



ASX Release 8 September 2010

MAIDEN HIGH GRADE Ni-Co RESOURCE FOR NORNICO'S GREENVALE-LUCKNOW PROJECTS IN NTH QLD

LATEST HIGHLIGHTS

- First High Grade JORC resource announced for key Greenvale and nearby Lucknow deposits at southern end of Metallica's 100% owned NORNICO nickel-cobalt & scandium project in North Queensland
- Initial resource estimate only with further upside by end of year
- Expanded PQ diamond and RC drilling on high grade zones to deliver enhanced resource base and categories in preparation for mining studies
- Targeting combined high grade resource base of > 2.5Mt @ >1.5% NiEq (with scandium co-product) for first decade of operations from 2013 at proposed NORNICO Stage 1 processing plant at Greenvale mine site
- Uniquely positioned for simultaneous multi-metal mining and processing of Ni, Co and scandium (Sc).

ESTIMATE'S KEY FIGURES

Greenvale

Indicated and Inferred Resource of
4.5Mt @ 1.12% Ni, 0.08% Co (1.28% NiEq¹)

Contains higher grade zone of
1.43Mt @ 1.39% Ni, 0.11% Co (1.61% NiEq)

Lucknow

Indicated and Inferred resource of 2.4Mt @
0.57% Ni, 0.20% Co (0.97% NiEq), 96 g/t Sc

Contains higher grade resource of
0.57Mt @ 0.70% Ni & 0.30% Co (1.30% NiEq), 107g/t Sc

Indicated and Inferred Lucknow high grade scandium
resource of 4.1Mt @ 205 g/t Sc (using 120 g/t Sc COG)

¹ The NiEq value equates to Ni+2Co, this is based on a Nickel values of \$9/lb and a Co value of \$18 / lb, scandium (Sc) has **not** been used in the equivalency equation



SUMMARY

Metallica Minerals Ltd (MLM) is pleased to announce the completion of its first formal JORC resource estimates for the Greenvale and Lucknow nickel-cobalt laterite deposits within the southern portion of the Company's wholly-owned NORNICO nickel-cobalt & scandium project northwest of Townsville in North Queensland.

The new nickel-cobalt estimates follow the release by Metallica last month of its first maiden resource - an Indicated and Inferred resource of 6.1 Mt @ 169 g/t Sc - for the scandium mineralisation within Lucknow, which includes a higher grade resource of 4.1Mt @ 205 g/t Sc.

The estimates were prepared by Golder Associates of Brisbane using approximately 22,000 metres of drill data, including results from Metallica's 573-hole campaign on the two deposits between March and June this year.

Greenvale (Remnant Ni-Co Ores on the Greenvale Mine Site)

The combined Indicated & Inferred Greenvale resource stands at 4.5Mt @ 1.12% Ni and 0.08% Co, (1.28% NiEq) using a 0.70% NiEq COG (**Table 1**). The higher Indicated and Inferred resource of 1.4Mt @ 1.39% Ni and 0.11% Co, (1.61% NiEq) is presented in **Table 2**. **Figure 1**, shows the distribution of the Inferred and Indicated resources at Greenvale and drill hole location.

Table 1 Greenvale Ni - Co Resource (Using a 0.70% NiEq COG)

Classification	Mt	Ni %	Co %	NiEq ² %	Fe %	Sc g/t
Indicated	3.2	1.16	0.08	1.31	22	35
Inferred	1.3	1.03	0.09	1.21	23	39
Total	4.5	1.12	0.08	1.28	23	36

