



# METALLICA MINERALS LIMITED

## Subsidiary Companies

NORNICO Pty Ltd ACN 065 384 045 | Oresome Australia Pty Ltd ACN 071 762 484

Lucky Break Operations Pty Ltd ACN 126 272 580 | Metrocoal Limited ABN 45 117 763 443 | Phoenix Lime Pty Ltd ACN 096 355 761

ASX Code: MLM

## ASX RELEASE

Friday 14<sup>th</sup> November, 2008

### Metallica acquires strategic stake in Queensland Gold & Minerals

Metallica Minerals Limited (ASX:MLM), has announced the acquisition of a strategic shareholding in Brisbane-based Queensland Gold & Minerals Limited (ASX:QGM). The investment will add to Metallica's considerable mineral property portfolio and focus within Queensland minerals sector.

Under the acquisition terms announced today, Metallica will take an initial placement of 7,702,500 (15%) ordinary fully paid shares in QGM at an issue price of 0.75 cents per share to raise A\$57,569. Metallica has also proposed, subject to MLM Board, further due diligence, statutory and QGM shareholder approvals, to provide up to a further \$292,231 (38,964,133 shares at 0.75 cents per share) in convertible debt funding to QGM and to possibly vend in of one or two southeast Queensland coal projects for ordinary fully paid shares in QGM.

Metallica's position in QGM will enhance QGM's capitalisation, provide funding for working capital, maintain QGM as a Queensland-orientated mineral exploration company and bring a well positioned resource development company as QGM's major shareholder. Metallica also intends to add two local experienced resource industry Directors to the QGM Board. Messrs David Barwick and Andrew Gillies will be Metallica's nominees to the QGM Board.

Metallica's strong cash position of approximately \$23.5 million as at 31 October 2008 has enabled MLM to take this strategic position in the local exploration company.

QGM currently owns exploration tenements in Queensland that include the Drummond Basin (Rutherford's Table - gold), Georgetown District (gold) and Mt Isa Eastern Fold Belt (Top Camp - iron oxide copper gold).

#### **For Further Information**

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