



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 | Phoenix Lime Pty Ltd ACN 096 355 761

ASX Code: MLM

ASX AND MEDIA RELEASE

31 AUGUST 2007

YUNNAN TIN GROUP SHARE SUBSCRIPTION

Metallica Minerals Limited (ASX: "MLM") has been advised in writing this afternoon by Yunnan Tin Australia Investment Holding Company Pty Ltd - a wholly owned subsidiary of China's Yunnan Tin Group (YTG) – that it is unable to complete its agreed subscription for 5.38 million Metallica shares (5% of the proposed expanded capital) under the subscription agreement signed 1 June 2007. YTG has advised this is because it has been unable to obtain the requisite regulatory approvals for the investment.

Whilst Metallica is disappointed with YTG's inability to complete the investment, as at today's date, Metallica is well funded with over \$9 million in cash, no debt and approximately \$10 million worth of ASX listed shares (escrowed until 27 July 2008). These funds will primarily be used towards the feasibility and development of Metallica's flagship NORNICO nickel project.

For further information, see ASX Releases dated 1 June 2007 and June Quarterly Report dated 27 July 2007 or contact.

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