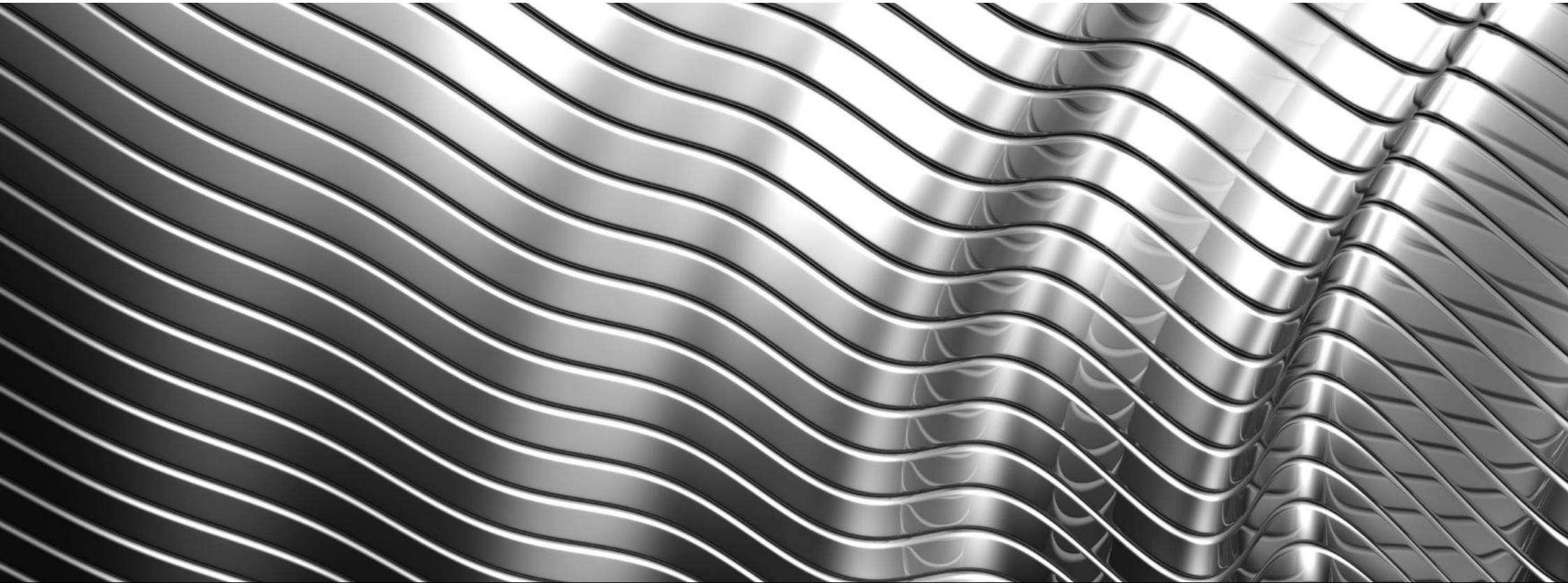


Building a Cash Flow Focused Resource Company

AGM Presentation – November 2018



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The Urquhart Bauxite (Bx) and Urquhart Point Heavy Mineral Sands (HMS) Projects, Esmeralda Graphite and the Cape Flattery Silica Sands Projects are at the exploration, advanced evaluation & feasibility stage & although reasonable care has been taken to ensure that the facts stated in this presentation are accurate & or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness.

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Forward-looking statements are based on assumptions regarding Metallica Minerals Limited ("Metallica"), business strategies, plans and objectives of the Company for future operations and development and the environment in which Metallica may operate.

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Competent Person Statement

Urquhart Bauxite

The Mineral Reserve estimate and Production Target estimates were undertaken by Mr Stewart Lewis, Mining Engineer, who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and the CEO of IMC Mining Pty Ltd. Mr Lewis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Lewis consents to the inclusion of this information in the form and context in which it appears in this release/report.

