



ASX Announcement - 9th June 2010

NORNICO Greenvale Nickel-Cobalt Project (Qld)

- Drilling Update -

- Drilling expected to be completed in June
- Updated Resource Estimate due in July
- 229 RC holes (for 7,195 m) completed to date at Greenvale
- Continuous zones of high grade nickel mineralisation
- Drilling at the Lucknow Ni-Co-Scandium (Sc) deposit has resumed

Drilling is expected to be completed by mid June on Metallica Minerals Limited's 100% owned Greenvale nickel-cobalt deposit within the Company's broader NORNICO Ni-Co-Scandium project area northwest of Townsville in Queensland.

It is expected that once all assay results are received by late June from this extended resource definition and exploration program which commenced in March, that an updated resource estimate for the Greenvale deposit will be generated in July.

Metallica expects that the July resource estimate will form the basis for pit design and mine scheduling at Greenvale under the Company's development strategy of selectively extracting high grade Nickel ores from Greenvale and high grade Co-Scbearing Ni ores





trucked from NORNICO's nearby Lucknow (6km) and Kokomo (55km) deposits, to feed the proposed NORNICO Stage 1 processing operation on the Greenvale mine site.

Details of the latest drilling results are as follows:

Greenvale Ni - Co deposit

Nine priority areas within the historic Greenvale Pit area are being drilled (see Figure 1). Hand held XRF surveys have been completed on remnant pit walls and excavated faces, with this data being used to further identify drill targets.

Drilling at Greenvale commenced on the 16th of March this year and is due for completion in mid June. To date, a total of 229 Reverse Circulation (RC) holes (GVM-142 to GVM-370) has been drilled for a total of 7,195m. RC holes have been drilled in eight of the nine areas in and around the Greenvale Pit. To date, results have been received for 207 holes, (GVM-142 to 348).

Two areas, (The Edge and The Power Line) within the existing pit limits have the potential to host significant tonnages of high grade Ni-Co ore. Wide intercepts (+10m) of significant Ni-Co mineralisation have been intersected in both these areas, with the laterite mineralisation proving to be of fairly consistent grade and thickness, (see Figures 2 and 3). Better results for these two areas include:-

The Power Line

GVM-270, 14m @ 1.32% Ni and 0.10%, Co (1.52% NiEq¹)

GVM-271, 9m @ 1.65% Ni and 0.08%, Co (1.81% NiEq)

GVM-301, 19m @ 1.63% Ni and 0.06%, Co (1.75% NiEq)

GVM-307, 11m @ 1.61% Ni and 0.09%, Co (1.79% NiEq)

GVM-312, 8m @ 1.83% Ni and 0.22%, Co (2.27% NiEq)

GVM-322, 16m @ 1.82% Ni and 0.08%, Co (1.98% NiEq)

The Edge

GVM-181, 22m @ 1.29% Ni and 0.07% Co (1.43% NiEq)

GVM-199, 10m @ 1.38% Ni and 0.07% Co (1.53% NiEq)

GVM-204, 18m @ 1.41% Ni and 0.14% Co (1.69% NiEq)

GVM-205, 15m @ 1.43% Ni and 0.15% Co (1.73% NiEq)

GVM-208, 16m @ 1.65% Ni and 0.08% Co (1.81% NiEq)

Drilling at the Power Line and The Edge is on a nominal 40m by 40m grid with infilling at the Edge to 20m by 20m centres. The drilling density and the continuity of the mineralisation is sufficient for the resources in these areas to be classed either as Measured or Indicated, (sufficient category for reserve studies and for pit designs).

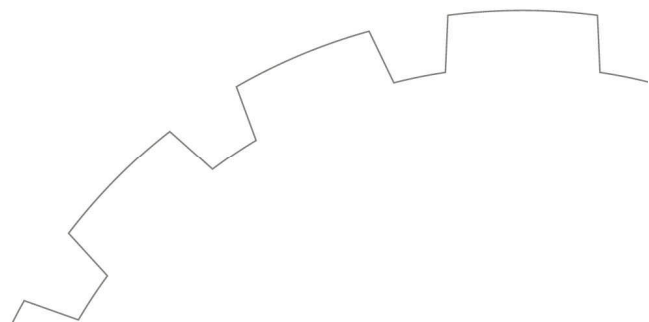
¹ NiEq is calculated using Ni+2Co (based on a nickel price of \$9/lb and a cobalt price of \$18/ lb)

The current Greenvale Indicated and Inferred Resource stands at 37.7Mt @ 0.81% Ni and 0.05% Co, at a 0.5% Ni Cut-off grade, with 4.8Mt @ 0.90% Ni and 0.05% Co classed as Indicated and 32.9Mt @ 0.80% Ni and 0.05% Co classed as Inferred, (See ASX Release by Straits Resources Ltd dated 29th July 2009).

