



17 JUNE 2014

NO TENEMENTS HELD BY METALLICA AFFECTED BY RELEASE OF UPDATED CAPE YORK REGIONAL PLAN

- Queensland Government has released updates under the proposed Cape York Regional Plan ("CYRP").
- Cape York tenements held by Metallica or its subsidiaries are unaffected.
- Future proposed mining operations on Metallica's tenements are expected to be subject to only the existing Environmental Impact Statement ("EIS") processes.
- Metallica fully supports this approach, as it substantially reduces uncertainty,

Metallica Minerals Ltd (ASX-MLM) advises that the *Regional Planning Interests Regulation 2014* (Qld) ("Regulation") came into force on 13 June 2014. The Regulation designates Strategic Environmental Areas ("SEA's") for the Cape York Peninsular (known as the "Stage 1 SEA's").

Proposed mining operations in the SEA's may be required to undertake additional approval processes under the *Regional Planning Interests Act 2014* (Qld), in addition to the existing State and Commonwealth approval processes (for example, the Environmental Impact Statement ("EIS") process): *Refer to ASX Releases by MLM dated 26 November 2013 and 22 January 2014.*

No tenements held by Metallica or its subsidiaries are within the area of the current designated Stage 1 SEA's, see Figure 1. At present, any proposed mining operations on Metallica's tenements (or its subsidiaries') will only be subject to existing approval processes.

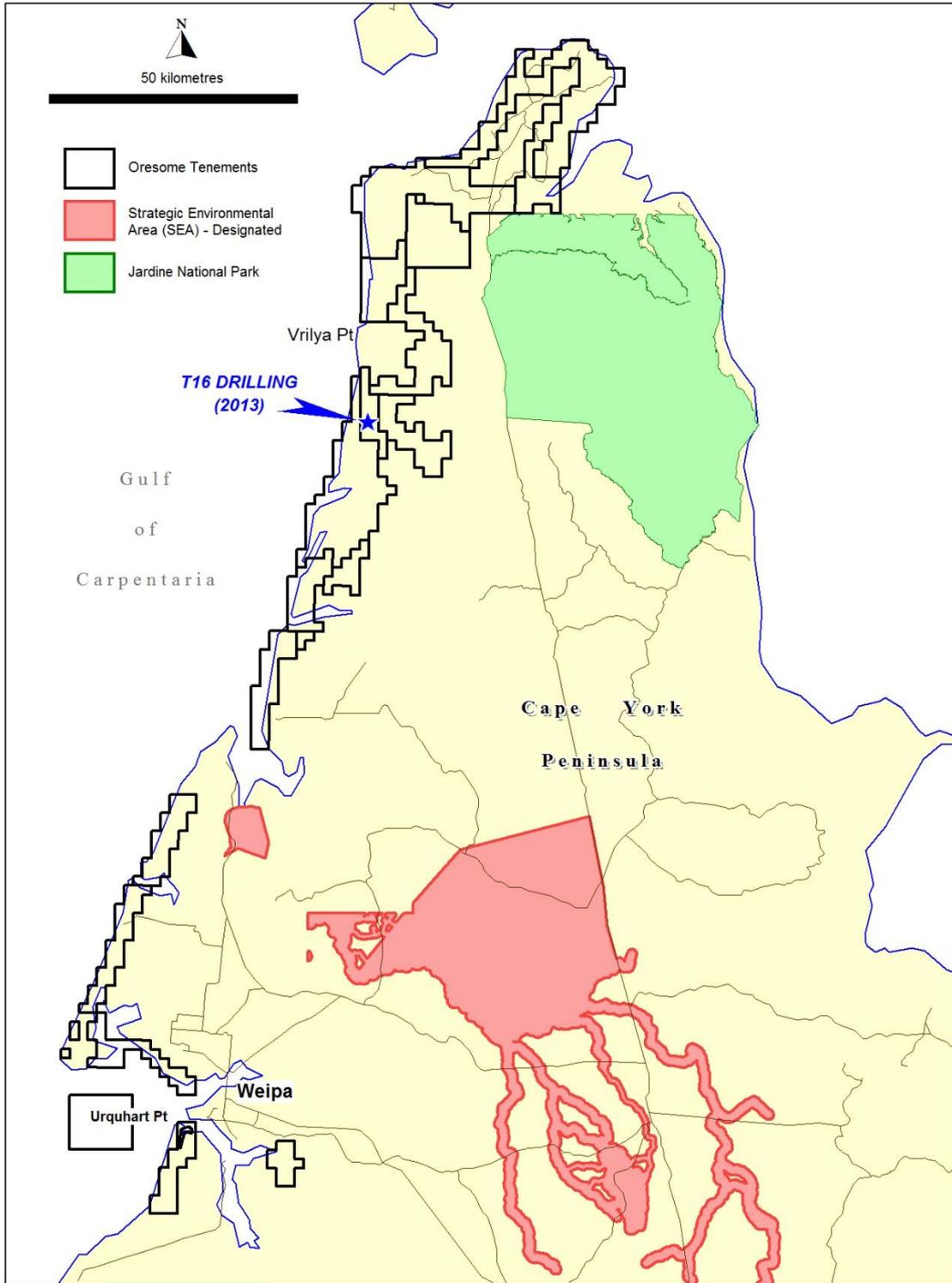


Figure 1

Oresome Australia Pty Ltd

Cape York Tenements and Strategic Environmental Areas (SEA) - Designated



The final Cape York Regional Plan (“CYRP”) is expected to be released later in the year. It is anticipated that the second stage of SEA’s (the “Stage 2 SEA’s”) will be declared under the CYRP; this is expected to include the existing Stage 1 SEA’s and possibly additional areas.