The Mineral Resource estimate was undertaken by Mr John Horton, Principal Geologist, who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and an associate at IMC Mining Pty Ltd. Mr Horton has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Horton consents to the inclusion of this information in the form and context in which it appears in this release/report.

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by John Cameron (a geologist of over 25 years experience), and a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy and is a contract consultant to Metallica Minerals Ltd. Mr Cameron has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cameron consents to the inclusion of this information in the form and context in which it appears in this release/report.

Cape Flattery Silica Sands

The information in this report that relates to the Exploration Results and Targets was undertaken by Mr Neil Mackenzie-Forbes, who is a Member of the Australian Institute of Geoscientist and is a Consulting Geologist employed by Sebrof Projects Pty Ltd. Mr Neil Mackenzie-Forbes has in excess of 20 years mining and exploration experience in Australia with major mining and junior exploration companies. Mr Mackenzie-Forbes has sufficient experience that is relevant to the style of mineralisation and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Neil Mackenzie-Forbes consents to the inclusion of this information in the form and context in which it appears in this release/report.

Wagina

The information in this report that relates to Exploration Results and Exploration Targets is based on information compiled by Dr Andrew White (a geologist of over 50 years experience), and a Competent Person who is a Fellow of the Australian Institute of Geoscientists, a Consulting Geologist employed by Andrew White and Associates Pty Ltd (AWA) and is a contract consultant to South West Pacific Bauxite Ltd. Dr Andrew White has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Andrew White consents to the inclusion of this information in the form and context in which it appears in this release/report.

The Mineral Resource estimate was undertaken by Mr Geoff Reed, (a geologist of over 20 years experience), who is a Member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and is a Consulting Geologist employed by Breakaway Mining Services Pty Limited. Mr Geoff Reed has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Geoff Reed consents to the inclusion of this information in the form and context in which it appears in this release/report.



Highlights

- 1 Clear path to cash flow from two complimentary assets
- 2 Sustained persistence delivered the haul road Access Agreement¹
- 3 Attractive/Transformative merger with Melior Resources²
- 4 Strong cash balance³
- 5 Clear plan for a sustainable and self funding cash focussed industrial minerals business
- 6 Potential supportive cornerstone shareholder (Pala Investments) for growth initiatives following merger

1. See ASX Announcement dated 9 November 2018 "Haul Road Access Agreement"

2. See ASX Announcement dated 13 September 2018 "Transformational Merger with Melior"

3. See ASX Announcement dated 31 October 2018 "Quarterly Activities Report and Appendix 5B"



Clear Plan and Strategy

- 1 Focus on absolute shareholder returns
- 2 Bring Urquhart Bauxite into cash flow positive production
- 3 Complete transformative merger that benefits all shareholders
- 4 Deliver strong cash flow from Goondicum
- 5 Look for further growth options leveraging off cash flow and supportive share register
- 6 Criteria for growth is well established
 - Certainty around reaching near-term positive operating cash flow
 - Majority ownership and operational control of assets is available
 - Low capital intensity
 - Manageable levels of debt for both financing and growth capital on comparable market terms;
 - Confirmed long mine life to maximise long term shareholder value



Urquhart Bauxite

- 1 Sustained persistence delivered the haul road Access Agreement¹
- 2 Updated PFS completed¹
- 3 Metallica share of post tax NPV₁₀ ~ A\$20.5¹
- 4 Section 316 mining lease application made for haul road²
- 5 Justified not to finalise logistics and offtake thereby encumbering the Company
- 6 Look to finalise all outstanding items to deliver production in first half of CY2019

1. See ASX Announcement dated 12 September 2018 "Updated PFS – Urquhart Bauxite Project"
2. See ASX Announcement dated 9 November 2018 "Haul Road Access Agreement"



Transformative Merger¹

Merger creates a diversified Queensland mining company with an attractive portfolio capable of delivering shareholder value