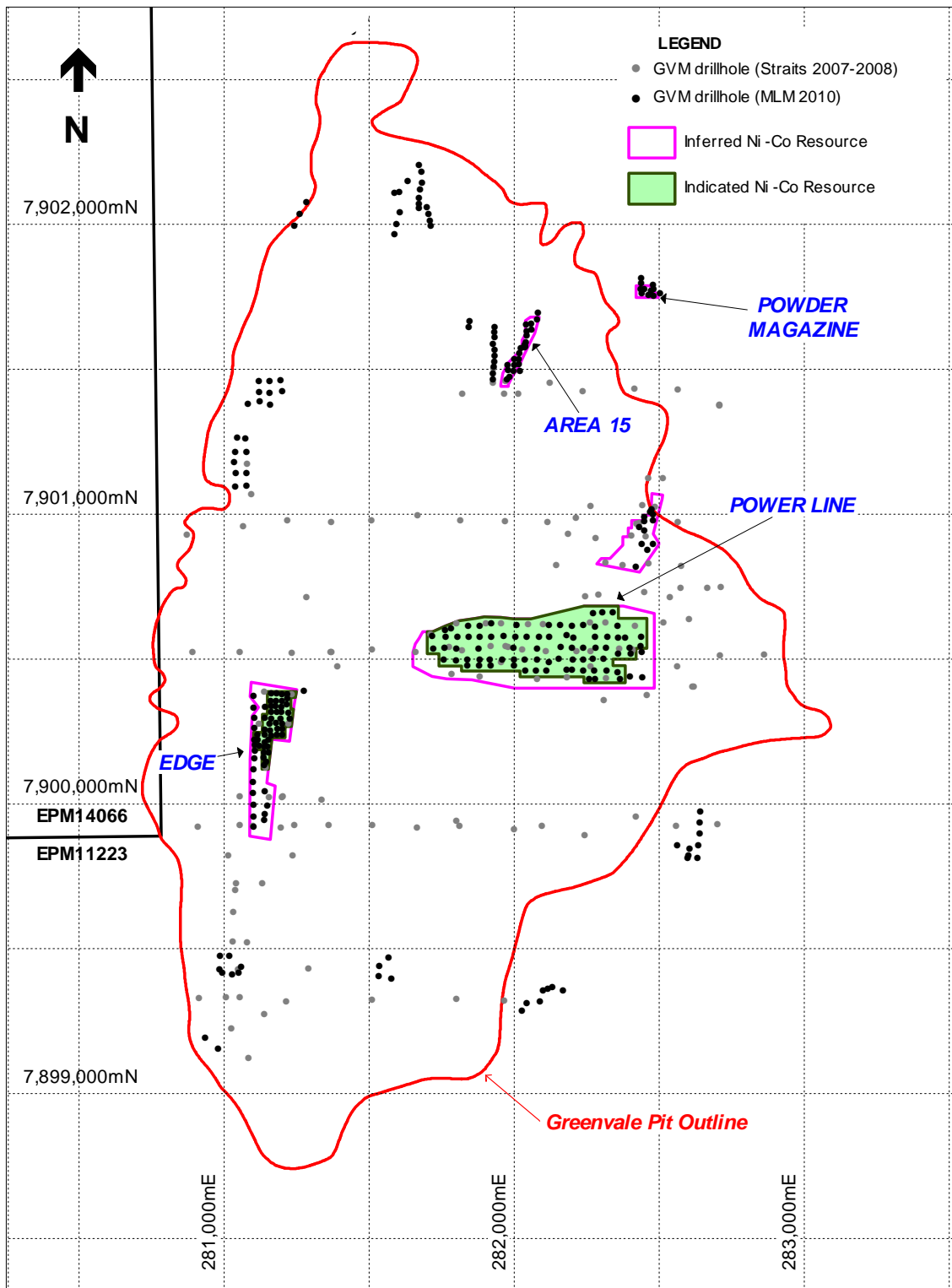
The above resource conforms to JORC guidelines for the reporting of mineral resources, the resources have been classed as either Indicated or Inferred based on geological continuity, sample intervals and drill hole spacing, parts of the resource could be classed as Measured once additional bulk density data has been obtained. The Indicated resource is sufficient for preliminary pit design and scheduling. The Mineral resource estimate is appropriate for a selective open pit mining scenario, but does not account for mining dilution or mining losses.

Not all of the areas tested by the recent drilling are included in the resource estimate and additional drilling is being planned to further define these areas to include them in a future resource upgrade.

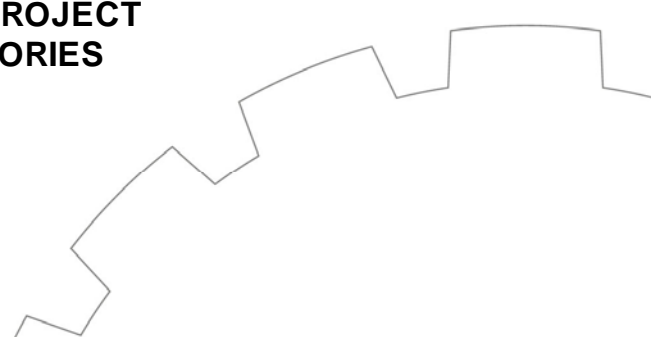
² The NiEq value equates to Ni+2Co, this is based on a Nickel values of \$9/lb and a Co value of \$18 / lb, scandium (Sc) has **not** been used in the equivalency equation



