



METALLICA MINERALS LIMITED

Subsidiary Companies

NORNICO 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 | Phoenix Lime Pty Ltd ACN 096 355 761

ASX Code: MLM

ASX AND MEDIA RELEASE

Tuesday 24 June 2008

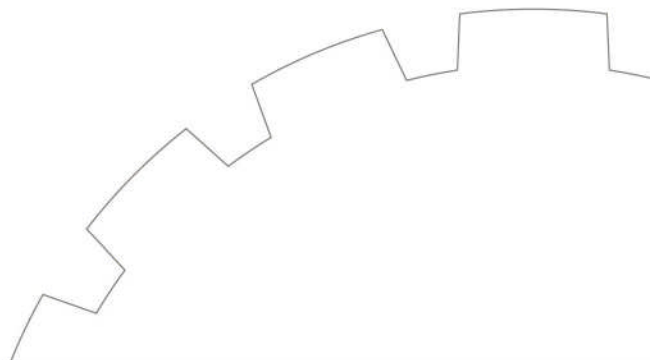
Cape Alumina doubles resource at Pisolite Hills Project to 100 million tonnes of *insitu* bauxite

(Indicated 75.8 Mt and Inferred 25.0 Mt)

Please find attached a media release issued today by Metallica Minerals Limited's (ASX-MLM) 40 per cent owned associate Cape Alumina Pty. Ltd.

Further information is available from Cape Alumina as set out in the attached media release and the company's website (www.capealumina.com.au).

Andrew Gillies
Managing Director
Metallica Minerals Limited



24 June, 2008

Cape Alumina doubles resource at Pisolite Hills Project to 100 million tonnes of *insitu* bauxite

Cape Alumina has today released details of a doubling in bauxite resources for its Pisolite Hills project on the Weipa bauxite plateau of western Cape York, Queensland.

The new resource statement, which now represents a Mineral Resource of **100.8 million tonnes** of Indicated (75.8 Mt) and Inferred (25.0 Mt) *insitu* bauxite, is the first since the Company's maiden resource statement in January 2007.

The resource upgrade, based on drilling undertaken in 2006 and 2007 (see Figure 1), was compiled by Snowden Mining Industry Consultants (Snowden).

Cape Alumina CEO, Dr Paul Messenger said the reported Mineral Resource provided increased confidence of the scale of the deposit and its export quality. "We see the potential for an initial 10-15 year operation at Pisolite Hills and this new resource statement will form a key component of our preliminary feasibility study which we expect to complete in July."

"The pleasing aspect of the new resource estimate is the average beneficiated grade has improved to 53.5% Total Al_2O_3 and the average low-temperature reactive silica is now lower at 7.4%. Pisolite Hills bauxite is suited for blending feed to low-temperature Bayer-process refineries in China - our key export focus," he said.

"We are looking to further expand this resource base with extension drilling programs planned for our Pisolite Hills tenement areas later in the year. Further regional exploration - where we hold 16 Exploration Permit (Minerals) applications over approximately 2,240km² in Cape York - will also be a focus for 2008 and 2009 field seasons."

The current Pisolite Hills Mineral Resource Statement is outlined below in Table 1 along with a detailed explanation of the resource.

Table 1. Mineral Resource for Pisolite Hills bauxite deposits within EPM14547 and EPM15278.