1 Enhanced asset portfolio provides growth platform	<ul style="list-style-type: none">▶ Creates a scaled company with an attractive portfolio of complementary mineral sands and bauxite projects in Queensland▶ Well balanced combination of production, development and exploration assets▶ Provides strong growth platform to deliver shareholder returns
2 Goondicum – imminent & material cashflow	<ul style="list-style-type: none">▶ Long life, premium quality ilmenite project fully funded to commercial production▶ Commissioning commenced and project on track to achieve positive cashflow in Q2 2019▶ Expected to generate significant cashflows with average EBITDA of ~\$14 million¹ per annum over 9 year mine life
3 Urquhart Bauxite – development case able to be optimised	<ul style="list-style-type: none">▶ Updated PFS completed in September 2018 indicated attributable average EBITDA of ~\$6m per annum over 5.5 year mine life²▶ Low capex development approach currently being evaluated based on haul road approval (expected shortly)▶ Significant opportunities available to optimise project configuration to improve margins and take advantage of strong bauxite demand outlook
4 Enhanced market presence and re-rating potential	<ul style="list-style-type: none">▶ Significant increase in market scale, strong balance sheet and improved share register enhances investment appeal and capability to fund and deliver project development and associated growth▶ Attractive value relative to ASX peers with strong re-rating upside likely post merger
5 High quality board & management, and supportive shareholder	<ul style="list-style-type: none">▶ Combination of Melior’s successful board and management team with Metallica’s key board members creates an experienced and complementary team▶ Supportive major shareholder in Pala with strong success in mineral sands and other natural resource investments

1. See ASX Announcement dated 13 November 2018 “Updated Merger Presentation “
2. See ASX Announcement dated 12 September 2018 “Updated PFS – Urquhart Bauxite Project”



Overview of Merged Group¹

Complementary combination of production, development and exploration assets in Queensland

Production – Melior

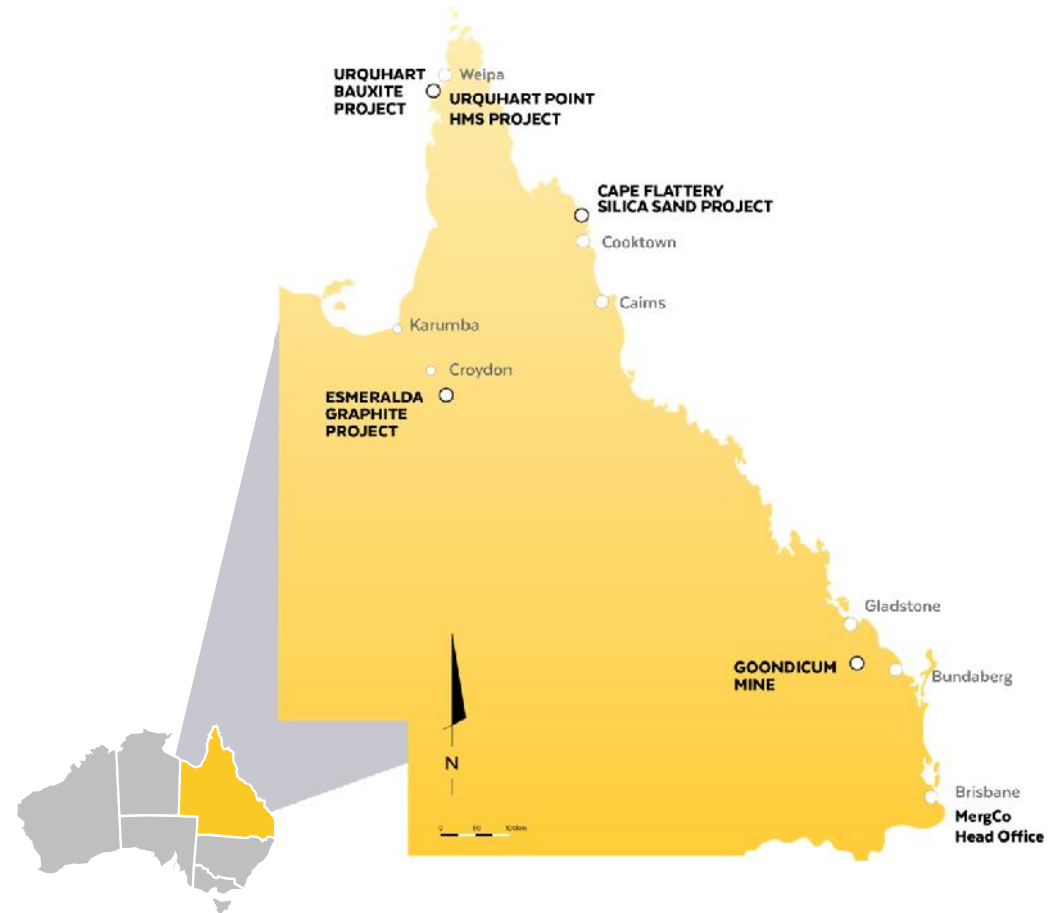
- Goondicum Ilmenite Project (100%)
- Ilmenite production of 160-200kt per annum
- Average EBITDA of ~\$14 million per annum
- 9 year mine life
- Mine production extension and expansion upside

