



ASX ANNOUNCEMENT

21 March 2011

ORESOME AUSTRALIA INITIATES EIS FOR THE PROPOSED DEVELOPMENT OF URQUHART POINT ZIRCON-RUTILE SANDS PROJECT QLD

Metallica Minerals Limited's (ASX: MLM) wholly-owned subsidiary, Oresome Australia Pty Ltd, advises that it has commenced the permitting and statutory approval process for its Urquhart Point Heavy Mineral Sands (HMS) Project in Cape York, Queensland, with the release of the Draft Terms of Reference (TOR) for the project's Environmental Impact Study (EIS), together with its Initial Advice Statement (IAS).

The Urquhart Point HMS Project, with its zircon-rutile rich sands exposed to shallow depths (<3m depth), will comprise the development of the zircon and rutile sand resource to produce a zircon and rutile concentrate for export and possibly domestic markets.

The Urquhart Point deposit, which is covered by Mining Lease Application (MLA) 20699, is located in Far North Queensland, approximately 5 kilometres southwest of the Weipa Township, 75 km north of Aurukun (*see Figure following page*). The Urquhart Point zircon and rutile resource within the MLA is an Indicated Resource of 2.8 million tonnes @ 7% Heavy Mineral Sands (HMS) to a maximum depth of three metres.

The HMS deposit (which has very low slimes ~2%) typically contains approximately 20% zircon and 27% titanium-bearing minerals, predominantly rutile.

Oresome's General Manager, Stewart Hagan said: "This is an exciting stage for the company as it is the start of the formal process moving towards the grant of a mining lease, followed by proposed development and production."

"We are working closely with Traditional Owners and the Aurukun Shire Council to ensure this project delivers positive outcomes for all concerned," he said.

The draft TOR and an initial advice statement describing the project are available on the Department of Environment and Resource Management website www.derm.qld.gov.au. Copies can also be obtained from Oresome Australia by calling (07) 3249 3000 or emailing admin@metallicaminerals.com.au.

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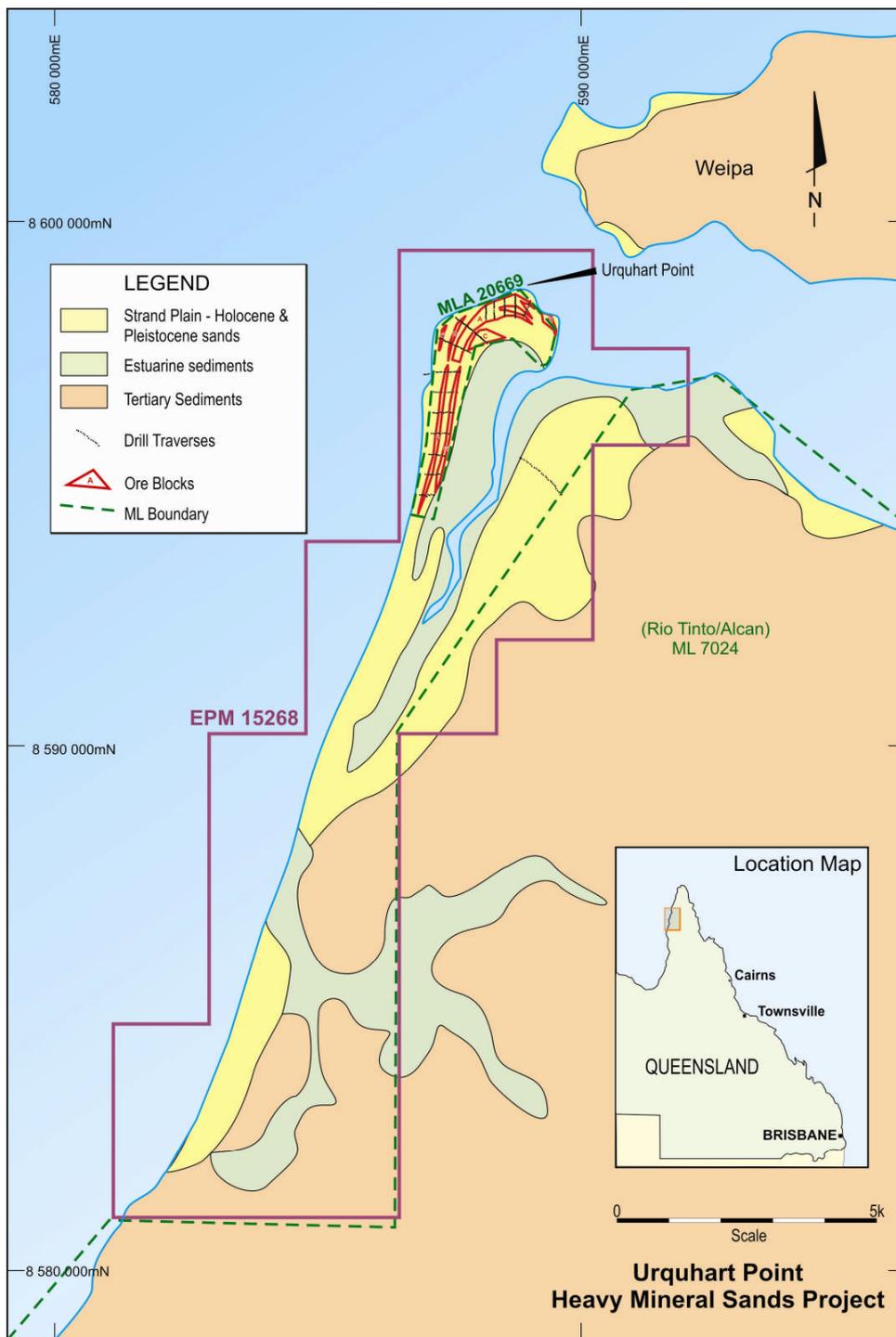
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Further information on Metallica Minerals can be found on our website www.metallicaminerals.com.au

About Metallica Minerals Limited (ASX code: MLM)

Metallica Minerals Limited is a Brisbane based, Queensland focused resource development company with mineral projects in Queensland. It is listed on the Australian Stock Exchange in November 2004 (ASX Code: MLM) and has major project interests directly in nickel-cobalt-scandium, zircon-rutile and limestone-lime, along with major strategic shareholdings in coal (MetroCoal Limited:MTE), bauxite (Cape Alumina Limited:CBX), tungsten & copper-gold (Planet Metals Limited:PMQ) and rare earth elements and gold (Orion Metals Limited:ORM)



Competent Person Statement

Technical information contained in this report has been compiled by Andrew Gillies B.Sc (Geology) Managing Director of Metallica Minerals Ltd, who is a competent person and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Gillies and has 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, consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The resource statement had been prepared by Mr Roger Hobbs B. App. Sc.(Geophys & Geol), MAusIMM, who was previously a Director of Matilda Minerals Ltd (Oresome's former joint venture partner), who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is to be undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hobbs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.