



ASX AND MEDIA RELEASE

3 October 2007

- **KEY CAPE ALUMINA WEIPA BAUXITE TENEMENT GRANTED**
- **MAJOR DRILLING TO EXPAND BAUXITE DEPOSIT**

Metallica Minerals Limited (ASX: "MLM") today announced that the Queensland Government has granted Cape Alumina Pty Ltd (40% Metallica Minerals) the Wenlock North tenement, significantly expanding its 100% held Weipa granted tenement portfolio.

Exploration Permit for Minerals (EPM) 15278 "Wenlock North" covers approximately 150 sq km and is an extension of the Wenlock and Catfish pisolitic bauxite deposits adjacent to the Alcan and Comalco mining leases on Queensland's Cape York Peninsula.

Metallica Minerals' Managing Director, Mr Andrew Gillies, said a major 2,000 hole aircore drilling programme is planned at the Wenlock Project starting mid October and is expected to significantly increase and upgrade the company's initial 54 million tonnes Inferred and Indicated *insitu* bauxite resource at an average grade of 52.9% Al₂O₃, 12.8% total SiO₂ (see ASX release dated 22 January, 2007).

Part of the Wenlock project area falls within the Bertiehaugh pastoral lease and cattle station, which was recently purchased by Silverback Properties Pty Ltd, a company owned by the family of the late renowned conservationist, Steve Irwin, with the assistance of a Federal Government grant. Cape Alumina will seek meetings with representatives from Silverback as part of its on-going community and stakeholder consultation process.

Cape Alumina has completed a cultural heritage review of the Wenlock Project area. Baseline flora and fauna surveys will commence in early October and will support a voluntary Environmental Impact Assessment of the project. The Company has good support of the local aboriginal community and traditional owners and has executed agreements with the Old Mapoon DOGIT trustees, the Napranum Aboriginal Council and the Wik and Wik Way people.

"Results from the Wenlock drilling will be fed into a Feasibility Study for the mining, transport and shipping of bauxite, which should be completed late in 2008. Strong expressions of interest have been received from a number of large Chinese alumina refiners," Mr Gillies said.

"We look forward to success for Cape Alumina in promoting the sustained development of Cape York and leading to the creation of long-term business and employment opportunities for local Aboriginal communities in this remote part of northern Australia", he said.

Cape Alumina CEO, Dr Paul Messenger, said: "Based on a combined mapped bauxite plateau area of about 45 square kilometres and an assumed average thickness of over 2 metres, Cape Alumina is targeting a total of 100 to 130 million tonnes * *insitu* bauxite at Wenlock (including the current 54 million tonnes Indicated and Inferred resource) suitable for export to Chinese alumina refineries after beneficiation.

"Resource modelling will be undertaken following completion of the drilling and results are expected in early 2008. This work will assist Cape Alumina's proposed IPO previously reported (see ASX release dated 24 July, 2007)".



Enquiries:

Andrew Gillies, Managing Director, Metallica Minerals 07-3891 9611 agillies@metallicaminerals.com.au

Dr Paul Messenger, CEO, Cape Alumina Pty Ltd 07-3891 9611 or 0400 065 547
pmessenger@capealumina.com.au

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 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.