Development – Metallica

- Urquhart Bauxite Project (50%)
- Annual DSO bauxite production of 1.5Mt per annum
- Average attributable EBITDA of ~\$6 million per annum
- 5.5 year mine life
- Mine life extension via screening lower grade material

Exploration – Melior & Metallica

- Goondicum Regional (100%)
- Urquhart Point HMS & Bauxite Project (50%)
- Cape Flattery Silica Sand Project (100%)
- Esmeralda Graphite Project (100%)
- Browne Processing Technology (100%)

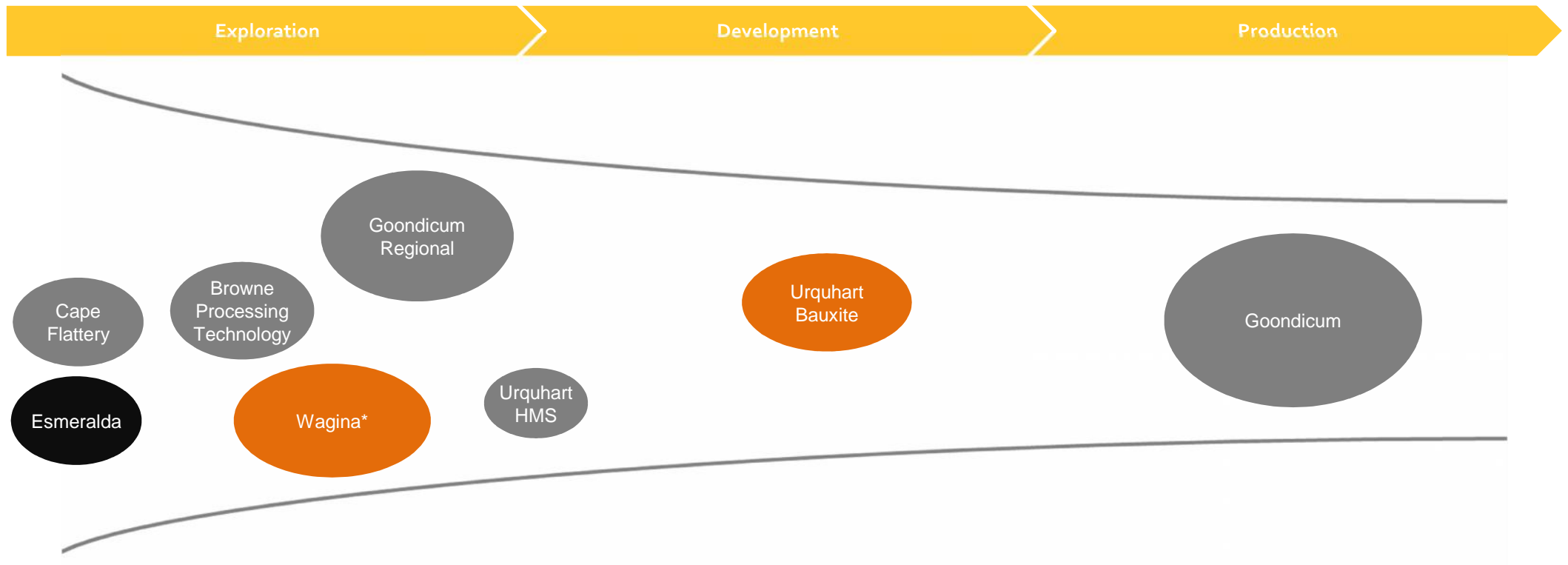


¹. See ASX Announcement dated 13 November 2018 "Updated Merger Presentation "



Attractive Portfolio & Strong Growth Pipeline

Well balanced portfolio and strong pipeline provides platform for growth and shareholder returns



* Exclusive Option subject to due diligence and formal agreements



Graphite



Bauxite



Mineral Sands

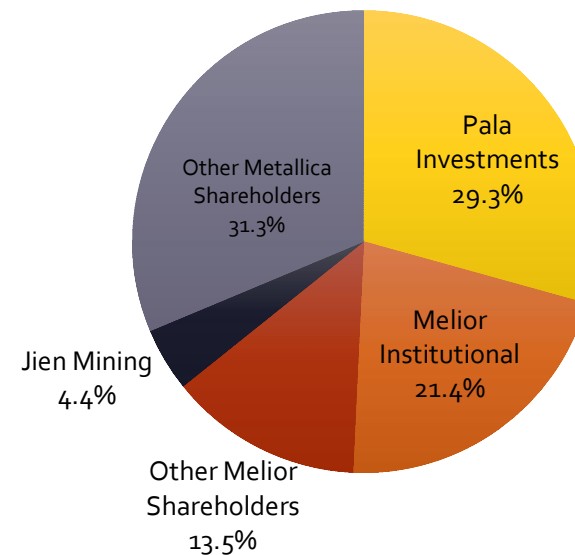


Merged Company Overview

Attractive capital structure and well balanced register with supportive major shareholder in Pala which has a successful track record in minerals sands and other natural resource investments

Capital Structure	
Shares Outstanding ¹	902.0m
Share Price ²	\$0.042
Market Capitalisation	\$37.9 m
Cash ³	\$9.6m
Debt ⁴	\$18.3m
Net Debt	\$8.7m
Enterprise Value	\$46.6 m

Share Register



1. Metallica Minerals shares outstanding – 322,447,408, Melior Resources’ shares outstanding – 28,979,963. At an exchange ratio of (20) Metallica Minerals shares for (1) Melior Resources’ shares, Melior Resources’ shareholders will receive 579,599,260 Metallica Minerals shares as part of merger. The combined shares on issue following merger will equal 902,046,668
2. Metallica Minerals’ last traded share price – \$0.042 (12 November 2018)
3. Cash consists of Melior Resources’ cash balance of US\$2.5m (converted at AUD:USD of 0.71) and Metallica Minerals’ cash balance of \$5.16m cash (30 September 2018) and \$0.9m in AUZ shares (Metallica Minerals holds approximately 16.8m AUZ shares @ \$0.054 per share at 12 November 2018)
4. Based on Melior Resources’ debt of –US\$13m as of 12 November 2018 (converted at AUD:USD of 0.71)

