



ASX RELEASE

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EXCELLENT METAL EXTRACTION RESULTS FOR NORNICO TRI-METAL PROJECT IN NORTH QLD

- Excellent metal extraction results on initial High Pressure Acid Leach (HPAL) metallurgical testwork on Greenvale & Lucknow deposits' Nickel, Cobalt & Scandium ores from NORNICO project in north Queensland
- High Ni-Co & Sc metal extractions with low acid addition – see Table 1 page 2
- 96% Scandium (Sc) metal extraction from high grade (>200 g/t) Sc ore
- Mining studies advanced and desk top studies commenced for a 500,000 tpa HPAL operation sited on the historical Greenvale nickel mine site.

Highly encouraging metal extraction results have been returned from initial metallurgical testwork on nickel, cobalt and scandium ores from the Greenvale and Lucknow deposits at Metallica Minerals Limited's wholly owned NORNICO tri-metal project northwest of Townsville in north Queensland.

The testwork was based on the planned use of a High Pressure Acid Leach (HPAL) processing system to achieve maiden production by 2014.

In April 2011, Metallica changed its NORNICO development strategy from heated Atmospheric Acid Leach (AAL) processing to High Pressure Acid Leach (HPAL) processing with an acid-power plant to allow for considerable advantages of larger size (from ~200ktpa to ~500ktpa) and economy of scale, plus the cost benefits of an acid plant providing secure local acid, heat and power to lower operating costs.

HPAL processing is expected to add considerably more certainty to the project by being an efficient process technology which is now well established.

HPAL will allow all iron rich ores to be treated, particularly the high scandium, high iron Lucknow and Kokomo ores, adding substantial scandium resources to the project.

Scandium co-products are expected to give a major competitive advantage to the NORNICO Ni-Co-Sc project.

Initial HPAL metallurgical testwork on representative samples of the Ni-Co and Sc ores from both the Greenvale and Lucknow resources has commenced using AMMTEC Perth and the first results are listed in Table 1. The leaching was done under pressure at 255°C for 60 minutes with an acid addition of only 265 kg/t ore.

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The results show encouragingly high metal recoveries, considering that the leach parameters have yet to be optimised to further improve metal recovery. Based on this initial testwork, Metallica expects average nickel and cobalt extractions to be over 90% and the scandium extraction to be in the 85%-95% range depending on the scandium grade of the ore. Importantly the high grade scandium ore gave over 96% scandium extraction. HPAL metallurgical testwork is ongoing.

Pit optimisation studies are in progress for the proposed ~500,000 tpa HPAL operation, sourcing a base load Ni-Co laterite feed from the Greenvale mine site and trucking additional Ni-Co-Sc ore from the nearby Lucknow and Kokomo deposits.

Desk top and venture analysis studies have commenced using external engineering firm and external consultants to estimate indicative capital and operating costs for a 500,000tpa HPAL operation sited on the former Greenvale mine site with its own ~700tpd acid-power plant.

There is continued significant customer interest and enquiry on Metallica's potential to become a major long term reliable scandium producer.

Table 1 - First HPAL test results on NORNICO Ni-Co & Sc ores

Project	Greenvale Ni-Co ore		Lucknow Ni-Co & Sc ore	
Ore Zone	Powerline	Powerline + Edge	Red Fort	Grants Gully
Ore type	Ni-Co	Ni-Co	Sc	Sc-Ni-Co
Sample Head Grade				
% Ni	1.24	1.53	0.20	0.89
% Co	0.09	0.09	0.11	0.24
g/t Sc	48	36	264	144
% Fe	32.1	22.7	33.0	29.5
Metal Extraction %				
Ni	82.8	91.9	91.6	94.1
Co	89.2	94.2	94.6	94.1
Sc	72.2	79.4	96.8	87.1

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