



ASX RELEASE

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UPDATE ON URQUHART BAUXITE MINING LEASE

Metallica Minerals Limited (**ASX:MLM**) (“**Metallica**” or “**the Company**”) notes that the Queensland State Government has called for an election to occur on 25 November 2017. As a consequence Caretaker Government protocols now apply.

The Company has received advice that it remains possible for the Urquhart Bauxite Mining Lease to be granted under these protocols. Nevertheless it now appears prudent for the Company to factor in an administrative delay linked to these protocols and a new Government being sworn in following the election outcome.

Whilst Metallica is disappointed with the length of time taken to finalise the administrative processes and to grant the Mining Lease, the Company will continue working towards a grant of the Mining Lease in the shortest possible timeframe under either scenario.

The Urquhart Bauxite project received approval from the Federal Government in August of this year (*see ASX release dated 22 August 2017*).

Should an administrative delay occur, which is obviously beyond Metallica’s control, the deferred timing should see operations and production commence at the completion of the coming wet season in March/April 2018.

The Urquhart Bauxite project remains fully funded, with a mining and haulage contractor appointed. Metallica is not carrying any production related costs for a delayed start as this contingency was built into the design of the contracts. The Company has recently appointed a global marketing agent to develop contracted sales opportunities (*see ASX release dated 26 October 2017*).

Metallica will remain focussed in the intervening period on doing whatever is possible to accelerate the grant of the Mining Lease and to pursuing the product sales agreements ready for the commencement of production.

Metallica CEO, Mr Simon Slesarewich said:

“Whilst the delay to the Mining Lease approval is disappointing for the Company and its shareholders, we remain confident the Mining Lease is most likely to be granted soon after the formation of a new government.”

-ENDS-

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