



METALLICA MINERALS LIMITED

Subsidiary Companies

NORNICO Pty Ltd ACN 065 384 045 | Oresome Australia Pty Ltd ACN 071 762 484 | Greenvale Operations Pty Ltd ACN 139 136 708
Lucky Break Operations Pty Ltd ACN 126 272 580 | Scandium Pty Ltd ACN 138 608 894 | Phoenix Lime Pty Ltd ACN 096 355 761

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ASX Announcement

9 DECEMBER 2009

KOKOMO NICKEL COBALT SCANDIUM PROJECT UPDATE

HIGHLIGHTS

- Additional 141 Infill Drill holes completed on three cobalt and scandium rich nickel laterite/oxide zones of the Kokomo project
- Mineable High Grade Nickel – Cobalt & Scandium Zones Confirmed
- Additional drill results to be included in resource update now due late in December (previously November)
- Best Nickel-Cobalt intercept : 13m @ 0.97% Ni & 0.93% Co from 3m
- Best Scandium intercept : 28m @ 438 g/t Sc from 3m
- High Grade Ni-Co & Sc feed targeted and being defined for proposed NORNICO operation – the addition of high Co bearing nickel ores (and potentially Sc oxides) will have very positive revenue influence
- Mining Lease Application approved for grant, pending compensation agreement with Landowners and Native Title Claimants

Metallica Minerals Limited's Kokomo cobalt and scandium rich nickel laterite is one of three established deposits in the Company's flagship 100% NORNICO project in North Queensland.

The Kokomo Nickel (Ni)-Cobalt (Co) & Scandium (Sc) laterite deposit formed on a north-east/south-west trending ultramafic unit which outcrops for a strike length of 16km. The great majority of drilling has been focused on the widest and thickest portion – the Kokomo Central Plateau.

The latest phase of infill drilling at the Kokomo project has been completed with a further 141 holes (KK-914 to 1,054) for 3,071m drilled. These will be included into the Kokomo drill database which now comprises 1,054 drill holes to be used for the project's revised resource estimate which is now expected late in December. The resource estimate is being undertaken by Golder Associates in Brisbane.

