



METALLICA MINERALS LIMITED

Wholly owned subsidiaries: QLD Gold Pty Ltd ACN 065 384 045 - Oresome Australia Pty Ltd ACN 071 762 484
Cape Alumina Pty Ltd ACN 107 817 694 - SE QLD Energy Pty Ltd ACN 112 045 708

ASX Code: MLM

QUARTERLY REPORT For the Three Month Period Ending – 31 March 2005

HIGHLIGHTS

- **Appointment of Aker Kvaerner and Hrydrometallurgy Research Laboratories (HRL)** engineering and metallurgical consultants to undertake **initial heap leach nickel testwork on NORNICO nickel laterite ores.**
- Received draft of formal **JV option agreement from BHP Billiton to farm-in to MLM's NORNICO North tenements** to explore for Ni-Cu-platinoid sulphide and Au-Cu deposits.
- The final drill-out of the high grade Dingo Dam nickel laterite deposit within the Lucky Break nickel project (100% held) was completed in March, best drill intercept included **DD-056 recorded 29m (2m to 31m) @ 2.21 % Ni, 0.04 % Co.** A **Mining Lease Application (MLA) 10324 was made over the Dingo Dam nickel deposit** in early April. A Measured and Indicated Resource based on approximately 187 drill holes should now be completed in early-mid May. In January, Metallica purchased an addition 10% of the Dingo Dam project from its co-holder, now giving **Metallica 100% ownership.**
- On the 23 March 2005, MLM signed a formal Heads of Agreement with Internickel Ltd (INL) for the **divestment of MLM's Kingaroy Coal project (EPC 882)** which includes the Taabinga Measured & Indicated thermal coal Resource of 181 Mt. INL proposes to acquire 100% of SE QLD Energy, a subsidiary of MLM, which holds Kingaroy Coal project for **share consideration with a value of \$6 million.** In addition MLM will receive a royalty payment of \$0.40 per tonne for any coal produced within the EPC 882.
- **INL intends to re-list on the ASX as InterCoal by mid 2005 as a coal focused company** and progress the evaluation and development of the Taabinga Coal Resource and other coal projects within the Tarong Basin. in the vicinity of the Tarong power Station. **The consideration to MLM for the coal divestment is 30 million fully paid 20 cent shares in INL with free attaching option.**
- **Metallica has increased its interest in coal** with two EPC applications (Condamine and Allora) in the Warwick and Millmerran areas. Both tenements adjoin large open pit thermal coal resources at Felton and Commodore coal deposits. The new "Warwick Coal Project" tenements are considered to have excellent scope for shallow open pit thermal coal.
- MLM through its **100% owned subsidiary Cape Alumina Pty Ltd** (previously named Kingaroy Aluminium Pty Ltd) has increased its tenement holdings over extensive government mapped bauxite deposits in the **world class Weipa-Aurukun bauxite province.**

ASX

ANNOUNCEMENT

28 April 2005

METALLICA MINERALS LTD

*"An emerging Queensland
focused multi-commodity
resource company"*

ASX Code :

MLM / MLMO

Issued Capital (31/3/05):

62,113,752 Shares issued
3,927,376 trading Options
1,572,750 escrowed Options
5,050,000 Directors & Management
Performance Options

Largest Shareholders: (805 shareholders)

Golden Breed Pty Ltd 13.63 %
Asden Investments 4.22 %
Codan Trustee 4.02 %

Top 20 shareholders:- Hold 51.08%

Directors:

Mr David K. Barwick -Chairman
Mr Andrew Gillies-Managing Director
Mr Robert Pyper – Director
Mr Rod Siller - Director
Mr John Haley –Director & Company Sec

SUBSEQUENT HIGHLIGHTS

MOU SIGNED FOR MERGER OF ALDOGA MINERALS AND METALLICA'S CAPE ALUMINA TO PROGRESS WEIPA-AURUKUN AND WA BAUXITE PROJECTS

The directors of Metallica Minerals Limited (**Metallica**) and its wholly-owned subsidiary Cape Alumina Pty Ltd (**Cape**) are pleased to announce the signing (on the 21 April 2005) of a non-binding Memorandum of Understanding (MOU) with Aldoga Minerals Pty Ltd (**Aldoga Minerals**) and its major shareholder Anegada Metals Corporation Limited (**Anegada**) to form a special purpose bauxite-alumina company with defined bauxite deposits and resources in western Cape York (QLD) and the Kimberley region (WA). Cape currently holds all of Metallica's bauxite interests in Queensland including its flagship Weipa-Aurukun bauxite project and the Kingaroy bauxite project.

In the last few months, Cape Alumina has substantially increased its tenement applications to cover approximately 800 sq km's of government mapped bauxite deposits in the **world class Weipa-Aurukun bauxite province**. Aldoga Minerals and its Russian-Eastern European shareholders have significant experience in developing bauxite, alumina and aluminium operations.

KEY TERMS OF PROPOSED TRANSACTIONS

The following transactions are proposed to be completed within the 14 days of signing MOU, subject to each company's respective due diligence, which is well advanced and the parties entering into binding contractual arrangements.

- Anegada will make a **placement of \$1.86 million** in to Metallica at an issue price of 20 cents per share (9.3 million MLM shares). Metallica will make available up to \$1.5 million as an interest free loan to Cape for evaluation work and a Scoping Study of the Weipa-Aurukun Bauxite Project.
- Anegada will make a placement of **\$200,000 to Cape for 10%** of Cape's issued share capital.
- Cape will **acquire 100% of Aldoga Minerals for consideration of 40% of Cape's** issued share capital (after this transaction, Anegada will hold 50% of Cape, with the remaining 50% held by Metallica). Aldoga Minerals have extensive exploration rights over identified bauxite deposits in the Kimberley region of W.A. and have completed a Scoping Study on the development of these deposits.
- Metallica shall appoint **one nominee of Anegada to the Board of Metallica**. Anegada and Metallica shall be equally represented on the Cape Alumina Board.
- Cape shall grant an option to the Aldoga share holders (or their nominee(s)) to subscribe for an additional 1% of Cape's issued share capital at the date an IPO prospectus is lodged.
- It is the intention of both Cape and Anegada to complete an Initial Public Offering (IPO) and **list Cape Alumina on the ASX within 12 months**.

FINANCIAL

As of 31 March 2005, MLM had 62.11 million shares on issue and cash of \$2,015,000. Exploration and administration expenditure for the Quarter to 31 March 2005 was \$356,000. The estimated expenditure for next Quarter is \$400,000.

GENERAL

Metallica Minerals Ltd (MLM/MLMO) was established in 1997 with the primary objective of creating opportunity and wealth for its shareholders through the evaluation and development of mineral projects in Queensland.

With North Queensland Nickel Cobalt "NORNICO" as its flagship project, MLM is an emerging mineral resource company with a quality multi-commodity portfolio of advanced exploration projects covering nickel-cobalt, coal, bauxite, scandium, limestone and precious metals, see Figure 1.

Metallica's principle and most advanced mineral project is the Bell Creek South Lease nickel resource in NORNICO; this will be the focus of evaluation in to the application of low capital cost heap leaching of the laterites producing Ni-Co (approx 30%) concentrate which could be trucked to Yabulu or despatched to other nickel refineries.

Proposed corporate transactions for the coal and bauxite assets have been entered into towards forming special purpose resource companies. This is to allow adequately funding of the respective Kingaroy coal and Weipa-Aurukun bauxite projects, having a complimentary management team and to expedite evaluation with the intention of creating opportunity and wealth returns for Metallica shareholders.

The Company has a highly experienced and motivated Brisbane based team.

MLM looks forward to systematically releasing material updates on the progress of various planned activities on its diversified commodity portfolio.

Enquiries: - agillies@metallicaminerals.com.au or phone :- (07) 32117366 or further information visit www.metallicaminerals.com.au.



A.L. Gillies BSc, M. AusIMM

Managing Director

27 April 2005

In accordance with Listing Rules 5.10, 5.12 and 5.1 of the Australian Stock Exchange Limited, technical information contained in this report has also been compiled by Andrew Gillies and Metallica Minerals Ltd, Exploration Manager, Mr Pat Smith B.Sc (Hons), M.AusIMM, who are competent persons and members of the Australasian Institute of Mining and Metallurgy. Mr Gillies and Mr Smith have relevant experience to the mineralisation being reported on to qualify as Competent Persons as defined by the Australasian Code for Reporting of Minerals Resources and Reserves.