Area	Resource Category	In-situ Dry Tonnes (Mt)	Dry Beneficiated Tonnes (Mt)	Beneficiated Bauxite Qualities						
				Total SiO ₂ (%)	Total Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	Recovery (%)	RSiO ₂ (%)*	THA (%)**
PH 1	Indicated	42.2	28.1	12.5	53.5	6.2	2.2	66.5	7.7	41.9
	Inferred	16.1	10.2	13.2	53.0	6.2	2.2	63.3	8.0	41.3
PH 1	Total	58.3	38.3	12.7	53.3	6.2	2.2	65.7	7.8	41.7
PH 2	Indicated	25.4	18.5	10.8	54.4	6.7	2.2	73.0	6.4	41.9
	Inferred	0.4	0.3	10.9	54.0	7.3	2.2	76.9	6.5	41.7
PH 2	Total	25.7	18.8	10.8	54.4	6.7	2.2	73.1	6.4	41.9
PH 3	Indicated	5.3	3.9	13.6	53.1	6.0	2.2	73.7	7.7	40.8
	Inferred	3.1	2.2	14.3	52.2	6.3	2.1	69.6	8.2	39.7
PH 3	Total	8.3	6.0	13.8	52.8	6.1	2.2	72.2	7.9	40.4
PH 4	Indicated	3.0	2.2	10.7	53.9	7.4	2.2	72.8	6.6	42.1
	Inferred	1.2	0.8	11.0	53.6	7.5	2.2	73.0	6.8	41.5
PH 4	Total	4.1	3.0	10.8	53.8	7.4	2.2	72.8	6.6	41.9
PH 5	Inferred	2.1	1.3	13.3	51.8	6.0	2.5	64.5	9.9	40.8
PH 6	Inferred	2.2	1.3	11.8	50.2	9.7	2.3	59.7	9.2	39.4
All	Total	100.8	68.8	12.2	53.5	6.4	2.2	68.4	7.4	41.6
	Indicated	75.8	52.7	11.9	53.8	6.4	2.2	69.6	7.2	41.8
	Inferred	25.0	16.1	13.0	52.6	6.6	2.2	64.7	8.2	40.9
	Total	100.8	68.8	12.2	53.5	6.4	2.2	68.4	7.4	41.6

* RSiO₂ – Reactive silica at 150°C

** THA - Trihydrate Available Alumina (*gibbsite alumina + kaolinite alumina - low temperature desilication product [DSP] alumina*) at 150°C

Note: The Pisolite Hills Mineral Resource has been reported assuming that the bauxite will be blended with an external source during low-temperature processing to ensure that the bauxite material feed achieves reactive silica and iron oxide thresholds specific to a nominated alumina refinery.

Pisolite Hills Bauxite Project – Resource Statement

Cape Alumina provided drillhole and supporting assay data for the six Pisolite Hills bauxite deposits. The reported Mineral Resource is based on 2,256 aircore drill holes with the majority of the samples measuring 0.5 m in length. Assays are based on beneficiated samples using a 1.2 mm mesh size. The drillholes for Pisolite Hills plateaus 1 to 4 (PH 1-4) inclusive are supported by detailed survey information. PH 5 and PH 6 drillholes are not supported by detailed collar surveys. All drillhole assay data is supported by quality assurance and quality control information (QAQC). The collection and validation of the drillhole data was performed by a representative of Cape Alumina. Cape Alumina considers the data adequate for resource estimation and public reporting purposes.

The bauxite horizon has been interpreted where THA exceeds 37% (see Figure 2). The reported Mineral Resource represents all material defined by the bauxite horizon, hence there will be occasional internal dilution included within the bauxite horizon. The Indicated Mineral Resource is typically defined by HQ aircore drilling on 80 m by 80 m or 160 m by 160 m spaced grids and the Inferred Mineral Resource is typically defined by HQ aircore drilling on a 320 m by 320 m grid. PH 2 is defined by drilling on 80 m by 80 m centres. Short range thickness and assay continuity between drillholes at PH 2 is well defined by two local grids of drilling on 25 m by 25 m centres. Future application of successful dry bulk density field testing is likely to improve the majority of the current PH 2 Indicated Mineral Resource to a Measured Mineral Resource status.

Ordinary kriging was used to estimate grades into 80 mN by 80 mE by 0.5 m Elevation parent blocks using search and estimation parameters obtained from a continuity study. A constant dry bulk density of 1.6 t/m³ has been applied for reporting the estimated tonnage within the Mineral Resource.