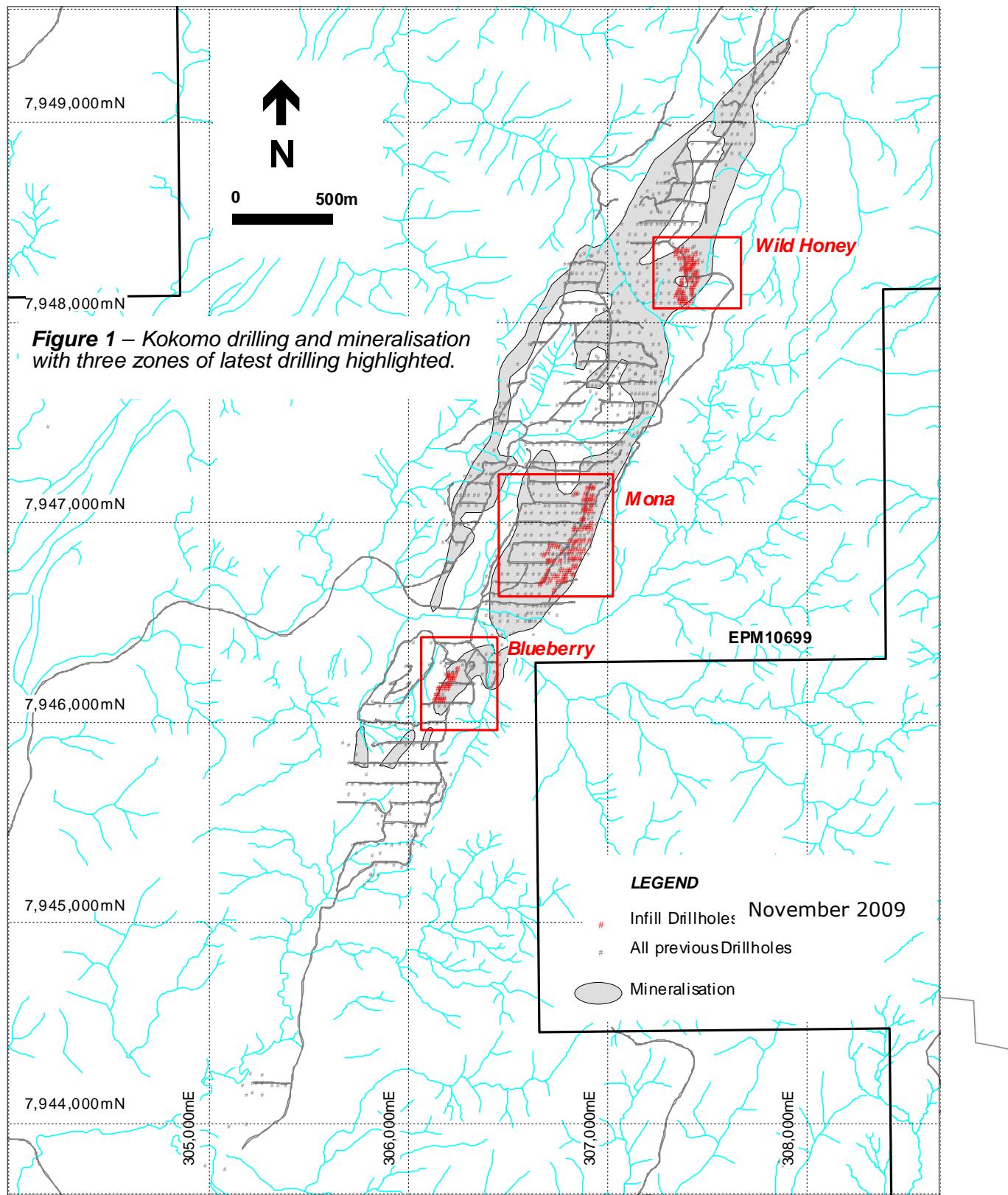


Photo - Looking NNW over the eastern side of the high grade Mona portion of the Kokomo Ni-Co-Sc laterite plateau, the most likely site for future mining to begin on the Kokomo project

The holes were designed to drill out two separate areas of high grade nickel-cobalt mineralisation (**Mona & Blueberry**) and a high grade scandium zone (**Wild Honey**) – see **Figure 1**.

Drilling in each of these areas was on a nominal 20m by 20m grid. Cobalt and scandium rich nickel laterite mineralisation predominately occurs along the eastern and western margins of the laterite plateau.

The drilling is aimed at defining predominantly Measured Resources in these high grade areas which can be used for initial mine design, starter pits and scheduling of ore for the current NORNICO pre-feasibility study.



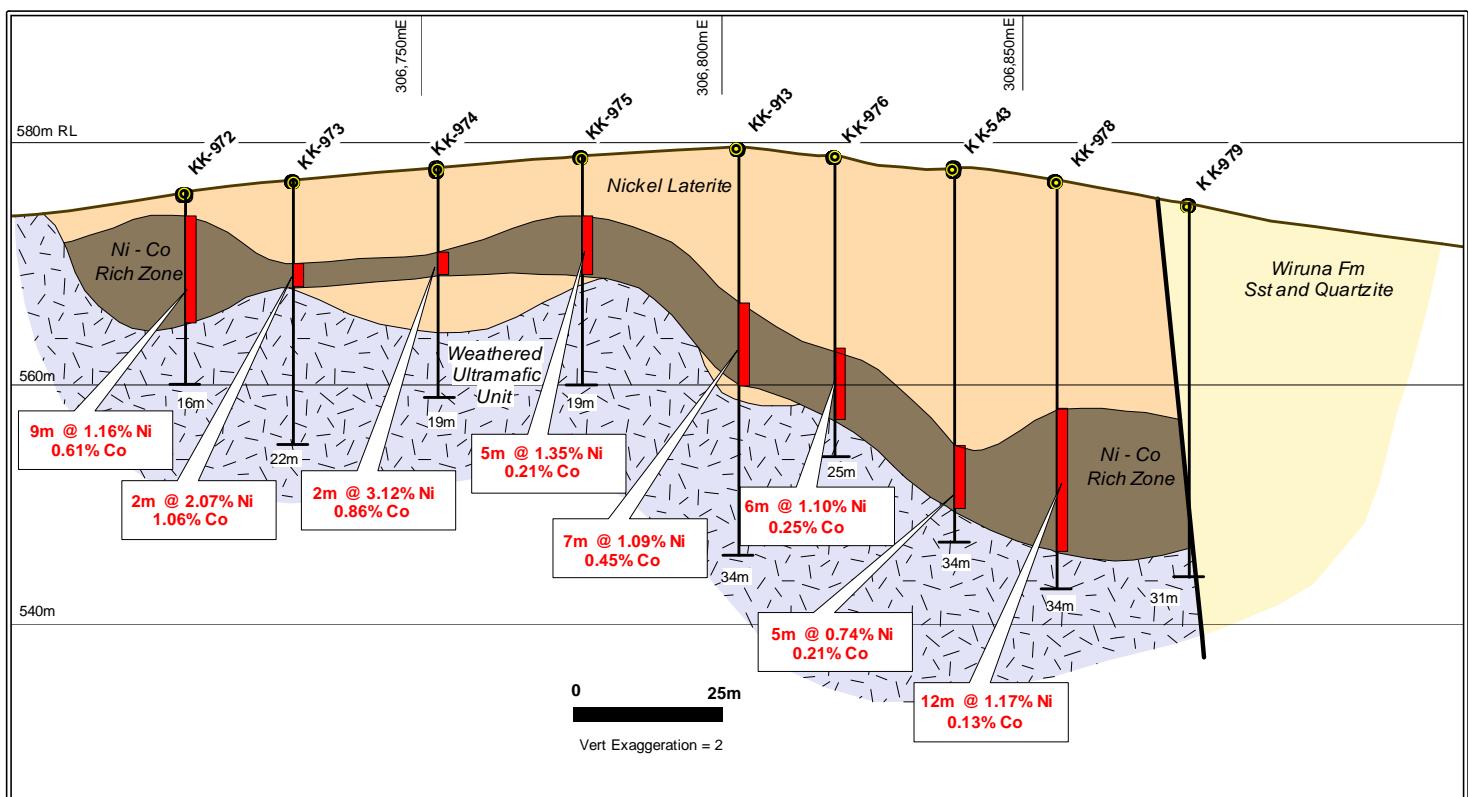
All the assay results have been received, some of the better results are presented below:-