Figure 1 - Map of QLD with MLM Projects

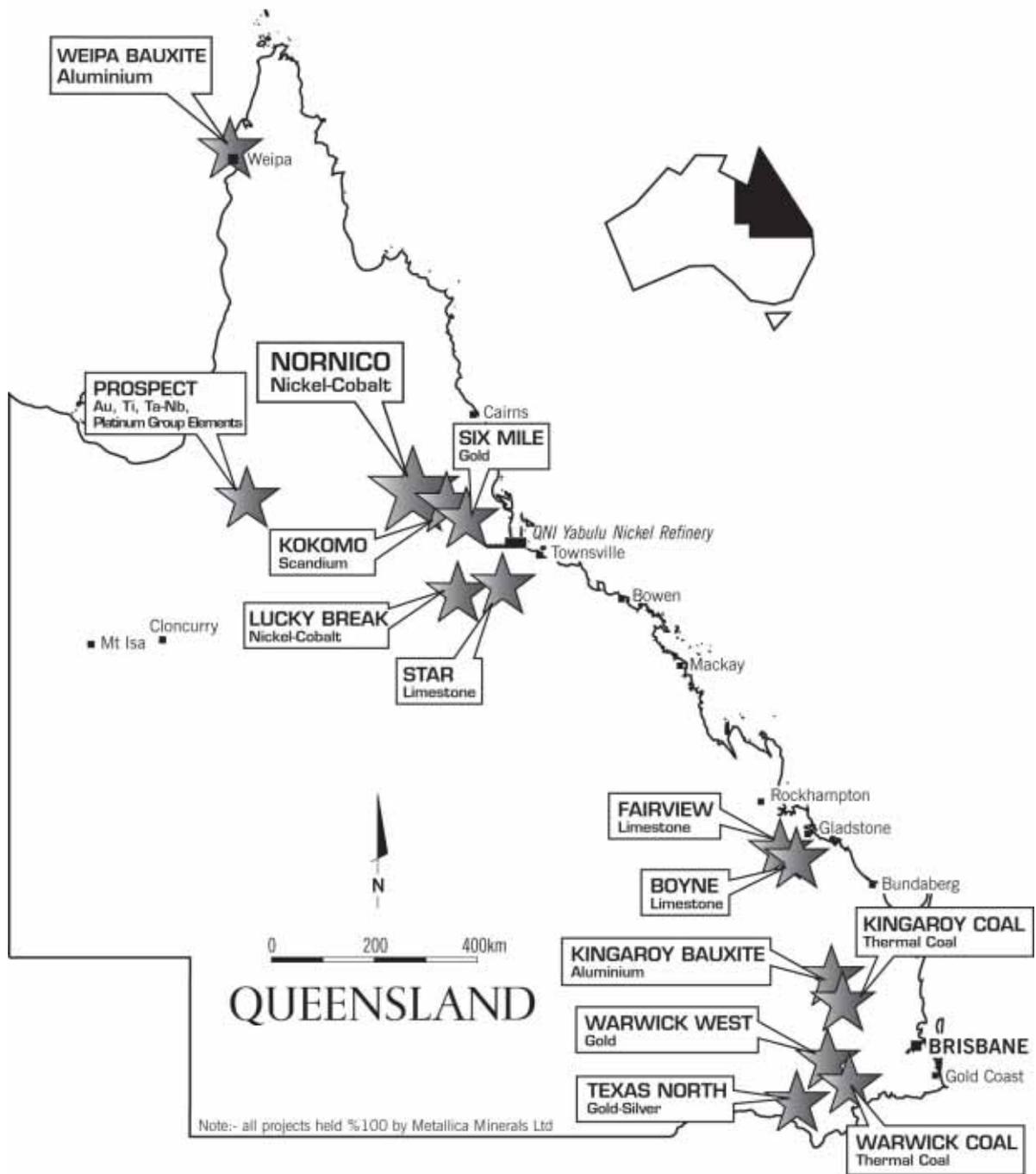
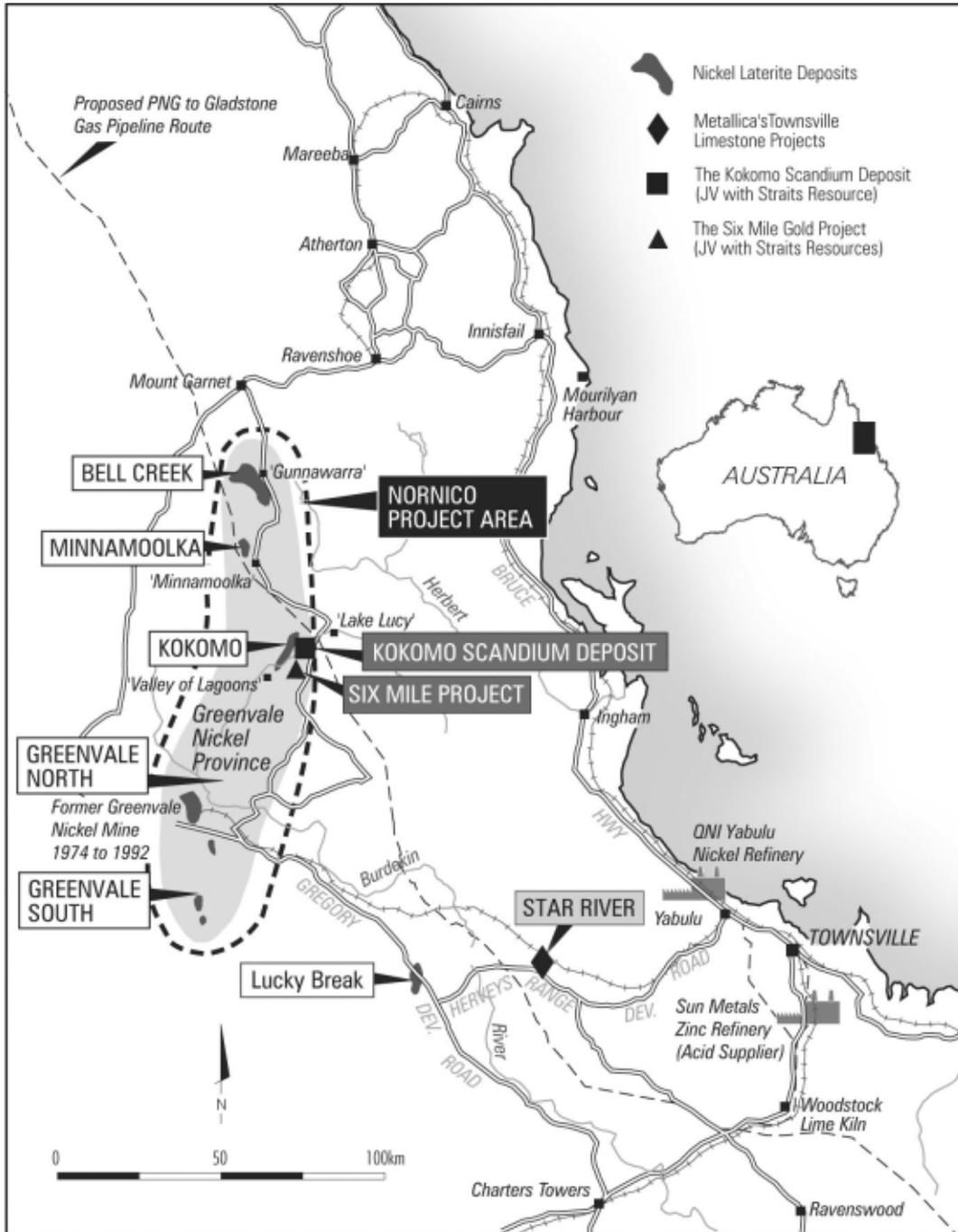


Figure 2 - NORNICO Projects and Setting



1. NICKEL-COBALT PROJECTS

(A) North Queensland Nickel Cobalt (NORNICO) Project (100% - 2 ML's, 11 EPM's and 1 EPMA)

NORNICO includes two granted ML's and over 2000 sq km of contiguous tenements covering prospective and under explored ground in the Greenvale Nickel Province. NORNICO is located approximately 300 km from BHP Billiton's Yabulu Nickel Refinery near Townsville North Queensland, see Figure 2. The project includes several drilled Ni-Co laterite deposits (Bell Creek, Minnamoolka and Kokomo), one scandium deposit and considerable exploration potential for additional Ni-Co laterite deposits as well as Ni-Cu-PGE sulphides, gold, platinumoids, base metals and other commodities.

MLM is in the process of determining if its NORNICO laterite deposits (initially focusing on Bell Creek mining leases) are amenable to heap leaching which would result in the production of a Ni-Co concentrate, which could then be trucked to Yabulu or exported.

Corporate Activity

Metallica is progressing drafting of formal JV Agreement with BHP Billiton for principally nickel sulphide exploration within the NORNICO North project

On the 9th December, MLM signed a Heads of Agreement ('HOA') with BHP Billiton covering the key terms for a joint venture over the northern half of MLM's 100% held North Queensland Nickel Cobalt (NORNICO). The proposed JV is predominantly for the exploration of Ni-Cu-PGE sulphide deposits. The parties are progressing the HOA to a formal agreement.

BHP Billiton can earn up to a 75% interest in any of the NORNICO North tenements, with the exception of the currently known nickel laterite deposits, and the gold or scandium mineralisation within the Kokomo EPM 10699 (which is in a joint venture with Straits Resources Ltd) by expending \$10 million or by completing a bankable feasibility study within seven years of commencement of the JV.

