



8 December 2020

Drilling begins on Cape Flattery Silica Sands Project

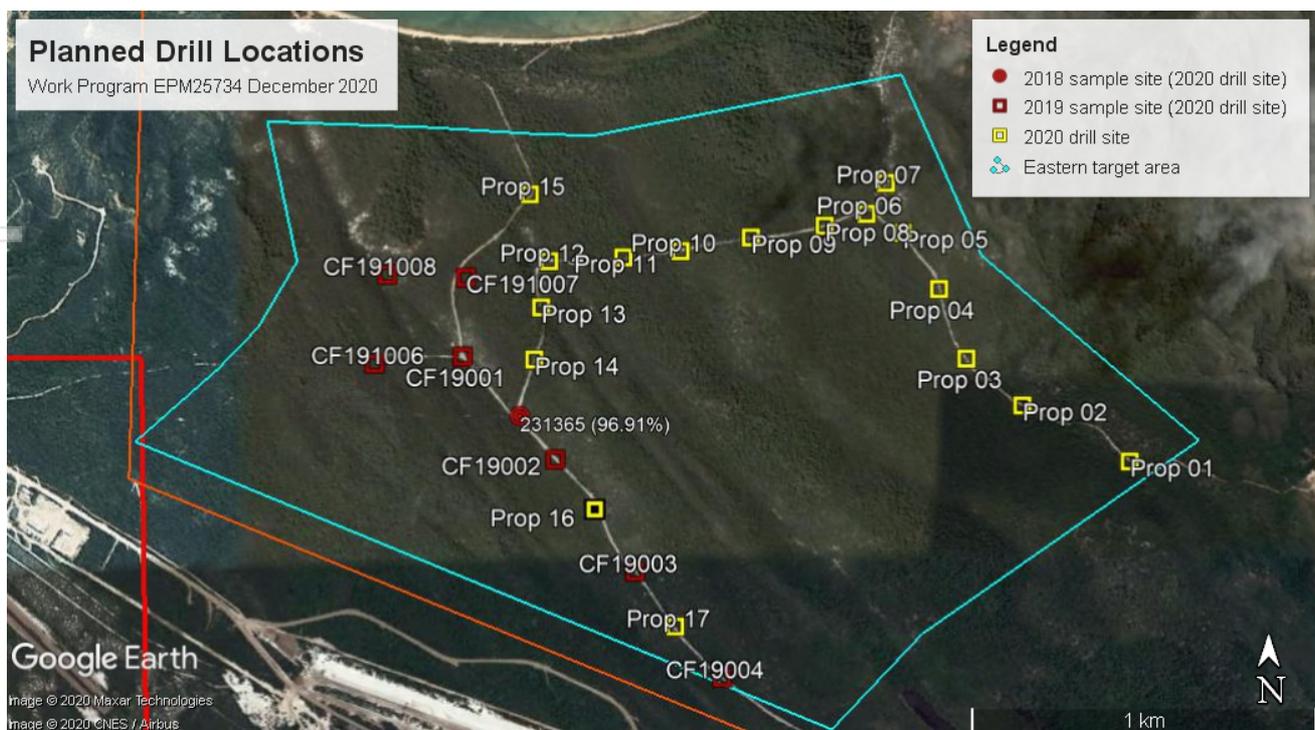
Key highlights

- A 25-hole drilling program begins today on Metallica's 100% owned silica sand project
- Approval of the drilling program granted by Traditional Land Owners
- Drilling of white silica sand dunes next to the world class Cape Flattery Silica sand mine owned by Mitsubishi;
- Project is within the designated Port of Cape Flattery, which is excluded from the Great Barrier Marine Park area; and
- Global market forecast for the use of Silica Sands is expected to grow substantially.

Metallica Minerals Limited (**Metallica**, ASX: MLM) is pleased to announce that following the signing of a Conduct and Compensation Agreement with Traditional Landowners (see ASX release: Conduct & Compensation Agreement signed for the Cape Flattery Silica Sand Project; 25 November 2020), drilling on the 100% owned subsidiary Cape Flattery Silica Pty Ltd (CFS) project is scheduled to start today.

