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NORNICO PROJECT ADVANCES SIGNING OF INDIGENOUS LAND USE AGREEMENT WITH GUGU BADHUN PEOPLE

KEY POINTS

- **Metallica Minerals Ltd has signed an Indigenous Land Use Agreement (ILUA) with the Gugu Badhun People for the Greenvale area, North Queensland**
- **This is an important progress event for the permitting of the development of the NORNICO nickel-cobalt-scandium project**
- **The ILUA provides clear native title and cultural heritage processes for the grant of, and operations on, all mining tenure, and provision of infrastructure within the ILUA Area, most importantly the proposed Greenvale nickel mine site and processing site**
- **The ILUA represents the foundation for the development of a long-term mutually beneficial relationship between the Gugu Badhun People and Metallica**

Metallica Minerals Limited (**ASX: MLM**) (the Company) is pleased to announce that it has entered into an Indigenous Land Use Agreement (ILUA) with the Gugu Badhun People, the registered native title claimants for Greenvale and the surrounding region.

The agreement was authorised by the Gugu Badhun People on 16th June 2012 and commenced on 16th July 2012, once all signatures had been received. It is a milestone event for the Company and an essential step in the development of its NORNICO project. The proposed Greenvale nickel-cobalt-scandium mining and processing operation is currently undergoing engineering pre-feasibility studies for its development.

The ILUA will now be lodged with the National Native Title Tribunal (NNTT) to begin the Notification and Registration process.

The ILUA provides the Company with a clear native title process for the grant of all exploration and mining tenure within the ILUA Area. This will facilitate the development and mining of the NORNICO project and any other subsequently identified mineralised zones in the ILUA Area.

The NORNICO-Greenvale area covers substantial nickel-cobalt and scandium rich laterite deposits as well as other minerals prospective in the region. The ILUA allows the Company to be granted exploration and production mining tenure within the ILUA Area and provides the Gugu Badhun People with a package of benefits and opportunities related to the development and future mining activities of the Company.

The signing of the ILUA concludes three years of negotiations between the parties and has created the foundation for the development of a long-term mutually beneficial relationship between the Gugu Badhun People and the Company.

The Company's Managing Director Andrew Gillies said: "We are delighted the negotiations with the Gugu Badhun People, which have always been friendly, co-operative, and mutually respectful, have resulted in the signing of this ILUA. The agreement is structured to ensure the objectives and expectations of both parties are achieved and respective interests are protected. The Company recognises the Gugu Badhun People as the traditional landowners and their rich history with, and

connection to their traditional lands and stakeholder rights over the area. The ILUA will allow both parties to recognise each other's expectations towards future mutual benefits and cooperation.”

The Company would like to take this opportunity to record its appreciation of the Gugu Badhun People's cooperation and positive input throughout the negotiations leading up to reaching a final agreement, and we look forward to working together to achieve our respective objectives.



Photo: A number of the key parties in the June 16th Authorisation meeting in Townsville.

For further information contact:

Andrew Gillies (Managing Director) or Gavin Becker (CEO)

Phone: +61 (7) 32493000

Email: admin@metallicaminerals.com.au

