



## ASX ANNOUNCEMENT AND MEDIA RELEASE

### NORNICO PROJECT FINALISATION OF BELL CREEK DRILLING FOR FEASIBILITY STUDY

5<sup>th</sup> June 2007

Metallica Minerals Limited (ASX Code 'MLM') is pleased to announce the results of a 369 hole infill and step-out resource drilling programme at the Bell Creek nickel deposits. A revised Resource statement is expected to be completed in mid August .

The drilling programme was aimed at increasing the resource status of the Bell Creek North and Northwest deposits from Inferred to Indicated, and upgrading the Bell Creek South Resource from Indicated to Measured, as well as closing off zones of significant mineralisation. Results were within or exceeded expectations and several areas of economic grade mineralisation were defined outside the current resource areas.

This resource drilling is likely to be the last major drill programme on the Bell Creek deposits. The Company is undertaking a feasibility study for the development of a 1.5 million tonne per annum heap leach nickel operation producing a nominal 10,000 tonnes of nickel per year as a mixed hydroxide product which can be sold to local (such as BHP Billiton's Yabulu) and overseas nickel refineries. The current NORNICO Inferred and Indicated Resource (based on Bell Creek & Minnamoolka deposits drilling to end 2006) is 29.7Mt @ 0.75% Ni containing 222,000 tonnes contained nickel metal using 0.45% Ni cut-off grade.

Due to the shallow nature of the nickel mineralisation and based on current preliminary pit designs we expect that over 90% of the nickel resource will be included within pit shells resulting very low <1:1 strip ratios (waste:ore).

Metallica completed 369 holes for 7,764m of RC drilling between February and April 2007 at the Bell Creek South, North and Northwest deposits. A summary of the drilling at the individual prospects is summarised in Table 1 and in Figures 1-3 attached (red dots represent all the 2007 drill holes).

**Table 1:- Bell Creek Resource Drilling Summary**

Prospect	Holes From	Holes To	Holes Drilled	Meters Drilled
Bell Creek South	BCSL-175	BCSL-368	194	4,291
Bell Creek North	BCNL-100	BCNL-193	94	1,643
Bell Creek Northwest	BCNW-114	BCNW-184	81	1,830
<b>Overall Total</b>			<b>369</b>	<b>7,764</b>

Only the drill highlights are presented in this release, for more detailed information on the drilling results, a complete set of all drill results are tabulated in a separate document. The drilling programme summary tables are located on the Metallica Website, go to link [http://www.metallicaminerals.com.au/pdfs/nornico\\_2007\\_infill\\_and\\_step\\_out\\_drilling.pdf](http://www.metallicaminerals.com.au/pdfs/nornico_2007_infill_and_step_out_drilling.pdf)

### Bell Creek South Deposit

Drilling at Bell Creek South concentrated on further defining the limits of the open pit design and infilling areas where there was need for more detailed data. Drilling was also carried out on the margins of the resource to close off zones of mineralisation which were still open. The drilling results were within expectation, however additional zones of higher grade (+1% Ni)



mineralisation were identified on the margins of the deposit and within parts of the pre-existing resource model which was previously identified as low grade material. The 2007 drill hole locations are presented on Figure 1.

Higher grade intercepts include:-

- BCSL-176, 13m @ 1.74% Ni from 0
- BCSL-184, 29m @ 1.29% Ni from 4m
- BCSL-222, 15m @ 1.25% Ni from 10m
- BCSL-226, 36m @ 1.32% Ni from 8m
- BCSL-233, 10m @ 1.73% Ni from 0m
- BCSL-237, 18m @ 1.25% Ni from 0m
- BCSL-248, 26m @ 1.45% Ni from 15m
- BCSL-254, 21m @ 1.48% Ni from 0m
- BCSL-255, 14m @ 1.45% Ni from 7m
- BCSL-258, 13m @ 1.76% Ni from 5m
- BCSL-266, 19m @ 1.50% Ni from 0m
- BCSL-271, 20m @ 1.44% Ni from 0m
- BCSL-272, 19m @ 1.53% Ni from 0m
- BCSL-319, 10m @ 1.59% Ni from 0m
- BCSL-332, 17m @ 1.86% Ni from 0m
- BCSL-340, 24m @ 1.35% Ni from 1m
- BCSL-363, 21m @ 1.55% Ni from 21m

### **Bell Creek North Deposit**

The majority of the drilling at Bell Creek North was completed at the northern end of the deposit. An area low to moderate grade nickel laterite mineralisation (0.45% Ni to 0.70% Ni) was identified over a 400m by 250m area north of the existing resource.

