



ASX RELEASE

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Additional nickel mineralisation and prospects being identified across NORNICO project

Metallica Minerals Limited is pleased to announce new results from its current high level exploration and drilling campaign on its suite of nickel tenements in the Mount Garnet – Greenvale area in north Queensland.

Highlights

- Significant additional ore grade nickel mineralisation identified at Bell Creek South outside the current resource boundary. A resource update is expected next month
- Two rigs have commenced a 20,000m drilling campaign at Kokomo, a cobalt rich nickel laterite project, with over 475 holes planned. A resource estimate is expected in October.
- Two nickel laterite prospects identified near Greenvale with the potential to be of comparable size or larger than the Lucky Break Nickel Project further south
- One reconnaissance hole 18km south of the expired Greenvale nickel mine intersected 5 m @ 0.73% Ni with very good potential for the target area to host significant nickel mineralisation, follow-up drilling is planned.
- Detailed gravity surveys and drill testing planned for three prospects in the Mt Garnet area – to explore for nickel sulphides
- Deep holes planned at Bell Creek South to test granite – serpentinite contact where highly anomalous copper, lead, zinc, chrome and sulphur was identified in the shallow nickel laterite holes
- Field geochemical XRF soil survey being conducted over Montgomery Ranges base metal project near historical copper and tin prospects.
- On going additional geochemical XRF grid soil surveys planned for several regional nickel laterite and base-metal prospects.

Bell Creek South

Significant additional nickel mineralisation has been identified outside the current resource boundary at Bell Creek South after all assay results were returned from drilling completed in April and May this year (Holes BCSL- 659 to BCSL – 842). Best result recorded 15 meters (0 – 15m) @ 2.19% Ni and 0.29% Co in hole BCSL-720.

The drilling also increased the size of the Inferred Resource at The Neck deposit by 60% to a new Inferred Resource estimate of 929,000t @ 0.90% Ni (previously 580,000t @ 0.87% Ni) Inferred using a manual cross sectional method and applying a 0.45% Ni Cut-off grade and minimum 2m wide intercept.

There is also significant additional mineralization identified from this latest drilling adjacent to and outside the current Bell Creek South (BCS) Measured, Indicated and Inferred Resource of 9.1 Mt @ 0.91% Ni (See Table 1 showing resource categories). A revised resource estimate for BCS will be undertaken in August using the additional drill data.

