



# METALLICA MINERALS LIMITED

## Subsidiary Companies

NORNICO Pty Ltd ACN 065 384 045 | Oresome Australia Pty Ltd ACN 071 762 484 | Greenvale Operations Pty Ltd ACN 139 136 708  
Lucky Break Operations Pty Ltd ACN 126 272 580 | Scandium Pty Ltd ACN 138 608 894 | Phoenix Lime Pty Ltd ACN 096 355 761

ABN: 45 076 696 092

9 May 2013

Dear Shareholder

## Metallica Minerals Limited – Renounceable Rights Issue

On 7 May 2013 Metallica Minerals Limited ACN 076 696 092 (**MLM** or **Company**) announced that it will undertake a renounceable rights issue (**Rights Issue**) to raise funds for the Company's SCONI project, permitting for the Company's minerals sands project and for working capital.

The details of the Rights Issue are as follows:

- The Rights Issue is a renounceable offer for fully paid ordinary shares and attaching options in MLM (**MLM Shares**);
- MLM Shares will be issued on the basis of 1 new MLM Share and 1 attaching option for every 4 MLM Shares held on the Record Date of 16 May 2013 (**Offer Securities**);
- The maximum amount of money to be raised under the Rights Issue will be \$5,466,950 before costs;
- The Rights Issue is partly underwritten by Patersons Securities Limited for \$2,125,000 of which \$2,000,000 is sub-underwritten by Jien Mining Pty Ltd, Metallica's largest shareholder;
- The issue price will be 15 cents per MLM Share;
- The maximum number of MLM Shares to be issued will be 36,446,332 and the maximum number of attaching options to be issued will be 36,446,332;
- The new MLM Shares will rank equally in all respects with the existing MLM shares; and
- Money raised through the Rights Issue will be used for the Company's SCONI project, permitting for the Company's minerals sands project and for working capital.

The Rights Issue is being made pursuant to a prospectus under section 713 of the *Corporations Act 2001* (Cth) (**Prospectus**). The Prospectus has been lodged with the Australian Securities Investments Commission and ASX on 7 May 2013 and is available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and also on the Company's website at [www.metallicaminerals.com.au](http://www.metallicaminerals.com.au).

The timetable for the Rights Issue is as follows:

# METALLICA MINERALS LIMITED



Announcement of Issue	7 May 2013
Lodgement of Prospectus with ASIC	7 May 2013
Notice to security holders containing Appendix 3B information	9 May 2013
Metallica Shares commence trading on an ex rights basis	10 May 2013
Rights trading commences	10 May 2013
Record Date for the Offer	16 May 2013
Prospectus and Entitlement and Acceptance Form despatched to Shareholders	21 May 2013
Opening Date of Offer	21 May 2013
Rights trading ends	28 May 2013
Shares quoted on a deferred settlement basis	29 May 2013
Closing Date of Offer	4 June 2013 - 5pm Brisbane time
Advise ASX of any shortfall	7 June 2013
Expected date of Issue of New Shares	11 June 2013
Commencement of trading of New Shares on ASX on a normal basis	12 June 2013
Expected date of despatch of New Shares holding statements	13 June 2013

*The timetable is subject to change. Subject to the ASX Listing Rules, the Directors of the Company reserve the right to vary these dates, including the Closing Date, without prior notice.*

MLM Shareholders with registered addresses in Australia or New Zealand on the Record Date will be able to participate in the Rights Issue (**Eligible Shareholders**).

Entitlements to new MLM Shares pursuant to the Rights Issue are renounceable and accordingly will be traded on the ASX.

The Prospectus, along with the Entitlement and Acceptance Form, will be despatched to all Eligible Shareholders of the Company registered at the Record Date of 16 May 2013.

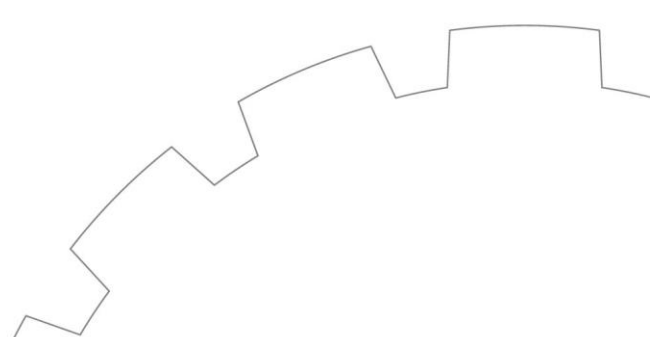
Accompanying this letter is an Appendix 3B Notice for the Company.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'John Haley'.