The style of mineralisation in this area is dominantly silica boxwork texture which is highly amenable to beneficiation and is also a good blending material for the Bell Creek South laterites. 2007 drill hole locations are presented on Figure 2.

Better intercepts include:-

- BCNL-104, 18m @ 1.33% Ni from 0m
- BCNL-187, 35m @ 0.78% Ni from 0m
- BCNL-188, 11m @ 0.97% Ni from 0m

### **Bell Creek Northwest.**

Drilling at the Bell Creek Northwest deposit was aimed at identifying additional nickel laterite resources on the margins of the three zones already delineated. Significant additional nickel laterite mineralisation (grading between 0.5% Ni to > 1.0% Ni) was identified outside the existing resource model. 2007 drill hole locations are presented on Figure 3. Better intercepts include:-

- BCNW-129, 15m @ 0.90% Ni from 22m
- BCNW-135, 18m @ 0.89% Ni from 25m
- BCNW-136, 26m @ 1.05% Ni from 19m
- BCNW-142, 41m @ 0.85% Ni from 3m
- BCNW-143, 24m @ 0.87% Ni from 14m
- BCNW-152, 10m @ 1.14% Ni from 0m
- BCNW-153, 16m @ 0.90 % Ni from 0m

### **Future Work**

All the data from this drill programme is being correlated and uploaded into the Bell Creek drill hole data base. An updated resource statement for Bell Creek is scheduled for completion in mid August. It is expected that the new resource statement will elevate the majority of the existing resource from Inferred to Indicated status, and a significant part of the Bell Creek South resource is expected to be classed in the Measured Resource category.

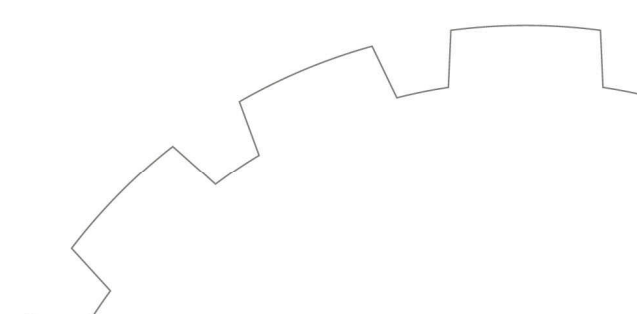
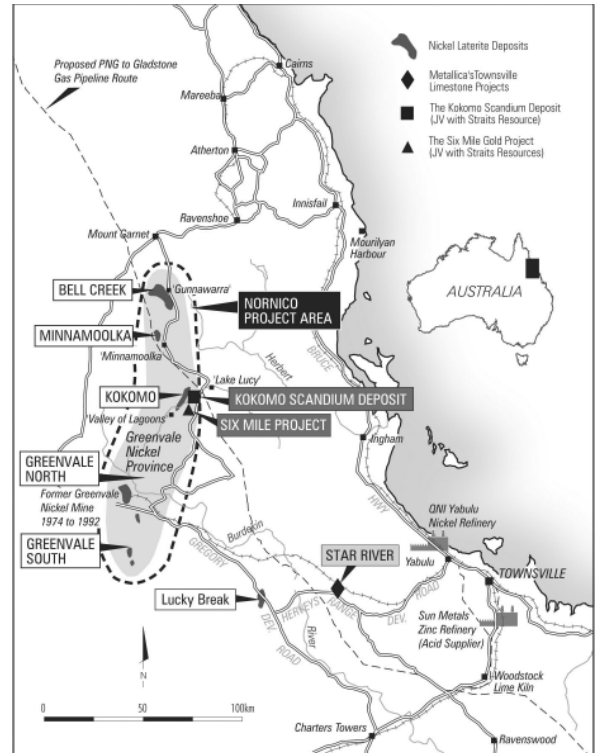
# METALLICA MINERALS LIMITED