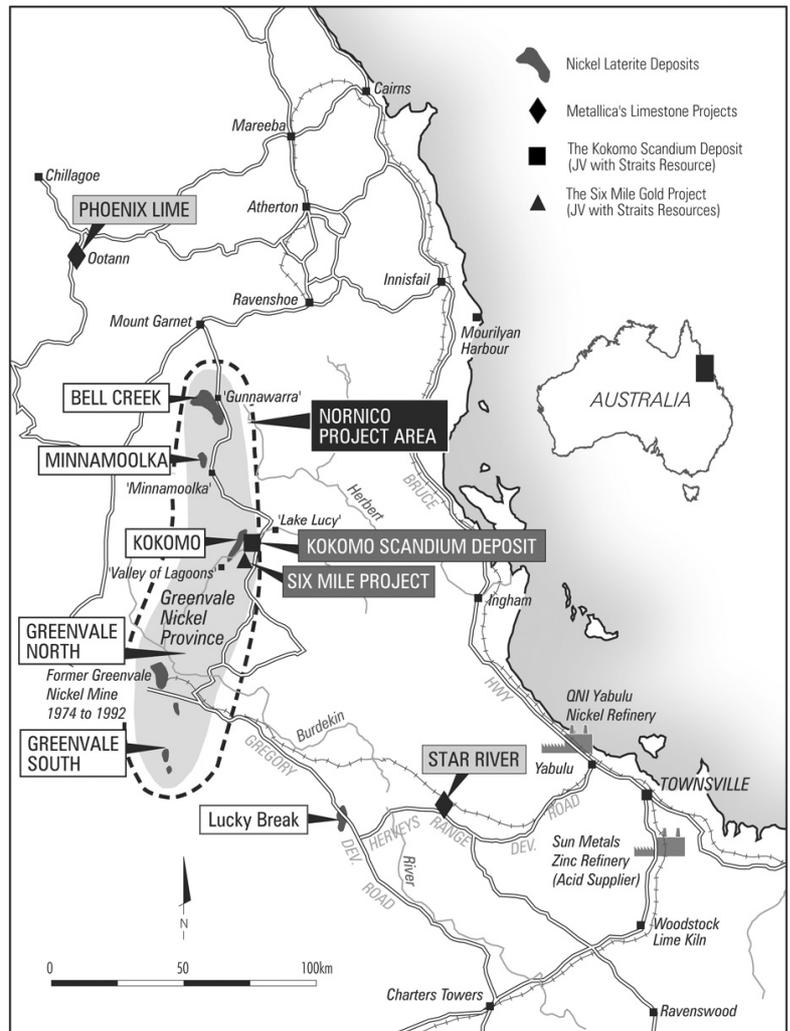
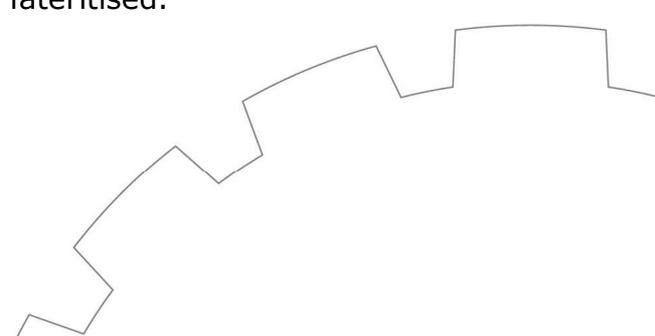


Figure 1: NORNICO Regional Setting

Kokomo Drilling Program

A major drilling programme has commenced at the Kokomo Nickel-Cobalt laterite project located 40 km northeast of Greenvale (see figure 1 & 2). A total of 20,000m of RC drilling comprising 475 holes has been planned to drill out the central and widest portion of the Kokomo deposit. The drilling is concentrated over a 5km long by 800m wide zone, known as the Kokomo Central Plateau. The total strike length of outcropping ultra-mafic rocks at Kokomo is approximately 16 km, much of which is lateritised.





Previous drilling at this deposit by Metallica has intersected wide zones of significant nickel – cobalt mineralisation: highlights include:-

KK-011	20m @ 0.77% Ni and 0.93% Co
KK-026	25m @ 1.09% Ni and 0.71% Co
KK-049	34m @ 0.90% Ni and 0.34% Co
KK-068	15m @ 0.86% Ni and 0.49% Co
KK-072	14m @ 0.96% Co and 0.18% Co

It is estimated that the new drilling, on a nominal 100m by 40m grid, will take 2 to 3 months to complete and a resource statement will be expected late in October. Kokomo is a very attractive nickel/cobalt laterite project due to its size potential, the laterite is elevated and the cobalt grades are high, commonly >0.15% Co.

Greenvale Area (Southern NORNIC) – Nickel Laterite drilling

Significant nickel mineralisation has been identified from drilling at the Brickwall (in Lucky Downs tenement) and Sandalwood Nickel laterite deposits located near Greenvale, see *Figure 2*; Better results include:-

BWRC-007, 7m	@ 0.83% Ni and 0.50% Co from 0m
BWRC-014, 12m	@ 1.03% Ni and 0.18% Co from 2m
SWRC-007, 5m	@ 1.13% Ni and 0.10% Co from 0m
SWRC-013, 9m	@ 0.86% Ni and 0.03% Co from 0m

Both these prospects require further drilling to adequately define the extent of the deposits. To date 1km of a total of 4km strike length of the Sandalwood nickel anomalism has been tested.

