



METALLICA MINERALS LIMITED

Subsidiary Companies: QLD Gold 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

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CAPE ALUMINA CONFIRMS MAIDEN BAUXITE RESOURCE

Metallica Minerals Limited's 50% owned associate, Cape Alumina Pty Ltd, will commence a formal Scoping Study into a new bauxite development on Queensland's Cape York Peninsula following the announcement of its first JORC-compliant bauxite mineral resource statement.

Cape Alumina announced today that an assessment by Snowden Mining Industry Consultants Pty Ltd concluded that the portions of the company's Wenlock and Catfish Creek bauxite deposits drilled in September 2006 and located 60 kilometres north-east of Weipa, contain an Indicated and Inferred Mineral Resource of 54 million tonnes of insitu bauxite.

Cape Alumina Chief Executive Officer, Dr Paul Messenger, said the mineral resource, covering tenement EPM14547, "is an excellent start for the Weipa bauxite project and in line with expectations".

"Cape Alumina will now make preparations to drill extensions of the mineralisation into its adjoining tenement (EPMA15278 - 100% Cape Alumina) and complete a formal Scoping Study into establishing a bauxite mining and export operation", Dr Messenger said.

Mr Andrew Gillies Managing Director of Metallica Minerals said that, with the completion of the Wenlock and Catfish Creek mineral resource estimate, one of China's largest independent alumina refinery companies, Chiping Xinfra Huayu Alumina Co Ltd, now has 30 days in which to exercise its option to acquire 10% of the shares in Cape Alumina from Metallica Minerals Limited for a total of A\$4,625,000 (see ASX Release dated 24 August 2006).

Mr Gillies said that EPM14547 covers part of the Catfish Creek deposit as well as approximately 15 square kilometres of the Wenlock deposit. Both bauxite deposits extend onto adjoining EPMA15278. The bauxite deposits are predominantly free-digging, gibbsite-rich pisolitic bauxite, averaging 2.4m thick at Wenlock, and lie less than 1 metre below the surface (see Figures 1, 2 & 3).

Snowden Mining Industry Consultants have provided their resource estimate for the Wenlock and Catfish Creek bauxite deposits on EPM14547 as 54 Mt insitu bauxite to yield 34 Mt of beneficiated bauxite on a dry basis with an average beneficiated grade of 52.9% Total Al₂O₃ and 12.8% Total SiO₂ (see Table 1).

The resource statement is based on the 674 aircore drill holes completed by Cape Alumina in September 2006 (for further information see ASX release dated 1 November & 28 September 2006). Cape Alumina holds a further 16 Exploration Permit (Minerals) applications covering prospective bauxite areas over approximately 2,240km² in Cape York. A number of these applications are expected to be available for exploration drilling during the 2007 field season.

The arithmetic mean of a total of 1,076 samples analysed by ALS Chemex laboratory in Brisbane indicates that the above beneficiated mineral resource will have an average content of 41.8% Trihydrate Available Al₂O₃ and 7.9% Reactive SiO₂. The laboratory test conditions for

Trihydrate Available Al₂O₃ and Reactive SiO₂ were designed by consultant Tony Crisp on behalf of Cape Alumina to inhibit dissolution of boehmite and quartz.

Table 1. Mineral Resource for Wenlock and Catfish Creek bauxite deposits - EPM14547.

Location	Resource Category	In-situ Dry Tonnes (Mt)	Dry Beneficiated Tonnes (Mt)	Beneficiated Bauxite Qualities					
				Total Al ₂ O ₃ (%)	Total SiO ₂ (%)	Fe ₂ O ₃ (%)	TiO ₂ (%)	LOI (%)	Recovery (%)
Wenlock	Indicated	32	20	53.2	12.8	6.4	2.2	25.2	64.0
	Inferred	17	11	53.2	13.0	6.1	2.2	25.3	64.0
Wenlock	Total	49	31	53.2	12.8	6.3	2.2	25.2	64.0
Catfish 1	Inferred	2	1	51.5	13.4	6.3	2.5	26.0	64.8
Catfish 2	Inferred	3	2	49.7	12.2	12.2	2.3	25.3	60.0
All	Total	54	34	52.9	12.8	6.5	2.2	25.3	63.8