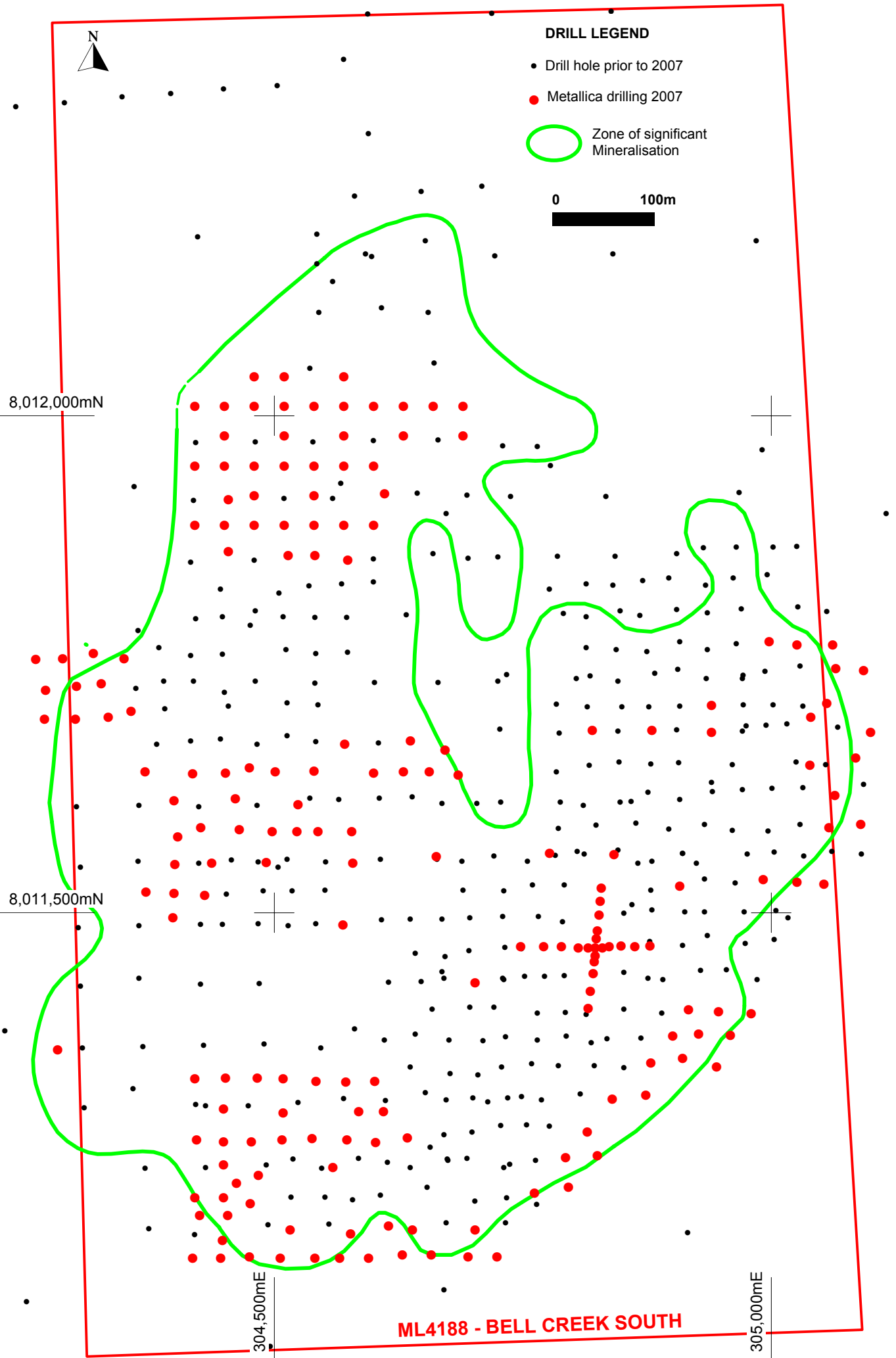


The next major resource drilling programme comprising 3,000m (130 holes) will target expanding and enhancing the current Minnamoolka nickel resource (14 Mt @ 0.67% Ni based on drilling to the end 2006) and is planned for July. Followed by a 2,000m (40 hole) drill hole programme on the Kokomo nickel project to define a maiden resource.

