX: MLM) is pleased to announce that the infill drilling program completed by the company in December 2021 has successfully increased the Measured and Indicated Resources from 47.8Mt @ 99.18% SiO_2 to 51.9Mt @ 99.18% SiO_2. Notably there has been a 74% increase in the Measured Resource from 9.6Mt to 16.7Mt, which will be assessed as part of the DFS to support an increased portion of the early mine life.

A plan view of the Cape Flattery area and the various Resource categories is presented as Figure 1 on the following page and a typical deposit cross section and long section is presented as Figure 2 and 3. Of note, the area that contains the Measured Resource is the likely initial mining area for the project. This area contains the highest silica grades and lowest iron content. The Measured Resource is also close to the planned processing and transhipping facilities which will minimise material movement and costs.

Samples collected within the Measured Resource area from the August 2021 drilling program have been composited to produce a representative bulk sample for metallurgical test-work. This bulk sample is currently being processed by Minerals Technologies for plant design purposes.

The Upgraded Resource was estimated by Ausrocks Pty Ltd using data from all three of Cape Flattery Silica's (CFS) main drilling programs, with the most recent program completed in December 2021 (see ASX Release: 23 February 2022 Infill drilling validates Cape Flattery Silica Project Resource Model). The Resource utilises data from a total of 152 vertical vacuum and auger drill holes, comprising 2,538m of drilling. Holes were drilled using a vacuum rig mounted on a tractor with 1m samples collected in a clear Perspex cyclone.

Samples were taken every 1m and the holes were either terminated due to wet ground when the water table was encountered or when the hole intersected iron rich clays or basement rocks. All the samples were dispatched to ALS in Brisbane for analysis and laboratory check samples were undertaken by Intertek in Perth.

Metallica Executive Chairman, Theo Psaros said "we are pleased to announce a significant upgrade in the Measured Resource component at Cape Flattery Silica. The combined Measured and Indicated Resource components of the total Resource will underpin our goal of producing approximately 1.35mtpa of silica sand from a ROM production of 1.8mtpa. The Updated Resource continues to give us confidence in our project and that we can use these results in our upcoming Definitive Feasibility Study that is currently underway.

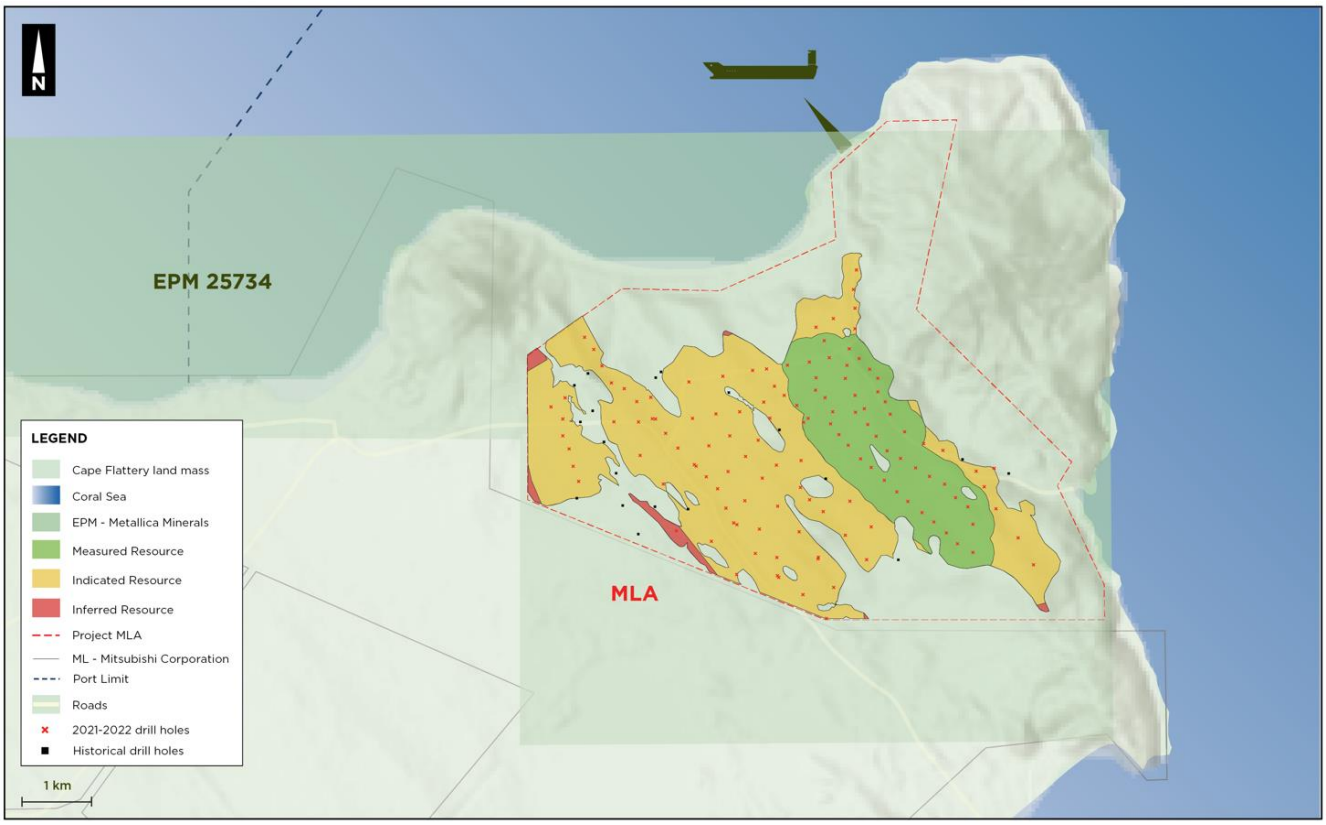

Figure 1: *Cape Flattery Silica Project – Distribution of the various Resource categories*

This Updated Resource Estimation has been undertaken in accordance with JORC 2012 guidelines and it supersedes the Resource reported in October 2021 (see ASX Release dated 21st October 2021: "40% Increase of Cape Flattery Silica Sand Resource to 53.5Mt").

