



13 March 2017

Dear Option holder,

Renounceable Rights Issue

On 9 March 2017 Metallica Minerals Limited (ASX: MLM) announced a renounceable pro rata entitlement offer of 1 new share for every 4 existing share held as at 7:00pm (AEST) on 16 March 2017 (**Record Date**) at an issue price of \$0.052 per share to raise up to approximately \$2.9 million (**Offer**). The Offer is partially underwritten by CPS Capital Group.

Proceeds from the Offer will be primarily applied advance the Urquhart Bauxite Project just south of Weipa through to maiden production mid this year and for working capital purposes.

The Offer is made under a prospectus which will be lodged with ASIC on 10 March 2017. The prospectus will be available on both the ASX's and the Company's websites. The prospectus and personalised entitlement and acceptance form will be dispatched to eligible shareholders shortly after the Record Date.

Your options do not entitle you to participate in the Offer.

The purpose of this letter is to give you notice that if you wish to participate in the Offer with respect to your options, you must exercise your options before the Record Date (**16 March 2017**) by delivering an option exercise notice together with the correct monies to the Company by no later than the Record Date. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date.

Please contact our share registry should you wish to exercise your options on share registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside Australia) at any time from 8:30am to 5:00pm (AEDT) Monday to Friday.

Should you wish to deposit funds or EFT funds, please contact Tina Moloney at Metallica Minerals Limited on 07 3249 3000 to obtain relevant bank account details and ensure your deposit is able to be identified when received by MLM.

If you do not wish to participate in the Offer (in respect of your options) you do not need to take any action. The exercise price of your options will be adjusted in accordance with Listing Rule 6.22.2.

Before deciding whether to exercise all or any of your options, you should consult with your professional advisor.

If you choose to exercise some or all of your options prior to the Record Date, you will be sent a prospectus and personalised entitlement and application form containing important information about the Offer.

Yours sincerely

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

John Haley
Company Secretary

Metallica Minerals Limited



METALLICA MINERALS LTD
 ABN 45 076 696 092

All Registry communications to:
 Link Market Services Limited
 Locked Bag A14
 Sydney South NSW 1235 Australia
 Telephone: +61 1300 554 474
 Facsimile: (02) 8280 0303
 ASX Code: MLMO
 Website: www.linkmarketservices.com.au

NAME AND ADDRESS OF OPTIONHOLDER

SRN/HIN

Conversion Ratio: 1 for 1

Exercise Price: \$0.045

Expiry Date: 5:00pm (AEST) on 30 June 2017

NOTICE OF EXERCISE OF OPTIONS

PLEASE COMPLETE BELOW (using block letters)

I/We apply to exercise the following number of options and make payment in Australian currency drawn on an Australian branch of a financial institution for the amount payable. Please allot me/us Ordinary Shares calculated on the basis of one (1) Ordinary Share for every one (1) Option which I/we exercise. I/We agree to accept such Shares subject to the Constitution of Metallica Minerals Limited.

A NUMBER OF OPTIONS EXERCISED
 (Exercise all or part of MLMO Options)

B TOTAL PAYMENT REQUIRED
 (\$0.045 per MLMO Option exercised)

at \$0.045 per
 Option Exercised \$A

C PLEASE INSERT YOUR CHEQUE/BANK DRAFT OR MONEY ORDER DETAILS

Cheques must be drawn on an **Australian branch** of a financial institution in **Australian currency** and made payable to "Metallica Minerals Limited" and crossed "Not Negotiable".

Cheque Number

BSB

Account Number

D YOUR CONTACT DETAILS

Telephone Number

() _____

Telephone Number – after hours

() _____

Contact Name (PRINT)

HOW TO LODGE THE NOTICE OF EXERCISE OF OPTIONS

The completed notice with the accompanying payment must be mailed or delivered to the address set out below.

Mailing Address

Metallica Minerals Limited
 GPO Box 122
 Brisbane QLD 4001

or

Postal Address

Metallica Minerals Limited
 GPO Box 122
 Brisbane QLD 4001

MLM OPT001

