



## ASX Release

27 July 2012

### FLAGSHIP PROJECT RENAMED “SCONI”

#### HIGHLIGHTS:

- **Positive Scoping Study and successful metallurgical testwork highlight the potential of scandium**
- **Scandium has become the true focus of the SCONI project**
- **SCONI is an acronym for Scandium-Cobalt-Nickel**

Australian resource development company, Metallica Minerals Limited (**ASX: MLM**), is pleased to announce the renaming of its flagship project to SCONI (formerly known as NORNICO).

The renaming of the project follows a period of great advancement for Metallica and SCONI with the successful completion of a Scoping Study (see ASX announcement 4 July 2012) and metallurgical testwork program that enabled Metallica to produce in excess of 1 kilogram of scandium oxide (see ASX Announcement 25 July 2012)

Metallica Managing Director, Andrew Gillies, said:

“The renaming of the project to SCONI marks a significant step change for the company. The excellent work undertaken by the SCONI team has allowed the project to evolve into a scandium focussed project, with the added benefit of a generous nickel-cobalt revenue stream.”

“I am delighted with the way in which the SCONI project is shaping up and we have a very busy 12 – 18 month period ahead to advance the project to a position where it is ready for development. The interest in scandium is building and we are becoming more confident of the potential of a scandium market and being the first major, reliable, long-term supplier to this market.”

Metallica is currently undertaking Pre Feasibility Studies, including further metallurgical testwork, for SCONI, and remains in active discussions with potential scandium off-takers in the Solid Oxide Fuel Cell (SOFC) and aluminium alloy sectors.

Figure 1: SCONI Project Logo



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### Scandium

Scandium (Element 21 of the periodic table) is considered one of the 17 rare earth elements (REE) and one of the most useful and valuable. High-grade, large tonnage, easily mineable scandium deposits are scarce, making it a commodity that is difficult to obtain in large quantities.

Scandium has unique properties that can enhance the world's technological future. Scandium is one of the most potent strengthening elements that can be alloyed with aluminium to create stronger master alloys with applications in aerospace, transport and high performance sporting equipment.

Scandium is also used in the production of the most efficient solid oxide fuel cells (SOFC's). As the western world transitions towards green energy, SOFC's will become more widely used, providing clean and efficient energy that is driven by natural gas.

The importance of scandium to the world market cannot be overestimated, especially with the massive worldwide expansion of natural gas usage and gas distribution infrastructure. Natural gas and fuel cells are the future, and Metallica believes scandium is going to be a part of that future by getting the most amount of electrical and thermal energy from the least amount of fuel – where efficient cleaner energy is the gateway to a more sustainable society.

The use of scandium has been limited by its scarcity and lack of reliable supply. The current total world supply of scandium is estimated to be around ten tonnes of scandium oxide per annum, all of which is sourced as a by-product from other strategic metal processing.

High purity scandium oxide currently sells at prices in the range of US\$3,000-8,000/kg depending on product purity.

To learn more about scandium, see Metallica's March 2012 Quarterly Report (**Pages 18 & 19**).

**Figure 2:** Scandium Oxide produced by Metallica

