



METALLICA MINERALS LIMITED

Subsidiary Companies: QLD Gold Pty Ltd ACN 065 384 045 - Oresome Australia Pty Ltd ACN 071 762 484
Cape Alumina Pty Ltd ACN 107 817 694 - Metrocoal Limited ABN 45 117 763 443 - SE QLD Energy Pty Ltd ACN 112 045 708 - SE QLD Coal Pty Ltd ACN 114 039 155

ASX Code: MLM

ASX ANNOUNCEMENT

6 June 2006

DRILLING RECOMMENCES ON NORNICO PROJECT

Metallica Minerals Limited (ASX Code 'MLM') is pleased to announce that drilling has recommenced on the NORNICO nickel project after a six week hiatus, due to a particularly long and late wet season resulting in access difficulties.

A 20 hole, 1000m RC programme is planned for the Kokomo Ni-Co laterite prospect to define an initial resource for that area and to follow up the good results encountered in KK-049 drilled in 2005. KK-49 intersected 34m @ 0.90% Ni and 0.34% Co (approximately 2% Nickel equivalent) from 15m and included 13m @ 0.28g/t Au from 36 to 49m (EOH) which was also associated with high anomalous values of Ba, Bi, Cu, Pb and Zn, see ASX release 14th June 2005.

On completion of the Kokomo nickel laterite drilling, the rig will locate to the Six Mile gold prospect to drill approximately thirteen RC holes for 2280m. This work will be under the direction of Metallica's joint venture partner Straits Exploration Ltd.

While the drilling rig is at Kokomo, Metallica plans to drill test three high order airborne EM anomalies identified in September 2005, targeting nickel-basemetals and gold-copper massive sulphide mineralisation.

On completion of the above programme Metallica intends to return to Bell Creek in July to commence infill drilling at the Bell Creek South and North Leases to increase the resource status of these areas from Inferred to Indicated and possible Measured for the planned Pre-feasibility study.

An airborne EM anomaly identified at Bell Creek Northwest in late 2005 has been confirmed by a subsequent ground EM survey and will also be drill tested at this time, targeting nickel-copper-platinoid massive sulphide mineralisation.

For further information, please contact:-

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