



ASX Release

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HEADS OF AGREEMENT FOR SCANDIUM OFFTAKE WITH USA BASED BLOOM ENERGY

HIGHLIGHTS:

- **Heads of Agreement (HOA) entered into with Bloom Energy regarding future sales of scandium oxide to be produced from Metallica's 100% owned SCONI project**
- **Key commercial terms negotiated for sale of up to 30,000 to 60,000kg of high purity scandium oxide per annum over a 5 year period (with a 5 year option and subsequent annual rollover) from the commencement of SCONI's scandium production**
- **Bloom Energy is an emerging fuel cell company based at Sunnyvale, California that is focused on delivering clean, reliable and affordable energy to customers around the world**
- **Metallica's supply of scandium oxide to Bloom Energy will assist in Bloom Energy's growth plans for its fuel cell Energy Servers**

Australian resource development company, Metallica Minerals Limited (**ASX: MLM**), is pleased to announce that it has entered into a binding HOA with Bloom Energy for the sale of scandium oxide from Metallica's wholly owned SCONI project.

Metallica and Bloom Energy will work together to ensure that SCONI is designed and developed in a manner that will allow Metallica to supply Bloom Energy with its scandium oxide requirements for its future growth plans.

Metallica Managing Director Andrew Gillies said,

"We are delighted to welcome Bloom Energy as our first base load customer to acquire a substantial portion of our planned future scandium production from the SCONI project. The agreement with Bloom Energy calls for the sale of scandium oxide at a price and quantum which underpins the commercial rationale to develop the SCONI project. With Bloom Energy as a baseload customer, we can proceed with confidence throughout our Feasibility Studies and accelerate towards project development."

Heads of Agreement

Under the terms of the HOA, Metallica will supply Bloom Energy with up to 30,000kg scandium oxide per annum (based on production output and Bloom Energy's global usage) with provision to increase supply up to 60,000kg scandium oxide per annum (at Bloom's election) over the term of the HOA under terms that remain commercial in confidence.

The HOA is conditional upon Metallica meeting certain SCONI project development timing milestones. Metallica believes the project development milestones are reasonable and achievable and are broadly in line with Metallica's previously published development schedule with some allowance for delays. The project is expected to be completed in 2016.

Whilst all the key commercial terms are binding and commercial in confidence, Metallica and Bloom Energy have agreed to replace the HOA with a more detailed Offtake Agreement within 120 days, however, if this is not achieved, the HOA will continue to govern the parties' relationship.

About Bloom Energy

Bloom Energy manufactures unique on-site power generation systems called Energy Servers which utilise an innovative new fuel cell technology with roots to NASA's Mars program.

Bloom's Energy Servers are among the most efficient energy generators on the planet, providing for significantly reduced electricity costs and dramatically lower greenhouse gas emissions.

For more information on Bloom Energy, please refer to its website www.bloomenergy.com

For more information contact:

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Figure 1: Andrew Gillies (Managing Director) & Gavin Becker (CEO) at Bloom Energy site in Sunnyvale, California in front of continuously operating SOFC's (September 2012)