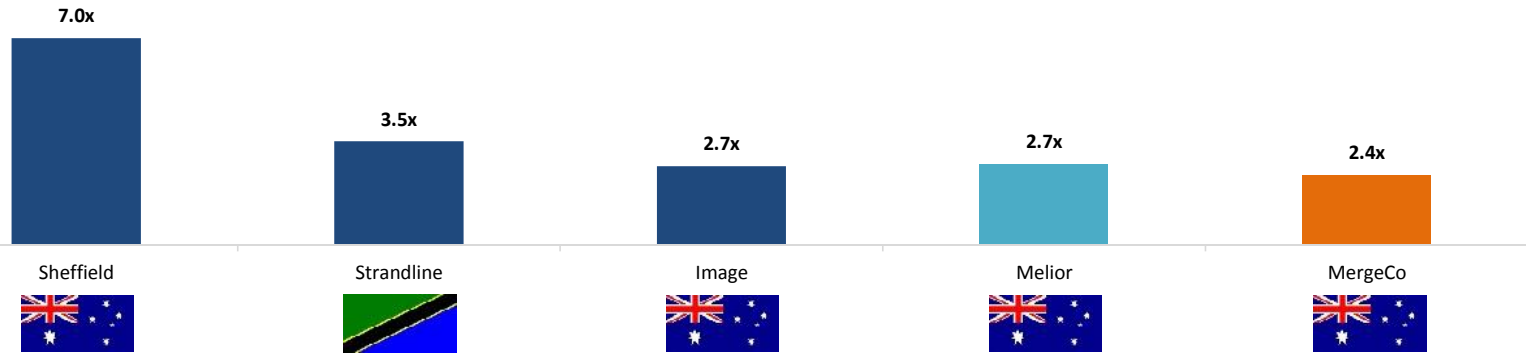


Merged Company – Attractive Value Proposition

Melior and the merged company provides attractive value relative to ASX mineral sands development peers with strong re-rating upside post merger

ASX Peer Comparison - Overview of Key Trading Multiples & Project Features

Fully Funded EV / EBITDA (avg. LOM)



Key Project	Thunderbird ¹	Fungoni (84%) ²	Boonanarring ³	Goondicum ⁴	Goondicum / Urquhart Bauxite (50%) ⁵
Fully Funded	✗	✗	✓	✓	✓
Funding Required	\$678.0m	\$42.7m	Nil	Nil	\$1.1m
Fully Funded EV	\$864.2m	\$73.9m	\$149.7m	\$38.6m	\$47.7m
Production in 2019	✗	✗	✓	✓	✓
Mine Life	42 years	6.2 years	5.5 years	9 years	9 years / 5.5 years
Annual EBITDA (avg. LOM)	\$123m	\$21m	\$56m	\$14m	\$20m

Sources: Bloomberg, IRESS and Company Reports / Share prices as of 12 November 2018

1. Sheffield Resources share price of \$0.87, shares on issue of 230.1m (Appendix 3B dated 3 Oct 2018), cash of \$14m (as per 19 Oct 2018 Corporate Presentation), capital requirements of \$678m (page 17 of 19 Oct 2018 Corporate Presentation), EBITDA of \$123m and mine life of 42 years as per BFS announced on ASX 24 February 2017
2. Strandline Resources share price of \$0.12, shares on issue of 320.7m (Post Nov 2018 capital raising), cash of \$7.3m (as per 2018 Annual Report, page 26 & A\$3m capital raise announced 6 Nov 2018), capital requirements of \$43m (US\$32m converted at AUD:USD of 0.75 as per Updated DFS released on ASX 1 Nov 2018, EBITDA of \$21m and 6.2 mine life as per Fungoni Project – Updated DFS announced on ASX 1 Nov 2018 (NB: Strandline interest in project is only 84%)
3. Image Resources share price of \$0.125, shares on issue of 952.7m (Appendix 3B dated 8 Jun 2018), cash of \$29.9m and debt of \$60.5m (as per Corporate Presentation dated 11 Oct 2018, page 26), nil capital requirements, EBITDA of \$56m and 5.5 year mine life as per Corporate Presentation released 11 Oct 2018 (page 14)
4. Melior Resources capital structure of 29m shares, share price of A\$0.82 (C\$0.79 converted at AUD:CAD FX rate), cash of A\$3.5m, debt of \$18.5m, nil capital requirements for Goondicum restart, EBITDA of \$14m and 9.5 year mine life as per Preliminary Economic Assessment
5. MergeCo capital structure of 902m shares, implied share price of \$0.042 (Metallica Minerals share price 12 November 2018), cash of \$9.6m, debt of \$18.3m, capital expenditure at Urquhart Bauxite of \$1.1m and annual EBITDA of \$14m (Goondicum) and \$6m (Urquhart Bauxite) (includes nil capital requirements for Goondicum restart and Goondicum EBITDA of \$14m)