Dinner Creek Nickel Prospect

A recently completed XRF soil geochemical survey at the southern parts of the Greenvale South tenement (see figure 2) has identified strongly elevated nickel geochemistry associated with a magnetic high over an area (Dinner Creek) covered with Tertiary sands and gravels. Eight Reconnaissance holes were completed, with one Reconnaissance RC hole (DCRC-001) drilled into this 4 km² target area intersected 5m @ 0.73% Ni from surface. Further drilling is required to determine the extent of nickel laterite mineralisation in this discovery area.

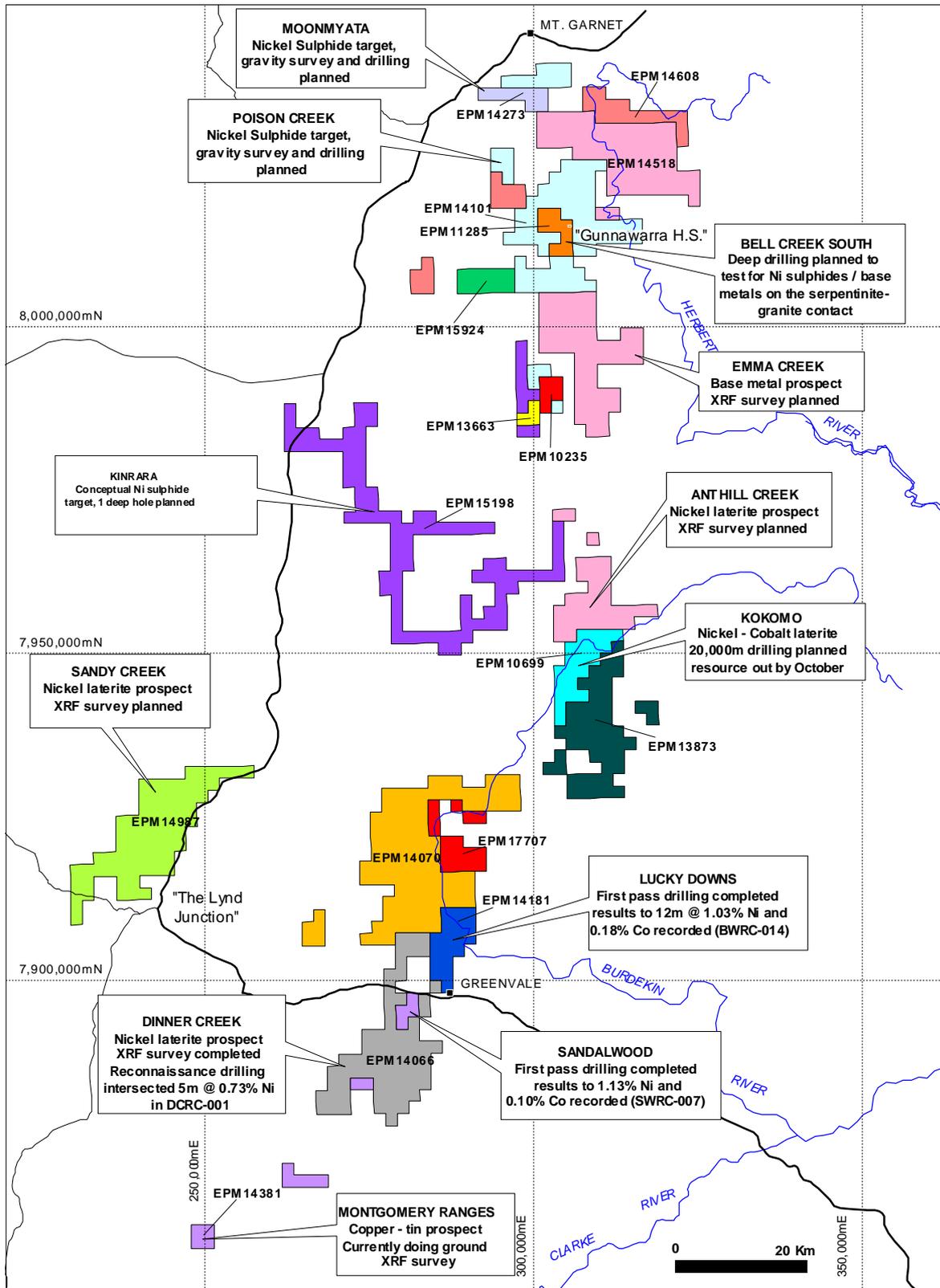


Figure 2: NORNIC TENEMENTS - CURRENT PROSPECT STATUS



Nickel Sulphide Exploration

Drilling of 3 nickel sulphide targets is planned for August 2008, with a total of 1,500m allocated to test potential nickel sulphide targets at Poison Creek, Moonmyata, and Rudd Creek in the south Mt Garnet region (see Figure 2). Prior to drilling, a gravity survey will be completed over these areas to help refine the drill targets.

Two 200m holes are planned to test zinc (to 0.29% Zn), lead (to 0.14% Pb) sulphur (to 640ppm S) and copper (to 0.24% Cu) anomalism identified in drill holes located in the nickel laterite or oxide zone adjacent to the granite – serpentinite contact at Bell Creek South. It is possible that at Bell Creek South, elevated nickel and other base metal values in the laterite might not be solely derived from lateritisation of ultra-mafic rocks and a primary source for the nickel mineralisation may exist. The holes will be designed to test the granite – serpentinite contact at depth to determine if primary sulphide mineralisation is present.

NORNICO Regional Exploration

An XRF geochemical soil survey is currently underway at the Montgomery Range copper/tin prospect located 40 km southwest of Greenvale.

Surveys are also planned over the Emma Creek base metal prospect (45 km SSE of Mt Garnet, the Sandy Creek (55 km west of Greenvale) and Ant Hill Creek (8 km north of Kokomo) nickel laterite prospects, See Figure 2.