Under the intended joint venture agreement, BHP Billiton may progressively acquire a 30%, 51% and ultimately a 75% interest in any of the seven Exploration Permits for Minerals (EPM's 10235, 10699, 11235, 13603, 14101, 14273, 14518) which comprise the North NORNICO Project Area. The NORNICO North area extends from the Mt Garnet Township to the Valley of Lagoons Station approximately 100k to the south, see the attached Figure 3.

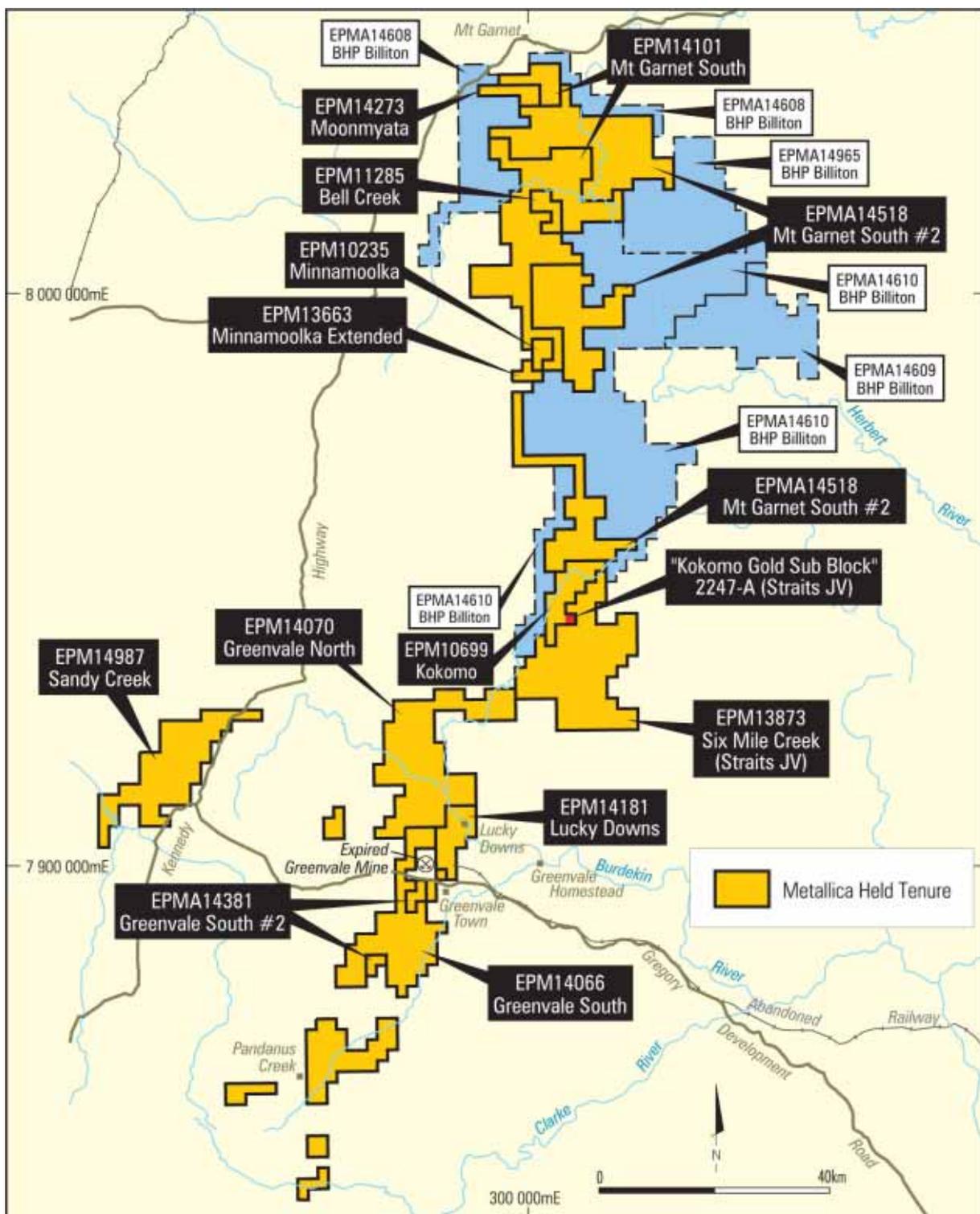
<i>Earn- In Stage No.</i>	<i>% Interest Earned in the Prescribed Tenement</i>	<i>Required Expenditure for each Prescribed Tenement</i>	<i>Time Limit (Years from Commencement Date)</i>
1.	30%	\$750,000	2 years (First Time Limit)
2.	51%	A further \$1,000,000	4 years (Second Time Limit)
3.	75%	A further \$10,000,000 – or completion of a feasibility study	7 years (Final Time Limit)

BHP Billiton must spend a minimum of \$250,000 in the first year, with exploration likely to include airborne and ground geophysics to delineate high quality electromagnetic (EM) conductors, which may represent massive nickel sulphides up to several hundreds of meters below surface. These targets would then be drill tested. The HOA includes terms whereby Metallica can have a once only opportunity to participate on an 80:20 basis on BHP Billiton's tenements (surrounding Metallica's) after BHP Billiton has expended \$1 million on its own tenements. BHP Billiton's surrounding contiguous tenements include EPM applications 14608, 14609 and 14610, see Figure 3.

The agreement also provides the opportunity for Metallica to progress any discovery 100% on a sole risk basis, where such a discovery is not of development interest for BHP Billiton (at BHPB's discretion).

For further information see ASX release dated 13 December 2004 and the Quarterly Report ending 31 December 2004.

Figure 3 – NORNICO NORTH JV TENEMENTS & BHP BILLITON'S EPMA'S.



Exploration Activities

Other than receiving drill analysis results from the Minnamoolka nickel laterite deposit and Rudd Creek Au-PGE-basemetal prospect drilling in December (*refer ASX release dated 24 January 2005*), and collecting approximate 800 kg sample of Minnamoolka ore for laboratory heap leach testwork, no fieldwork was completed on NORNICO during the March Quarter.

- Minnamoolka is one of the three key laterite deposits currently being evaluated within NORNICO. The area of exposed nickel laterite targeted at Minnamoolka for resource drilling is approximately 120 hectares. The Laterite ore at Minnamoolka is high in free silica with honeycomb and silica box work textures common. Results from the December 2004 drilling programme confirmed the presence of a large area of low grade nickel mineralisation which covers an area 1 km long by 200 m wide (which is open ended in all directions) with the highest result recorded from hole Min-18 which intersected 8m @ 1.09% Ni from surface. *Further information is summarised in ASX release dated 24 January 2005.*

Metallica has planned further drilling at Minnamoolka in May which should result in the delineation of an initial nickel resource estimate for the Project The Minnamoolka ore is planned to be used as additional feed and for blending purposes in the proposed heap leach nickel operation at Bell Creek, approximately 25 km north.

- QLD Gold has further increased its tenement holding in the Greenvale region with **EPMA 14987 (Sandy Creek) covering a mapped nickel laterite** on ultramafic rocks over a 4 km by 500m area in a poorly explored area. The Sandy Creek EPM is approximately 65km NW of Greenvale.
- **Appointment of Aker Kvaerner and HRL engineering and metallurgical consultants to undertake initial heap leach nickel test work on NORNICO ores.**

Metallica has appointed two highly experienced Brisbane based metallurgical consulting firms to undertake Heap Leach testwork in order to determine the nickel-cobalt recovery from two of its nickel laterite deposits located within MLM's North Queensland Nickel Cobalt (NORNICO) project.

Five Heap Leach column tests will be completed by **Hydrometallurgical Research Laboratories (HRL)** - a division of Xstrata Queensland Ltd. Samples will be prepared from representative nickel laterite oretypes from the Bell Creek and Minnamoolka nickel laterite deposits (see location figure attached). The Minnamoolka samples were collected from a council gravel pit located within the main Minnamoolka deposit area and these have been delivered to HRL. The Bell Creek samples will be collected from a core drilling programme expected to commence within the next 14 days. Testwork on material from Minnamoolka has commenced with preliminary results due shortly.

Aker Kvaerner Australia Pty Ltd will be responsible for the supervision and interpretation of the Heap Leach column testwork at HRL and progressing the Scoping Study for the NORNICO heap leach nickel project. Aker Kvaerner has had considerable involvement with the development of nickel laterite projects covering the entire gamut through testwork, studies, engineering and plant establishment. For heap leaching Aker Kvaerner has also had extensive experience with a range of other metal projects, particularly copper and are also currently undertaking a Bankable Feasibility study for a heap leach nickel operation for European Nickel's Caldag nickel laterite project in Turkey.

MLM plans to extract nickel-cobalt from its NORNICO laterite deposits (starting with the Bell Creek resource) via the relatively low capital cost Atmospheric Heap Leaching process to produce a nickel-cobalt hydroxide concentrate suitable for sale to nickel refineries. Subject to the results of the heap leach testwork programmes and feasibility studies, it is our objective to have NORNICO commence production within three years. The successful development of a Heap Leach operation on the

NORNICO project would produce thousands of tonnes of nickel per annum (plus cobalt credits) and would be “a company maker.”