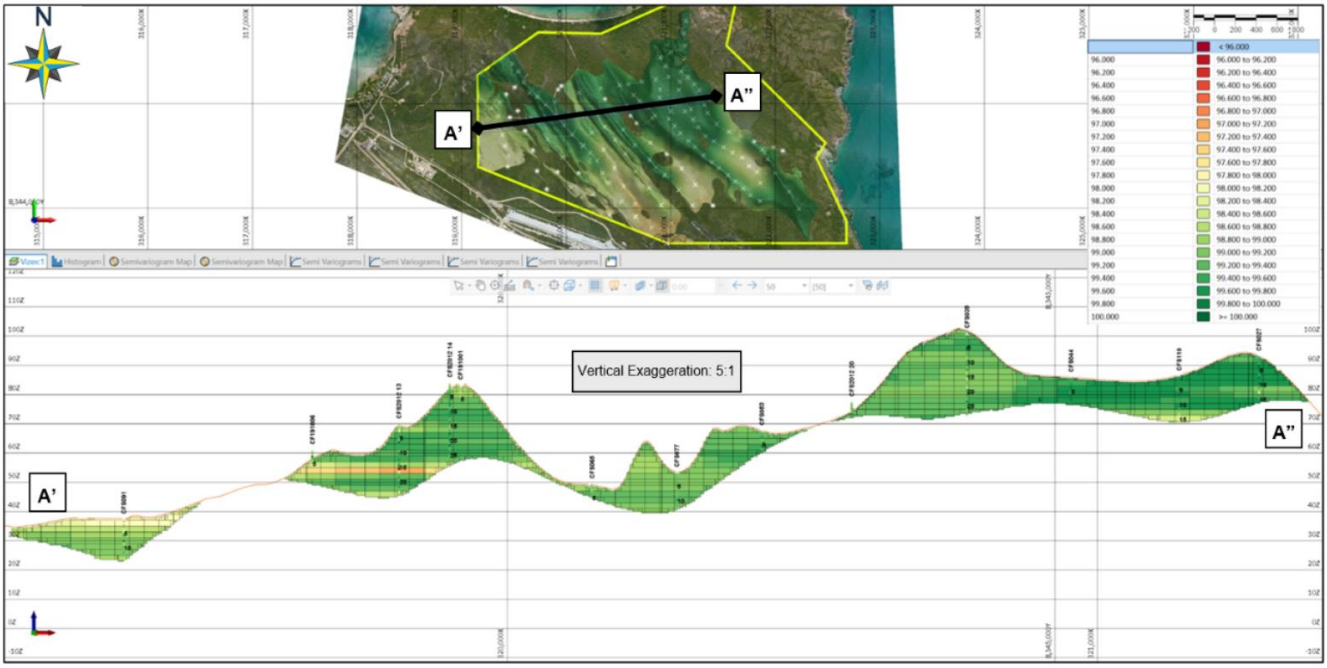

Figure 2: *Cape Flattery Silica Project – typical deposit cross section*

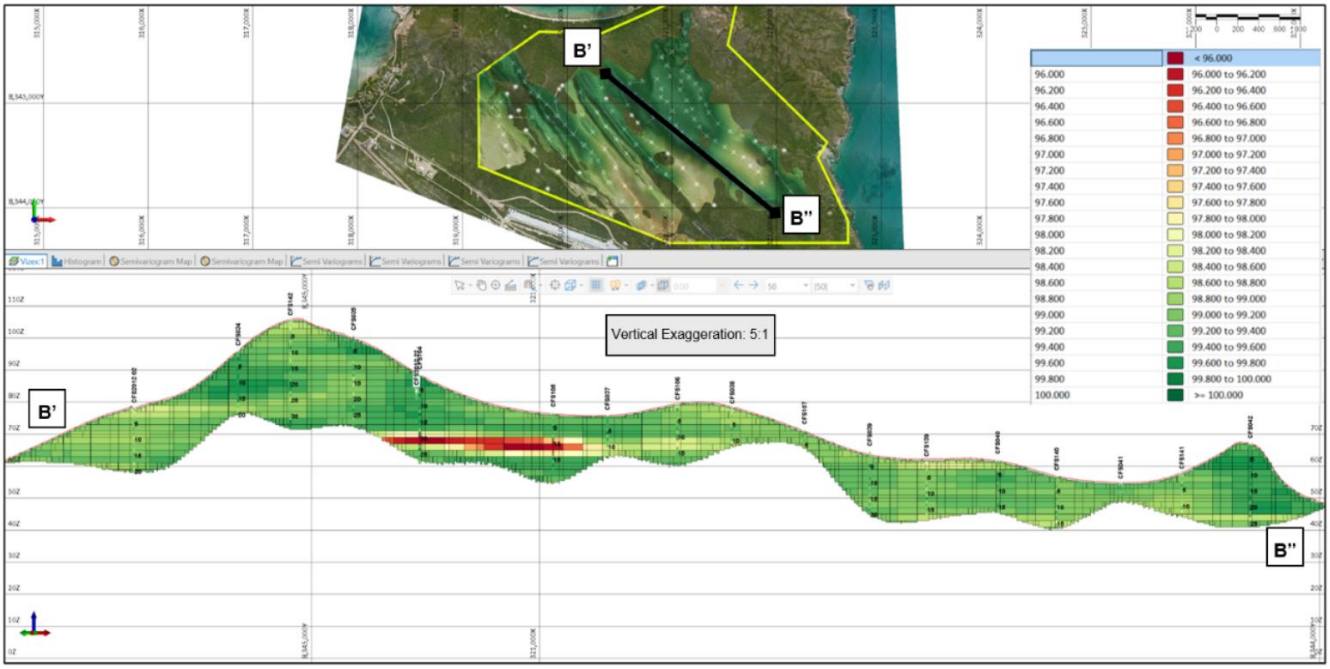

Figure 3: *Cape Flattery Silica Project – typical deposit long section*

The infill and step out drilling completed in December 2021 and the observed geology supports the increase in the Measured component of the Resource and the infill drilling also confirmed the robust nature of the model with a majority of the Inferred Resource becoming Indicated with the additional infill drilling completed in December 2021.