Mona Nickel-Cobalt Zone

- KK-944, 13m @ 1.36% Ni and 0.52% Co, (2.66 % Ni Eq) from 5m
- KK-952, 10m @ 1.27% Ni and 0.22% Co, (1.82 % Ni Eq) from 4m
- KK-959, 7m @ 1.61% Ni and 0.27% Co, (2.28 % Ni Eq) from 6m
- KK-966, 10m @ 1.43% Ni and 0.21% Co, (1.95 % Ni Eq) from 8m
- KK-968, 5m @ 1.37% Ni and 0.46% Co, (2.52 % Ni Eq) from 13m
- KK-970, 26m @ 1.24% Ni and 0.18% Co, (1.69 % Ni Eq) from 20m
- KK-972, 8m @ 1.16% Ni and 0.61% Co, (2.68 % Ni Eq) from 3m
- KK-976, 5m @ 1.52% Ni and 0.32% Co, (2.32 % Ni Eq) from 16m
- KK-982, 13m @ 0.97% Ni and 0.93% Co, (3.30 % Ni Eq) from 3m
- KK-992, 21m @ 1.11% Ni and 0.18% Co, (1.56 % Ni Eq) from 5m
- KK-996, 17m @ 1.60% Ni and 0.21% Co, (2.12 % Ni Eq) from 15m
- KK-1044, 14m @ 1.34% Ni and 0.15% Co, (1.71 % Ni Eq) from 10m

Note:- *The Nickel Equivalent (Ni Eq) grade has been calculated using Ni plus 2.5 Co to represent approximate nickel equivalent grade eg US\$8/lb Ni and US\$20/lb Co (example only) provides. 1Ni : 2.5 Co ratio.