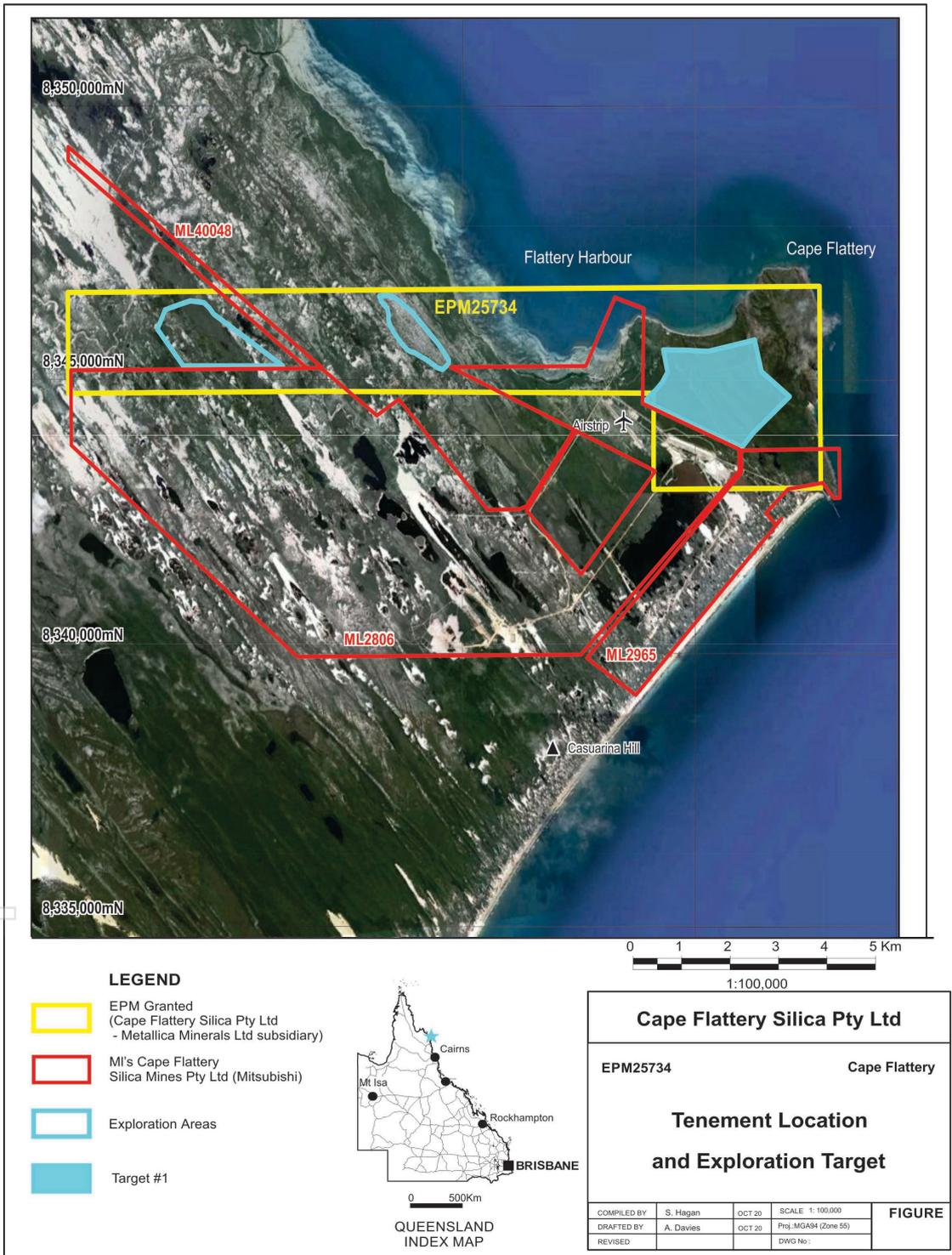
Planned Drilling Program

A total of twenty-five (25) locations are planned to be drilled within target area 1, see figures below. Permission to drill from the Aboriginal Corporations was approved on the basis that all drill hole locations will be on existing tracks within the EPM area.



Metallica Executive Chairman, Theo Psaros said “we were very pleased to announce our Maiden Resource for the CFS project (see ASX release: Maiden Silica Sand Resource; 30 November 2020) and we are now pleased to have permission from the Traditional Land Owners and can now implement this maiden drilling program. We look forward to updating the market with the results of the drilling program once the results are known.”

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About the Cape Flattery Silica (CFS) Project

The CFS project is adjacent to the world class Cape Flattery Silica Sand mining and shipping operation owned by Mitsubishi.

On 17 January 2020, Metallica advised the ASX that a sampling program completed in the last quarter 2019 at CFS in Far North Queensland had confirmed the presence of high purity silica sands. This exploration program consisted of eight (8) hand auger holes to a maximum depth of 5m within the CFS Eastern Exploration Target area of the tenement (refer to tenement map on page 3). (see ASX Release “High Purity Silica Sands confirmed at Cape Flattery” 17 January 2020).

On 30 November 2020, Metallica advised the ASX that it had achieved a Maiden JORC Inferred resource of 12.85 million tonnes @ 99.28% SiO₂ for its 100% owned Cape Flattery Silica Sand Project (CFS). This result had been based on hand auger work completed in previous programs.

The independent assessment of this auger hole drilling was conducted by consultants Ausrocks Pty Ltd. The final marketable product being sought is a high silica (SiO₂) grade sand, the SiO₂ content by percentage would be used to quantify in-situ material as a resource. Cut-off grades were adopted based on analysis of raw assay data and grade tonnage plots completed on the block model to optimise the average SiO₂ grade and quantity of the resource at varied reporting levels.

From the 8 auger holes that were used in the resource estimate the SiO₂ percentage ranged from 95.01%-99.70%:

- Inferred Resource in accordance with the JORC Code 2012 – A cut-off grade 98.4% has been defined based on the surrounding data.

These results show there is potential to produce a premium grade silica product using standard processing techniques.

The Cape Flattery Silica Eastern Inferred Resource Estimate is shown below:

Classification	Silica Sand (Mt)	Silica Sand (Mm ³)	Density (t/m ³)	SiO ₂ %	Al ₂ O ₃ %	Fe ₂ O ₃ %	TiO ₂ %
Inferred Resource	12.85	8.03	1.6	99.28	0.201	0.161	0.226

This announcement has been approved in accordance with the Company’s published continuous disclosure policy and has been approved by the Board.

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Competent Person Statement

The information in this report that relates to Mineral Resources at the Cape Flattery Silica Sands Project is based on information and modelling carried out by Dale Brown, Senior Mining Engineer, Ausrocks Pty Ltd who is a competent person and a Member of the Australasian Institute of Mining & Metallurgy. Dale Brown is employed by Ausrocks Pty Ltd who have been engaged by Metallica Minerals Ltd to prepare this independent report, there is no conflict of interest between the parties. Dale Brown has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity for which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code).

Dale Brown consents to the inclusion in the report on the matters based on their information in the form and context in which it appears.

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