*In accordance with the Listing Rules of the Australian Stock Exchange Limited, the technical information contained in this report has been compiled by Andrew Gillies B.Sc, M.AusIMM and Metallica Minerals Ltd, Exploration Manager, Mr Pat Smith MSc, B.Sc (Hons), M.AusIMM, who are full time employees of Metallica and members of the Australasian Institute of Mining and Metallurgy. Mr Gillies and Mr Smith have relevant experience to the mineralisation being reported on to qualify as Competent Persons as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Both Mr Gillies and Mr Smith consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.*

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**ML4188 - BELL CREEK SOUTH 2007 DRILLING**



**DRILL LEGEND**

- Drill hole prior to 2007
- Metallica drilling 2007
- Zone of significant Mineralisation

8,014,000mN

**ML4187 - BELL CREEK NORTH**

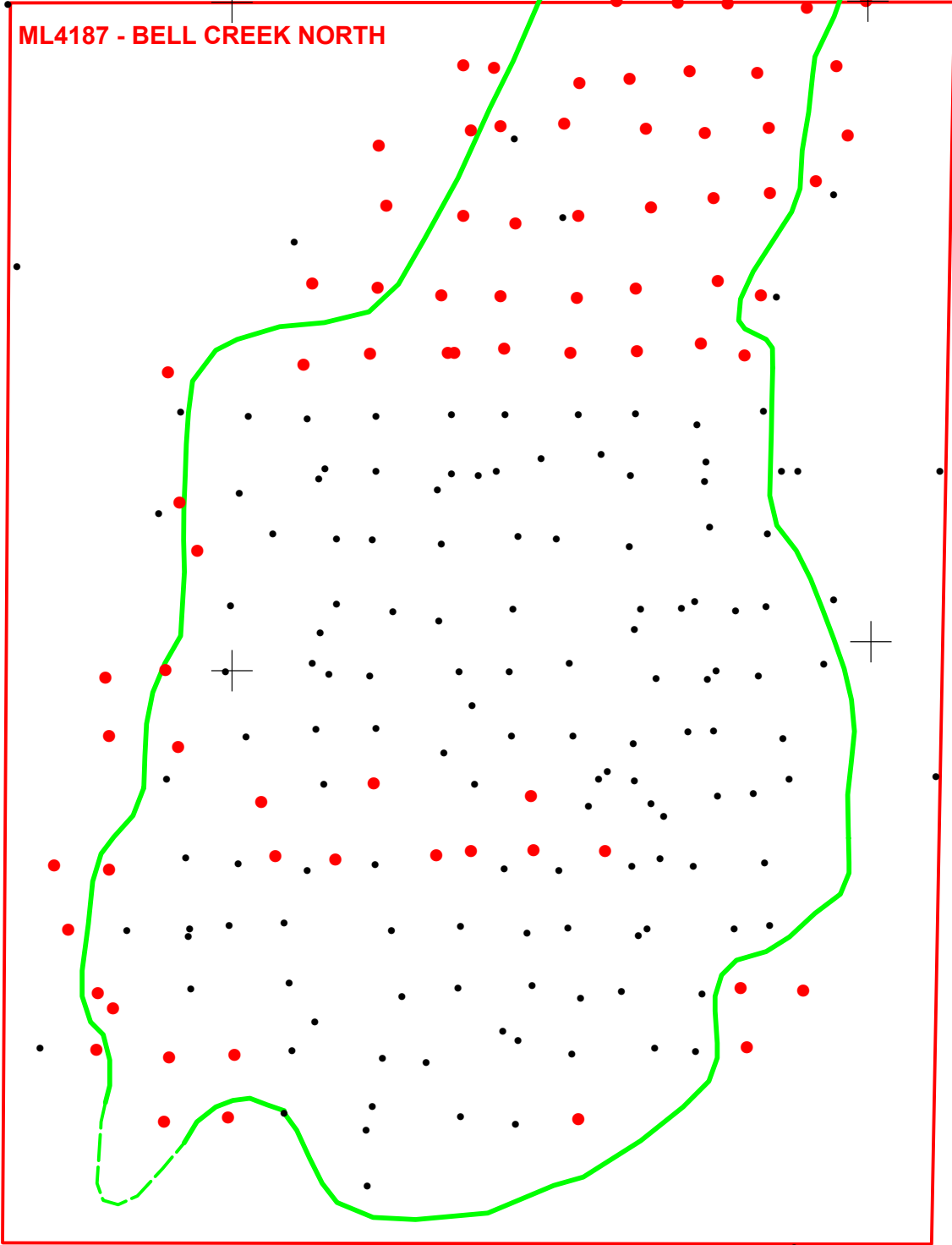
8,013,500mN

8,013,000mN

305,000mE

305,500mE

**ML4188 - BELL CREEK NORTH 2007 DRILLING**

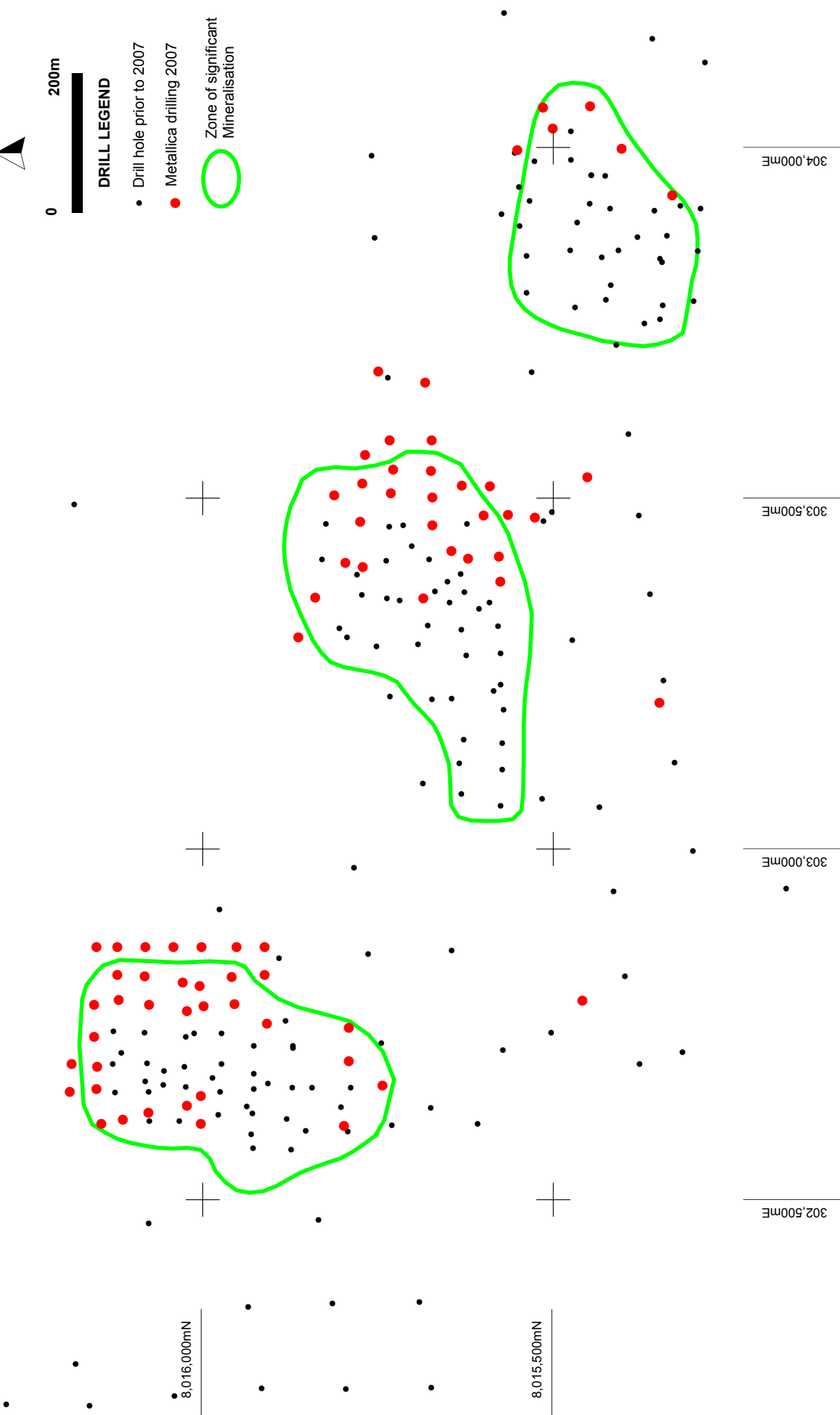




0 200m

**DRILL LEGEND**

- Drill hole prior to 2007
- Metallica drilling 2007
- Zone of significant Mineralisation



**BELL CREEK NORTH WEST 2007 DRILLING**