Note: The Mineral Resource is based on beneficiated samples using a 1.2 mm mesh size, a minimum mining thickness of 0.5 m, and a dry global bulk density of 1.6 t/m³. Definition of the bauxite horizon was based upon geological information and geochemical constraints of Total SiO₂ <15% and Total Al₂O₃ >48% respectively. 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 a 160 m x 160 m grid and the Inferred Mineral Resource is typically defined by HQ aircore drilling on a 320 m x 320 m grid.

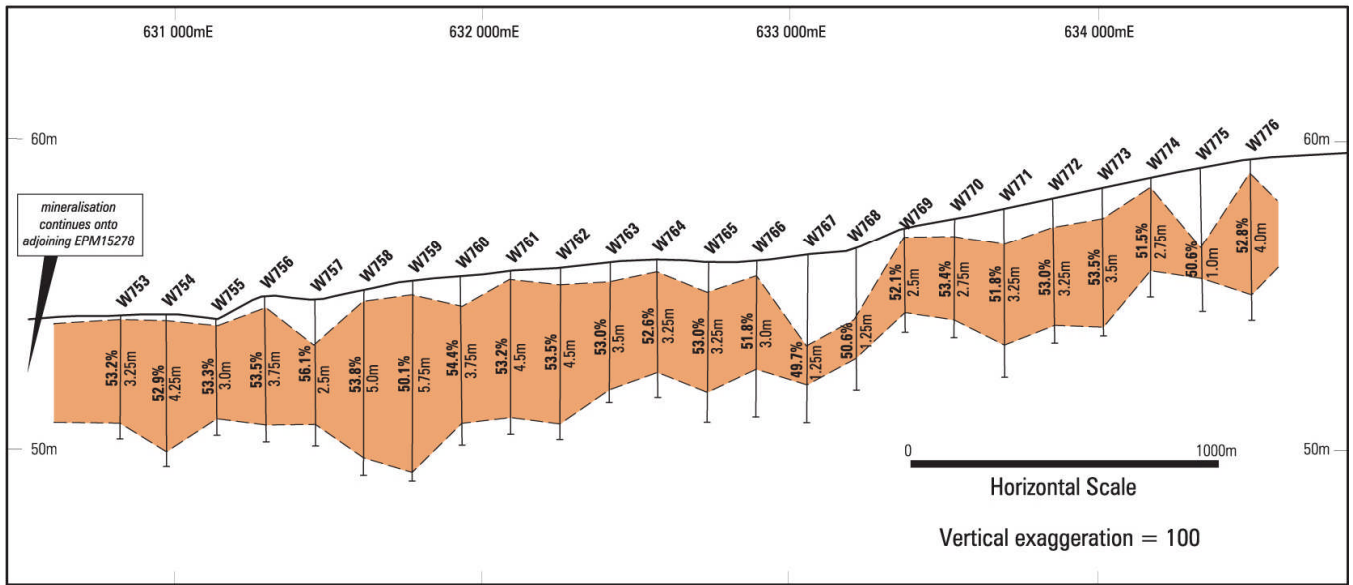
CSIRO Minerals (a participant in the Parker CRC for Integrated Hydrometallurgy Solutions) has completed detailed ore characterisation studies on six drill samples collected from the Wenlock deposit. This work indicates the mineral composition of these samples is gibbsite (~65.3-73.6%), boehmite (~0.2-3.9%), kaolin (~8.2-15.6%), quartz (~3.2-6.8%), hematite (~2.4-5.9%), goethite (~1.7-7.4%) and anatase/rutile (~1.8-3.3%). CSIRO Minerals also postulated the presence of an amorphous silicate phase in the samples which does not dissolve under the test conditions and therefore Cape Alumina believes that it is unlikely to be deleterious under refinery conditions.

Due to their high gibbsite/boehmite ratio the Wenlock bauxite deposits appear to be suited to a low-temperature Bayer refinery process as currently used in some Chinese refineries.