Metallica current development objective for NORNICO is to evaluate the latest heap leach processing techniques and technologies and apply them to the NORNICO deposits, as we believe the overall nature of the laterite ore types will be suitable for heap leaching. Subject to results from the feasibility study Metallica intends to develop the deposits and gain substantial profits from the sale of Ni-Co concentrate. The Yabulu Nickel Refinery owned by BHP Billiton is located approximately 250km southeast of the NORNICO resource area and nickel-cobalt hydroxide is the preferred concentrate feed for its refinery.

Management believe Heap leaching potentially offers junior nickel developers very low set-up and production costs compared with pressure acid leach and other laterite processing technologies. It also means that smaller deposits may not only be viable - but can be economically robust.

The results of the testwork will be released as they become available later this year; the Aker Kvaerner Scoping Study is planned for completion by December 2005.

For further information regarding Metallica's Heap leach strategy, see related ASX release dated 17 February 2005.

- **MLM has negotiated and signed an Indigenous Land Use Agreement (ILUA)** in accordance with Subdivision C of Division 3 of Part 2 of the Native Title Act with representatives of the Gugu Badhun People. The ILUA was signed in Townsville on the 24th February 2005.

The ILUA is valid for a period of 20 years or until Metallica Minerals notifies the Gugu Badhun People that it has permanently ceased to exercise Project Rights in the Agreement Area and that it has completed any rehabilitation of the ILUA required by the Code of Environmental Compliance for Exploration and Mineral Development Projects.

The agreement allows both low and high impact exploration activities through out the NORNICO agreement area subject to the terms and conditions of the ILUA. The aim of the ILUA is to protect cultural heritage values, provide a right for indigenous people to participate in the development of projects through liaison, access to employment opportunities and the receipt of certain payments to assist the Gugu Badhun People to implement the terms of the agreement.

An application for registration of the ILUA was made to the National Native Title Tribunal on the 7 April 2005.

NORNICO general - Key Work Planned to 30 June 2005

- Complete formal agreement with BHP Billiton for the NORNICO North JV.
- Initiate regional exploration programme and compilation under BHP Billiton joint venture seeking Ni-Cu-PGE sulphide and Cu-Au deposits within the NORNICO North tenements, including air-borne gravity-electromagnetic and magnetic surveys.
- Progress Metallurgical / Atmospheric heap leach testwork on representative samples from Bell Creek and Minnamoolka nickel laterite projects using Hydrometallurgical Research Laboratories and Aker Kvaerner in Brisbane.
- An HQ Diamond Core Drilling programme totalling 420m on the high grade Bell Creek Ni-Co resource for metallurgical testwork due to commence in early May.
- Additional infill and step-out drilling to establish initial resources to JORC standards for the Minnamoolka and Bell Creek NW projects, with 960m planned for Minnamoolka and 520m for Bell Creek Northwest.
- Drill two deep holes at Minnamoolka Extended to test the underlying intense aero-magnetic anomaly.
- Complete a drilling programme to establish initial resources of scandium (under the Straits Scandium JV) and nickel cobalt laterite on the Kokomo Ni-Co-Sc project.

- Regional reconnaissance on NORNICO EPM's.
- Site visit to the Dry River copper prospect for the purpose of drill site selection.

(B) Lucky Break Nickel Project (100% - 2 EPM's and MDL 312 Dingo Dam)

The Lucky Break nickel project, including the high grade Dingo Dam nickel resource is strategically located only 140km from the Yabulu Nickel refinery, using the recently sealed Herveys Range Development Road. Metallica's aim is to extract the high grade nickel laterite, which could then be trucked and sold to the nearby Yabulu Nickel Refinery which currently processes imported nickel laterite ores from New Caledonia, Indonesia and Philippines. Alternatively the high and low grade nickel laterite ore at Dingo Dam could also be used in any future Heap Leaching operation.

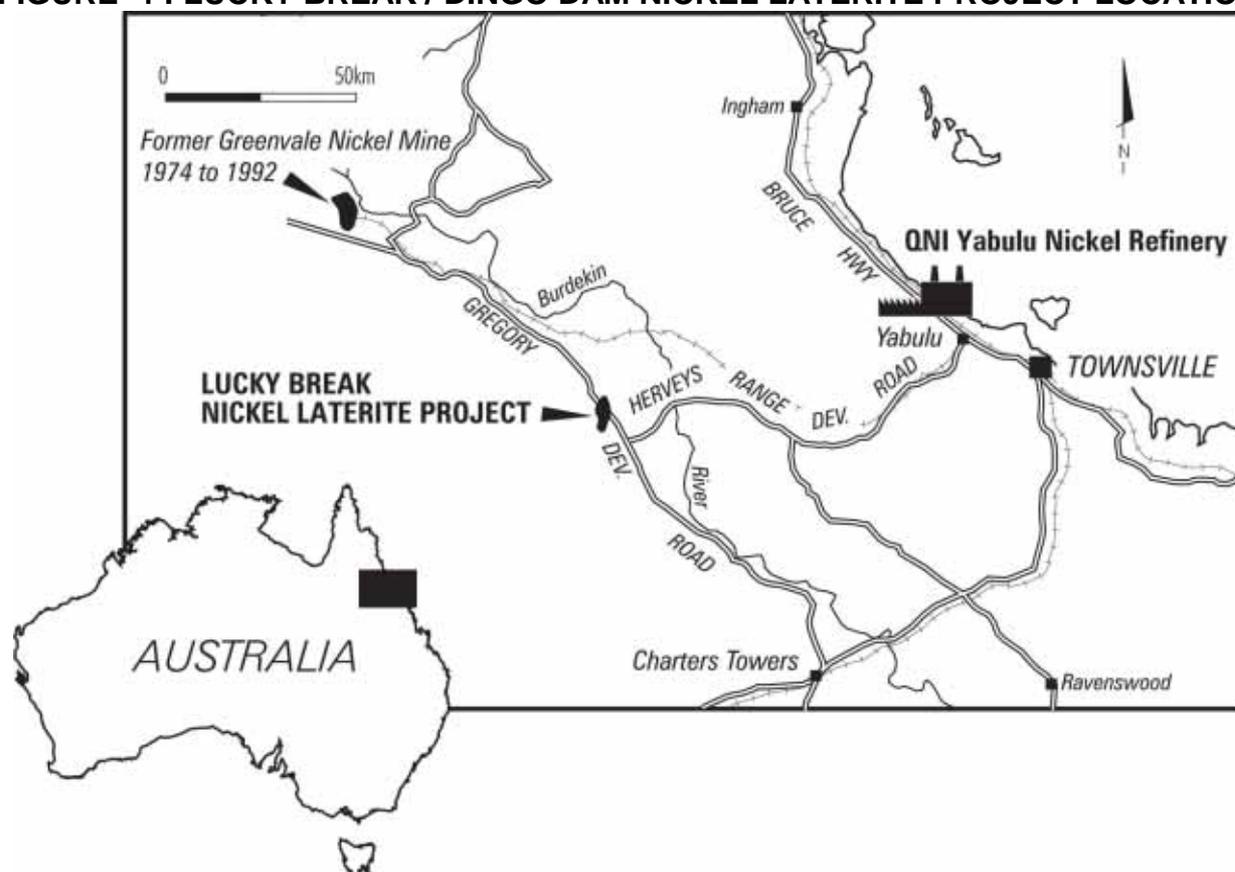
The Lucky Break nickel project includes two Exploration Permits for Mineral's (EPM's) and Mineral Development Licence (MDL 312) containing the Dingo Dam nickel laterite resource and a large under-explored exploration area. The project is favourably located on Lucky Break Station which is Freehold Land and located 140 km by road west of the Yabulu Nickel Refinery near Townsville. A previously estimated Indicated Resource of 114,000t @ 1.50 % Ni and 0.09% Co (using a 1.0% Ni cut-off grade) which includes a higher grade Indicated Resource of 45,000t @ 1.85% Ni and 0.11% Co, based 83 drill holes, was completed in 2000.

Corporate Activity

Metallica Gains 100% ownership of Dingo Dam Nickel Resource

On the 19 January, MLM acquired 100% ownership after the purchase of a 10% holding in MDL 312 for \$50,000 cash from the projects co-holder Canis Miner Pty Ltd. Metallica is now the sole owner of the Dingo Dam nickel deposit. This has created a much more confident platform for Metallica in its evaluation and development of the nickel project. The Dingo Dam deposit is now better positioned to generate cash flow from trucked nickel laterite sales to the nearby Yabulu Nickel Refinery (see Figure 4) at relatively low start-up and development cost by late 2005/early 2006.

FIGURE 4 : LUCKY BREAK / DINGO DAM NICKEL LATERITE PROJECT LOCATION



Exploration Activities

In March, a further 51 holes (DD-54 to DD-104) Aircore / RC programme was completed on the Lucky Break Nickel laterite project, in the Dingo Dam resource area (within MDL 312, now MLA 10324).