Metallica's focus is to define high grade areas of Nickel – Cobalt mineralisation (+1.6% NiEq) at Greenvale, which can be selectively mined to produce an initial head feed for a processing plant of +1.8% Ni Eq with stockpiling of lower grade material for possible processing in future years.



Pit Face showing Ni Laterite exposure at Greenvale



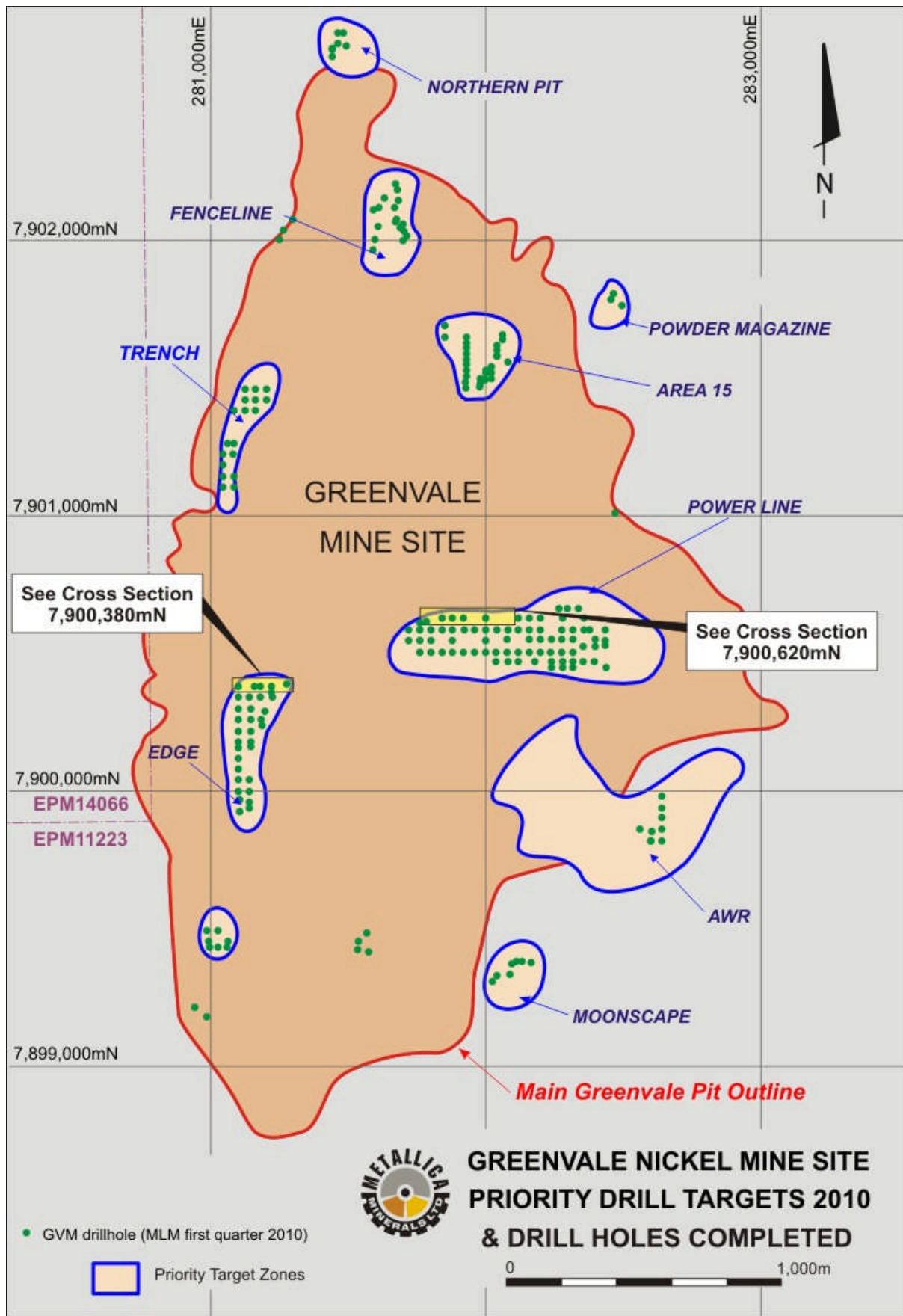


Figure 1: Greenvale Mine Site Drill Areas

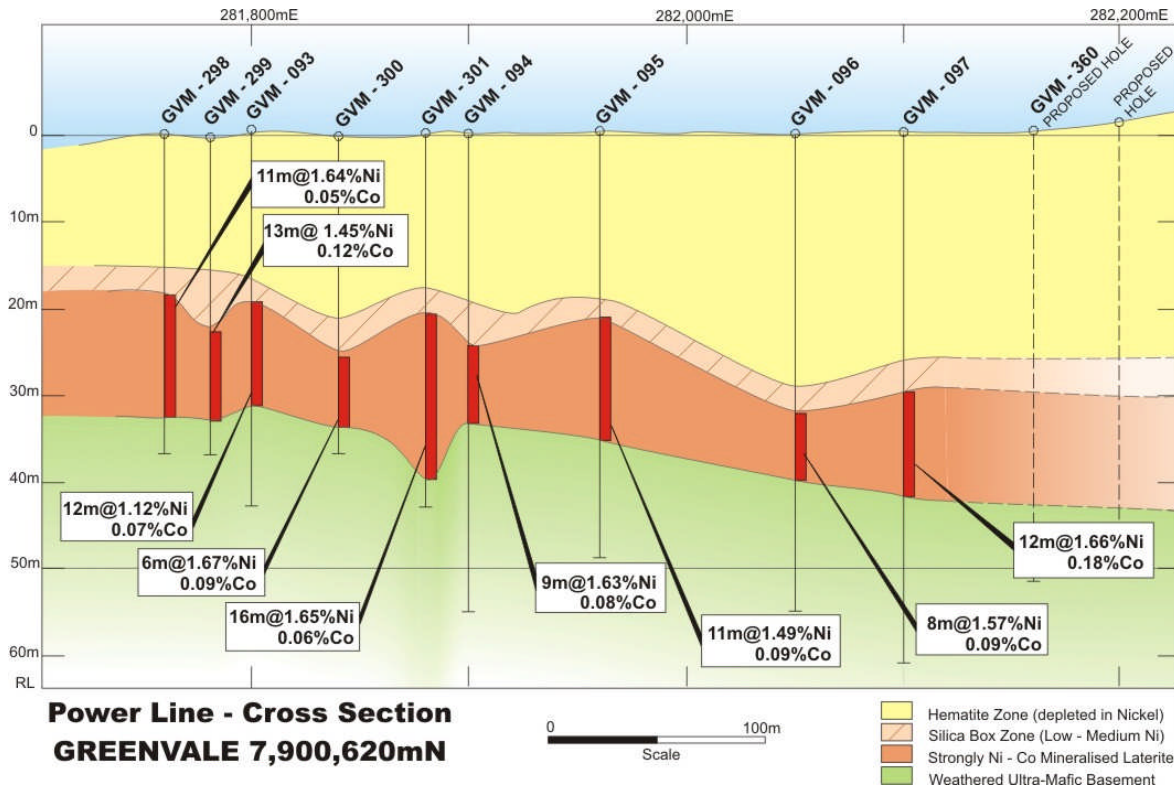


Figure 2: Cross Section through The Power Line

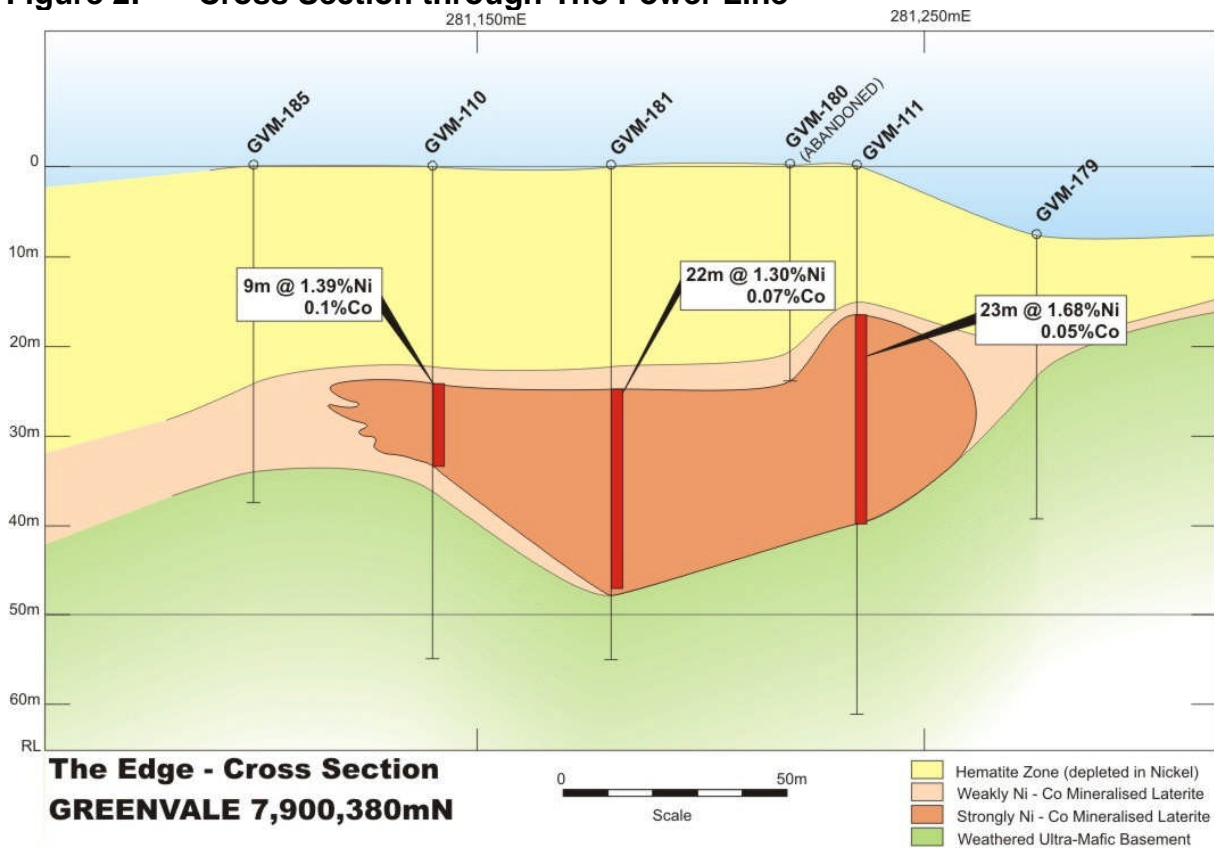


Figure 3: Cross Section through The Edge



High grade nickel-cobalt mineralisation has also been intersected at other areas in the Greenvale Pit. These intercepts include:

Area 15 GVM-147, 9m @ 3.59% Ni and 0.12% Co (3.83% NiEq)