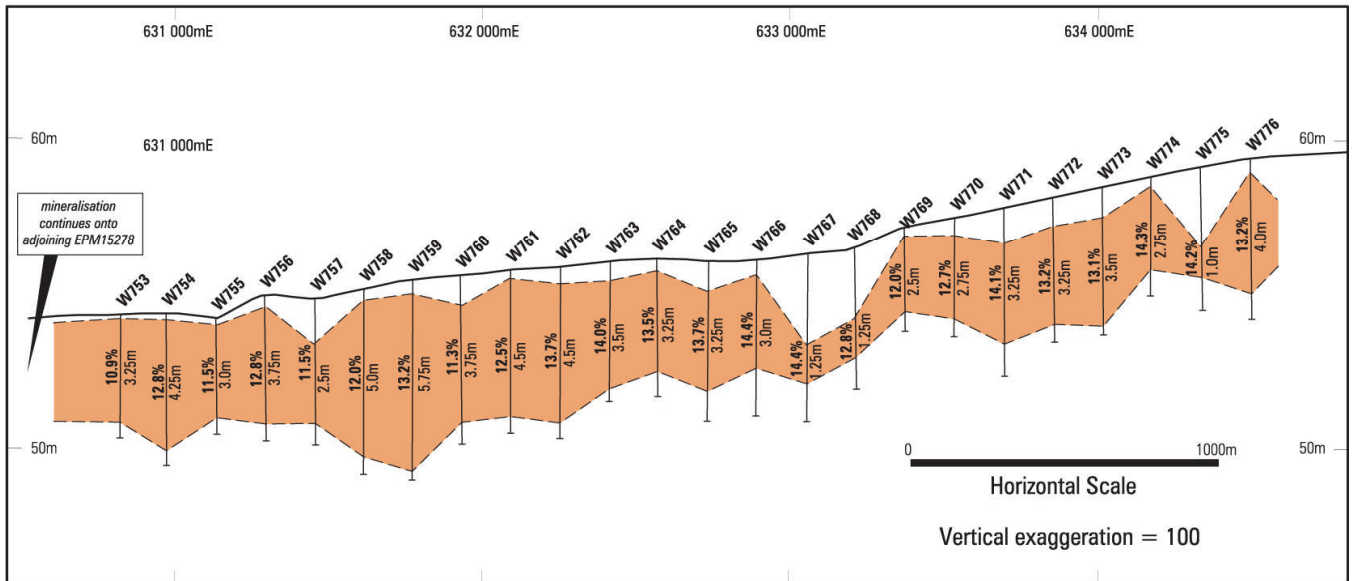
Figure 1. Pisolitic bauxite from aircore drilling at Wenlock.

CAPE ALUMINA PTY LTD
EPM14547 - Wenlock Cross Section
Section 8 637 120N Total Al₂O₃ %



CA001 - WENLOCK XS - SI AL - 01.07

CAPE ALUMINA PTY LTD
EPM14547 - Wenlock Cross Section
Section 8 637 120N Total SiO₂ %



CA001 - WENLOCK XS - SI AL - 01.07

Figure 2. Wenlock cross section 8,637,120 mN, showing interpreted bauxite horizon and the distribution of Total Al₂O₃ and Total SiO₂. Vertical exaggeration = 100.