Modelling of the silica sand Resource was undertaken using; 25m (L) x 25m (W) x 2m (H) with sub blocks 5m (L) x 5m (W) x 0.5m (H) which were used to generate the block model. The blocks were constrained by the model boundaries, i.e. topography, geology, water table, base of hole and populated by the Ordinary Kriging (OK) estimation method to interpolate assay grades for each of the chosen elements (SiO_2, Fe_2O_3, Al_2O_3, TiO_2 and LOI Inverse Distance Weighting (IDW - 2:1) was used to check the model and yielded similar results. The Upgraded CFS Resource Area has been estimated and summarised in Table 1, as follows:

Table 1 –Cape Flattery Silica Project Mineral Resources

Classification	Silica Sand (Mt)	SiO_2 %	Fe_2O_3 %	Al_2O_3 %	TiO_2 %	LOI %	Silica Sand (Mm^3)	Density (t/m^3)
Measured Resource	**16.7**	**99.26**	**0.10**	**0.08**	**0.13**	**0.17**	**10.4**	**1.6**
Indicated Resource	**35.2**	**99.14**	**0.13**	**0.13**	**0.14**	**0.19**	**22.0**	**1.6**
Inferred Resource	**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.

Upcoming CFS Work Plan

There are a number of activities already underway to advance the Cape Flattery Silica project:

- The Definitive Feasibility Study started in Q2 of 2022
- Further bulk metallurgical testwork is currently underway with Mineral Technologies
- Continue environmental studies and field work, leading to the lodgement of the site specific Environmental Approval in early Q3 2022
- Progress key agreements with the Traditional Land Owners
- Finalise a study on options to build a barge-loading facility to tranship silica sand onto Ocean-Going Vessels
- Continue an assessment on the silica sand market and potential for establishing customer off-take agreements; and
- Lodgement of a Development Application for the construction of the purpose-built jetty for the CFS project.

About the Cape Flattery Silica (CFS) Project

Metallica's 100% owned Cape Flattery Silica Sands (CFS) project is adjacent to the world class Cape Flattery Silica Sand mining and shipping operation owned by Mitsubishi. Exploration drilling to date has now confirmed that the sand dunes within EPM 25734 contain high purity silica sands with an in-situ quality which is understood to be comparable to Mitsubishi's Cape Flattery Silica Mine. On 15 June 2021 the Company announced that it had lodged a Mine Lease Application (MLA) for the project (see ASX Release: 15 June 2021 MLA Lodged for Cape Flattery Silica), Figure 4.

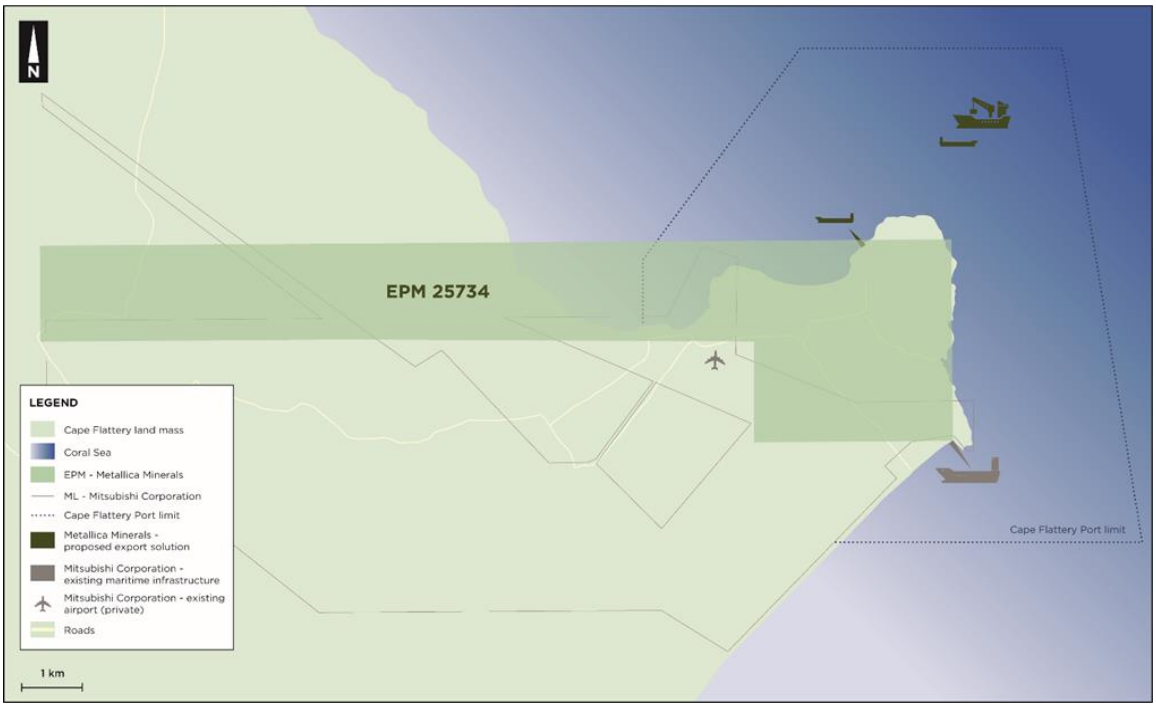

Figure 4 *EPM 25734 location and orientation at Cape Flattery and within the Cape Flattery Port limit*

