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FINANCE SPECIALIST APPOINTED TO SCONI PROJECT

Metallica Minerals Limited (**ASX:MLM**) has appointed mining finance specialist Cutfield Freeman & Co to explore funding options for its SCONI project in North Queensland as it prepares to move the project to the next phase of development.

Metallica Managing Director Andrew Gillies said Cutfield Freeman & Co would consider a range of financing and project structuring alternatives to assist SCONI in becoming the world's first major scandium producer.

"Having secured Bloom Energy as a base-load customer and having received a scoping study which demonstrates the project's likely economic viability, it is appropriate for us to now pursue funding for the project," Mr Gillies said.

"Cutfield Freeman & Co is one of the world's leading experts in project finance and we look forward to their contribution in structuring and negotiating a potential financing transaction."

Mr Gillies said that under the terms of the agreement, Cutfield Freeman & Co would develop a financing plan and assist with fundraising and in reaching agreements with potential offtakers for SCONI's scandium, cobalt and nickel production, and with potential strategic partners.

The initial term of the appointment is four months, which is expected to be extended to match the feasibility, development and financing duration of SCONI.

Cutfield Freeman & Co is based in London with offices in Hong Kong and Toronto. The firm and its principals have completed financings for many mining projects over more than two decades.

In July this year, Metallica produced what is believed to be Australia's first ever batch of high purity scandium oxide from its Brisbane pilot plant in a major step towards the development of a new export industry.

In October, it entered into a binding Heads of Agreement with US-based fuel cell manufacturer Bloom Energy for the sale of a substantial portion of the planned future production of scandium oxide from SCONI, and also a Strategic Alliance with KBM Affilips - one of the world's most respected aluminium master alloy companies.

A scoping study on the SCONI project found it would have a Net Present Value of \$870 million, an Average Annual Operating Margin of A\$213 million, and an Internal Rate of Return of 23.1%.

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