**John Haley**

**Company Secretary**



# 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  | Ordinary shares and unlisted options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued   | 36,446,332 fully paid ordinary shares and 36,446,332 unlisted options   |
| 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 shares and options to acquire shares at 0.25 cents expiring on 30 September 2014 [N.B. the shares and options are being issued pursuant to a renounceable rights issue]. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>All shares rank equally with existing shares. Shares issued on exercise of options shall rank equally with existing shares.</p>
<p>5 Issue price or consideration</p>	<p>Issue price per share is 0.15 cents  Attaching options are issued for nil consideration and will be exercisable at 25 cents on or before 30 September 2014</p>
<p>6 Purpose of the issue  (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Renounceable rights issue pursuant to section 713 of the <i>Corporations Act 2001</i> (Cth).</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 in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A</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>	

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6d	Number of +securities issued with security holder approval under rule 7.1A					
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					
7	<p>+Issue dates</p> <p><small>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.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	11 June 2013				
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;">182,231,659</td> <td>Ordinary fully paid shares</td> </tr> </tbody> </table>	Number	+Class	182,231,659	Ordinary fully paid shares
Number	+Class					
182,231,659	Ordinary fully paid shares					

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	51,558,832	Unlisted options
	2,900,000	Performance rights
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Unchanged	

**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	1 new Metallica share for every 4 existing shares held on the record date plus one attaching option for every new share applied for
14 +Class of +securities to which the offer relates	Ordinary shares and unlisted options
15 +Record date to determine entitlements	16 May 2013
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17 Policy for deciding entitlements in relation to fractions	Fractions will be disregarded in calculating entitlements
18 Names of countries in which the entity has security holders who will not be sent new offer documents  <small>Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.</small>	The offer is not being extended to any shareholders whose registered address is outside of Australia or New Zealand on the record date

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19 Closing date for receipt of  
acceptances or renunciations

4 June 2013

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20	Names of any underwriters	Patersons Securities Limited
21	Amount of any underwriting fee or commission	6% of amount raised
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	21 May 2013
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	7 May 2013
28	Date rights trading will begin (if applicable)	10 May 2013
29	Date rights trading will end (if applicable)	28 May 2013
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	By completing the relevant section of the entitlement and acceptance form to be sent

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+ See chapter 19 for defined terms.



balance?

to each shareholder. See lodging instructions on the entitlement and acceptance form.

## Appendix 3B New issue announcement

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- 32 How do security holders dispose of their entitlements (except by sale 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.
- 33 +Issue date 11 June 2013

### 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

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**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: 7/5/2013

Print name: John Haley

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## 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

<b>Rule 7.1 – Issues exceeding 15% of capital</b>	
<b><i>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</i></b>	
<b><i>Insert</i></b> number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	132,357,710
<p><b><i>Add</i></b> the following:</p> <ul style="list-style-type: none"> <li>• Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>• Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval</li> <li>• Number of partly paid +ordinary securities that became fully paid in that 12 month period</li> </ul> <p><b><i>Note:</i></b></p> <ul style="list-style-type: none"> <li>• <i>Include only ordinary securities here – other classes of equity securities cannot be added</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	
<b><i>Subtract</i></b> the number of fully paid +ordinary securities cancelled during that 12 month period	
<b>“A”</b>	132,357,710

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<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply</b> “A” by 0.15	19,853,657
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<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"> <li>• Under an exception in rule 7.2</li> <li>• Under rule 7.1A</li> <li>• With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>• <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li>• <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li>• <i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	13,940,117
“C”	<b>13,940,117</b>
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	19,853,657
<b>Subtract</b> “C” <i>Note: number must be same as shown in Step 3</i>	13,940,117
<b>Total</b> [“A” x 0.15] – “C”	5,913,540 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	132,357,710
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	13,235,771
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• 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</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	Nil
<b>“E”</b>	Nil

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<b>Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A</b>	
"A" x 0.10 <i>Note: number must be same as shown in Step 2</i>	13,235,771
<b>Subtract "E"</b> <i>Note: number must be same as shown in Step 3</i>	Nil
<b>Total</b> ["A" x 0.10] – "E"	13,235,771 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

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+ See chapter 19 for defined terms.