Figure 5. *Yearlong Contractors vacuum-based drill rig working at CFS project with Mitsubishi silica sand operations in the background*

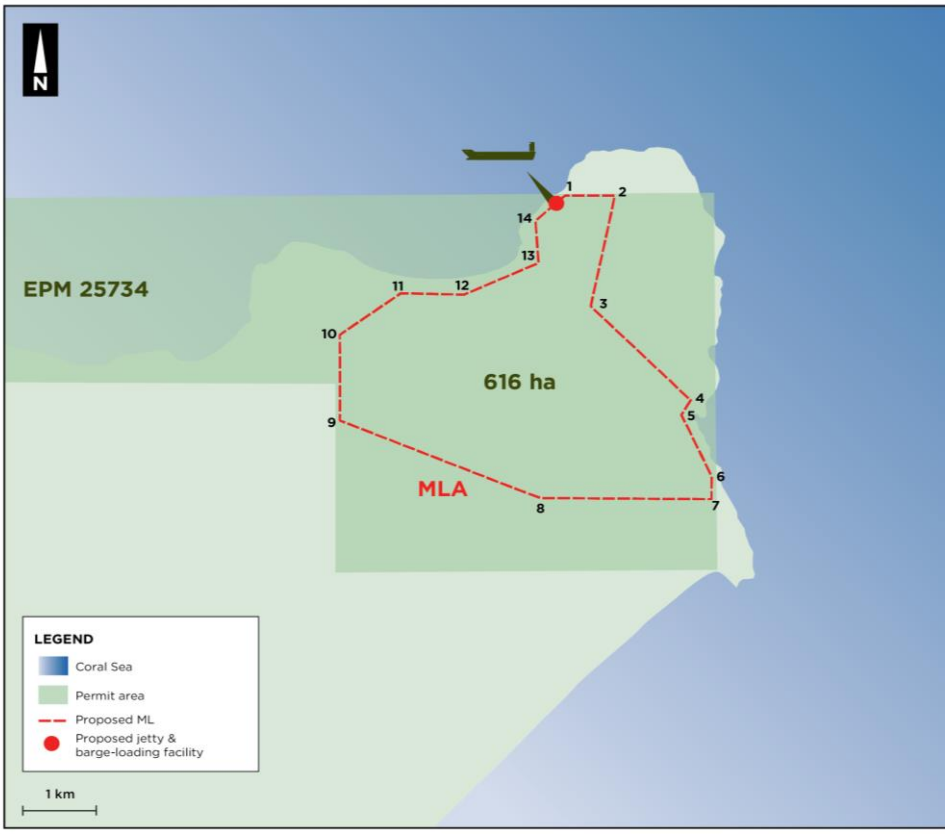

Figure 4 *Cape Flattery Mining Lease Boundary (Application)*

On 21 March 2022 the Company released the Pre-feasibility Study (PFS) for the CFS Project (see ASX Release 21 March 2022: Cape Flattery Silica PFS Confirms Excellent Economics and Maiden Ore Reserve).

The key highlights of the PFS Report are as follows:

- Cape Flattery Silica Sand Project's (CFS) Pre-Feasibility Study (PFS) confirms the Project can be a long-life silica sand project producing high-quality silica sand for the booming Asia-Pacific glass manufacturing markets supplying the solar panel industry.
- The PFS returns pre-tax Net Present Value (NPV[8]) of A$290 million (M), Internal Rate of Return (IRR) of 34.9% and life of Project cash revenue of A$2,127M. This compares with the Updated Scoping Study (10 November 2021) which had an NPV[8] of A$253M.
- The Capital Cost of CFS is estimated to be $79M (including a 15% contingency of $10M) with a payback period from commencement of production of 3.9 years.
- The Maiden Ore Reserve of 46 million tonnes (Mt) @ 99.18% SiO_2 is exploited over a 25 year Project life producing saleable product of 1.35Mt per annum.
- Sensitivity and scenario analysis demonstrate the Project is financially robust and can maintain a positive Net Present Value (NPV) through stress-testing of the various scenarios.
- Both the sand extraction area and the industry standard processing facility will have a small footprint and low environmental impact.
- A purpose-built jetty is planned to be constructed (subject to Development Approval (DA)) to allow barge loading and transhipping operations. This infrastructure, importantly, is located within the Port Limit of Cape Flattery.
- Development of CFS will deliver employment, apprenticeship and training opportunities to the Hope Vale and Cooktown communities, particularly the local indigenous communities.
- CFS will contribute to delivery of the Queensland Government's commitment to the development of new economy minerals in Far North Queensland.
- The results from the PFS demonstrate a strong financial case and the Company's Board has approved commencement of a Definitive Feasibility Study (DFS) in Q2 2022.

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

For further information, please contact:

Mr Theo Psaros
Executive Chairman
+61 (7) 3249 3000

Mr Scott Waddell
CFO & Company Secretary
+61 (7) 3249 3000

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 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.

Reference to Previous Releases

Drilling, resource estimates and metallurgical results referred to in this announcement have been previously announced to the market in reports dated; 23rd February 2022, 21st October 2021, 15th and 22nd June 2021 and are available to view and download from the Company's website: ASX Announcements — Metallica Minerals Limitedhttps://metallicaminerals.

Regional aeromagnetic data used as underlays in some figures of this announcement have been previously reported to the market in the report dated 23 September 2020 and can be viewed and downloaded from the Company's website.

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 funds 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.