Highlights of the drilling include:-

DD-055 recorded 25m (0m to 25m) @ 2.47 % Ni, 0.06 % Co
DD-056 recorded 29m (2m to 31m) @ 2.21 % Ni, 0.04 % Co
DD-060 recorded 14m (8m to 22m) @ 1.68 % Ni, 0.19 % Co
DD-069 recorded 19m (2m to 21m) @ 1.48 % Ni, 0.09 % Co
DD-080 recorded 11m (12m to 23m) @ 1.72 % Ni, 0.10 % Co
DD-096 recorded 10m (11m to 21m) @ 1.72% Ni, 0.22 % Co
DD-103 recorded 14m (6m to 20m) @ 1.63% Ni, 0.13 % Co

A drill hole long section showing the recent drilling at Dingo Dam is presented in Figure 5.

For further information, see ASX release dated 17 January and 30 March 2005.

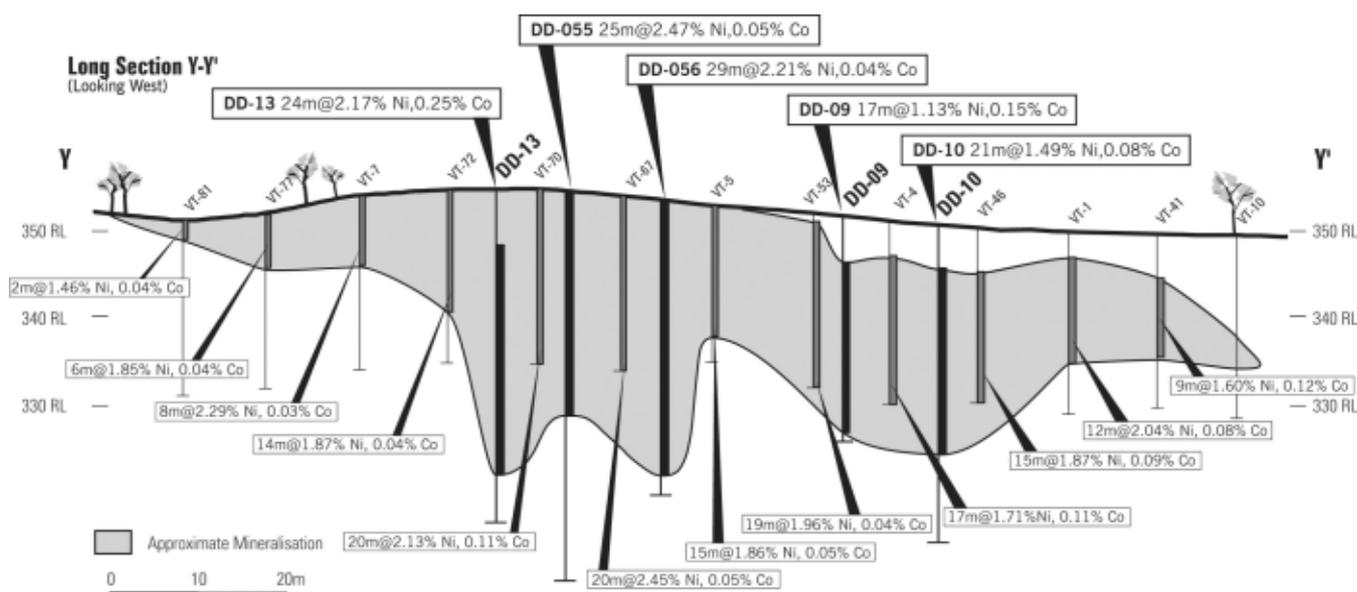
Key Near Term Activities Planned for the Lucky Break Nickel Project

- Progress Mining Lease Application over the Dingo Dam resource area towards grant by late 2005.
- New Independent Resource Study – May 2005.
- Negotiation with the Yabulu Nickel Refinery (QNI) for the purpose of a nickel ore sales agreement – May 2005.
- Recoverable open pit resource and reserve study – June 2005
- Compensation and Access Agreement with Landowner – June 2005

Significance of Lucky Break Project to Metallica Minerals

The Lucky Break nickel project has the potential to generate sales from trucked high grade nickel laterite to the nearby Yabulu Nickel Refinery at relatively low start-up and development cost by early 2006. The Lucky Break ore will be competing with imported wet tropical nickel laterite ores. Dingo Dam ore could also be used as additional High grade feed for Metallica's NORNICO heap leach nickel strategy.

Figure 5 : LUCKY BREAK / DINGO DAM NICKEL LATERITE LONGSECTION



2. COAL PROJECTS

(A) Kingaroy Coal Project (100% - EPC 882)

Through its recently formed wholly owned subsidiary SE QLD Energy Pty Ltd (EPC 882 has been transferred from Cape Alumina Pty Ltd (previously named Kingaroy Aluminium Pty Ltd) another MLM subsidiary) holds the Kingaroy coal project, EPC 882 which includes the Taabinga coal resource and other drilled coal prospects within the Tarong Basin. The 181.9 Mt Measured and Indicated Taabinga coal Resource is strategically located 25 km from the Tarong Power Station, the largest power station in Queensland. We understand that the Tarong Power Station does not own a coal deposit within current transport range and is reliant on purchasing coal from the nearby Meandu coal mine. MLM will investigate the possibility of being able to secure a portion of this local coal market estimated to be over 6 Mt of thermal coal per annum.

Corporate Activity

On the 23 March 2005, MLM signed a formal Heads of Agreement with Internickel Ltd (INL) for the divestment of MLM's Kingaroy Coal project (EPC 882) which includes the Taabinga Measured & Indicated thermal coal Resource of 181 Mt. INL proposes to acquire 100% of SE QLD Energy, a subsidiary of MLM, which holds Kingaroy Coal project for share consideration with a value of \$6 million. In addition MLM will receive a royalty payment of \$0.40 per tonne for any coal produced within the EPC 882.

INL proposes to acquire 100% of SE QLD Energy Pty. Ltd, a subsidiary of Metallica, for share consideration valued at \$6 million, based on 30 million shares at an issue price of 20 cents each. INL will also issue Metallica 30 million options to acquire shares in Internickel at 20 cents exercisable on or before June 30, 2009. Metallica may, at its discretion, distribute some or all of these shares and options to its shareholders. MLM intends, subject to ASX approval, being free of escrow and obtaining an underwriter to the issue, offer its shareholders for consideration of 1 cent per Option a pro-rata entitlement of its 30 million options received from this transaction.

A deed of royalty already exists over EPC 882 whereby the holder of the tenement is to pay Metallica a royalty of \$0.40 per ton of any coal produced and this arrangement will remain on foot for the benefit of Metallica.

The transaction will be subject to INL conducting due diligence and receiving shareholder approval. It will also be subject to INL raising additional capital under a rights-issue prospectus, being re-listed on the ASX and meeting all other regulatory consents and approvals, including appointing at least two Metallica nominees to the board.

INL has advised MLM that they have received an Independent Valuation of the Kingaroy Coal project, which was completed by consulting mining engineers Tennent Isokangas Pty Ltd. This valuation report will be forwarded to INL shareholders as part of the Notice of Meeting documentation for the INL shareholders meeting to approve the coal project acquisition. The independent valuation indicated a preferred value of \$7 million.

Currently suspended INL intends to focus its direction towards coal, change its name to Intercoal Limited, gather a management team of considerable coal experience and refinance itself in preparation for ASX re-listing in mid-2005.

The proposed agreement will give Metallica a \$6 million investment in a listed vehicle and effectively a controlling interest in this coal project through which there is considerable upside. This will allow Metallica to more effectively focus its resources on our NORNIC and Lucky Break nickel projects. The divestment also ensures that Metallica does not have to dilute its share capital to raise funds to progress the coal project.

The Directors of MLM believe the Kingaroy Coal project's value and potential to MLM has not been recognised and subsequently reflected in Metallica's share price possibly due to the Company's multi-commodity portfolio.

INL has also advised that Mr Darian Hielscher has consented to be a Director of INL and will be appointed as one of the Independent directors of the Board. Darian Hielscher is a qualified Engineer with a Masters Degree in Business Administration and over 23 years experience in the Coal Industry. Prior to becoming an independent director of INL and consultant, Darian was the Managing Director for Peabody Energy's Australian interests, and previously held various management, technical and production positions with both international and local companies. Darian has had extensive experience with the feasibility, construction and management of three new open cut mines and a major underground longwall mine.

Mr. David Barwick, Chairman of MLM and Mr. Andrew Gillies, Managing Director of MLM, will also be appointed to the Board to represent MLM's major shareholding in the company. Their appointment is conditional on the relisting of INL on the ASX.

