



ASX RELEASE
25 February 2016

ENTITLEMENT OFFER TO SHAREHOLDERS

- Renounceable Rights Issue to raise up to \$2 million (before costs)
- Shareholders offered 2 new shares for every 5 shares held at 3 cents per share
- The issue price is at a 42% discount to the last traded price and a 62% discount to the three month VWAP
- For every two new shares issued, shareholders will receive one free attaching New Option with an exercise price of 4.5 cents and exercisable on or before 30 June 2017
- Shareholders can apply for additional shares above their entitlement
- Funds will be primarily used to advance the Urquhart Bauxite Project

Metallica Minerals Limited ([ASX-MLM](#)) is pleased to announce a pro rata Renounceable Rights Issue (Rights Issue) of 2 Metallica new shares at 3 cents for every 5 Metallica Shares, to be offered to eligible shareholders on 3 March 2016 (Record Date). Investors will receive a free listed option with an exercise price of 4.5 cents expiring 30 June 2017, with every 2 new shares subscribed. The issue will raise up to \$2 million and is partially underwritten to \$200,000. CPS Capital Group is acting as the Lead Manager and Underwriter.

Funds raised from the Rights Issue will be primarily used to advance the Urquhart Bauxite Project to the grant of a Mining Lease and for working capital purposes.

Shareholders on the Record Date with an address in Australia or New Zealand will be eligible to participate. Eligible Shareholders, including those with unmarketable parcels, may apply for additional shares in excess of their entitlement.

Metallica's CEO, Mr Simon Slesarewich:

"This has been an exciting year for Metallica Minerals with a number of important milestones achieved:

- Sale of Limestone assets for \$1.9 million¹²³
- Spectacular results at the Esmeralda Graphite Project where mineralisation is open in all directions⁴

¹ See ASX release 09/07/15 – \$500k sale of Ootann Limestone Project

² See ASX Release 28/07/15 – \$370,00 Sale of Star Limestone Project

³ See ASX release 16/11/15 – Option to sell Boyne Limestone for \$1,000,000

⁴ See ASX release 10/12/15 – Assays strongly support potential for large graphite deposit



- Finalisation of environmental studies and permitting, which is well underway at the Urquhart Bauxite Project where the Company is aiming to commence production of direct shipping bauxite next year, just as forecasts indicate strong growth in demand

Metallica has reduced its overhead costs and adjusted operations to maintain progress while taking advantage of lower costs and productivity improvements in the sector. The Company also expects the balance of \$900,000 from the sale of Boyne Limestone to be received by mid-year.

We look forward to Shareholders continued support as we progress towards grant of a Mining Lease at our exciting Urquhart Bauxite Project”

The proposed Rights Issue Timetable and Appendix 3B are attached. A copy of the Prospectus lodged with ASIC on 25 February 2016 is available on the Company's website at www.metallicaminerals.com.au

For more information please contact:-

Simon Slesarewich

Chief Executive Officer

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John Haley

CFO/Company Secretary

Phone: + 61 7 3249 3000

Table 1 - Metallica Minerals Limited Renounceable Rights Issue Indicative Timetable

Shares commence trading on an ex rights basis	1 March 2016
Rights trading commences	1 March 2016
Record Date for the Offer	3 March 2016
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	4 March 2016
Opening Date of Offer	4 March 2016
Rights trading ends	8 March 2016
Shares quoted on a deferred settlement basis	9 March 2016
Closing Date of Offer	16 March 2016
Advise ASX of any shortfall	21 March 2016
Expected date of despatch of New Shares holding statements	23 March 2016
Commencement of trading of New Shares on ASX on a normal basis	24 March 2016

Note: The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Metallica Minerals Limited

ABN

45 076 696 092

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully Paid Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 66,976,127 ordinary shares and 33,488,064 options issued under a Renounceable entitlement offer |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares terms will be the same as existing fully paid ordinary shares.

The Options to acquire Fully paid Ordinary Shares exercisable at \$.045 on or before 30 June 2017 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The new shares will rank pari passu with the Fully Paid Ordinary Shares already on issue</p>
<p>5 Issue price or consideration</p>	<p>\$0.03</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised will be used to advance the Urquhart Bauxite Project, the Esmerelda graphite Project, the SCONI Project, as well as for new project generation and working capital, including to cover the issue costs.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)							
6f	Number of +securities issued under an exception in rule 7.2							
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.							
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements							
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1-24,485,588 securities Rule 7.1A-16,689,183 securities						
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	23 March 2016						
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">234,416,443</td> <td>Ordinary fully paid shares</td> </tr> <tr> <td style="text-align: center;">33,488,064</td> <td>Options to acquire ordinary fully paid shares</td> </tr> </tbody> </table>	Number	+Class	234,416,443	Ordinary fully paid shares	33,488,064	Options to acquire ordinary fully paid shares
Number	+Class							
234,416,443	Ordinary fully paid shares							
33,488,064	Options to acquire ordinary fully paid shares							

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	8,000,000 Unlisted options
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
Part 2 - Pro rata issue		
11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	2:5
14	+Class of +securities to which the offer relates	Fully Paid Ordinary Shares and Options to acquire fully paid Ordinary Shares
15	+Record date to determine entitlements	3 March 2016
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Fractions to be rounded up
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All jurisdictions other than Australia and New Zealand
19	Closing date for receipt of acceptances or renunciations	16 March 2016
20	Names of any underwriters	CPS Capital Group Pty. Ltd

+ See chapter 19 for defined terms.

21	Amount of any underwriting fee or commission	5% of amount underwritten and/or placed by the Underwriter
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	4 March 2016
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	24 February 2016
28	Date rights trading will begin (if applicable)	29 February 2015
29	Date rights trading will end (if applicable)	8 March 2016
30	How do security holders sell their entitlements <i>in full</i> through a broker?	By completing the relevant section of the entitlement and acceptance form to be sent to each shareholder. See lodging instructions on the entitlement and acceptance form.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	By completing the relevant section of the entitlement and acceptance form to be sent to each shareholder. See lodging instructions on the entitlement and acceptance form.

+ See chapter 19 for defined terms.

Appendix 3B New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Company's share registrar) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application monies. If you hold Existing Shares registered on CHES, you should contact your sponsoring broker.

- 33 ⁺Issue date

23 March 2016

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

39 +Class of +securities for which quotation is sought

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:
(Director/Company secretary)

Date: 25/02/2016

Print name: John Haley

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	166,891,830
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	166,891,830

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	25,033,774
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	548,486 shares issued on 11/11/2015
“C”	548,186
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	25,033,774
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	548,186
Total [“A” x 0.15] – “C”	24,485,588 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	166,891,830
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	16,689,183
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Appendix 3B
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Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,689,183
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	<i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.