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Technical information and Mineral Resources contained in this report has been compiled by Metallica Minerals Ltd full time employees Andrew Gillies in the position of Managing Director and Metallica Minerals Ltd Exploration Manager, Mr Pat Smith MSc. B.Sc (Hons),. Mr Gillies and Mr Smith are members of the Australasian Institute of Mining and Metallurgy and have relevant experience to the mineralisation being reported on to qualify as Competent Persons as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Gillies and Mr Smith consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Table 1: Current Bell Creek South Nickel Resource (February 2008)

Nickel Deposit	Million	Ni (%)	Co (%)	Fe (%)	Mg (%)
	Tonnes (Mt)				
Measured	7.54	0.94	0.07	12.29	7.41
Indicated	0.40	0.74	0.04	10.69	9.16
Inferred	1.16	0.74	0.04	8.49	9.33
Totals	9.1	0.91	0.06	11.74	7.73

Block models for the Bell Creek South resources were constructed by filling wire frame surfaces representing nickel laterite mineralization boundary with 10m by 10m by 1m blocks. Nickel (Ni) grades were estimated by ordinary kriging using a 60m by 60m by 2.5m or 50m by 50m by 2.5m search radius, depending on the drill spacing of the deposit. A minimum of 4 and a maximum of 15 composites were used to estimate each block, with a maximum of 3 composites from any 1 drill hole. Therefore, at least 2 drill holes were used to estimate block grade values. At Bell Creek South a nominal 0.3% Ni mineralised envelope was used as a boundary for Ni and Co block grade estimation. Hard boundaries were used between the laterite and basement zones.

**Variations due to rounding factors*

**** Iron (Fe) and magnesium (Mg) are included to indicate the overall ore quality, as both metals influence acid consumption as well as dissolved Fe, Mg and other metals, which are contaminants to nickel loaded pregnant solution which is treated to produce a marketable nickel and cobalt intermediate product. As a rule, the lower the Fe and Mg in the laterite ore the better metallurgically the ore is suited for heap leach processing.*