

Metallica Minerals Limited

05:30 15 Sep 2014

Metallica Minerals enters nickel royalty agreement at Dingo Dam

Metallica Minerals (ASX:MLM) has entered into a Royalty Agreement with a privately owned company to allow the mining and extraction of nickel ore from the company's Dingo Dam Mining Lease in Queensland.

The lease is part of Metallica's non-core Lucky Break Nickel Project, directly west of Townsville and to the southeast of its larger SCONI scandium-nickel and cobalt project.

Earlier this month, \$3.2 million was received into the Joint Venture bank account under the Cape York Heavy Mineral Sands and Bauxite Joint Venture Agreement as part of a \$7.5 million deal with a Chinese investor.

The royalty payable for this new agreement to Metallica is:

- First Payment: \$250,000 upon satisfaction of conditions precedent which are to be satisfied within 14 days unless extended by both parties;
- Second Payment: \$200,000 four months from the Signing Date or when a total of 30,000 tonnes of nickel ore is extracted and removed from the Royalty Area, whichever is later;
- Third Payment: \$200,000 eight months from the Start Date or when a cumulative total of 60,000 tonnes of nickel ore is extracted and removed from the Royalty Area, whichever is later;
- Additional Payment: \$4 per tonne for any tonnages above 130,000 tonnes of nickel ore that is extracted and removed from the Royalty Area.

The Dingo Dam Agreement is subject to several conditions precedent regarding road access, and confirmation of compensation payable and access under the existing landowner agreement.

The Agreement will end if the Payer does not extract 60,000 tonnes of nickel ore from the mine site within 12 months from the Signing Date, or two years from the Signing Date.

The Private Company is responsible for conducting all mining operations and activities and associated rehabilitation at Dingo Dam.

Any ore which is mined but not removed from the Royalty Area will be stockpiled for Metallica's future use.

Metallica is capitalised at around \$13 million.

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Price: 0.013

Market Cap: \$4.21 m

1 Year Share Price Graph



Share Information

Code: MLM

Listing: ASX

52 week	High	Low
	0.019	0.007

Sector: Mining

Website: www.metallicaminerals.com.au

Company Synopsis:

Metallica Minerals Ltd (ASX:MLM) is listed on the Australian Securities Exchange.

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