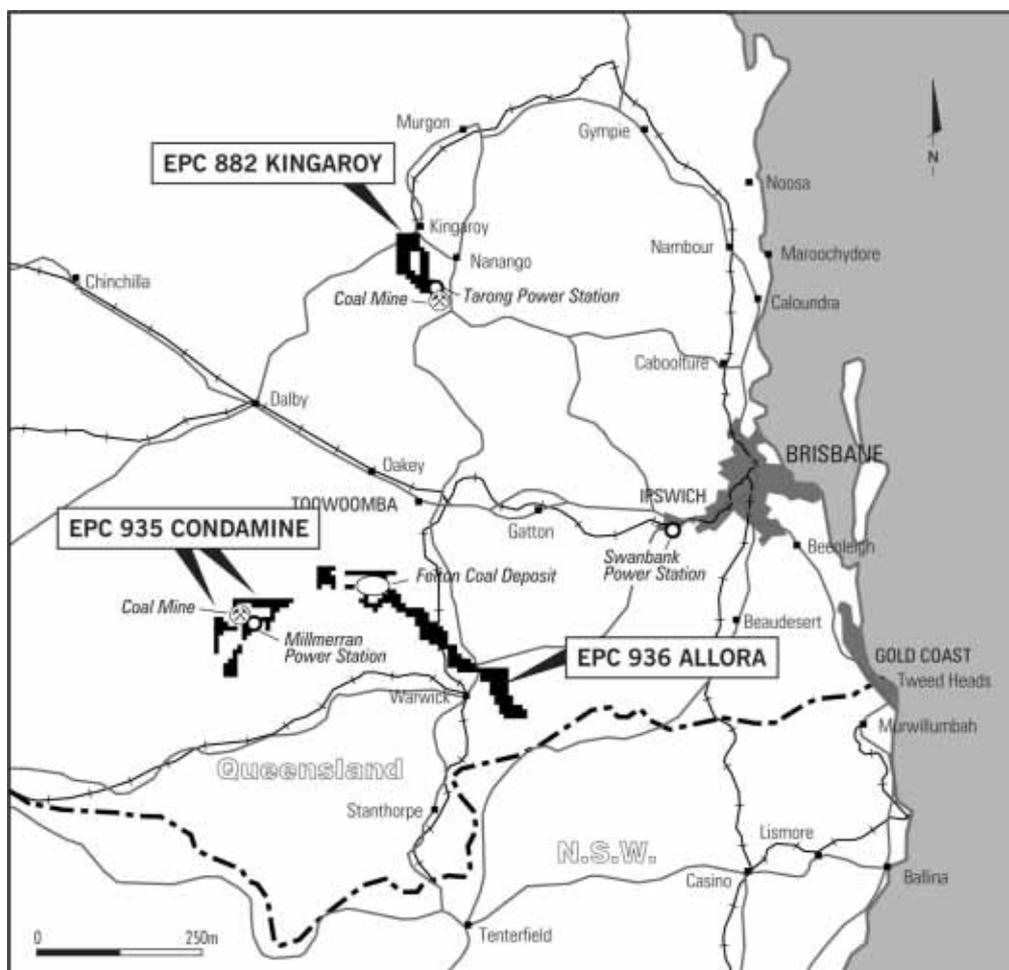
For further information, see related ASX release dated 20 December 2004 and 24 March 2005.

Exploration Activities

No fieldwork was completed on the Kingaroy coal project during the December Quarter.

(B) Coal Project Generation – New Coal Project – Warwick Coal Project

FIGURE 6 : Metallica's Kingaroy and Warwick Coal projects



After a comprehensive review of coal project opportunities in Queensland, one opportunity that has been advanced are the lodgement of two Exploration Permits for Coal (EPC) applications, EPCA 935 "Condamine" and EPC 936 "Allora" in SE QLD, which were applied for in mid January.

The combined EPCA area of 244 sub-blocks (approx 750 sq km) covers established coal bearing areas from Millmerran to Felton to Warwick along the southern edge of Clarence Moreton Basin. The EPCA's surround the mining leases and MDL's at Commodore (near the Millmerran coal fired power station) and Felton (a 1 billion tonne coal deposit) and extend over known drilled coal areas to the south east of Warwick.

MLM in its own right or with a Joint Venture partner, plans to conduct a preliminary regional geological assessment to identify potential low strip ratio coal deposits of significant size in the areas under application with the objective of delineating potential high quality resources with low cost extraction.

Metallica is currently compiling all previous exploration work for coal within the tenement areas and is negotiating with a possible joint venture partner.

3. BAUXITE PROJECTS

Through wholly owned subsidiary Cape Alumina Pty Ltd, Metallica holds the Weipa-Aurukun bauxite project and the Kingaroy bauxite project. Metallica and Cape Alumina have recently signed a non-binding MOU with Aldoga Minerals Pty Ltd for a placement in Metallica and the merger of Cape Alumina and Aldoga Minerals Ltd.

(A) Weipa-Aurukun Bauxite Project

(100% - EPMA 14547, 15012, 15018, 15019, 15054, 15080 and Minerals Rights Sharing Deed with Norkay Pty Ltd and Sigma Kaolin Pty Ltd on EPMA's 13836, 13838, 14110, 14114)

Cape Alumina has substantial tenement applications in the Weipa—Aurukun region, and has an exclusive Mineral Rights Sharing Deed with Sigma Kaolin Ltd and its subsidiary Norkay Pty Ltd which has in excess of 500 sub-blocks in the Bamaga-Weipa-Aurukun region under application. Cape's tenements and mineral right tenements cover extensive bauxite deposits along a 250 km coastal strip centred on Weipa. The tenements are adjoining and along strike of the world-class bauxite reserves and mining operations within the Alcan and Comalco mining leases and the Aurukun bauxite deposits. Cape's combined tenement areas cover vast areas of mapped bauxite (>800 sq km) which have only been partly explored by drilling in the 1960's-70's.

Exploration & Tenure Activities

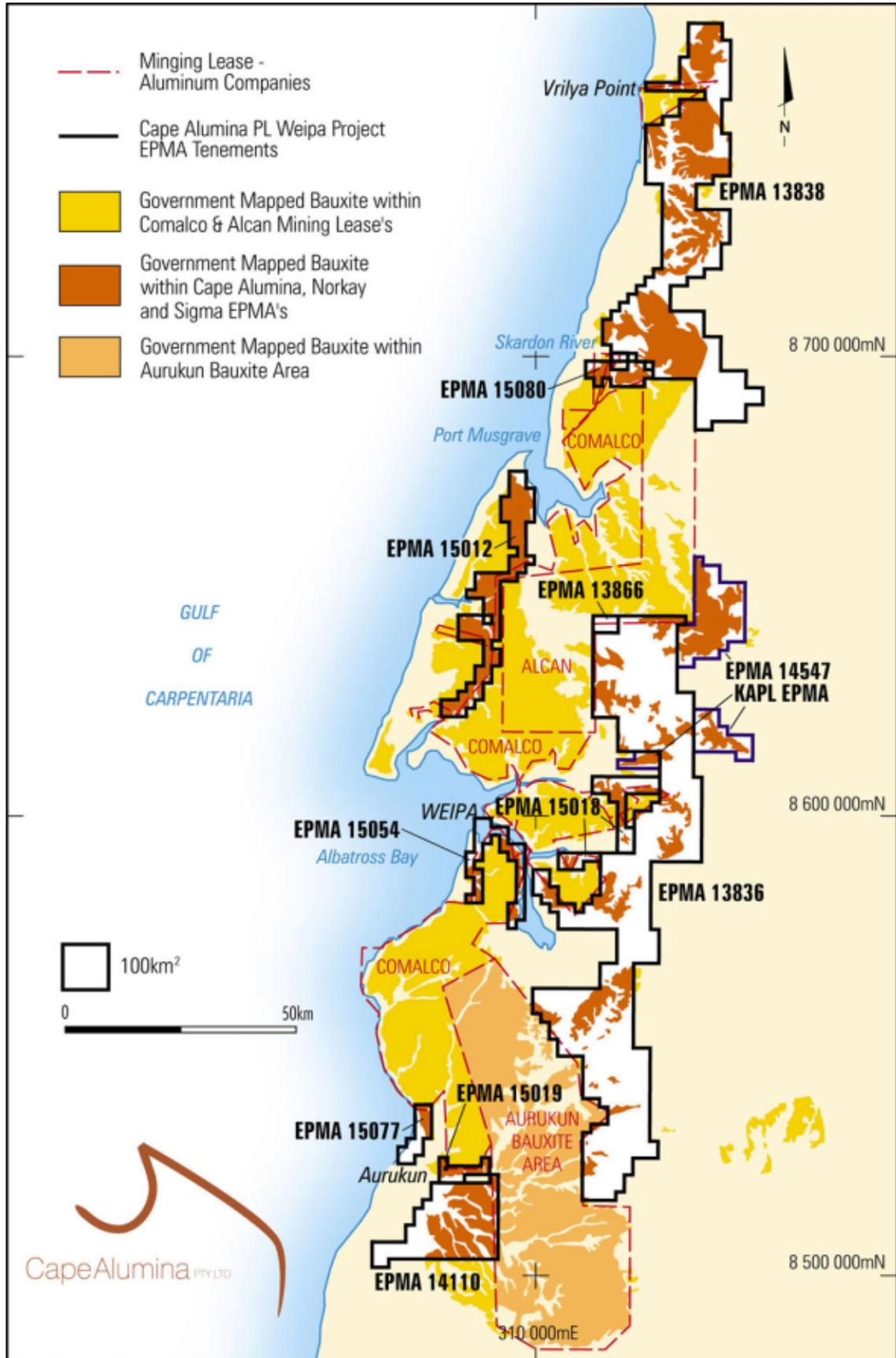
After further project evaluation and compilation during the March Quarter, Cape Alumina has applied for five additional EPM applications in the Weipa and Aurukun region.

