



ASX RELEASE

10 AUGUST 2017

\$2M STANDBY CREDIT FACILITY SECURED

Metallica Minerals Limited ([ASX:MLM](#)) (**Metallica**, the **Company**) is pleased to advise that it has executed binding agreements with a private company to provide a \$2 million standby credit facility (**Standby Facility**).

The selection of the private Queensland-based group with interests in property development and resources, follows a competitive tender process announced by Metallica on 10 March 2017. The private company is a related party to an existing shareholder of the Company.

Following its recent Rights Issue and underwritten options exercise, Metallica is fully funded to progress development of the Urquhart Bauxite project in northern Queensland, with access to \$6.4 million (cash and Standby Facility). The execution of the Standby Facility is a prudent financial measure as the Company looks to bring Urquhart Bauxite project into production in 2017 and will provide additional balance sheet flexibility during the Project's construction and ramp-up phase, should it be required.

Metallica CEO, Mr Simon Slesarewich said:

"By providing the Standby Facility the private lender has shown its support for Metallica and its plans to become a bauxite producer. This important milestone delivers on the Company's financing plans detailed in March this year. The finalisation of this Standby Facility is prudent risk management and the facility will only be drawn down in the event that additional capital resources other than that currently envisaged are required. The Company is delighted to partner with the selected lender and would like to thank its principals for their ongoing support."

Key Terms

The key terms of the Standby Facility are:

Principle	\$2 million
Provider	Private Queensland based company
Initial Drawdown	Within 12 months at Metallica's election. If not drawn then a \$50,000 Expiry Fee is payable
Drawdown	Flexible
Term	2 years from Initial Drawdown
Approved Purpose	The development of the Urquhart Bauxite project Purchase of equipment for the Urquhart Bauxite project Working capital for the Company
Security	Yes
Coupon	10%
Repayment Schedule	Monthly interest payments with Principle at the Termination Date
Early Repayment	Yes
Redraw Facility	Yes
Royalty	Modest on initial production
Set-up Fee	No

METALLICA MINERALS LIMITED



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