



ASX AND MEDIA RELEASE

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METALLICA MINERALS 40% OWNED CAPE ALUMINA – WEIPA BAUXITE PERMITTING PROGRESSED AND UPDATE

- **Cape Alumina signs Exploration Agreement with Mapoon aboriginal Trustees.**
- **Three Additional Cape York bauxite tenements granted.**
- **Drilling planned for third quarter, 2007.**

Cape Alumina Pty Ltd (40% owned by Metallica Minerals Limited, ASX code MLM) has significantly expanded its bauxite portfolio with the granting of three new tenements on Queensland's Cape York Peninsula.

Cape Alumina – a pure bauxite focused company in which China's second largest alumina-aluminium company Chipping Xinha Huayu Alumina Co Ltd recently acquired a 17.5% interest – said it had been advised that the Queensland Government granted three additional exploration permits for minerals, covering parts of the Weipa bauxite plateau.

Cape Alumina Chief Executive Officer, Dr Paul Messenger, said the granted EPM's include Hey Point (EPM15054) which covers an area of known high-grade bauxite, seven kilometres south of Weipa, and is an excellent potential port site with natural deep water and access to the Weipa shipping channel.

"The proximity of the Hey Point tenement to deep water shipping lanes means that little infrastructure would be required to develop any bauxite resources defined on the tenement," Dr Messenger said.

"A drilling programme is planned for the Hey Point tenement in the 2007 field season targeting 3-5 million tonnes of high-quality bauxite suitable for export," he said.

The other two tenements EPM15263 (North Coconut) and EPM15272 (Weipa East) also contain known bauxite deposits adjoining the Comalco mining lease and the Chalco mining area (evaluating the Aurukun Bauxite Resource) within 15-30 km of Weipa. Cape Alumina is targeting 20-30 Mt of bauxite on the three newly granted tenements.

Further north at the flagship Wenlock Bauxite project (*see ASX release 22 January, 2007*), Cape Alumina and the Trustees of the Old Mapoon Deed of Grant in Trust (DOGIT) signed an agreement to enable bauxite exploration to take place on aboriginal land between the Wenlock and Ducie Rivers ~60km NE of Weipa, Cape York. The agreement covers two Exploration Permit applications EPM 15278 (Wenlock North) and EPM 15984 (Port Musgrave) both held 100% by Cape Alumina and includes extensions of the Wenlock and Catfish Creek Bauxite resources drilled

by Cape Alumina in 2006. The agreement provides the consent and support of the Mapoon Trustees and sets out the terms under which Cape Alumina will conduct bauxite exploration on the tenements. The agreement also sets out the principal terms under which the parties may negotiate a future mining agreement

The signing follows more than one and a half years of consultation and negotiation between Cape Alumina, Mapoon Aboriginal Council, the Trustees and community members. The application EPM15278 (Wenlock North) is expected to be granted by the Queensland Government within one to two months. Dr Messenger said an initial exploration meeting is to be held in Cairns in late May when a negotiated cultural heritage plan is expected to be signed.

A drill rig has been booked and will commence a planned 2,000 hole drilling programme in August. Drilling is expected to be completed in October and an updated resource model should be completed by late December in preparation for a full Feasibility Study in 2008. This drilling programme is expected to substantially increase the size of the resource which currently stands at 54Mt of *insitu* bauxite (see ASX release 22 January 2007). "We are targeting a total in-ground resource of between 100 and 130Mt at Wenlock and Catfish Creek deposits which should yield between 60 and 80Mt of dry product bauxite after beneficiation", said Dr Messenger.

A Scoping Study into the mining, beneficiation, transport and export of bauxite at Wenlock was completed in March. The Scoping Study was based on exporting 5Mtpa of bauxite, primarily to Chinese markets and the company is confidently proceeding with further drilling and evaluations. A



historical and cultural review of the proposed development area was completed in April and an environmental review of the proposed project was completed in May with no major impediments identified.

Mapoon Council Deputy Mayor William Busch, Cape Alumina CEO Paul Messenger, Mapoon DOGIT Trustees Sylvester Blanco and Edwin Woodley.

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