JORC Code, 2012 Edition – Table 1 Report

Cape Flattery Silica Project - Eastern Resource Area
Upgraded Mineral Resource Estimate – Measured, Indicated and Inferred, April 2022

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules)*	• Sampling was primarily one (1) metre drill samples and a limited number of one (1) metre hand auger samples. • Three (3) main programs of drilling were completed, totalling 22 drill holes in 2020 and 122 drill holes in 2021. • A total 152 vacuum and auger drill holes have been completed totalling 2,538 of drilling. • Drilling was completed using a tractor mounted vacuum rig, with samples collected every one meter. Occasionally samples of less than one meter were collected (usually at the top of the holes first metre). The drilled sand was collected from a cyclone and 100% of the sample was collected and placed into a pre-numbered sample bag, with each sample having a mass of between 2.5 to 4kg. • Seven hand auger samples from a 2020 programme were used in the Mineral Resource Estimate. The hand auger holes samples were between 1-2kg in weight (~50% of drill material returned via the auger) and collected and bagged. Care was

Criteria	JORC Code explanation	Commentary
	may warrant disclosure of detailed information.	taken to remove possible contamination from the Shell Auger. • In the case of the drill samples the entire 1m sample was collected on site and dispatched to the laboratory for splitting and analysis (2021 programme). In the 2020 programme a spear sample of the 1m was taken and submitted for assay. • Sampling techniques are mineral sands "industry standard" for dry aeolian sands with low levels of induration and slime. • Samples from these drilling programme have been selected for Metallurgical testwork. These samples were composited to form a bulk sample.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Two (2) drilling techniques were used to collect samples for the Upgraded Mineral Resource Estimate, namely hand-auger samples collected by Metallica and vacuum drilling operated by Yearlong Drilling Contractors. All holes were drilled vertically. • Vacuum drilling was by a 4x4 tractor mounted drill rig with a blade drill bit diameter of 60mm equivalent to NQ sample size, using 1.8m rods. • Holes were terminated in a basement layer (clay/coloured sands) or when the very damp sand or water was intersected.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Visual assessment and logging of sample recovery and sample quality was completed onsite as drilling progressed. • Vacuum drilling is low disturbance and low impact, minimising drill hole wall impact and contamination. • Samples were collected in a cyclone which has a clear Perspex casing allowing visual inspection of sample as they are being collected.

Criteria	JORC Code explanation	Commentary
		• Regular cleaning of cyclone and drill rods was utilised to prevent sample contamination. • No known sample bias occurred between sample recovery and grade. • The consistent weight of the samples indicates that recovery of between 90 to 100% was achieved. Only lower recoveries (less than 80%) were recorded in the top 1m of each hole due to the presence of organic matter and topsoil.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geological logging was completed onsite by a geologist as drilling progressed, with retention of each one (1) sample in chip trays to provide a record of the drilling and to allow subsequent re-interpretation of data if required. • The total hole was logged at 1m intervals; logging includes qualitative descriptions of colour, grain size, sorting, induration and estimates of HM, slimes and oversize utilising panning. • Photographs of each chip tray were taken to provide a digital record. • Logging has been captured through field drill log sheets and transferred through to an excel spreadsheet which was then transferred to a central database and storage.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Hand-auger holes were sampled in 1m intervals with 1-2kg (~50% of drill material returned via the auger) collected and bagged. • For the vacuum drilling programs, samples for the entire 1m interval were collected from the cyclone. • The entire one-meter (1) sample were placed in a numbered calico bag (2021 program), or subsamples of approximately

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	500g were speared (2020 program) and separately numbered, bagged in plastic bags and sealed ready for assaying prior to being placed in a poly-weave sack for dispatch to the laboratory. • Each one-meter sample weighed between 2.5 to 4.0kg. • The sample size is considered appropriate for the grain size of material, average grain size (87% material by weight between 0.125mm and 0.5mm. • The sample sizes are considered appropriate for the type of material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All assaying has been carried out by ALS Mineral Laboratories, Brisbane. ALS is a global leader with over 71 laboratories worldwide providing laboratory testing, inspection certification and verification solutions. ALS Quality Assurance and all ALS geochemical hub laboratories are accredited to ISO/IEC 17025:2017 for specific analyses, which includes their Townsville and Brisbane laboratories. ALS is NATA Accredited, Corporate Accreditation No. 825, Corporate Site No. 818. • At ALS, the samples were split to 100-gram samples for analysis in the laboratory under laboratory-controlled methods. • XRF was chosen as the most cost-effective assaying method for silica and minor elements for all exploration samples. • Analysis was undertaken by ALS Brisbane utilising a Tungsten Carbide pulverization preparation technique, ME-XRF26 (whole rock by Fusion/XRF) for analyses of major and minor elements and OA-GRA05 (H_2O/LOI by TGA furnace) for Loss of Ignition (LOI) for organic matter. • A total of 2,592 %SiO_2 assays were completed on 1m downhole

Criteria	JORC Code explanation	Commentary
		intervals over various drilling programs. • Assaying was primarily to determine the silica (SiO_2%) percentage, but as part of the method results were obtained for a range of minor elements, namely Al_2O_3, BaO, CaO, Cr_2O_3, Fe_2O_3, K_2O, MgO, MnO, Na_2O, P_2O_5, SO_3, SrO, TiO_2. • Internal laboratory QAQC checks include the analyses of standards, blanks and duplicates. • External umpire laboratory checks have been carried out against the original assay intersections, including checks of assay methods (XRF vs ICP). • Acceptable levels of precision and accuracy were established.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were independently validated by Ausrocks Pty Ltd against geological logging and the geological model. • Five (5) holes have been twinned with vacuum and hand-auger to check repeatability of drill results. To date, there is a strong correlation between results from different type holes and different assay batches. Downhole variability is matched in different drill programs and different assay batches. • Significant intersections were validated against geological logging and local geology/ geological model. • The infill drilling in 2021 validated the 2020 program as the intercepts and grade of the silica were consistent along the various sections. • No adjustments were made to assay data.
Location of	• *Accuracy and quality of surveys used to locate drill holes (collar*	• All holes initially located using handheld GPS with an accuracy

