



ASX RELEASE

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MINING LEASE GRANTED FOR URQUHART BAUXITE PROJECT

Metallica Minerals Limited (**ASX:MLM**) ("**Metallica**" or "**the Company**") is pleased to advise that it has achieved another significant milestone as it moves the Urquhart Bauxite Project in Far North Queensland into production, with the grant of a Mining Lease by the state government.

In approving the Mining Lease, the Queensland Department of Natural Resources and Mines has imposed conditions on the development of Urquhart that are in line with the Company's plans and expectations. Included among the conditions is the requirement that operations are only conducted during the dry season (April through December inclusive).

The Urquhart Bauxite Project is fully funded, with a mining and haulage contractor appointed and ready to mobilise to site. Metallica is now awaiting a separate approval for construction of the haul road linking the project to established port infrastructure at Hey Point, which will allow mining to commence.

The Company has been in discussions with the various stakeholders for some time and is confident of receiving this final approval. The previously announced "Traditional Land Owner and Access Agreement" (see ASX release 21 June 2017) includes the proposed haul road area.

Metallica CEO, Mr Simon Slesarewich said:

"The haul road now becomes the clear focus. The Company remains confident of gaining the approval and transitioning into production, although the timing of that transition is unknown due to the ongoing negotiations with the stakeholders. Once all approvals have been received, the four-to-six week development period will commence immediately.

Securing the Mining Lease is an important milestone that brings the development of the Urquhart Bauxite Project closer and Metallica would like to thank the Queensland state government as well the Company's various expert consultants that were integral in obtaining the approval."

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