Snowden reported the Pisolite Hills Mineral Resource according to the guidelines of the JORC (2004) code. Applying a 0.5 m minimum mining thickness, the Mineral Resource is reported as 100.8 million tonnes insitu bauxite to yield 68.8 Mt of beneficiated bauxite (52.7 million tonnes - Indicated and 16.1 million tonnes - Inferred) on a dry basis with an average beneficiated grade of 53.5% Total Al₂O₃ and 12.2% Total SiO₂ and 7.4% Reactive Silica (see Table 1).

Pisolite Hills Bauxite Project – Mineralogy

CSIRO Minerals (a participant in the Parker CRC for Integrated Hydrometallurgy Solutions) has completed detailed ore characterisation studies on ten drill samples collected from two representative drillholes at the PH2 deposit.

This work indicates the mineral composition of these samples is gibbsite (~60-75%), boehmite (~1.4-5.7%), kaolin (~9.2-20%), quartz (~0.7-4.5%), hematite (~3.6-9.8%), goethite (~0.4-4.5%) and anatase/rutile (~2%). Trihydrate available alumina (THA) measured by extraction at 150°C was between ~35.7 and ~44.7% and Total available alumina (TAA) at 240°C was between ~39.1 and ~46.1% due to additional boehmite extraction.

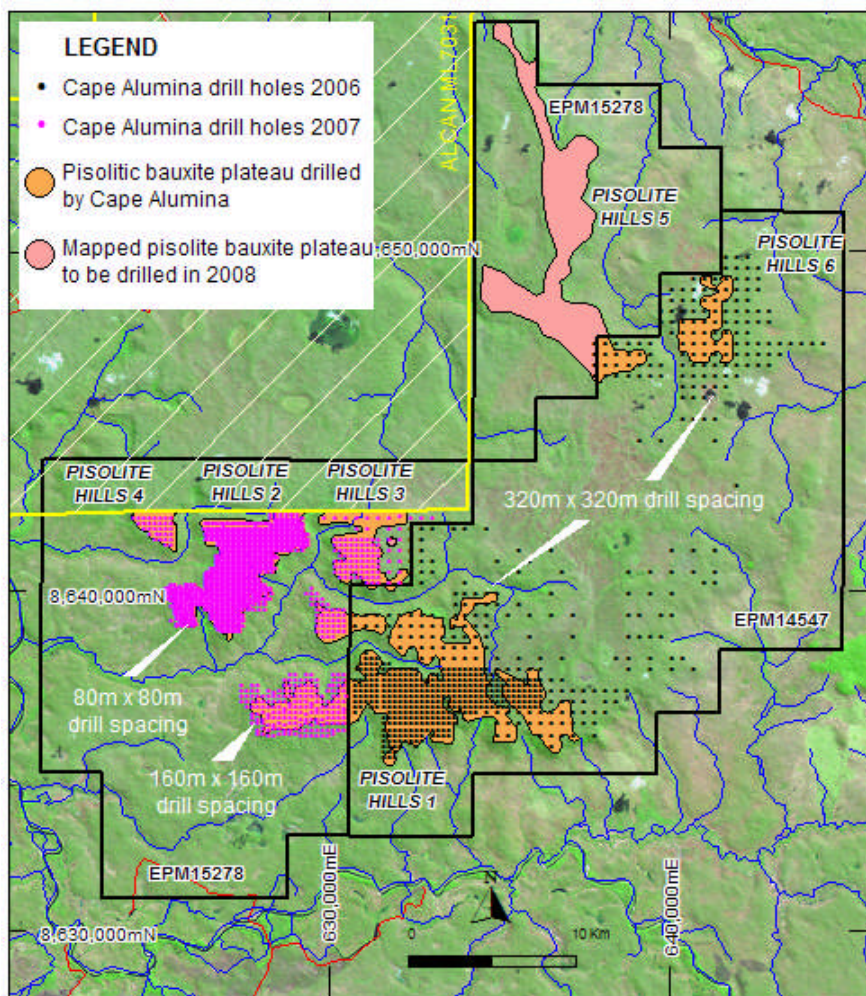


