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ASX ANNOUNCEMENT

02 October 2014

BOARD CHANGES FOLLOWING METALLICA SALE OF METROCOAL SHARES

Highlights

- Mr Andrew Gillies resigned as Director of MetroCoal Limited
- Mr Philip Hennessy appointed Director of MetroCoal Limited
- Metallica Minerals Limited announces it has sold its entire holding in MetroCoal Limited
- MetroCoal welcomes new shareholders who have invested in support of MetroCoal's longer-term strategies.

Metallica Minerals Limited (ASX: MLM Metallica) announced on Monday 29 September 2014 that it had sold its entire holding of 64.3 million ordinary shares in MetroCoal Limited. As part of the transaction Metallica's representative, Mr Andrew Gillies, resigned from the MetroCoal Board.

The Board of MetroCoal would like to acknowledge Mr Gillies' role in developing MetroCoal and thank him for his contribution to the company, as a Director, over the past eight years.

The Board would also like to welcome the new shareholders including:

- Balanced Property Pty Ltd ATF The Balanced Property Trust - 19.9%,
- Mr Gregory Willims - 9%
- Prima Group Holdings Pty Ltd - 1.1% (Associated with Chairman, Mr Stephen Everett)
- Gamore Pty Ltd - 0.75% (Associated with Mr Hennessy)

MetroCoal is pleased to announce the appointment of Mr Phil Hennessy who has joined the Board at the request of the new Shareholders.

Mr Hennessy is an experienced Company Director and Adviser to Public, Private and Not for Profit organisations. Mr Hennessy brings with him over 30 years' experience having been involved with all aspects of corporate financing and company reconstruction across a variety of industries including construction, mining, manufacturing, professional services, agriculture and financial services.

Mr Hennessy holds a Bachelor of Business and was KPMG Queensland Chairman for 13 years before retiring in 2013. During this time Mr Hennessy also chaired KPMG's Queensland Audit Committee Institute which is a forum for Chairs, Audit Committee Chairs and Non-Executive Directors to focus on emerging trends and best practices for Public Company Boards. Mr Hennessy's knowledge and experience will assist the Company in driving good governance, cohesive and effective collaboration, effective processes and communicating with shareholders and stakeholders.



MetroCoal has appreciated Metallica's support since listing and understands their need to sell their shareholding in MetroCoal and as Managing Director, Andrew Gillies, said in their Announcement "The sale of Metallica's interest in MetroCoal is timely as it provides Metallica with immediate additional funding to focus on our core activities at a time where raising funds remains generally difficult for junior mining companies."

The sale of Metallica's shares in MetroCoal has provided an entry for new shareholders. The new shareholders are committed to resource development and strongly support MetroCoal's strategy to develop Bauxite Hills in the near term while waiting for the coal market recovery.

MetroCoal remains in a strong cash position (\$6.5M approx. cash at bank as at 30 June 2014) and looks forward to assisting Cape Alumina in developing Bauxite Hills.

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