



ASX RELEASE

1 July 2015

NEW CEO APPOINTED

Metallica Minerals Limited (ASX:MLM) is pleased to announce the appointment of experienced Queensland based mining executive, **Mr Simon Slesarewich**, as the Company's new Chief Executive Officer (CEO), effective from 13 July 2015.

The appointment coincides with the planned succession and retirement, from the Managing Director role, of **founding Metallica Managing Director, Mr Andrew Gillies**, who will continue to provide his expertise as a non-Executive Director.

Mr Slesarewich, a Mining Engineer and registered Senior Site Executive in Queensland, has more than 18 years' experience across Queensland's resources commodities sector, including a strong background in operational and executive roles within both mining and contracting entities.

A Bachelor of Engineering (Mining) graduate from the University of Queensland and with Graduate Diplomas in Business Administration, and Applied Finance and Investment, Mr Slesarewich is currently a Director of Larkham Resources, is a former CEO of Northern Discovery and Boardwalk Resources and is a renowned bulk commodities and business turnaround specialist.

He drove the development of the large Middlemount Coal mine in Central Queensland including the awarding of the mine's large full service mining contract, and led the execution of Boardwalk's sale to Whitehaven Coal which at the time was part of the largest merger/acquisition within the resources space.

As CEO, Mr Slesarewich will assume responsibility for the management of the Company under the guidance of the Metallica Board and will manage and drive the Company's transition into a successful producer. Mr Slesarewich employment agreement contains provisions which are typical for a CEO contract of this nature for a junior resource company – for a summary of the material terms see below - [Terms of Employment of CEO](#).

Metallica's newly appointed Chairman, Mr Barry Casson, today paid particular tribute noting the departure of Andrew Gillies as the Company's long standing Managing Director. "Andrew's leadership and strong commitment, determination and skills over the period as an ASX-listed company since 2004, has provided a valuable source of multiple and varied projects over time, from which the Company has been successful in achieving a number of new listings. Currently Metallica still holds a significant portfolio comprising zircon-rutile heavy mineral sands and bauxite resource and exploration interests on Cape York, the SCONI nickel-cobalt-scandium project, several limestone projects, the Cape Flattery silica sand project, and a unique graphite in granite exploration project in North Queensland, all thanks to Andrew's keen sense of project generation". "the Company respects the considerable sacrifices made over a long period and wishes Andrew well in the future, and welcomes his ongoing involvement at the Board table" added Mr Casson.

After over 10 years as Managing Director of Metallica and making the role a passionate priority, Mr Gillies had forecast his increasing desire to considerably reduce the heavy workload and company responsibilities to allow for more enhanced family and personal time.



The executive succession planning commenced in late 2014 as part of the Company's longer term growth strategy and recognising the corporate change from active explorer to more of a project development and ultimately operational focus.

Terms of employment of CEO

In accordance with ASX Listing Rule 3.16.4, Metallica Minerals Limited makes the following disclosures in respect of the key terms of the executive services agreement entered into with its Chief Executive Officer, Mr Simon Slesarewich.

Term of the Appointment

Mr Slesarewich has been appointed Chief Executive Officer from 13 July 2015 for a term of 2 years.

Remuneration

The remuneration payable to Mr Slesarewich will be:

- (a) Annual base salary of \$250,000 per annum (inclusive of the minimum statutory superannuation contributions);
- (b) On achievement of Mr Slesarewich's KPI's, Metallica may pay him a cash bonus in each financial year of the term of Mr Slesarewich's employment up to a maximum for each financial year equal to 50% of Mr Slesarewich's annual base salary (exclusive of minimum statutory superannuation contributions);
- (c) Short term incentives as follows:
 - (1) 2 million options to acquire shares in Metallica vesting on the commencement of Mr Slesarewich's employment exercisable at 7.5 cents per option and expiring on 1 July 2016;
 - (2) 2 million option to acquire shares in Metallica vesting on the commencement of Mr Slesarewich's employment exercisable at 10 cents per option and expiring on 31 December 2016;
- (d) Long term incentives as follows:
 - (1) 2 million options to acquire shares in Metallica at an exercise price of 12.5 cents per option, vesting on the date that is one year after the commencement of Mr Slesarewich's employment and expiring 2 years after the commencement of Mr Slesarewich's employment;
 - (1) 2 million options to acquire shares in Metallica at an exercise price of 15 cents per option:
 - (A) expiring three years from the commencement of Mr Slesarewich's employment; and
 - (A) vesting on the date on which the Boards resolves to develop a bauxite mine in which the Company holds at least a 40% interest.

Mr Slesarewich's remuneration package will be reviewed annually on or about 1 July each year.



Termination

Mr Slesarewich will initially be engaged on a three month probation period during which time either party may terminate the contract of employment by giving three month's notice. Thereafter, the Agreement may be terminated by Mr Slesarewich with immediate effect if there has been a diminution of his position. Metallica may terminate Mr Slesarewich's position for serious misconduct.

At any time either party may, by notice in writing, terminate the agreement if Mr Slesarewich becomes sick or incapacitated and as a consequence are unable to fulfil his duties for a continuous period exceeding three months or separate periods totalling more than three months in any 12 month period.

On termination of Mr Slesarewich's employment, other than during the probation period or for serious misconduct, and subject to any restrictions or approvals under Listing Rules 10.18 and 10.19 and the Corporations Act, Metallica will make a payment to Mr Slesarewich, in addition to any other payment to which he might be entitled on termination, equal to four months' annual base pay.

Restraint

Mr Slesarewich will be restrained for up to 12 months following the cessation of his employment with Metallica from soliciting customers, suppliers or employees of Metallica.

For more information, please contact:

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