



**ASX RELEASE  
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## **WITHDRAWAL OF ML APPLICATION FOR HAUL ROAD ROUTE TO HEY POINT**

On 12 June 2019, the Board of Metallica Minerals (ASX: MLM) advised the following:

- Metallica, via its Urquhart Bauxite Joint Venture entity, Oresome Australia, and the third party owners of the Hey Point bauxite operation, barge and transshipment infrastructure, were unable to agree on the terms of a Logistic Contract, including the fee for service (calculated at a per tonne rate).
- The third party owners of the Hey Point barging and transshipment infrastructure had not secured all the necessary approvals and completed the necessary upgrades to its infrastructure to handle the required quantum of Urquhart Bauxite project's product (in addition to its own bauxite).

The situation described above has not changed. Accordingly, Metallica has decided to withdraw its application for the Mining Lease (ML) over the proposed haul road to Hey Point. This decision has not been made lightly given the considerable efforts, timeframe and work invested in progressing the ML application. The principle reasons for this decision are as follows:

- The granting of the ML for the haul road would have triggered various actions and commitments by Metallica, which are not in the interest of the Company unless there is a secure and commercial pathway to gaining use of the Hey Point infrastructure, which is currently not sufficiently developed to meet a larger transshipping operation.
- Metallica was at the point of having to invest a significant level of shareholder funds and commitments to secure the ML for the haul road route over tenements held by third parties.

Metallica and its JV partner is continuing to progress studies and designs for building a barge loading and/or ship loading facility on an area adjacent to tenements currently 100% owned and controlled by the Joint Venture parties.

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

For further information, please contact:

**Mr Theo Psaros**  
Chairman  
+61 (7) 3249 3000

**Mr Scott Waddell**  
Interim CEO & Director  
+61 (7) 3249 3000