Cape has acquired all available topographic mapping as well as satellite imagery over the region and is incorporating this in to Mapinfo GIS format.

The Company is awaiting the processing of MLM's and Sigma's EPM application's by the Department of Natural Resources and Mines (DNRM) and as the underlying land tenure is subject to Native Title there could be substantial delays or restrictions before field exploration (ie drilling) could commence. A site visit is planned for the purpose of meeting the Traditional Landowners at the end of the wet season, possibly in May.

MLM anticipates that portions of the combined tenement area will become available for exploration drilling before the end of the 2005 dry season.

FIGURE 7 : Cape Alumina Weipa-Aurukun Bauxite project



(B) Kingaroy Bauxite Project (100% - EPM 14639 & 14514)

Cape holds two large tenements (100% - EPM 14639 & EPMA14514) in the Kingaroy region in southern Queensland which have bauxite potential in an area of favourable infrastructure. The Kingaroy region is considered prospective for bauxite beneath extensive red clay soils, particularly where developed over basalt. It is a concept driven project and is modelled on the Darling Ranges bauxite-alumina-aluminium operations in Western Australia. Commercial bauxite occurs in three forms: pisolite/oolite (eg Weipa Bauxite), earthy or sponge bauxite, and amorphous or clay bauxite ore type. It would appear that the Kingaroy area may host clay (red clay appearance) bauxite.

Exploration Activities

No fieldwork was conducted in the March Quarter. A drilling programme is being planned for May to establish if significant economic bauxite grades and tonnages are present.

Corporate Activity

Metallica and its wholly-owned subsidiary Cape Alumina Pty Ltd (Cape) signed on the 21 April 2005 a non-binding memorandum of understanding (MOU) with Aldoga Minerals Pty Ltd (Aldoga Minerals) and its major shareholder Anegada Metals Corporation Limited (Anegada) to form a special purpose bauxite-alumina company with defined bauxite deposits and resources in western Cape York (QLD) and the Kimberley region (WA). Cape currently holds all of Metallica's bauxite interests in Queensland including its flagship Weipa-Aurukun bauxite project.

Should the transaction be completed, it will principally result in a \$1.86 million placement in Metallica Minerals, a \$200,000 placement in Cape Alumina and the acquisition of 100% Aldoga Minerals (which holds the Kimberley WA bauxite project). *For further information, see key terms of proposed transactions summarised on page 2 of this Quarterly Report and ASX release dated 21 April 2005.*

Kimberley Bauxite Project (Aldoga Minerals Assets 100%)

Aldoga Minerals has already completed a \$2M scoping study on its Kimberley Bauxite Project and has defined Indicated and Inferred Mineral Resources of bauxite at its Kalumburu and Mt Leeming tenements in the Kimberley region of WA. The scoping study indicated a bauxite mining operation could be viable.

Significance of Proposed Transaction to Metallica Minerals

It is the intention of Cape Alumina to define a combined critical mass of at least 300 Mt of bauxite suitable for direct shipping to alumina plants in Australia and overseas and also to underwrite development of an alumina refinery. The combined company's bauxite deposits in Cape York and the Kimberley are expected to be complimentary for blending to produce bauxite feed grades suitable for alumina production. The directors of Metallica/Cape believe that the expanded entity has potential to develop an integrated bauxite/alumina company-making project, in which Metallica will hold a 50% interest prior to a proposed listing of Cape Alumina.

4. SCANDIUM PROJECT

Kokomo Scandium Project (100% - EPM 10699, Straits Resources Ltd can earn a 70% interest)

MLM holds a high grade scandium (Sc) deposit associated with Ni-Co laterite mineralisation within the Kokomo EPM 10699 (*see Figure 2 and 3*). Approximately 12 drillholes have so far defined a high grade scandium open ended zone (approximately 300m by 50m) which averages approximately 170 g/t Sc. The prospective strike length of the Kokomo ultramafic is 16 km. Scandium is a valuable rare earth metal, mainly used to enhance aluminium alloys. Straits Resources Ltd (Straits) can earn up to a 70% interest in the scandium project.

Exploration Activities

In the December Quarter, Straits completed a detailed multi-element soil survey (approximately 600 samples) over a 3.5 km by 1 km area in the central portion of the Kokomo ultramafic. This sampling has worked extremely well and has identified additional areas of highly anomalous Sc soil geochemistry for immediate drilling. These are of the same tenor (or higher) than that associated with the previously drilled out high grade scandium zone. Drill testing of the newly defined Sc soil anomalies is planned for mid May with Straits planning to drill 9 holes for 270m.

Straits is undertaking metallurgical testwork on extracting scandium from the Kokomo laterite ores.

In addition to defining high order Sc anomalies the soil sampling by Straits also identified areas of + 2500 ppm Ni and + 1000 ppm Co anomalies, these areas will also be drilled in mid – May with 11 holes planned for a total of 330m..

An access agreement has been completed with the Gugu Badhun traditional landowners.

5. LIMESTONE PROJECTS

MLM holds several high quality and strategically located limestone deposits at Boyne and Fairview (near Gladstone), and Star (near Townsville).

Exploration Activities

No field exploration activities were completed on the limestone projects during the March Quarter.

A large industrial minerals company had completed a site visit to the Boyne limestone project for the purpose of possibly purchasing or joint venturing the project. The company collected 14 rocks samples over the Boyne limestone deposit and 6 rock samples over the Fairview limestone deposits. Despite the samples confirming the exceptionally high quality of the limestone (54.0 to 55.3% CaO with very low contaminates), the company declined on progressing with negotiations.

Boyne limestone rock-chip samples

SAMPLE ID	% Chemical Analysis									LOI
	SiO ₂	Fe ₂ O ₃	TiO ₂	Al ₂ O ₃	CaO	MgO	Na ₂ O	K ₂ O	MnO	
B01	0.22	0.04	<0.01	0.06	55.1	0.51	0.03	<0.01	0.02	42.9
B02	0.60	0.21	0.02	0.19	54.5	0.35	0.02	0.01	0.02	43.3
B03	0.25	0.26	0.01	0.05	55.1	0.30	0.02	<0.01	0.03	43.5
B04	0.43	0.14	<0.01	0.09	55.1	0.42	0.02	0.01	0.02	43.0
B05	1.1	0.10	0.03	0.51	54.1	0.42	0.03	0.08	0.01	42.8
B06	0.98	0.06	0.02	0.32	54.5	0.33	0.02	0.06	0.02	42.8
B07	1.3	0.23	<0.01	0.09	54.2	0.36	0.01	0.01	0.02	43.0
B08	0.98	0.20	0.02	0.24	54.0	0.50	0.02	0.06	0.01	43.0
B09	0.44	0.06	<0.01	0.06	55.2	0.19	0.02	<0.01	0.02	43.2
B10	0.34	0.04	0.01	0.09	55.0	0.29	0.01	0.01	0.02	43.2
B11	0.34	0.05	0.01	0.14	55.3	0.16	0.02	0.02	0.01	43.0
B12	0.72	0.10	0.02	0.34	54.9	0.19	0.02	0.07	0.01	43.2
B13	0.42	0.11	0.01	0.20	55.3	0.19	0.01	0.03	0.01	43.2
B14	0.95	0.08	0.01	0.12	55.0	0.26	0.02	0.01	0.01	43.2

Fairview limestone rock-chip samples

SAMPLE ID	% Chemical Analysis								LOI
	SiO ₂	Fe ₂ O ₃	Al ₂ O ₃	CaO	MgO	Na ₂ O	K ₂ O	MnO	
F500	0.15	0.06	0.04	54.4	1.20	0.03	0.01	0.01	43.4
F501	0.27	0.10	0.14	54.0	1.80	0.02	0.03	0.01	43.4
F502	0.15	0.06	0.09	54.6	1.40	0.02	0.02	0.01	43.4
F503	0.67	0.20	0.07	52.5	2.60	0.02	0.01	0.02	43.5
F504	0.86	0.12	0.07	53.3	2.70	0.03	0.02	0.02	43.2
F505	0.26	0.014	0.09	53.2	2.20	0.02	0.02	0.02	43.7

In the June Quarter, MLM is planning a drilling programme at Boyne before considering a mining lease application.