High Quality Board & Management



Board will consist of an experienced team with complementary expertise and proven track records

George Lloyd <i>Chairman</i>	<ul style="list-style-type: none"> ▶ Significant corporate finance and board experience in natural resources and engineering services ▶ Currently non-executive Chairman of Ausenco ▶ Former non-executive director of Metro Mining and senior executive at RGC Limited (which merged with Westralian Sands to form Iluka in 1998)
Simon Slesarewich <i>Managing Director</i>	<ul style="list-style-type: none"> ▶ Mining engineer with over 20 years' experience across a range of operational and executive roles within mining and contracting sectors ▶ Currently a Director of the Queensland Resources Council (QRC) and Chairman of the QRC Exploration and Tenure committee ▶ Formerly CEO of Northern Discovery and Boardwalk Resources
Mark McCauley <i>Executive Director</i>	<ul style="list-style-type: none"> ▶ Substantial mining experience, both technical and financial, and has been involved in the development of several major mining projects ▶ Previously CFO of ASX listed Felix Resources during period where company grew from market capitalisation of \$35 million to over \$1 billion ▶ Managed Belridge Enterprises Pty Ltd, the former owner of the Goondicum Project
Martyn Buttenshaw <i>Director</i>	<ul style="list-style-type: none"> ▶ Currently an advisor to Pala Investments Limited and director of Melior Resources and Kasbah Resources with significant mining experience ▶ Previously a director of Asian Mineral Resources and Sierra Rutile Ltd ▶ MBA from the London Business School and Mining Engineering from the Royal School of Mines, Imperial College, London
Peter Turnbull <i>Director</i>	<ul style="list-style-type: none"> ▶ Significant board experience across natural resources having held senior executive roles in publicly listed, private and government owned organisations ▶ Previously held executive roles at Newcrest Mining, BTR Nylex and Energex Limited, a major government owned energy company and a former director of corporate finance for the Securities and Futures Commission of Hong Kong ▶ Currently a non-executive director of Karoon Gas Australia and Chairman of Calix Limited
Ian Jacobson <i>Director</i>	<ul style="list-style-type: none"> ▶ 40 years' experience in aluminium industry with senior executive roles in operations and project development with Rio Tinto/Comalco, Alcoa and BHP ▶ Co-founder and the current Executive Chairman of SCCR Group providing a range of consulting services to the primary aluminium industry



The Year Ahead

- 1 Complete transformative merger
- 2 Successfully ramp up production from Goondicum to positive cash flow in Q2 CY2019
- 3 Production from Urquhart Bauxite in the first half of CY2019
- 4 Complete due diligence on Wagina Bauxite project¹
- 5 Continue to evaluate further growth opportunities

1. See ASX Announcement dated 30 April 2018 "Strategic Loan to Bauxite Developer "

Key Messages



Funded

Cash + AUZ shares
(at market value)
~ \$6M



Transformative

Melior merger is
transformative and will
deliver for all shareholders



Cash flow

Two producing assets
Urquhart Bauxite and
Goondicum

Significantly Undervalued with a Clear Plan and Strategy

Thank You



SUBSIDIARY COMPANIES

- NORNICO Pty Ltd ACN 065 384 045
- Oresome Australia Pty Ltd ACN 071 762 484
- Oresome Bauxite Pty Ltd ACN 606 362 252
- Lucky Break Operations Pty Ltd ACN 126 272 580
- Phoenix Lime Pty Ltd ACN 096 355 761
- Greenvale Operations Pty Ltd ACN 139 136 708
- Scandium Pty Ltd ACN 138 608 894
- Touchstone Resources Pty Ltd ACN 126 306 018