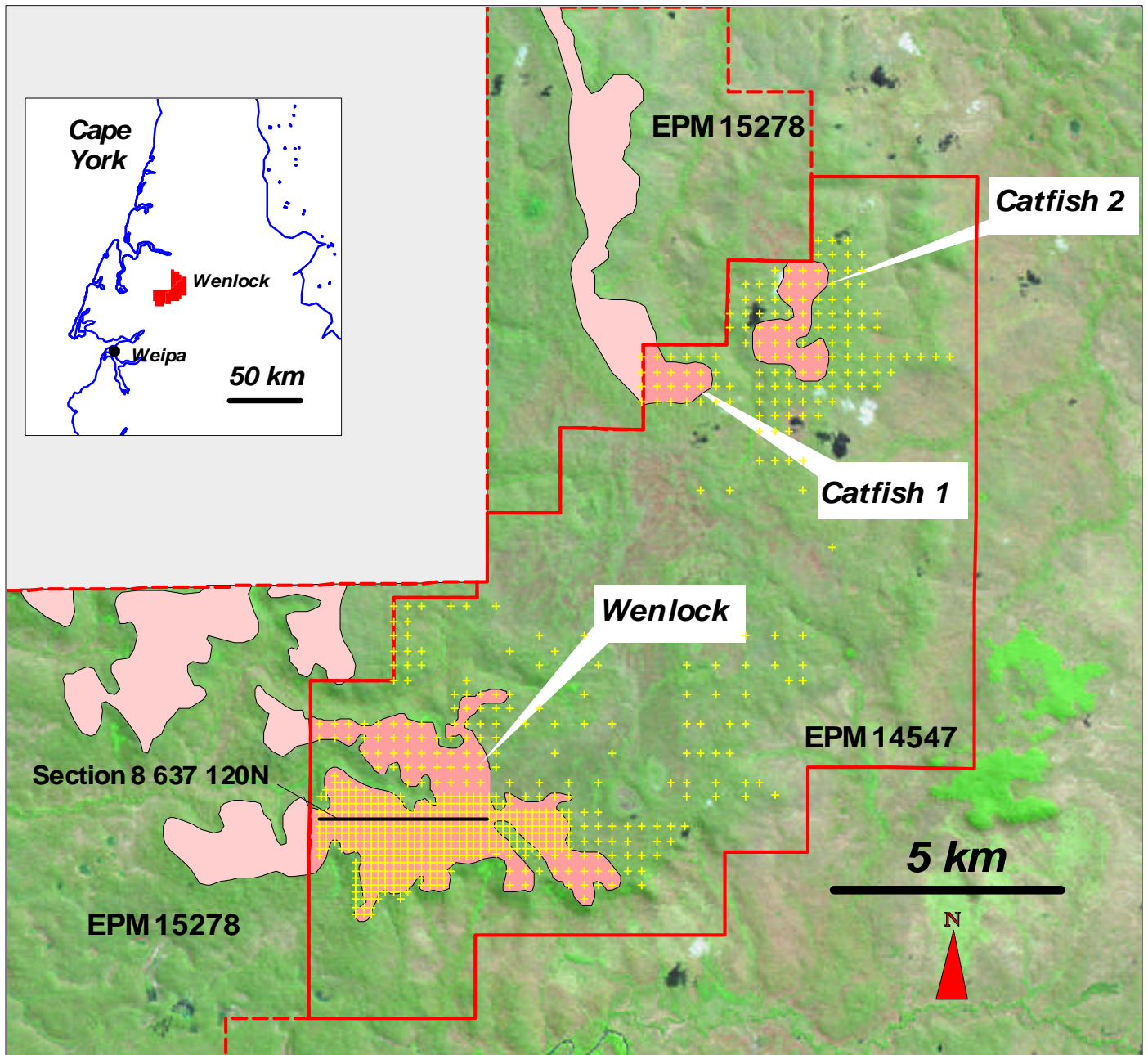


Figure 3. Map showing the location of drill hole collars (yellow crosses) and bauxite resources on EPM14547 (dark pink shaded area). Also shown is the approximate distribution of bauxite mineralisation on adjoining EPMA15278 (pale pink shaded area) previously explored and drilled by CRA Exploration and Comalco in the early 1970s

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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 and Mr Stefan Mujdrica, 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 "Australasian Code for Reporting of Mineral Resources and Ore Reserves". The information in this report that relates to exploration, geology, sampling, metallurgical and marketing results was compiled by Dr Paul Messenger, a full time employee with Cape Alumina. The information in this report as it relates to Mineral Resources was compiled by Stefan Mujdrica, a full time employee of Snowden Mining Industry Consultants. Dr Messenger, Mr Gillies and Mr Mujdrica consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.