



ASX ANNOUNCEMENT

11 MAY 2009

CHINA NICKEL MAJOR MOVES TO 19.95% STAKE IN METALLICA

Metallica Minerals Limited (ASX-MLM) is pleased to announce that China's second largest nickel producer, **Jilin HOROC Nonferrous Metal Group Co., Ltd (Jilin)**, has increased its holding in the diversified Australian resource company to 19.95 % (from 15.1%, see ASX Release dated 16 April 2009).

This follows a further recent off-market transaction under which **Jien Mining Pty Ltd (Jien)**, an Australian based subsidiary of Jilin, has now acquired all of the Metallica shares held previously by Kagara Ltd (see KZL ASX release dated 16 April and 7 May 2009). Jien now holds 22,854,462 MLM shares and Kagara has ceased to be a Metallica shareholder.

Metallica has extended an invitation for a representative of Jien/Jilin to join the Metallica Board.

Metallica and Jilin have had respective site visits to each company's nickel-cobalt projects and operations and have been involved in discussions for mutual cooperation over the past year or so, and look forward to progressing their mutual business interests and investigating new nickel-cobalt processing technologies and general business strategy.

Jilin controls Jilin Jien Nickel Industry Co. Ltd.(Jilin Jien Nickel), a large-scale nonferrous metals enterprise integrated with mining, smelting and chemicals with total assets of RMB 4.8b (A\$972m). In 2008 Jilin Jien Nickel's revenue was RMB1,82b (A\$368m), a profit of RMB275m (A\$55.6m), and had 4,600 full time employees. The Company listed on the Shanghai Stock Exchange in 2003 (code 600432) and its Market Capitalisation as of April 14, 2009, was RMB 11.7b (A\$2.3b).

Jilin Jien Nickel is one of the world's largest enterprises producing nickel sulphate. Its main products include nickel sulphate, nickel matte, electrolytic nickel, nickel hydroxide, nickel chloride, copper sulphate, copper concentrate, sulphuric acid and a range of established high-quality "JIEN" brand products. Jilin Jien Nickel also has major interests in nickel-cobalt mining, project development, nickel and cobalt processing technologies and nickel cobalt products – a portfolio of assets and expertise which is complimentary to Metallica's minerals focus in Queensland.

Metallica welcomes Jilin-Jien as our new largest shareholder.

Metallica is an emerging Queensland multi-commodity resource company with major interests in nickel cobalt (100% NORNICO project), coal (84% MetroCoal Ltd) and bauxite (through its 32% holding in Cape Alumina Ltd CBX) and has solid cash reserves of \$19.4 million (as at 29 April 2009), effectively no debt and are in the process of bidding for Queensland Ores Limited.

For Further Information

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