Figure 2: Drill Cross Section Through Mona Ni-Co Zone

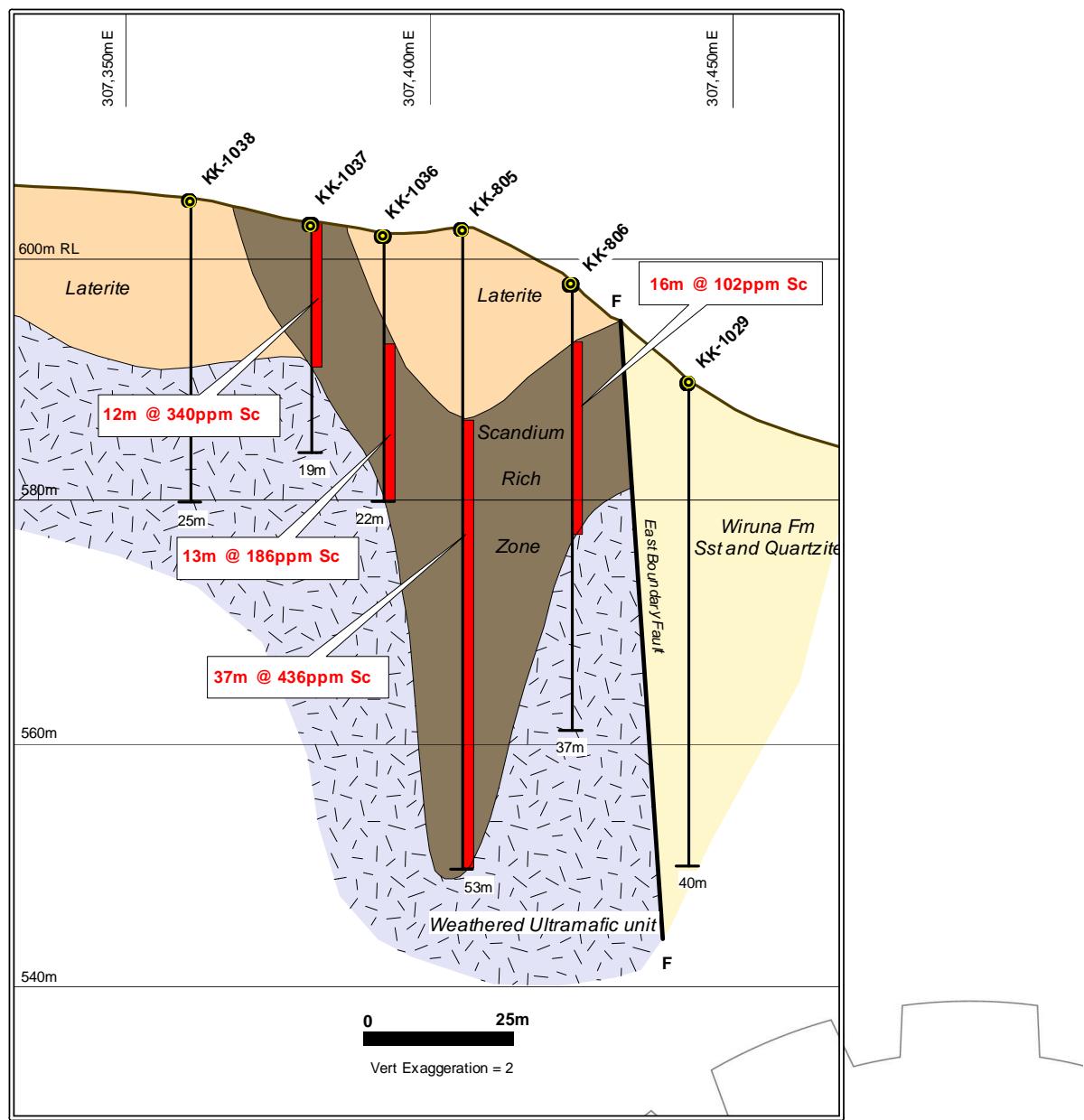


**KOKOMO - MONA PROSPECT
DRILL SECTION "B" 7,946,820mN
(Looking North)**

Wild Honey Scandium Zone

- KK-1018, 7m @ 257 g/t Sc from 0m, 25m @ 1.57% Ni, 0.20 % Co
- KK-1013, 25m @ 292 g/t Sc from 0m, 16m @ 0.54% Ni, 0.10 % Co
- KK-1020, 28m @ 438 g/t Sc from 3m,
- KK-1022, 25m @ 219 g/t Sc from 0m
- KK-1023, 9m @ 338 g/t Sc from 0m
- KK-1032, 23m @ 194 g/t Sc from 11m, 23m @ 0.60% Ni, 0.12 % Co
- KK-1037, 12m @ 340 g/t Sc from 12m
- KK-1043, 17m @ 240 g/t Sc from 2m
- KK-1044, 20m @ 249 g/t Sc from 3m, incl 10m @ 1.34% Ni, 0.15% Co
- KK-1045, 22m @ 257 g/t Sc from 5m

The general location of these infill holes drilled within the three zones are presented on **Figure 1** and a full summary of results is tabulated in **Table 1**.



**Figure 3 KOKOMO - WILD HONEY PROSPECT
DRILL SECTION "A" 7,948,140mN
(Looking North)**



Kokomo Ni-Co-Sc-Mn Resource Update

The updated resource estimate for the Kokomo nickel-cobalt-scandium laterite deposit was initially expected by late in November.

However, due to the rapid turnaround of samples at the laboratory in Townsville the results from this recently completed infill drilling programme have become available sooner than expected, and can therefore be included in the resource update currently being estimated.