 GVM-148, 17m @ 1.59% Ni and 0.04%Co (1.67% NiEq)

The Trench GVM 252, 5m @ 1.94% Ni and 0.04% Co (2.03% NiEq)

The Northern Pit GVM-263, 10m @ 1.23% Ni and 0.13% Co (1.49% NiEq)

Powder Magazine Rd GVM-220, 25m @ 1.18% Ni and 0.05% Co (1.28% NiEq)
 GVM-267, 27m @ 1.07% Ni and 0.09% Co (1.25% NiEq)

Moonscape GVM-285, 16m @ 1.25% Ni and 0.07% Co (1.39% NiEq)
 GVM-286, 5m @ 1.35% Ni and 0.15% Co (1.65% NiEq)
 GVM-289, 5m @ 1.43% Ni and 0.61% Co (2.65% NiEq)

These areas are close to existing workings, significant ground disturbance and rehabilitated areas and it is unlikely that at this stage, definitive Measured or Indicated resources can be estimated. However, if mining commences at Greenvale, these areas contain significant high grade tonnages close to surface which can be used for the initial start-up of the proposed processing plant as minimal pre-stripping and infrastructure would be needed to develop them.

(A complete list of drill hole parameters and assay results to date for Greenvale is included in Table 1 at the back of this release).

Lucknow

RC drilling has re-commenced at the Lucknow Ni-Co-Sc deposit, with the phase 2 drilling focussing on increasing the size of the Lucknow Scandium zone, and further defining extensions to the high grade Ni – Co zones identified by the drilling completed early in April.

For further information

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Competent Persons

Technical information and exploration results contained in this report has been compiled by Metallica Minerals Ltd full time employees Andrew Gillies B.Sc 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.