Figure 1 Pisolite Hills Project 2006 and 2007 drilling

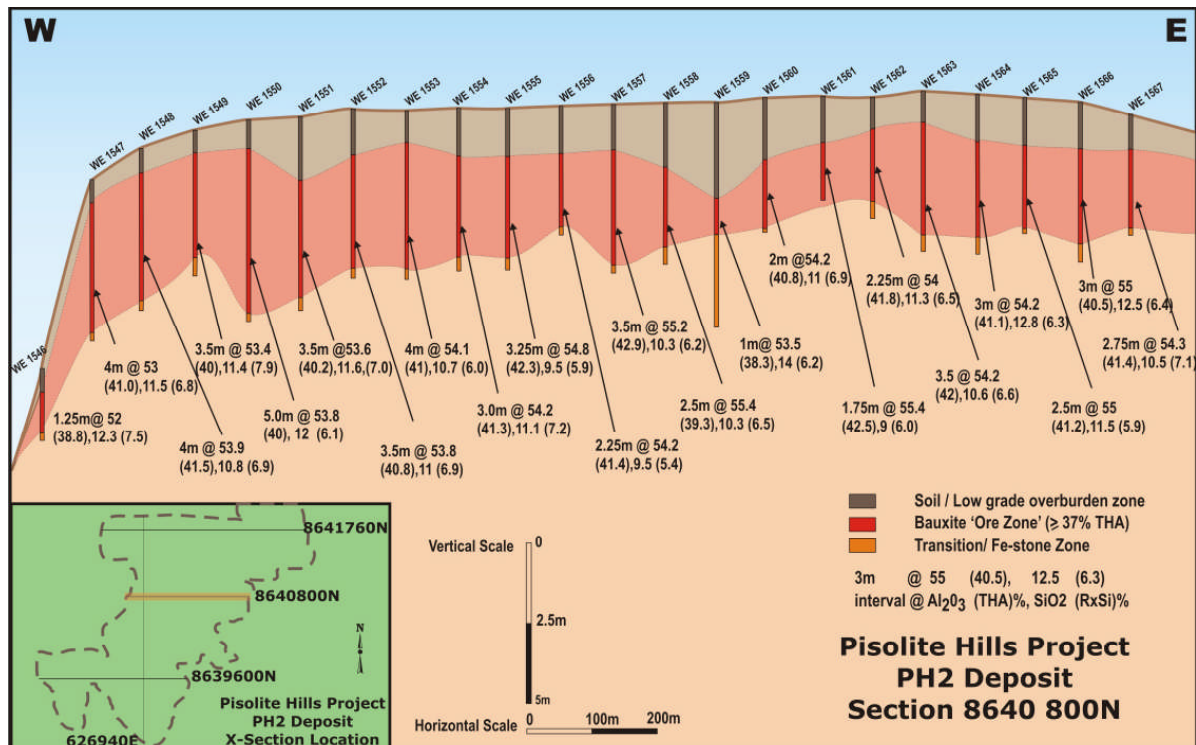


Figure 2 - Pisolite Hills Project PH2 Deposit cross-section 8640800N, showing interpreted bauxite horizon and the distribution of Trihydrate Available Alumina (THA) > 37%.

For media enquiries please contact

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In accordance with Listing Rules 5.6 of the Australian Stock Exchange Limited, technical information contained in this report was compiled by Dr Paul Messenger, Mr Stefan Mujdrica and Mr Jason Hosken, who are members of the Australasian Institute of Mining and Metallurgy and have relevant experience in bauxite and laterite environments to qualify as Competent Persons as defined in the 2004 Edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". The information in this report as it relates to Mineral Resources was compiled by Stefan Mujdrica and Jason Hosken, who are both full time employees of Snowden Mining Industry Consultants. Dr Messenger, Mr Mujdrica and Mr Hosken consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. Dr Paul Messenger is Chief Executive Officer of Cape Alumina.