The updated Kokomo resource – including data from 1,054 holes comprising in excess of 28,000m of drilling - is now expected to be available late in December.

Cobalt could be an increasingly valuable product for NORNICO, (currently priced around US\$20 / lb,) due to its increasing use in long life batteries and super alloys.

Scandium (Sc) is a valuable rare earth/tech metal used in Fuel Cells and as a major enhancer of aluminium alloys and has good potential to become an important “green tech metal” of the future. Metallica owns 80% of the Kokomo Scandium rights, with joint venture partner holding 20% of the scandium rights. Metallurgical test work has shown that in addition to nickel and cobalt, excellent extractions of scandium, being around 90% and there is excellent potential to produce scandium oxide as a valuable by product.

Mining Lease

The 36 sq km Kokomo Mining Lease has been approved for grant by the Land Court pending successful agreements for compensation with the landowners and the Native Title parties. It is envisaged that discussions with the landowners and Native Title claimants will be undertaken early in 2010.

Back ground – NORNICO Project

The Kokomo nickel-cobalt deposit forms an important part of Metallica's 100% owned NORNICO project.

The Kokomo project will be incorporated into NORNICO feasibility studies into developing a heated agitated Atmospheric Acid Leaching (AAL) and solvent extraction/ electrowinning (SX/EW) operation to produce LME grade nickel metal and a cobalt sulphide.

NORNICO so far includes three main deposits: Bell Creek, Minnamoolka and Kokomo, see

Figure 4. The NORNICO project definition base case is a 1 Mtpa heated agitated Atmospheric Acid Leach (AAL) and solvent extraction/electrowinning (SX/EW) operation sourcing higher grade (i.e >1.2 % Ni Eq) Ni-Co ores from Bell Creek, Minnamoolka and

Kokomo deposits, with an onsite acid generation plant and co-generation of power, to produce LME nickel metal and cobalt product over a minimum 15 year life.

Metallica is investigating the possible advantages of staging NORNICO's size, starting with a smaller (but still commercial) very high grade ~100,000 tpa operation – Stage 1, then to full scale ~ 1 Mtpa (with acid & power plant) – Stage 2, at which time the Stage 1 Ni-Co-Sc plant could change to a predominantly Sc oxide plant (+/- Ni+Co by products).

Kokomo will be an important component of the proposed NORNICO Ni-Co operation as it contains high nickel+cobalt grades which will enhance future Ni-Co feed grade and substantially extend project life. Kokomo Ni-Co laterite mineralisation also has potential by-products of manganese and scandium oxides.

Preliminary metallurgical testwork has been very encouraging with results indicating that 90% extraction of both nickel and cobalt are achieved within 6 hours using heated agitated AAL methods. Extractions of scandium have also been around 90%.

NORNICO is in an excellent location, close to markets, fresh water, limestone, infrastructure and port facilities (140km via road) and is safe and in an ideal climate and environment.

Competent Persons

Technical information and exploration results contained in this report has been compiled by Metallica Minerals Ltd full time employees Andrew Gillies in the position of Managing Director and Metallica Minerals Ltd Exploration Manager, Mr Pat Smith MSc. B.Sc (Hons)., Mr Gillies and Mr Smith are members of the Australasian Institute of Mining and Metallurgy and 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. Mr Gillies and Mr Smith consent to the inclusion in this report of the matters based on the information in the form and context in which it appears



