



ASX RELEASE  
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## COMPLETION & FINDINGS OF REVIEW INTO REPEATED DELAYS OF THE URQUHART BAUXITE PROJECT

On 1 February 2019, the newly elected Board of Metallica Minerals (ASX: MLM) advised they would:

*“undertake a process of reviewing administration, management and corporate costs and the reasons for the delay in bringing Urquhart Bauxite’s lengthy development into production.”*

This review has now been completed, with assistance from an independent firm of lawyers, HWL Ebsworth (HWLE), Brisbane.

The key findings of the HWLE review into the repeated and protracted delays in bringing the Urquhart Bauxite project into production are:

- MLM, via its Urquhart Bauxite Joint Venture entity, Oresome Australia, was unable to agree on the terms of a Haul Road Access Agreement until 8 November 2018. Formal negotiations commenced in or around April 2016. The agreement took approximately 2.5 years to culminate in an executed agreement.
- Oresome Australia and the owners of the Hey Point transshipment infrastructure were unable to agree on the terms of a Logistic Contract, specifically the fee for service (calculated at a per tonne rate).
- The owners of the Hey Point transshipment infrastructure had not secured all the necessary approvals and completed the necessary upgrades to its infrastructure to handle the volume of Urquhart Bauxite project’s product (in addition to its own bauxite).
- Oresome Australia did not take steps to lay the ground work to appropriately pursue other load-out options in the event that the Hey Point option became unavailable and/or unviable.

With the review now completed, Metallica and its JV partner will continue to progress studies and designs for building a barge loading facility, including options for building on tenements currently owned and controlled by the Joint Venture parties.

As previously reported, the results of these studies will not become available for some months, and a production start date would not commence until after 2020. Results from these new studies will be released to the ASX once they are complete.

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