



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 | SE QLD Energy Pty Ltd ACN 112 045 708 | SE QLD Coal Pty Ltd ACN 114 039 155 | Phoenix Lime Pty Ltd ACN 096 355 761

ASX Code: MLM

ASX ANNOUNCEMENT AND PRESS RELEASE 1 JUNE 2007

YUNNAN NICKEL GROUP EXECUTES AGREEMENT TO SUBSCRIBE FOR 5.38 MILLION METALLICA SHARES AT \$1.10 PER SHARE – A\$5.9 MILLION INVESTMENT

Metallica Minerals Limited is pleased to announce it has executed a share subscription agreement with the Yunnan Tin Australia Investment Holding Company Pty. Ltd, (YTA) a wholly owned subsidiary of Yunnan Tin Group (YTG). The subscription agreement provides for YTA to subscribe for 5.38 Million Metallica shares at \$1.10 per share. This equates to 5% of Metallicas expanded capital following the placement.

The Yunnan Tin group is the world's largest producer of tin, it produces basemetals and also has subsidiaries producing nickel from the heap leaching of nickel laterite ores in Yunnan Province China. YTG developed the worlds first commercial scale heap leach nickel operation in 2005.

YTG is also a substantial shareholder in the recently listed YTC Resources Limited (ASX-YTG), and has significant shareholdings in two listed companies; Yunnan Tin Co. Ltd and Sino-Platinum Metals Co. Ltd which are listed on Shenzhen Stock Exchange and Shanghai Stock Exchange respectively. Yunnan Tin Group is listed as one of the top 520 largest Chinese industrial enterprises sponsored by the Chinese government.

Andrew Gillies, Managing Director of Metallica Minerals Limited attending the China Nickel 2007 Conference in Shanghai, said "Yunnan Tin is a pioneer in heap leaching of nickel and has invested in Metallica after completing a site visit to Metallica's NORNICO and Lucky Break nickel projects earlier this year. We welcome YTG as a strategic shareholder in Metallica Minerals and see their investment and heap leach nickel experience as a strong vote of confidence in Metallica's nickel heap leaching projects which are advancing through feasibility study stage".

Mr Gillies said "With forecast total funds of over \$10 million on hand following completion of this placement, Metallica will have more than sufficient funds to complete the NORNICO heap leaching nickel project feasibility study, and will have it's funding needs covered for a year."

The Agreement is subject to regulatory approvals being obtained within 2 months. Each party has the right to extend this by a further month. No options will be issued by Metallica as part of the placement, however, YTG will have the right to participate in any share placements made by Metallica within 18 months. This right will be limited to the lesser of the value of the placements, or A\$5.9 million, being the amount subscribed under this subscription agreement.

For further information, please contact:

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Signing of agreement with Mr Gao Wen Xiang, (sitting left and signing) Executive Deputy Managing Director of Yunnan Tin Group and Mr Wang (standing centre) Executive Deputy Managing Director of Yunnan Tin Group and Chairman of Sino Platinum and Mr Andrew Gillies, (sitting right and signing) Managing Director of Metallica Minerals Ltd.