



ASX RELEASE

8 DECEMBER 2017

METALLICA RECEIVES A\$4.5M FIRST TRANCHE PAYMENT FOLLOWING SALE OF SCONI PROJECT

Metallica Minerals Limited (ASX:MLM) ("Metallica" or "the Company") is pleased to advise that the SCONI Project Sale and Purchase agreement ("SPA", refer to ASX Releases dated 6 September 2017 and 4 December 2017) has been completed, with the first tranche funds of A\$3.5 million and an additional payment of A\$1 million totalling A\$4.5 million (excluding GST) now received from Australian Mines Limited (ASX:AUZ).

In September 2017 Metallica Minerals agreed to sell the SCONI Project to Australian Mines for A\$10 million in cash and shares. In December 2017, an additional A\$1 million became payable for varying the Agreement, bringing the total sale and purchase price to A\$11 million.

Under the SPA, Metallica will be granted A\$1.5 million in Australian Mines shares (based on a 30-day volume weighted average price) on the earlier of the completion of a definitive feasibility study on the SCONI Project by Australian Mines or 30 June 2018.

Following the commencement of commercial production from SCONI, a further A\$5 million in cash or issuance of Australian Mines shares (based on a 30-day volume weighted average price) (Production Payment) will become due.

Metallica now has cash on hand of more than \$8 million to fund the Urquhart Bauxite Project to production. The Company is also continuing to evaluate other projects for possible acquisition.

-ENDS-

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