



18 August 2014

Company Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Metallica raises \$500,000 working capital while Cape York HMS development & Bauxite exploration projects fully funded

Metallica Minerals Limited (Metallica) (ASX:MLM) is pleased to announce that the Company has successfully completed a book build to raise A\$500,000 for working capital.

The placement comprised issuing 6.25 million ordinary shares at 8 cents per share, raising \$500,000 (before costs). Metallica's expanded capital has increased to approximately 166.9 million shares on issue.

Taylor Collison with offices in Sydney and Adelaide was the Broker to the placement. The firm has a strong focus on mining and emerging small-mid capital size companies.

Metallica Managing Director, Mr. Andrew Gillies, said the interest received for the placement reflected the strong support for the Company's exciting Queensland prospects including its Cape York Heavy Mineral Sands (HMS) and Bauxite projects and the advanced SCONI nickel-cobalt and scandium project near Townsville.

"The Company has taken a disciplined approach to restrict the size of the fund raising to minimise dilution to our shareholders, particularly now that our new \$6.5 million Urquhart Point HMS mine development project is fully funded (subject to FIRB approval) with first production expected around mid-2015 (*see ASX Release 1 August 2014*). We have also planned considerable value-adding new drilling programs in September-October this year on our regional HMS and bauxite targets and prospects on western Cape York."

"Metallica now has considerable exposure to bauxite (*see ASX Release dated 11 July 2014*) where the Company is strategically well positioned to take advantage of the emerging opportunities in increased export bauxite demand globally, due to rising aluminium-alumina demand and most significantly, the Indonesian unprocessed ore export ban implemented earlier this year. Indonesia was the major bauxite supplier to China. These factors combined ensure the demand outlook and market fundamentals for bauxite are excellent."

Following the issue, Metallica will have more than \$1.1 million in cash at bank and is also anticipating an R & D tax offset receipt of approximately \$600,000 by October 2014. MLM also holds approximately \$2.5 m in market value of shares in ASX listed MetroCoal Limited.

For more information please contact:-

Andrew Gillies

Managing Director

Phone: + 61 7 3249 3000

Email: admin@metallicaminerals.com.au

John Haley

CFO/Company Secretary

Phone: + 61 7 3249 3000