Greenvale Mine Site – Drill hole Parameters and Assay Results

The Edge

Hole Number	Easting	Northing	Depth (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-180	281220	7900380	24	NSR								
GVM-181	281180	7900380	55	25	47	22	1.29	0.07	40	20.78	4.06	1.43
GVM-182	281220	7900360	36	21	36	15	1.30	0.09	42	25.75	2.74	1.48
GVM-183	281180	7900340	49	26	43	17	1.17	0.07	28	15.30	2.79	1.31
GVM-184	281140	7900340	49	37	45	8	1.41	0.06	21	14.91	4.65	1.53
GVM-185	281100	7900380	37	NSR								
GVM-186	281100	7900340	37	NSR								
GVM-187	281100	7900300	43	28	30	2	0.94	0.15	26	18.45	1.90	1.24
and				35	41	6	0.87	0.02	17	13.18	4.20	0.91
GVM-188	281100	7900260	43	29	41	12	1.16	0.06	37	22.10	3.05	1.28
GVM-189	281100	7900220	43	29	31	2	0.85	0.03	76	44.44	0.37	0.91
and				33	37	4	1.02	0.05	31	18.22	2.97	1.12
GVM-190	281100	7900180	43	31	38	7	1.39	0.06	24	13.68	7.26	1.51
GVM-191	281100	7900160	37	27	33	6	0.96	0.05	22	15.78	4.40	1.06
GVM-192	281100	7900120	37	18	25	7	1.00	0.03	26	14.21	5.22	1.06
GVM-193	281100	7900080	31	NSR								
GVM-194	281100	7900040	31	NSR								
GVM-195	281140	7900040	37	25	31	6	1.28	0.06	38	21.53	4.06	1.40
GVM-196	281140	7900000	37	NSR								
GVM-197	281140	7899960	31	14	19	5	1.32	0.02	29	19.45	7.14	1.36
GVM-198	281140	7899940	34	21	30	9	1.12	0.05	22	15.28	5.94	1.22
GVM-199	281100	7900000	38	26	36	10	1.38	0.07	30	18.68	3.66	1.52
GVM-200	281100	7899960	37	28	34	6	1.04	0.06	27	19.47	3.43	1.16
GVM-201#	281100	7899920	27	22	28	6	1.40	0.13	29	24.18	3.31	1.66
GVM-202	281140	7900300	47	NSR								
GVM-203	281139	7900260	45	NSR								
GVM-204	281140	7900220	60	36	54	18	1.41	0.14	27	19.55	3.05	1.69
GVM-205	281140	7900180	43	23	38	15	1.43	0.15	38	26.52	4.44	1.73
GVM-206	281141	7900160	40	30	35	5	1.28	0.08	22	12.58	7.49	1.44
GVM-207	281184	7900240	55	33	43	10	1.03	0.07	36	22.43	3.05	1.17
GVM-208	281180	7900260	55	29	45	16	1.65	0.08	25	16.13	1.05	1.81
GVM-209	281192	7900295	43	30	37	7	1.05	0.12	27	18.74	2.98	1.29
GVM-210	281022	7899480	28	NSR								
GVM-211	280980	7899480	37	NSR								
GVM-212	280989	7899440	42	NSR								
GVM-213	280990	7899420	49	35	42	7	1.51	0.04	26	18.73	5.54	1.59
GVM-214	281057	7899420	31	18	24	6	1.23	0.05	28	20.23	6.08	1.33
GVM-215##	281060	7899440	25	25	26	1	1.08	0.01	28	9.23	11.30	1.10
GVM-216	281024	7899420	31	19	25	6	1.30	0.05	32	16.23	5.51	1.40
GVM-217	280939	7899200	20	NSR								
GVM-218	280981	7899163	31	NSR								
GVM-219	281220	7900345	40	27	32	5	1.09	0.09	36	24.32	2.72	1.27

The Power Line

Hole Number	Easting	Northing	Depth (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-268	282320	7900540	35	22	31	9	1.44	0.08	22	16.86	4.20	1.60
GVM-269	282320	7900500	28	7	24	17	1.39	0.09	40	27.40	2.83	1.57
GVM-270	282280	7900500	31	14	28	14	1.32	0.10	42	24.40	3.22	1.52
GVM-271	282240	7900500	37	24	33	9	1.65	0.08	25	21.73	5.98	1.81
GVM-272	282200	7900500	22	12	18	6	1.40	0.07	26	17.20	6.31	1.54
GVM-273	282200	7900460	25	9	20	11	1.39	0.10	38	23.62	4.55	1.59
GVM-274	282240	7900460	31	20	27	7	0.86	0.20	38	27.14	3.29	1.26
GVM-275	282280	7900460	43	19	36	17	1.33	0.13	44	31.36	4.87	1.59