Figure 4 – NORNICO regional geographical setting

Mona - Nickel - Cobalt Rich Zone												
Hole No	Easting	Northing	Dip	Azim	Depth	From (m)	To (m)	Intercept (m)	Ni %	Co %	Fe %	Mg %
KK-933	306948	7947182	-90	0	16	3	6	3	0.38	0.15	22.70	0.71
and						8	11	3	0.80	0.02	7.04	8.33
KK-934	306933	7947183	-90	0	16	1	5	4	0.92	0.03	11.02	4.64
KK-935	306919	7947184	-90	0	16	3	6	3	0.56	0.04	9.80	3.16
and						11	15	4	0.55	0.02	7.74	7.99
KK-936	306859	7947150	-90	0	13	2	6	4	0.65	0.03	10.06	5.06
KK-937	306906	7947152	-90	0	16	4	16	12	1.10	0.07	15.59	7.42
KK-938	306935	7947146	-90	0	16	3	10	7	0.66	0.05	16.20	3.74
KK-939	306941	7947123	-90	0	13	1	4	3	1.03	0.03	11.51	8.84
KK-940	306925	7947121	-90	0	13	NSR						
KK-941	306910	7947119	-90	0	13	1	4	3	0.91	0.09	8.46	4.40
KK-942	306898	7947121	-90	0	16	NSR						
KK-943	306901	7947094	-90	0	16	0	5	5	1.10	0.18	18.86	5.66
KK-944	306936	7947095	-90	0	19	5	18	13	1.36	0.52	26.11	6.47
KK-945	306932	7947070	-90	0	16	3	6	3	1.12	0.05	16.97	8.48
KK-946	306919	7947073	-90	0	13	NSR						
KK-947	306907	7947074	-90	0	16	0	9	9	0.88	0.39	36.09	2.79
KK-948	306891	7947075	-90	0	13	3	9	6	0.18	0.12	13.78	0.98
KK-949	306882	7947023	-90	0	16	6	12	6	0.64	0.03	34.70	5.00
KK-950	306900	7947024	-90	0	19	10	16	6	0.69	0.11	29.85	7.53
KK-951	306931	7947007	-90	0	16	NSR						
KK-952	306856	7946973	-90	0	19	4	14	10	1.27	0.22	16.30	6.65
KK-953	306888	7946983	-90	0	25	7	20	13	0.91	0.05	15.13	11.49
KK-954	306904	7946986	-90	0	22	10	13	3	0.78	0.08	15.14	3.81
KK-955	306915	7946985	-90	0	19	8	13	5	1.34	0.17	16.62	9.11
KK-956	306930	7946984	-90	0	25	8	25	17	0.92	0.06	18.85	10.95
KK-957	306826	7946925	-90	0	25	13	22	9	1.11	0.13	24.59	6.75
KK-958	306844	7946910	-90	0	19	9	11	2	0.89	0.28	14.10	4.94
KK-959	306861	7946918	-90	0	19	6	13	7	1.61	0.27	16.34	8.67
KK-960	306881	7946921	-90	0	25	NSR						
KK-961	306922	7946924	-90	0	37	24	29	5	0.83	0.27	9.99	2.17
KK-962	306899	7946924	-90	0	34	31	34	3	0.51	0.32	32.50	0.14
KK-963	306724	7946903	-90	0	16	2	13	11	0.69	0.05	15.97	2.30
KK-964	306743	7946900	-90	0	13	1	3	2	0.70	0.09	32.65	1.30
KK-965	306772	7946886	-90	0	16	6	11	5	0.90	0.05	17.20	4.20
KK-966	306789	7946876	-90	0	22	8	18	10	1.43	0.21	18.40	5.79
KK-967	306823	7946875	-90	0	16	8	11	3	1.35	0.13	11.13	12.16
KK-968	306837	7946876	-90	0	22	13	18	5	1.37	0.46	12.00	12.02
KK-969	306860	7946878	-90	0	22	NSR						

