



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 | SE QLD Energy Pty Ltd ACN 112 045 708 | SE QLD Coal Pty Ltd ACN 114 039 155 | Phoenix Lime Pty Ltd ACN 096 355 761

ASX Code: MLM

ASX AND MEDIA RELEASE - 25 October 2007

- **NEW WEIPA BAUXITE DRILLING PROGRAM COMMENCED**
- **NORNICO NICKEL DRILLING ONGOING**

Cape Alumina Weipa Bauxite Deposit

Metallica Minerals Limited (ASX: "MLM") is pleased to announce that its associate Cape Alumina Pty Ltd (40% MLM), commenced drilling to considerably extend the Wenlock plateau bauxite deposit located approximately 50 km NE of Weipa in Cape York, Queensland.

Cape Alumina CEO Dr Paul Messenger, said today that approximately 300 holes had already been completed on Wenlock North (EPM15278) of the planned 2,000 holes.

"The program is progressing very well and a second drill rig will arrive on site tomorrow, putting us on track to complete the drilling programme by late November," Dr Messenger said.

"So far most of the drill holes have intersected free flowing pisolitic bauxite, with better bauxite intercepts up to 5m thick. The bauxite appears very similar to that drilled late in 2006 on the adjoining Wenlock EPM14547." he said.

Wenlock North covers approximately 150 sq km and is an extension of the Wenlock and Catfish pisolitic bauxite plateaus adjacent to the Alcan and Comalco mining leases on Queensland's Cape York Peninsula. Cape Alumina is targeting between 100 and 130 million tonnes *insitu* bauxite within the Wenlock and Wenlock North tenements. *Further details are available in Metallica's ASX Releases made on 3 & 4 October 2007.*

Cape Alumina is assessing the viability of mining and exporting bauxite to China. Chinese bauxite imports have exploded in recent times, driven by the country's rapid industrialisation and urbanisation, from less than 1Mt in 2004 to an annualised 36Mt in August 2007 according to the latest data from China's General Administration of Customs.

NORNICO Nickel Project Drilling Update

Metallica will now extend its grid drilling program on the Minnamoolka nickel deposit within the company's 100% owned NORNICO project in North Queensland.

"The expanded programme will include testing a newly identified area (from sub cropping nickel laterite and high nickel soil geochemistry) extending approximately 400m to 1.5 km west of the Bell Creek South Lease nickel deposit," Metallica's Managing Director, Mr Andrew Gillies, said today.

"Drilling results from this new area and a revised Minnamoolka resource estimate are expected in December," Mr Gillies said.

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For further information, please visit our websites - www.metallicaminerals.com.au and www.capealumina.com.au

Note:- (*) *The potential quantity and grade of the insitu bauxite target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a mineral resource.*

Competent Persons Statement

The mineral resources information in this report is based on, and accurately reflects, information compiled by Mr Andrew Gillies B.Sc Geology (Managing Director of Metallica Minerals Ltd) and Dr Paul Messenger BSc (Hon) Geology, PhD (CEO of Cape Alumina Pty Ltd) who are Members of the Australasian Institute of Mining and Metallurgy. Both have the relevant experience in relation to the mineralisation and resources being reported upon to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Mr Gillies and Dr Messenger consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.