Hole Number	Easting	Northing	Depth (m)	From (m)	To (m)	Intercept (m)	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-332	282440	7900580	40	19	21	2	1.00	0.05	67	44.25	0.64	1.10
and				29	31	2	1.04	0.02	17	12.30	12.95	1.08
GVM-333	282440	7900540	37	24	32	8	0.96	0.11	40	28.33	2.73	1.18
GVM-334	282280	7900540	31	19	24	5	1.32	0.10	32	21.38	4.46	1.52
GVM-335	282360	7900520	30	12	30	18	1.25	0.04	31	20.81	5.82	1.33
GVM-336	282400	7900520	31	6	22	16	1.27	0.19	53	38.71	3.04	1.65
GVM-337	282440	7900525	6	Abd								
GVM-338	282360	7900460	13	NSR								
GVM-339	282320	7900460	19	3	5	2	1.04	0.16	40	29.00	5.10	1.36
GVM-340	282240	7900440	34	6	13	7	1.10	0.07	39	29.14	3.07	1.24
GVM-341	282280	7900440	28	11	25	14	1.33	0.08	34	27.90	4.61	1.49
GVM-342	282320	7900440	16	3	8	5	1.21	0.11	47	32.04	3.47	1.43
GVM-343	282400	7900460	16	NSR								
GVM-344	282440	7900440	13	0	6	6	1.10	0.22	35	25.30	6.04	1.54
GVM-345	282180	7900460	28	15	17	2	1.14	0.16	34	29.40	3.96	1.46
GVM-346	282120	7900580	55	31	47	16	1.69	0.24	26	20.46	3.36	2.17
GVM-347	282080	7900580	43	25	30	5	1.85	0.11	29	21.54	6.67	2.07
GVM-348	282040	7900580	43	27	36	9	1.89	0.11	18	16.92	5.61	2.11

Area 15

Hole Number	Easting	Northing	Depth	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-142	281980	7901480	31	0	3	3	1.39	0.03	19	13.17	4.57	1.45
GVM-143	282000	7901520	31	1	3	2	1.57	0.03	9	7.63	11.53	1.63
GVM-144	282020	7901520	31	NSR								
GVM-145	282020	7901540	31	1	4	3	1.15	0.05	23	15.60	5.19	1.25
GVM-146	282080	7901560	25	NSR								
GVM-147	282040	7901580	10	2	11	9	3.59	0.12	25	15.35	7.13	3.83
GVM-148	282040	7901600	25	7	24	17	1.59	0.04	26	18.19	7.69	1.67
GVM-149	282040	7901620	25	NSR								
GVM-150	282060	7901640	25	14	19	5	1.12	0.03	20	12.32	12.78	1.18
GVM-151	282060	7901660	19	NSR								
GVM-152	281977	7901469	25	NSR								
GVM-153	281927	7901464	25	3	8	5	1.22	0.02	13	8.22	3.51	1.26
GVM-154	281926	7901486	25	NSR								
GVM-169	281930	7901510	31	NSR								
GVM-170	281930	7901530	25	0	2	2	1.05	0.03	14	8.98	4.77	1.11
GVM-171	281930	7901550	25	0	6	6	1.44	0.03	18	12.00	5.17	1.50
GVM-172	281930	7901570	19	0	5	5	1.31	0.02	13	8.40	11.21	1.35
GVM-173	281930	7901590	19	NSR								
GVM-174	281930	7901610	19	NSR								
GVM-175	281930	7901630	31	1	3	2	1.03	0.03	14	8.83	5.79	1.09
GVM-176	281930	7901650	19	NSR								
GVM-177	281850	7901650	25	NSR								
GVM-178	281850	7901690	19	NSR								
GVM-179	281275	7900389	31	NSR								

Powder Magazine

Hole Number	Easting	Northing	Depth	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-220	282467	7901805	41	11	36	25	1.18	0.05	34	21.05	4.74	1.28
GVM-266	282500	7901765	25	NSR								
GVM-267	282458	7901782	36	5	32	27	1.07	0.09	32	20.43	5.67	1.25