Criteria	JORC Code explanation	Commentary
data points	*and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	of 5m for X, Y. • UTM coordinates, Zone 55L, GDA94 datum. • LiDAR topography and imagery with a vertical accuracy of <10cm was used as the topographic surface. Collar RL's draped against this surface verifies the accuracy of the hole locations. The Lidar imagery which was produced by Aerometrex.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling was completed on existing tracks and newly cleared lines which are 100m to 200m apart. The lines are orientated approximately NW – SE, along with a number of determined orthogonal cross lines. • The holes were spaced approximately 200 meters apart and in some areas were infilled to 100m and 50m centres. • Drill spacing and distribution is sufficient to allow valid interpretation of geological and grade continuity. • Drill spacing and interpreted geological continuity has allowed three resource categories to be defined which have been estimated in accordance with the JORC Code (2012) and are defined as follows: • **Measured Mineral Resource:** Area with drill holes at a semi-gridded spacing <150m x 150m ending in basement/water table. • **Indicated Mineral Resource:** Area with drill holes at a confirmatory level spacing (150m-250m) ending in basement/water table. • **Inferred Mineral Resource:** Areas with drill

Criteria	JORC Code explanation	Commentary
		holes at a scout level spacing (250m-400m). • No sample compositing was undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The dune field has ridges dominantly trending 320º - 330°. • The drill access tracks typically run along or sub-parallel to dune ridges, with some cross-dune tracks linking the ridges were also drilled. • Silica deposition occurs as windblown with angle of rest approximately sub-horizontal up to 35º. Drilling orientation is appropriate for the nature of deposition. • The orientation of the drilling undertaken is assessed to provide representative intersections and unbiased data for the deposit. All drilling is vertical, intersecting the dune field geology essentially normal or at 90 degrees to the dune sand formation.
Sample security	• *The measures taken to ensure sample security.*	• Sample collection and transport from the field was undertaken by company personnel as the drilling progressed and following company procedures. • Samples were aggregated into larger polyweave bags and sealed with plastic zip ties. Bags were labelled and put into palette-crates and sealed prior to being road transported to ALS Townsville. • Samples were delivered direct to ALS in Townsville, where they were then transferred to ALS Brisbane for sample preparation and analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review was conducted internally by Metallica Minerals Ltd and by third-party consultant, Ausrocks Pty Ltd prior to undertaking a resource estimate.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Cape Flattery Silica Sands Project is located within EPM 25734 in Queensland and is held by Metallica Minerals Ltd through subsidiary company Cape Flattery Silica Pty Ltd. • The project is located in Far North Queensland, approx. 220km north of Cairns and approx.. 50km north of Cooktown and lies within EPM 25734. EPM 25734 is held by Cape Flattery Silica Pty Ltd, a wholly owned subsidiary of Metallica Minerals Pty Ltd and comprises 11 contiguous subblocks covering the very northern end of the extensive Cape Bedford/Cape Flattery dunefield complex. The dunefield complex is characterised by large northwest trending transgressive elongate and parabolic sand dunes, stretching inland from the coastline for kilometres. • A compensation and conduct agreement is in place with the landholder (Hopevale Congress) and native title party. • The tenement is in good standing and there are no impediments to conduct exploration programs on the tenements.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Previous exploration has been carried out in the area during the 1970's and 1980's by Cape Flattery Silica Mines (CFSM). CFSM reported seven (7) holes drilled for 84 meters. These holes intersected sand dunes between 10 and 20 meters in thickness. • The historical exploration data is of limited use since as it was never assayed for SiO_2 and with a focus on iron oxide content.

Criteria	JORC Code explanation	Commentary
		Further, there is poor survey control to determine exact locations of historical holes. • All current exploration programs are managed by Metallica Minerals.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The CFS Sand Project is a large surface deposit of overlying sand dunes that lies in the northern most part of the Quaternary age Cape Flattery-Cape Bedford dunefield complex. • The geology comprises variably re-worked aeolian sand (silica) dune deposits associated with Quaternary age sand-dune complex. The mineralisation is high grade quartz (silica) and it occurs as sand deposits within an aeolian dune complex. • Cape Flattery Silica Mines, which also lies at the northern end of the dune field, has been in operation since 1967 and is Queensland's largest producer of world class silica and the highest production of silica sand of any mine in the world. • The linear sand dunes developed predominantly during the dry Pleistocene glacial and interglacial periods when the sea-level receded and fluctuated approx. 100m below present. Prior to sea level rises in the Holocene (10,000 years before present) sand was blown inland by the prevailing south-easterly winds to form linear dunes and is now interspersed with numerous lakes and swamps. The land sand masses form mainly as elongate parabolic and longitudinal dunes. Multiple episodes of dune building are evident. Most dunes are stabilised by vegetation, but some active dune fronts occur. Periods of water level table fluctuations, erosion and depositional phases have occurred.

Criteria	JORC Code explanation	Commentary
		• Silica sand mineralisation occurs within aeolian dune sands.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• A tabulation of the material drill holes used in this Mineral Resource Estimation is attached to this JORC Table 1.
		• An additional 24 drill holes (December 2021) have been added for this Upgraded Mineral Resource Estimate.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• The significant intercepts for each drill hole are calculated using a cut-off grade of 98.5% SiO_2. • A cut-off grade of 98.5% silica has been used for the Mineral Resource Estimation. • The silica grade is highly consistent throughout each individual drill hole. • No top cuts were applied to the data.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No metal equivalents reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• All drilling was vertical (-90°) intersecting undulating flat-lying aeolian dune sands. • Down hole length correlates with true width. • As the mineralisation is associated with aeolian dune sands the majority sub-horizontal, some variability will be apparent on dune edges and faces.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A map of the drill collar locations is incorporated in public releases and within the main body of the report. • A representative geologically interpreted and modelled cross section and long section is also incorporated public releases. Additional sections are included in MRE report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All exploration results are reported in a balanced manner. All results are supported by clear and extensive diagrams and descriptions. • No assays or other relevant information for interpreting the results have been omitted.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating*	• Geological observations are consistent with aeolian dune mineralisation. All exploration results are detailed in the MRE report. • Groundwater was intersected during drilling at the base of most holes, as expected given the dune complex is an aquifer and

