



## ASX AND MEDIA RELEASE

6 DECEMBER 2007

- **MFC A\$15 MILLION IPO CLOSURES OVERSUBSCRIBED**
- **LUCKY BREAK NICKEL PROJECT TO PROCEED TO CONSTRUCTION**

Metals Finance Limited ("MFC") – the company responsible for funding and managing the development and operation of Metallica Minerals Limited's ("MLM") Lucky Break nickel project in Queensland - has closed its A\$15M initial public offering (IPO) oversubscribed.

Together with existing funds on hand, MFC now has around A\$20 million in available funding.

Metallica also advises that, following the successful closing of the MFC IPO and the recent granting of the second Lucky Break Mining Lease (ML) 10332, MFC has informed that it will proceed to order plant and equipment items for the Lucky Break Project in the first quarter of 2008 with nickel production to commence in the third quarter of 2008.

Lucky Break will be processing approximately 250,000 tonnes of nickel laterite ore per annum using vat leaching, Iron reduction, IX Resins and nickel precipitation of clean saleable nickel product (~40% Ni content). Forecast nickel extractions of 85% with leach times of around 3 months are expected based on large column leach testwork. Six vat/ponds are planned to hold around 30,000t of ore each with at least two load-leach-unload cycles per annum.

Full year production is forecast to be approximately 1,600 tonnes nickel per annum contained as Ni-Carbonate. Once in operation, the initial net operating surplus will be distributed 85% MFC and 15% Metallica up until MFC has been reimbursed its Lucky Break JV capital outlays (~\$18.5 million) after which time the net operating cash surplus will be distributed 60% Metallica and 40% MFC.

Metallica's Managing Director, Mr Andrew Gillies, said:-

"Closing of the MFC IPO and the continuation of the Lucky Break nickel development is a significant step forward for Metallica as we can continue with full momentum on the NORNICO feasibility study, while Lucky Break is being developed, funded and managed by MFC.

*For Further Information see ASX Release dated 4 September 2007*

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