



4 June 2024

Markets Announcement Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Release of Second Supplementary Target's Statement

Metallica Minerals Limited ACN 076 696 092 (ASX: MLM) (**Metallica**) has today lodged with the Australian Securities and Investments Commission and sent to Diatreme Resources Limited ACN 061 267 061 (ASX: DRX) (**Diatreme**), a copy of its second supplementary target's statement dated 4 June 2024 (**Second Supplementary Target's Statement**) in response to the off-market takeover from Diatreme.

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth) (as inserted by ASIC Corporations (Replacement Bidder's and Target's Statements) Instrument 2023/688), a copy of the Second Supplementary Target's Statement is attached to this notice.

An electronic copy of the Second Supplementary Target's Statement and updates in relation to the Offer will be made available at <https://www.metallicaminerals.com.au/asx-announcements>. Metallica shareholders with any questions in relation to the Offer, or who wish to request a hard copy of the Target's Statement, the Supplementary Target's Statement or the Second Supplementary Target's Statement, should contact admin@metallicaminerals.com.au.

Authorised for ASX release on behalf of the Board of Metallica.

For further information, please contact:

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4 June 2024

Second supplementary target's statement issued by Metallica Minerals Limited ACN 076 696 092 - update on takeover bid from Diatreme Resources Limited

Introduction and important notices

This document is a supplementary target's statement dated 4 June 2024 (**Second Supplementary Target's Statement**) and is issued by Metallica Minerals Limited (ACN 076 696 092) (**Metallica**) under section 644(1) of the Corporations Act 2001 (Cth) (**Corporations Act**). This Second Supplementary Target's Statement supplements, and should be read together with, Metallica's target statement dated 24 April 2024 (**Target's Statement**) and the first supplementary target's statement dated 22 May 2024 (**First Supplementary Target's Statement**). This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement and the First Supplementary Target's Statement. Unless context requires otherwise, terms defined in this Second Supplementary Target's Statement have the same meaning given in section 11 of the Target's Statement. The rules of interpretation in section 11.2 of the Target's Statement also apply to this Second Supplementary Target's Statement. A copy of this Second Supplementary Target's Statement was lodged with ASIC and given to the ASX on 4 June 2024. Neither ASIC, ASX nor any of their respective officers take any responsibility for the content of this Supplementary Target's Statement.

Metallica Minerals Limited (**MLM**) provides the following update to shareholders:

- As at 4 June 2024, Diatreme Resources Limited (**DRX**) has disclosed that it had received acceptances under its Offer in respect of about 56% of the Metallica shares on issue.
- The Offer is still subject to a number of defeating conditions, including the condition requiring MLM to waive the standstill undertaking that the parties agreed in October 2023.
- MLM has committed, by way of a replacement deed poll dated 4 June 2024 (**Deed Poll**), to waive the standstill undertaking on 17 June 2024, if a superior proposal is not announced before then. Further, Metallica has agreed with the Panel, as part of the application commenced by Diatreme, to certain amendments to the Deed Poll including a more prescriptive definition of 'superior proposal', and a fixed date for the standstill to be waived (being 28 June 2024) in the event that a superior proposal is announced before 17 June 2024.
- The board of Metallica continues to focus its efforts on procuring a superior proposal. In that regard, your Directors note that engagement with the party referenced in the First Supplementary Target's Statement (**Interested Party**) continues. In particular, the Interested Party continues to conduct due diligence, but is yet to put a proposal to Metallica. The Interested Party is aware of the Diatreme Bid and the associated timetable, including Metallica's commitment to waive the standstill on 17 June 2024. Your Metallica Directors will keep the market informed of material developments in this regard as they arise.
- Shareholders should be aware that there is no guarantee that a superior proposal can be agreed and announced to ASX before 17 June 2024 (or at all). There is no guarantee that the Interested Party will make any proposal or, if it does make a proposal, that it will be a 'superior proposal' as defined in the Deed Poll.

- Even if a superior proposal is announced before 17 June 2024, the relevant transaction, which would likely be the sale of a subsidiary of MLM which holds the CFS Project, would need to be approved by MLM shareholders (ordinary resolution) as a frustrating action (because it would trigger a defeating condition of the Diatreme Offer) and under Listing Rule 11.2 (as the disposal of MLM's main undertaking) (**CFS Sale Resolutions**).
- The Conflicted Shareholders hold about 51% of the share in Metallica.¹ Those shareholders have accepted the DRX Offer, but retain voting rights in their shares until such time as the DRX Offer is unconditional.
- DRX cannot declare its bid unconditional unless and until the defeating conditions are satisfied or waived. To satisfy the defeating condition in respect of the standstill undertaking, Diatreme will need to wait until 17 June 2024. However, if a superior proposal is announced in the meantime, that date (on which the standstill undertaking is waived) is extended to 28 June 2024.
- Given the interests of the Conflicted Shareholders in DRX, particularly Sibelco Asia Pacific Pty Ltd, which is also a joint venture participant in DRX's silica projects, if a superior proposal is announced, it is the board of MLM's intention to take steps to seek advice from the ASX or orders from the Takeovers Panel that the Conflicted Shareholders are not entitled to vote against the CFS Sale Resolutions. This may require MLM to make an application to the Takeovers Panel delaying the time by which the DRX bid may be declared unconditional. There is no certainty that ASX or the Takeovers Panel (as the case requires) would agree to that outcome. If the board of MLM was unable to procure that outcome, then there is a much greater risk that the CFS Sale Resolutions will not be passed. In particular, if each of the Conflicted Shareholders voted against the resolution, it could not be passed and the superior proposal could not proceed.
- Yesterday, DRX extended the Offer to 7.00pm (Sydney time) on 14 June 2024.
- MLM offered to give the disclosures in this ASX announcement to allay concerns raised by DRX as part of its application to the Takeovers Panel – in particular, DRX was concerned that MLM's disclosure to date had not clearly articulated the difficulties procuring the approval of a superior proposal or the risk of doing so (e.g. that DRX may withdraw its bid). DRX also sought a clear statement that there is no guarantee that a superior proposal will emerge.
- The MLM directors continue to recommend that MLM shareholders reject the Offer and reiterate the intention that each of the directors (all of whom hold Metallica Shares) intend to reject the Offer in respect of their own holding of Metallica Shares.

Approval of Supplementary Target's Statement

This Second Supplementary Target's Statement has been approved by a resolution passed by the Metallica Directors. All Directors voted in favour of the resolution on 4 June 2024.

¹ Refer to section 5 of the Target's Statement for further detail.