



ASX Release
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NORTH QUEENSLAND TRI-METAL PROJECT MOVES TO KEY METALLURGICAL AND PILOT PLANT MILESTONES

- **WIDE DIAMETER DRILLING COMPLETED**
- **DELIVERY OF 21 TONNES METALLURGICAL SAMPLES FOR
DETAILED HPAL PILOT PLANT Ni-Co & Sc ORE TESTWORK**
- **NEAR COMPLETION OF LUCKNOW SCANDIUM RC DRILLING**

Metallica Minerals Limited (**ASX: MLM**) is pleased to announce that it has successfully completed an 8 hole, wide diameter (870mm) drilling programme at its wholly-owned NORNICO tri-metal project northwest of Townsville in Queensland as a precursor to its key first pilot plant test work early in the New Year.

Using a Calweld bucket drill rig, the programme saw the collection of representative samples of NORNICO's nickel-cobalt and scandium (Ni-Co & Sc) laterite/oxide Mineral resources. This included 3 holes at NORNICO's Lucknow high grade scandium deposit and 5 holes on the nearby Greenvale nickel-cobalt deposit. The selection criterion for the Greenvale deposit was to recover representative samples of the typical Ni-Co Mineral Resources from the largest sub-deposits (Powerline and The Edge). A total of 47.8t of sampled Mineral Resource (see September Quarterly Report 31 October 2011) was recovered from both deposits (19.3t at Lucknow, 28.5t at Greenvale). The aim of the programme was to provide sufficient representative sample to carry out a continuous High Pressure Acid Leach (HPAL) metallurgical pilot plant test run early in 2012. Scandium oxide co-product will also be produced at that time.

Approximately 21 tonnes of sample were transported by road from north Queensland to SGS Lakefield Orestest's specialist facility in Perth. The remaining samples are being stored on site at Greenvale.

Metallica's Managing Director, Mr Andrew Gillies, said the wide diameter drilling campaign was an important part of the Company's current spread of feasibility and environmental studies, permitting, Mineral Resource studies and detailed metallurgical work targeting first mining at NORNICO in 2014. Lucknow will be NORNICO's main long-term source of scandium ore and is planned to be blended with nickel and cobalt ores from Metallica's nearby historical Greenvale mine site for the proposed "Tri-Metal" HPAL processing plant producing nickel, cobalt and scandium products.

Approximately 145 infill and step out resource Reverse Circulation (RC) drill holes have also now been completed within and around the Lucknow scandium deposit. It is expected that a further 10 drill holes will this month complete the programme. Metallica is aiming for an upgraded Measured, Indicated and Inferred Resource estimate for the deposit by early February 2012.

The current Lucknow scandium resource is 6.24 million tonnes grading 169 g/t Sc using a 70 g/t Sc cut off grade (for further information - see September Quarterly Report 31 October Table 6).

For further information, please contact:

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Competent Person: Technical information contained in this report has been compiled and/or supervised by Mr Andrew Gillies B.Sc (Geology) M.AusIMM (Managing Director of Metallica Minerals Limited) who is a competent person and member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Gillies has relevant experience with regard to the mineralisation, exploration results and targets being reported on such as to qualify as a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Gillies consents to the inclusion of this information in the form and context in which it appears in this report.



Setting up Calweld bucket drill rig on the Lucknow scandium resource.