



ASX Release

21 May 2009

\$1 MILLION MINIMUM FUNDING AGREEMENT EXECUTED WITH QUEENSLAND ORES LIMITED (ASX: QOL)

Metallica Minerals Limited (ASX-MLM) has reached agreement with QOL on the terms of the \$1 million in funding to be provided by Metallica to QOL. A summary of the principal terms of the Funding Agreement are as follows:

- **Participation in rights issue:**

If by the end of the offer period (7.00 pm on Thursday 28 May 2009), Metallica has received acceptances which take its relevant interest in QOL to at least 40% of all QOL shares and the prescribed occurrence conditions of Metallica's offer are satisfied or waived, Metallica will take up its full pro-rata entitlement under the QOL rights issue as announced on 14 May 2009.

- **Unsecured Loan:**

If Metallica's full entitlement is less than \$1,000,000, QOL can, at any time after the rights issue closing date and up to 31 July 2009, draw the balance by way of unsecured loan (**Loan**).

- **Repayment date:**

The Loan is repayable on 31 December 2009 or earlier at QOL's election

- **Interest:**

Interest accrues at the rate of 6% per annum and is payable at the same time as the Loan principal is repaid

- **Use of funds:**

The funds must be used to repay the Outback Metals Limited loan of \$600,000 plus interest and for QOL's working capital.

- **QOL Board:**

When Metallica issues the consideration under its offer to QOL shareholders, QOL has agreed to cause two persons nominated by Metallica to be appointed as QOL Directors, including the Chairman, and to procure the resignation of 2 existing QOL Directors. The 2 remaining existing QOL Directors will retain their office until the close of the 2009 Annual General Meeting of QOL.

For Further Information

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