6. GOLD & OTHER PROJECTS

MLM's principle gold interest centres on the Six Mile gold project within the NORNICO precinct. This area comprises the Kokomo Gold Sub-Block (3 sq km) within the Kokomo EPM and the adjoining Six Mile EPM (100 sub-blocks) both of which are in joint venture with Straits. A considerable portion of the NORNICO project area is also prospective for precious and base metals, eg Rudd Creek prospect and Greenvale North tenement (including the Dry River copper prospect).

MLM also hold the Texas North and the Warwick West gold-silver projects close to a proposed silver-gold mining development near Texas. The Prospect project is prospective for titanium (eg a previous explorers drill intercept recorded 98m @ 15% TiO₂) and a range of other minerals including PGE, gold, tantalum-niobium, nickel and basemetal sulphides and diamonds.

No field exploration activities were completed on the gold-basemetal projects during March Quarter.

Exploration Activities

Exploration on the Warwick-Texas area will commence in June with geological reconnaissance programmes planned for both tenements. The programmes will be aimed at defining drill targets which will be tested in the September Quarter.

Straits Resources are planning to conduct additional geological mapping and rock chip sampling at the Six Mile project in early May. The mapping and rock chip sampling will be completed over areas identified as prospective by a geological reconnaissance and evaluation study of the tenement in November 2004. Straits have indicated that this will be followed up by drilling the most prospective targets in June.

TENEMENT SCHEDULE (as at 31st March 2005)

Nickel – Cobalt Projects

Tenement	Project Name	Holder/ Applicant	Status (Expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
ML 4187	Bell Creek South	QLD Gold Pty Ltd	Granted (29/2/2020)	71.35 Ha	Ni , Co	
ML 4188	Bell Creek North	QLD Gold Pty Ltd	Granted (29/2/2020)	98.11 Ha	Ni , Co	
MDL 312	Dingo Dam	QLD Gold P/L (90%)	Granted (31/12/2006)	74.34 Ha	Ni , Co	
MLA 10324	Dingo Dam	QLD Gold P/L (100%)	Application (07/4/05)	36.17 Ha	Ni , Co	
EPM 10235	Minnamoolka	QLD Gold Pty Ltd	Granted (8/9/2006)	5	Ni , Co	\$70,000
EPM 10699	Kokomo	QLD Gold Pty Ltd	Granted (21/8/2006)	21	Ni , Co, Sc, Au	\$100,000
EPM 11285	Bell Creek	QLD Gold Pty Ltd	Granted (21/8/2006)	8	Ni , Co	\$70,000
EPM 13663	Minnamoolka Ext.	QLD Gold Pty Ltd	Granted (12/6/2006)	3	Ni , Co	\$20,000
EPM 14101	Mt Garnet South	QLD Gold Pty Ltd	Granted (22/12/2008)	125	Ni , Co, Au, PGE	\$40,000
EPM 14273	Moonmyata	QLD Gold Pty Ltd	Granted (22/12/2008)	8	Ni , Co, Au , PGE	\$12,000
EPM 14066	Greenvale South	QLD Gold Pty Ltd	Granted 22/08/2009	68	Ni , Co, PGE	\$35,000
EPM 14070	Greenvale North	QLD Gold Pty Ltd	Granted 22/08/2009	100	Ni , Co, Cu, Au	\$45,000
EPM 14181	Lucky Downs	QLD Gold Pty Ltd	Granted 22/08/2009	18	Ni , Co, Cu	\$15,000
EPM 14381	Greenvale South 2	QLD Gold Pty Ltd	Granted 15/12/2004	62	Ni , Co, Cu	\$40,000
EPM 14518	Mt Garnet South #2	QLD Gold Pty Ltd	Granted 15/2/2005	193	Ni , Co, Au, Cu	\$40,000
EPM 14392	Lucky Break	QLD Gold Pty Ltd	Granted (29/6/2009)	43	Ni , Co	\$30,000
EPMA 14658	Yellow Jack	QLD Gold Pty Ltd	Application Expedited Procedure	50	Ni , Co	\$25,000
EPMA 14987	Sandy Creek	QLD Gold Pty Ltd	Application Expedited Procedure	70	Ni , Co	\$30,000

Coal Project

Tenement	Project Name	Holder/ Applicant	Status	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPC 882	Kingaroy Coal	SE QLD Energy Pty Ltd	Granted (26/09/2009)	64	Open Cut Thermal Coal	\$40,000
EPC 935	Condamine Coal	Metallica Minerals Ltd	Application	114	Open Cut Thermal Coal	\$50,000
EPC 936	Allora Coal	Metallica Minerals Ltd	Application	130	Open Cut Thermal Coal	\$60,000

Bauxite Projects

Tenement	Project Name	Holder/ Applicant	Status	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPMA 14639	Kingaroy Bauxite	Cape Alumina Pty Ltd	Granted (19/10/2004)	111	Bauxite	\$43,000
EPMA 14514	Kingaroy Bauxite N	Cape Alumina Pty Ltd	Application	129	Bauxite	N/A
EPMA 14547	Weipa Bauxite	Cape Alumina Pty Ltd	Application	100	Bauxite	N/A
EPMA 15012	Mappoon Bauxite	Cape Alumina Pty Ltd	Application	82	Bauxite-Kaolin	N/A
EPMA 15018	Weipa East Bauxite	Cape Alumina Pty Ltd	Application	35	Bauxite	N/A
EPMA 15019	Aurukun Bauxite	Cape Alumina Pty Ltd	Application	11	Bauxite	N/A
EPMA 15054	Hey Point Bauxite	Cape Alumina Pty Ltd	Application	31	Bauxite	N/A
EPMA 15080	Skardon R. Bauxite	Cape Alumina Pty Ltd	Application	20	Bauxite	N/A

Limestone Project

Tenement	Project Name	Holder/ Applicant	Status	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
ML 10276	Star Limestone	Metallica Minerals Ltd	Granted (30/4/2023)	18.54 Ha	Limestone	N/A
EPM 13423	Boyne Limestone	Metallica Minerals Ltd	Granted (1/1/2006)	6	Limestone	\$45,000
EPM 13756	Fairview Limestone	R.W. Siller	Granted (10/12/2004)	2	Limestone	\$15,000
EPM 14042	Fairview Extended	R.W. Siller	Granted (23/10/2005)	4	Limestone	\$15,000

Gold, PGE, Other Projects

Tenement	Project Name	Holder/ Applicant	Status	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPM 13873	Six Mile	QLD Gold Pty Ltd	Granted (10/12/2007)	100	Gold, Copper	\$70,000
EPM 14406	Prospect	Oresome Australia Pty Ltd	Granted (19/12/2009)	83	Ti, Au ,PGE Diamonds	\$30,000
EPM 14477	Texas North	Oresome Australia Pty Ltd	Granted 22/08/2009	100	Au, Ag	\$40,000
EPM 14478	Warwick West	Oresome Australia Pty Ltd	Granted 22/08/2009	118	Au	\$40,000

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Metallica Minerals Limited

ABN

45 076 696 092

Quarter ended ("current quarter")

March 31, 2005

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	4	55
1.2 Payments for (a) exploration and evaluation	(160)	(632)
(b) development		
(c) production	(196)	(390)
(d) administration		
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	29	53
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (provide details if material)		(223)
Deferred fees		
Net Operating Cash Flows	(323)	(1,137)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(7)	(13)
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(7)	(13)
1.13 Total operating and investing cash flows (carried forward)	(330)	(1,150)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(330)	(1,150)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1	2,688
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	1	2,688
Net increase (decrease) in cash held			
		(329)	1,538
1.20	Cash at beginning of quarter/year to date	2,344	477
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,015	2,015

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	62
1.24	Aggregate amount of loans to the parties included in item 1.10	NIL

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

\$5,000 fee received by the Reporting Entity on signing of option to enter into an Agreement over the Boyne Gold Project

Financing facilities available

Add notes as necessary for an understanding of the position.

Amount available \$A'000	Amount used \$A'000

+ See chapter 19 for defined terms.

3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000	
4.1	Exploration and evaluation	\$400	
4.2	Development		
Total		\$400	

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	490	319
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)-Term Deposits	1,525	2,025
Total: cash at end of quarter (item 1.22)	2,015	2,344

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	12765	EPM	EPM	NIL
6.2 Interests in mining tenements acquired or increased	14518	EPM granted	EPMA	EPM

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	62,113,752	47,150,652		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	2,500	2,500		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	3,927,376 Listed Options 6,622,750 Unlisted escrowed options		<i>Exercise price</i> 25 cents 20 cents	<i>Expiry date</i> 31 December 2006 31 December 2006
7.8 Issued during quarter				
7.9 Exercised during quarter	2,500	2,500		
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				

+ See chapter 19 for defined terms.

7.12	Unsecured notes (totals only)		
------	-------------------------------	--	--

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed

Sign here:



(Director/Company Secretary)

Date: 28 April 2017

Print name:

JOHN KEVIN HALEY

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

=====

1 See chapter 19 for defined terms.