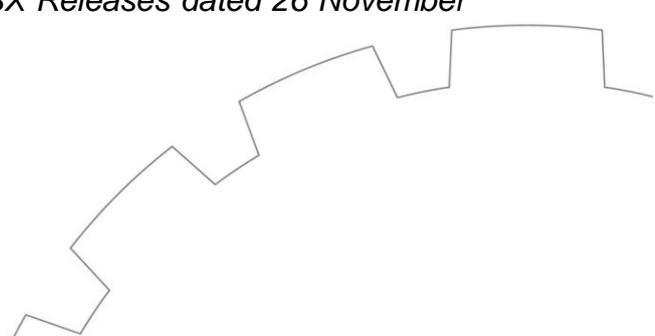
The CYRP is also expected to include an annual review process for any additional SEA’s (and any amendments to existing SEA’s) (the “Stage 3 SEA’s”). The agreement of the Queensland Government, the Traditional Land Owners and Local Councils will first be required to declare or amend an SEA under this review process. Areas under Granted Mining Leases will not be subject to the Annual Review process.

Investors should note that a portion of Metallica’s tenements, which are currently held 100% by Oresome Australia Pty Ltd (Oresome) a wholly owned subsidiary of Metallica, could possibly be within the area of any Stage 2 or Stage 3 SEA’s that are subsequently declared under either the CYRP or the Regulation.

Under the draft CYRP released in November 2013, the Urquhart Point Project, being granted Mining Lease (ML 20669), Mining Lease Application (MLA) 20737 and Exploration Permit for Minerals (EPM) 15268, were not within the area of the proposed SEA’s. Oresome’s regional exploration areas, including the T16 area (See Figure 1 and *refer to ASX releases by MLM dated 26 November 2013 and 22 January 2014*) were potentially to be included in the originally proposed SEA’s which covered a much larger area of Cape York, however to date are excluded.

Metallica believes that this revised staged approach for the declaration of SEA’s substantially reduces the uncertainty that was being created. The latest SEA Maps represent a common sense approach to balancing development and protection of the environment in Cape York and requires agreement with the local communities i.e. traditional landowners and local council (Cook Shire) before any additional SEA’s are declared.

Subject to funding, Metallica and Oresome look forward to continuing exploration of more than 10 regional exploration targets identified in previous exploration, including the already drilled and the highly prospective T16 area, where extensive HMS mineralisation was successfully defined: *Refer to ASX Releases dated 26 November 2013 and 22 January 2014.*

A decorative graphic consisting of a jagged, irregular line that starts from the bottom left and extends towards the top right, resembling a stylized horizon or a geological boundary.



About Oresome's Regional Exploration Tenements

In addition to Urquhart Point HMS project near Weipa, which has a granted mining lease over a shallow high grade HMS deposit, Oresome holds approximately a further 2,000km² of exploration tenements in the Western Cape York region prospective for HMS and bauxite (see Figure 1).

On 26 November 2013, Metallica announced it had discovered significant new zircon rich HMS mineralisation on its regional exploration target called T16, located approximately 160km north of the Urquhart Point Zircon Rutile Project.

In January 2014, (see ASX Release dated 22 January 2014) the Company announced it had received heavy mineral (HM) and HM assemblage analysis results from its maiden drilling of T16. All 36 holes drilled recorded significant HM mineralisation confirming the Company's late 2013 zircon-rich HMS mineralisation discovery. The HM mineralisation encountered to date is at or close to surface with an average thickness of approximately 3.5m and an average estimated in-situ HM content of approximately 1.7% HM. The zircon rich HM assemblage averaged approximately 33% zircon, 6% rutile and 11% other titanium minerals comprising 49% of the total HM.

This is the first regional tenement to be explored and is just one of the 17 tenements held 100% by Metallica and the drilled area is only a small portion of the T16 target, in essence there is excellent potential for additional discoveries.

Metallica plans to continue exploration of its extensive regional tenements along the 300km coastline between Weipa and the tip of Cape York Peninsula, subject to funding. Exploration work will focus on the recently discovered zircon rich T16 HMS target, and initial evaluations will also continue on at least 10 untested radiometric targets already identified within strandlines, sand dunes and inland sand formations. These features are not known to have been previously investigated for HMS accumulations and there is considered very good potential for extensive HMS mineralisation. Many of Oresome's tenements also contain bauxite; these bauxite areas will also be evaluated to establish the bauxite quality and extent.

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