



ASX RELEASE

24 November 2015

Chairman's address to 2015 Annual General Meeting

I'm Barry Casson, the Chairman of your company and I'd like to welcome you all to this year's Annual General Meeting of Metallica Minerals Limited. As you would know by now, I have been a non-Executive Director of Metallica for nearly 5 years and was appointed non-Executive Chairman on 30 June this year following the retirement of our long standing Chairman David Barwick who, along with our founding Managing Director, Andrew Gillies, have guided us through a myriad of exciting exploration and project development opportunities. It is also important to note that it is now just over 11 years since Metallica listed on the ASX in 2004.

Before we start the formalities, I would like to add to what we have set out in our recent Annual Report. Despite having been around for more than 11 years, and having faced various challenges along the way, Metallica is operating in a very competitive market. This is due to the intense competition to secure value adding projects, and competitive because of the hundreds of other ASX-listed resources companies all looking for value-adding projects – a particularly tough gig if you happen to be a junior minerals explorer or miner. We all try and diversify, and we all compete for investor funds which in recent years, have been harder and harder to obtain – and I do not see that scenario improving anytime soon for the junior resources space unless there is demonstrable near-term upside in either existing or newly acquired assets.

Within this environment, Metallica is at least well placed.

We have recently announced the successful sale of a number of non-core assets, and for sizable proceeds. Your company has received \$870,000 in cash already from several limestone project disposals and we stand to receive a further \$1 million from a recently granted buy option over another Queensland limestone project, called Boyne. The Company has been fortunate to have accumulated a number of diverse project interests over the years and to now be able to sell some of these, at robust returns, allows a fresh injection of valuable exploration and development funding without having to call upon shareholders or new investors to fund our way.

And despite the current climate, we are actively pursuing opportunities at what we believe to be near the bottom of the cycle.

Our primary focus will remain on driving a new era of bauxite development on Cape York, where we can optimise output options from the ideal location of our bauxite and mineral sands tenements close to Weipa.

Our strategy is to deliver sustainable cashflow from exports emanating from our Cape York projects and deliver them to customers within the Asia-Pacific Basin. Under the watch of our new CEO, Simon Slesarewich, who will address you shortly, it is likely you will also see Metallica expand its project involvement beyond our historic Queensland-based business and projects to deliver new value adding projects.

In fact, a number of priority projects remain under due diligence, though there is no certainty of any commercial outcome at this point.

Not surprisingly, this puts into context the recent changes to the Board and senior management – they have all taken place in an effort to recognise the need for change – we need to renew ourselves and the types of activity we engage in – including where and how we operate.

In recent days, as we have completed our initial two hole drilling schedule at our Esmeralda graphite project, we have reported very robust visible mineralisation in each hole – some 49 metres in one and more than 120 metres in the other.

These are the sort of intersection lengths that, subject to assays results due within a matter of days, will potentially catapult Esmeralda into a genuine world-class graphite play.

The sheer length of these intercepts is as good as, and in most cases, exceeds, those of the top three or four renowned graphite plays internationally. Our results and historical data, does point to what we believe is a large continuous and unique hydrothermal graphite system some kilometres in length.

In closing, your Board and management team are confident we can succeed in adding value going forward and we thank you for your ongoing support and we look forward to an enriching project involvement over calendar 2016.

And thank you for your attendance at our Annual General Meeting