KK-970	306879	7946872	-90	0	46	20	46	26	1.24	0.18	19.77	7.99
KK-971	306898	7946872	-90	0	40	35	38	3	0.43	0.29	10.27	2.32
KK-972	306711	7946819	-90	0	16	3	11	8	1.16	0.61	22.90	2.46
KK-973	306729	7946819	-90	0	22	7	9	2	2.07	1.06	13.00	5.59
KK-974	306753	7946820	-90	0	19	7	9	2	3.12	0.86	9.87	1.03
KK-975	306777	7946825	-90	0	19	5	10	5	1.35	0.21	10.63	7.83
KK-976	306819	7946828	-90	0	25	16	21	5	1.52	0.32	12.09	7.50
KK-977	306839	7946829	-90	0	31	23	28	5	0.40	0.10	8.48	9.35
KK-978	306856	7946829	-90	0	34	19	31	12	1.17	0.13	11.15	13.56
KK-979	306878	7946829	-90	0	31	NSR						
KK-980	306720	7946769	-90	0	19	4	9	5	1.31	0.30	14.14	4.63
KK-981	306709	7946747	-90	0	19	0	2	2	0.96	0.16	12.65	5.05
KK-982	306703	7946727	-90	0	19	3	16	13	0.97	0.93	35.17	0.98
inc:						3	10	7	1.22	1.40		
KK-983	306682	7946704	-90	0	25	0	7	7	0.53	0.26	32.14	4.60
KK-984	306690	7946729	-90	0	19	3	7	4	0.52	0.16	38.01	2.51
KK-985	306750	7946675	-90	0	16	0	9	9	0.49	0.12	24.50	1.71
KK-986	306804	7946728	-90	0	25	13	21	8	1.01	0.22	14.93	3.42
KK-987	306787	7946721	-90	0	22	12	16	4	1.09	0.17	21.70	0.64
KK-988	306767	7946715	-90	0	19	5	9	4	1.38	0.27	10.39	6.12
KK-989	306838	7946749	-90	0	25	NSR						
KK-990	306810	7946745	-90	0	22	9	15	6	0.77	0.14	13.78	5.42
KK-991	306794	7946745	-90	0	22	9	15	6	1.20	0.40	19.46	3.13
KK-992	306766	7946742	-90	0	28	5	26	21	1.11	0.18	17.22	4.95
KK-993	306749	7946745	-90	0	19	4	17	13	0.64	0.22	25.60	0.70
KK-994	306829	7946772	-90	0	19	NSR						
KK-995	306816	7946770	-90	0	27	18	25	7	0.81	0.19	23.78	3.04
KK-996	306783	7946775	-90	0	34	15	32	17	1.60	0.21	21.34	4.36
KK-1046	306702	7946848	-90	0	16	NSR						
KK-1047	306850	7946980	-90	0	19	NSR						
KK-1048	306719	7946875	-90	0	16	NSR						
KK-1049	306841	7946798	-90	0	40	24	40	16	0.95	0.14	16.14	8.94
KK-1050	306857	7946799	-90	0	37	28	34	6	0.58	0.21	12.61	1.68
KK-1051	306726	7946726	-90	0	25	1	11	10	0.97	0.10	14.67	7.22
KK-1052	306147	7946122	-90	0	13	NSR						

Bluberry - Narrow - Nickel - Cobalt Rich Zone												
Hole No	Easting	Northing	Dip	Azim	Depth	From (m)	To (m)	Intercept (m)	Ni %	Co %	Fe %	Mg %
KK-914	306197	7946130	-90	0	19	3	9	6	0.60	0.05	9.23	4.93
KK-915	306186	7946127	-90	0	13	2	5	3	0.35	0.07	17.10	0.75

KK-916	306177	7946127	-90	0	16	NSR							
KK-917	306164	7946127	-90	0	16	2	5	3	0.98	0.03	9.68	3.73	
KK-918	306152	7946147	-90	0	16	NSR							
KK-919	306169	7946156	-90	0	16	NSR							
KK-920	306166	7946180	-90	0	13	NSR							
KK-921	306175	7946180	-90	0	13	NSR							
KK-922	306195	7946181	-90	0	16	2	7	5	0.83	0.03	12.34	1.83	
KK-923	306214	7946181	-90	0	19	11	17	6	0.66	0.08	16.23	1.82	
KK-924	306194	7946201	-90	0	13	NSR							
KK-925	306211	7946200	-90	0	16	NSR							
KK-926	306230	7946200	-90	0	13	NSR							
KK-927	306254	7946255	-90	0	16	1	9	8	0.78	0.35	19.5	0.61	
KK-928	306260	7946284	-90	0	16	0	5	5	0.43	0.27	24.9	0.91	
KK-929	306236	7946256	-90	0	16	3	13	10	1.85	0.33	21.5	3.57	
KK-930	306215	7946248	-90	0	16	NSR							
KK-931	306225	7946237	-90	0	13	NSR							
KK-932	306245	7946231	-90	0	10	NSR							
KK-1053	306236	7946236	-90	0	16	0	5	5	0.83	0.33	20.48	1.29	
KK-1054	306218	7946244	-90	0	16	3	11	8	0.54	0.10	12.51	0.47	