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	substances.	drilling was undertaken to a maximum depth of 39m. • The relationship of the groundwater to the regional groundwater table is unknown. It is likely that the true groundwater table is well below the termination depth of the current drill holes. • A bulk sample was composited from the individual samples over a full drill hole and/or groups of drill holes over the wider resource for metallurgical testwork. • IHC Robbins completed a bulk laboratory sample in early 2021 to determine the processing requirements and assist in understanding the marketability of a premium sand product. Testing confirmed a product: ○ Between 99.8% and 99.9% SiO_2 ○ 450ppm Al_2O_3 ○ 170ppm Fe_2O_3 ○ 210ppm TiO_2 ○ 2.6% <125µm particles. • Mass yield of 77.4% • Iron (Fe_2O_3) in various forms may potentially act as a contaminant for very high-quality "processed" end products and is a focus for testwork.
Further	• *The nature and scale of planned further work (eg tests for*	• Only a limited amount of further infill drilling is required,

Criteria	JORC Code explanation	Commentary
work	*lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	especially on dune edges and to close a few areas of wider drill spacing. However, it is considered highly unlikely that this drilling will materially change overall results. • The likely next steps for geological assessment is grade control drilling prior to production, followed by production reconciliation. • The next stage of exploration on the EPM will be to assess the western targets on the EPM utilising Auger sampling, but this work has yet to be planned.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database was originally constructed, validated and electronically provided by Metallica Minerals to Ausrocks Pty Ltd. • Ausrocks reformatted the database into appropriate file formats checking the veracity of the assay results. The data was further validated and cross checked against the geological logs and the chip tray photographs. • Micromine 2022 was used to validate the files used for the Mineral Resource Estimate.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the*	• A site visit was carried out by Ausrocks Brice Mutton (Competent Person) from 13th -18th Dec 2020 during the 2020 drilling program.

Criteria	JORC Code explanation	Commentary
	case.	• A site visit was carried out by Ausrocks Chris Ainslie and Carl Morandy from 19th - 20th October 2021. • Both site visits have enabled an appraisal of the dune geology and setting, facilitating the geological modeling and resource estimation.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Cape Flattery Silica Sand Deposit has been well defined by drilling and the geological controls are reasonably well understood. • The known nature and formation of the dune sands, together with consistent high silica grades achieved in drill holes, places a high degree of confidence in the geological interpretation. Continuity of geology (chip tray photographs) and grade (assays) can be readily identified and traced between all drill holes. • The interpreted geology of the Cape Flattery Silica Sand Deposit is robust, and any alternative interpretation of the deposit is considered unlikely to have a significant influence on the total Mineral Resource Estimate undertaken. • The CFS project is dominated by several elongate dunes rising in elevation to the northwest. The deposit is by far dominated by high-grade silica (quartz) sand. The sands are mainly very fine-grained and pure white in colour and in places a slight creamy colour. Based on current exploration, the depth of clean white high-grade sand ranges up to a maximum thickness of 35m. • Sand colouration is from surface coating on sand grains of Iron (Fe) rich clay material including Fe_2O_3. It only takes a trace percentage of Fe_2O_3 to colour the sand In several places these

Criteria	JORC Code explanation	Commentary

		coloured sands are exposed on the surface.
		• Isolated coloured intervals within the dominant white sand profile are interpreted to be blown in from these older exposed sands.
		• No major factors affect continuity both of grade and geology.
		• Geological controls were applied to multiple cross and long sections to constrain the final resource wireframe.
		• Prior to interpolating and assigning assay values to each block, a solid was generated to model the overall deposit shape and volume by applying the following parameters:
		  • Top surface - defined as the base of topsoil which is 0.5m below surface topography.
		  • Bottom surface – a gridded surface based on drillhole depths and geological interpreted boundary points.
		  • Boundary – the resource boundary was defined by the following considerations:
		  ○ Surface dune extents based on imagery and interpretation.
		  ○ Geological interpretation of drill holes.
		  ○ The area where the top and bottom surfaces intersected.
		  ○ Area of influence around drill holes determined by

Criteria	JORC Code explanation	Commentary
		confidence level. • Several iterations were run to cross check boundary sensitivities.

Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The extent and variability of the Mineral Resource is expressed in terms of the full Resource Area
		  • **Max Length (along strike):** 2.4 km
		  • **Max Width:** 2.3km
		  • **Area:** The Mineral Resource covers an area of approximately 315ha.
		  • **Drill Hole Thickness:** The sand (SiO_2) thickness ranges from 2m to 36m averaging 19m.
		  • **Top of Resource:** The top of the resource corresponds to the topography ranging from 10mRL to 105mRL.
		  • **Bottom of Resource:** The base of the resource corresponds to basement/water table ranging from 5mRL to 85mRL.

Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource*	• The Mineral Resource Estimate was completed in accordance with The JORC Code, 2012 Edition guidelines with Micromine 2022 used to model and evaluate the resource. • Using Micromine 2022, Statistical and Geostatistical analyses was undertaken on silica (SiO_2) and the key impurities (Fe_2O_3, TiO_2, LOI, and Al_2O_3) of the dataset. Assay methods also returned results for Al_2O_3, BaO, CaO, Cr_2O_3, Fe_2O_3, K_2O, MgO, MnO, Na_2O, P_2O_5, SO_3, SrO, TiO_2 but they were not examined

Criteria	JORC Code explanation	Commentary
	estimate takes appropriate account of such data. • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	due to their very low grades (at or near detection range). • All sample intervals underwent basic statistical analysis (minimum, maximum, mean etc.). All variables showed that there were no requirements for top or bottom cutting. • The raw data distribution for silica and the key impurities (Fe_2O_3, TiO_2, LOI, and Al_2O_3) were analysed in detail and used in the block modelling. • The surface boundary was generated by a combination of the interpreted geological boundaries and Mining Lease boundaries. A topsoil or humus layer of 0.5m was excluded from the model. A 400m limit was used to guide drillhole continuity where information became sparse or non-existent. Multiple cross section iterations were used to further define and constrain the model where data was minimal. • The base of the resource model was determined from selected drillhole depths (silica cut-off), then modelled and adjustments made for intersections with surface topography and other continuity limits. The model was further controlled by cross section checks. • Parent blocks of 25mE (X direction) by 25mN (Y direction) by 2mRL (Z direction) were used with sub-blocking splitting these blocks by 5m in the X direction, 5m in the Y direction and 0.5m in the Z direction. All sub-blocks have the same interpolated values as their parent blocks. • The blocks were constrained by the model boundaries and populated by the Ordinary Kriging (OK) estimation method to

Criteria	JORC Code explanation	Commentary
		interpolate assay grades for each of the chosen elements (SiO_2, Fe_2O_3, Al_2O_3, LOI and TiO_2). Inverse Distance Weighting (IDW - 4:1) was used to check the model and yielded similar results. • The block model was validated by comparing basic statistics and histograms of modeled data (block model) against the input data (drilling data) which showed similar means, range of data and data distribution. Additionally, cross-section throughout the block model were compared with the same sections through the drillhole data showing that the modeling completed was indicative of the input data and the mineralisation. • Grade cutting or capping was not applicable as no SiO_2 values exceeded 100%.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• All samples were placed into bags and sealed so samples would be received with slightly less than in-situ moisture. • Estimations assume a moisture content of 2.5%.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• A silica (SiO_2 %) grade cut-off was used to define the in-situ resource to achieve a marketable high purity silica sand. Geological logging and returned assay grades and intersections showed an obvious grade demarcation of ore versus waste at 98.5% SiO_2. This was further supported by statistical analysis. Lengthy continuous vertical intervals of >98.5% SiO_2 was the norm, and these intervals were used for the modelling and Mineral Resource Estimate. The clear in-situ grade demarcation of >98.5% SiO_2 persisted through successive exploration programs, and across the whole of the Resource Area. • The surface to one (1) metre interval, where assayed, returned a

Criteria	JORC Code explanation	Commentary
		<98.5% silica assay and a higher than normal LOI. This logged interval included topsoil and organic material which caused minor contamination. This one (1) metre interval was adjusted by adopting the succeeding one metre assay (1-2m interval) grade. A topsoil layer from surface (0.0m to 0.5m) was excluded from the Mineral Resource Estimate. • A silica grade cut-off of 98.5% SiO_2 is robust and was applied as the cut-off grade for the resource modelling and Mineral Resource Estimate, for all reporting levels.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• It is expected that mining will be conducted with Dozer and Wheel Loader from the face, which will load a grizzly & feed bin. Material will then be conveyed to the processing plant. This mining method is flexible and is considered suitable for the deposit and is not likely to unnecessarily constrain the Mineral Resources. • Dilution was not considered in the Mineral Resource Estimate. In some holes there was minor additional potential resource below the >98.5% modelled silica floor. • Based on the sample assays and geological logs, the top 0.5m of the deposit has been excluded from the Mineral Resource Estimate as it is assumed that this would be a soil and vegetation layer and would be scalped when mining the deposit and re-used for rehabilitation.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical*	• Initial metallurgical testing has been completed, returning results consistent with assumptions. Further metallurgical testing is underway to refine the processing method and to

Criteria	JORC Code explanation	Commentary
	methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	determine specifications for end-products. • No metallurgical factors were deemed required for this Mineral Resource Estimate.
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Environmental considerations were made by referencing overlays as provided by the Queensland Government including Category A, B & C Environmentally sensitive areas as well as wetland areas. • Small zones of potential environmentally sensitive ecology have been identified within the resource area however these have yet to be excluded from any resource figures until these areas have been accurately categorized. • Due to the high-grade nature of the deposit, it is expected that there will be a small portion of tailings produced through processing and thus minimal disposal in the voids.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the*	• Thirty-nine density measures have been completed over the wider resource area in February 2021 and December 2021 returning an average density of 1.6 t/m^3 which has been used to convert all volumes to tonnes. • The field density measurements appear adequate but need to be confirmed by certified testing.

Criteria	JORC Code explanation	Commentary
	evaluation process of the different materials.	

Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).*
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*
		• Drill spacing and interpreted geological continuity has allowed three resource categories to be defined and are defined as follows:
		  • **Measured Mineral Resource:** Area with drill holes at a semi-gridded spacing <150m x 150m ending in basement/water table.
		  • **Indicated Mineral Resource:** Area with drill holes at a confirmatory level spacing (150m-250m) ending in basement/water table.
		  • **Inferred Mineral Resource:** Areas with drill holes at a scout level spacing (250m-400m).
		• The result appropriately reflects the Competent Persons view of the deposit.

Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Previous Mineral Resource Estimates have been completed and reviewed internally by Ausrocks Pty Ltd. • Ausrocks have reviewed variogram and kriging methodology and their applications, in consultation with a third-party specialist/training geostatistician.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of*	• It is the opinion of the Competent Person that the relative accuracy and confidence level across the reported geological intervals is adequate, given the drill density and continuity of geochemical samples. • The Mineral Resource boundary and the reported geological

Criteria	JORC Code explanation	Commentary
	the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	confidence intervals is relatively tightly constrained based on the drill density, although some further drill definition should be undertaken to better constrain dune sides/perimeters. • No production data is available at present as this is a Greenfields project. However, Cape Flattery Silica Mine lies in the same adjoining coastal dunes immediately to the North, suggesting potential viability.