



## ASX RELEASE

18 October 2013

### METALLICA STAFF RESTRUCTURING

Metallica Minerals Limited (ASX:MLM) (“Metallica” or the “Company”) advises that as part of the previously announced focus on deferring costs, project activities and preserving cash until market conditions improve, the Company has decided to make redundant the position of Chief Executive Officer (CEO) and several non-executive staff positions. Gavin Becker has agreed to move as of today, from his position of CEO, to a more flexible consulting arrangement (on an as required basis) as General Manager of the SCONI scandium project, ensuring the considerable project, scandium marketing and related activities knowledge is retained.

Consistent with the view of reducing overheads, the other SCONI staff were made redundant earlier this week, however, those members of the SCONI team are also being offered involvement, as required, in the future as contractors and consultants. The Company looks forward to opportunities for working with them on SCONI at the appropriate time.

*“Despite the ongoing weakness in current and expected market and business conditions, and the sustained difficulty to date in attracting sufficient project funding, or strategic investor partnerships for SCONI, Mr Becker and his team have considerably advanced the project to a point where it has high integrity in its feasibility, resource development potential and ability to produce substantial quantities of high purity Scandia.”* Metallica Managing Director, Mr Andrew Gillies, said today.

*“On that basis, it is essential Metallica retains the professionalism and experience of Mr Becker. Both he and the Company believe SCONI can become the world’s premier scandium producer, servicing the exciting emerging technological markets in next generation aluminium alloys and fuel cells,”* Mr Gillies said.

Metallica took the initiative early in the new financial year to reduce non-essential project expenditure and defer the proposed Definitive Feasibility Study for SCONI. This allows the Company to best use its cash reserves in focusing on progressing additional Scandia off take arrangements, funding options, and to conclude the permitting requirements for SCONI and the now advanced Urquhart Point Mineral Sands Project near Weipa.

**For more information please contact:-**

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