Wild Honey - Scandium Rich Zone													
Hole No	Easting	Northing	Dip	Azim	Depth	From (m)	To (m)	Intercept (m)	Ni %	Co %	Fe %	Mg %	Sc ppm
KK-997	307416	7948371	-90	0	25	0	15	15	0.77	0.22	35.77	3.67	
KK-998	307397	7948372	-90	0	22	0	3	3	0.65	0.25	38.77	1.86	32
KK-999	307377	7948374	-90	0	22	0	4	4	0.55	0.2	44.45	0.96	40
KK-1000	307357	7948374	-90	0	25	0	3	3	0.78	0.27	42.26	1.03	34
and						10	14	4	0.84	0.04	23.85	4.05	15
KK-1001	307362	7948351	-90	0	25	0	8	8	0.70	0.25	51.34	0.62	36
KK-1002	307375	7948329	-90	0	25	NSR							
KK-1003	307401	7948332	-90	0	25	0	5	5	0.81	0.34	33.16	3.57	24
KK-1004	307422	7948331	-90	0	25	3	13	10	0.65	0.30	44.60	0.43	71
KK-1005	307437	7948329	-90	0	25	5	9	4	1.17	0.18	22.61	6.22	11
KK-1006	307438	7948314	-90	0	25	14	23	9	0.58	0.20	31.67	1.12	40
KK-1007	307422	7948313	-90	0	22	3	18	15	0.54	0.13	26.07	0.62	30
KK-1008	307407	7948307	-90	0	25	NSR							
KK-1009	307390	7948284	-90	0	25	0	17	17	1.10	0.44	40.60	1.14	25
KK-1010	307405	7948284	-90	0	25	NSR							
KK-1011	307423	7948285	-90	0	25	0	13	13	0.15	0.03	38.28	1.38	198
KK-1012	307440	7948289	-90	0	25	3	20	17	0.06	0.00	30.97	0.10	174
KK-1013	307453	7948295	-90	0	25	0	25	25	0.08	0.01	42.08	0.05	292
KK-1014	307408	7948270	-90	0	31	2	11	9	0.92	0.10	11.37	5.75	16

KK-1015	307427	7948274	-90	0	25	0	16	16	0.12	0.02	37.07	0.17	194
and						16	20	4	0.82	0.18	40.07	0.97	31
KK-1016	307404	7948253	-90	0	25	NSR							
KK-1017	307442	7948255	-90	0	25	0	25	25	0.09	0.01	35.65	0.01	142
KK-1018	307462	7948250	-90	0	25	0	7	7	0.09	<0.01	34.10	0.01	257
and													
KK-1019	307390	7948225	-90	0	31	0	25	25	1.57	0.20	16.68	6.36	132
KK-1020	307413	7948230	-90	0	31	NSR							
KK-1021	307435	7948230	-90	0	22	3	31	28	0.30	0.11	38.12	0.23	438
KK-1022	307461	7948231	-90	0	25	0	25	25	0.25	0.03	29.65	2.25	219
and						17	21	4	0.76	0.10	15.76	4.50	217
KK-1023	307390	7948202	-90	0	25	0	9	9	0.37	0.07	31.22	1.04	338
and						5	9	4	0.67	0.12	25.74	2.21	283
KK-1024	307455	7948208	-90	0	25	NSR							
KK-1025	307380	7948187	-90	0	25	NSR							
KK-1026	307451	7948188	-90	0	25	NSR							
KK-1027	307432	7948184	-90	0	25	17	25	8	0.21	0.01	46.75	0.24	197
KK-1028	307437	7948165	-90	0	25	0	14	14	0.33	0.03	49.05	0.28	125
KK-1029	307443	7948143	-90	0	40	NSR							
KK-1030	307433	7948115	-90	0	28	NSR							
KK-1031	307415	7948101	-90	0	34	NSR							
KK-1032	307391	7948114	-90	0	34	11	34	23	0.60	0.12	37.74	0.86	194
KK-1033	307377	7948120	-90	0	10	0	10	10	0.30	0.06	11.80	5.16	167
KK-1034	307390	7948121	-90	0	25	0	18	18	0.31	0.06	24.49	4.15	172
KK-1035	307407	7948117	-90	0	31	19	23	4	0.57	0.18	38.52	0.54	11
KK-1036	307393	7948134	-90	0	22	9	22	13	0.21	0.05	23.31	4.34	186
KK-1037	307381	7948140	-90	0	19	0	12	12	0.27	0.15	13.81	4.65	340
KK-1038	307361	7948143	-90	0	25	NSR							
KK-1039	307389	7948164	-90	0	19	0	12	12	0.21	0.08	11.10	6.03	114
KK-1040	307370	7948165	-90	0	25	NSR							
KK-1041	307394	7948161	-90	0	16	0	7	7	0.45	0.13	35.78	1.41	201
KK-1042	307460	7948357	-90	0	22	0	3	3					204
and						4	14	10	1.02	0.21	20.86	2.36	25
KK-1043	307473	7948320	-90	0	25	2	19	17					240
and						19	25	6	0.53	0.31	53.28	0.42	96
KK-1044	307453	7948310	-90	0	25	3	23	20					249
and						10	24	10	1.34	0.15	19.54	1.64	245
KK-1045	307455	7948266	-90	0	31	5	27	22					257
and						24	30	6	0.57	0.13	24.37	3.81	219