Figure 1: Greenvale Project Resource Categories and Drill Hole Locations



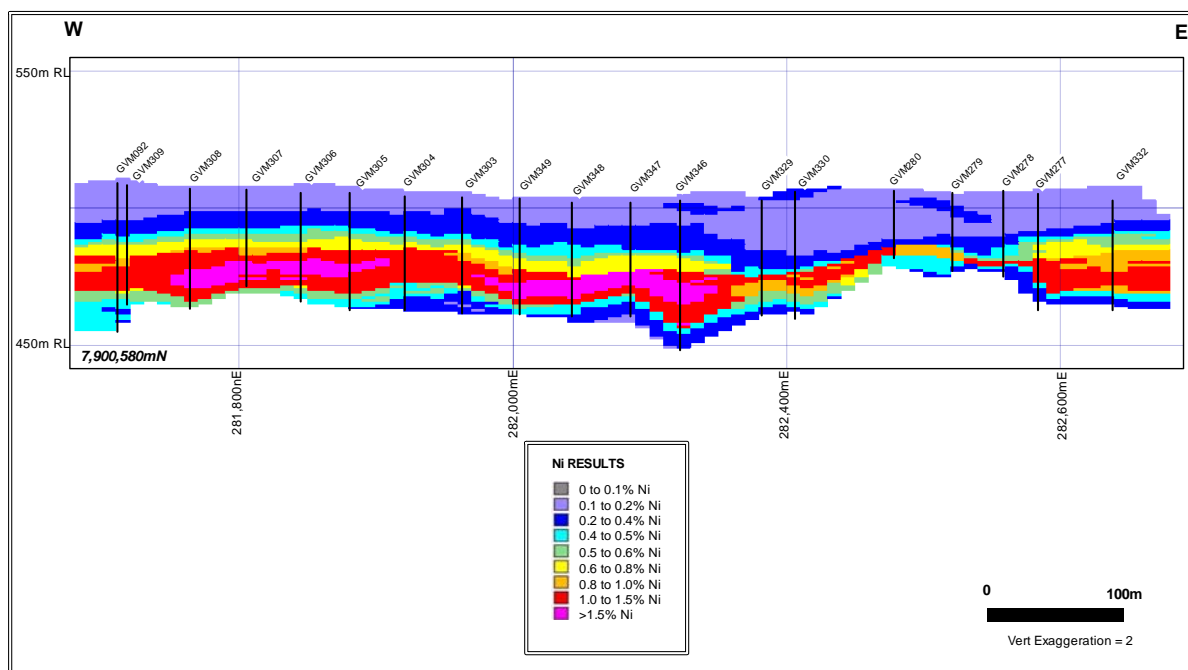
**GREENVALE NICKEL MINE PROJECT
Ni - Co RESOURCE CATEGORIES**





The Greenvale Resource was estimated using data from 417 Reverse Circulation (RC) holes. Holes GVM 142 to GVM 417 were drilled by Metallica between March 2010 to June 2010 (comprising approximately 9,000m) and holes GVM-001 to GVM 142 were drilled by Straits Resources Ltd between May 2007 and August 2008 (comprising approximately 6,000m of drilling). The Greenvale resource has predominantly been drilled out on a 40m by 40m grid with some infill drilling to 20m by 20m. This is sufficient to classify the resource as Indicated. Due to the geological continuity of the Greenvale nickel–cobalt laterite mineralisation (which occurs as semi-continuous layers – see Figure 2) it is likely than once Metallica obtains additional Bulk Density data, parts of these resources could then be re-classified as Measured.

Figure 2: Greenvale – Power Line Cross Section Showing Sub-blocks



**GREENVALE Ni - Co PROJECT
NICKEL RESOURCE
DRILL CROSS SECTION 7,900,580mN
(looking North)**

Table 2: Greenvale Ni - Co Resource (Using a 1.40% NiEq COG)

Classification	Mt	Ni %	Co %	NiEq %	Fe %	Sc g/t
Indicated	1.1	1.42	0.11	1.63	22	33
Inferred	0.3	1.23	0.15	1.52	24	40
Total	1.4	1.39	0.11	1.61	22	34



The resources quoted above, used data from the drilling programmes completed by Straits and Metallica. The historical drilling by Metal Ex which was used in the Greenvale Resource estimated announced by Straits on the 29th July 2009 has not been included in this estimate as the Metal Ex drilling cannot be verified with the same high degree of confidence as the recent Metallica – Straits drilling.

Lucknow

The combined Indicated and Inferred resource for the Lucknow Ni–Co laterite deposit based on the drilling to date is 2.4Mt @ 0.57% Ni, 0.20% Co (0.97% NiEq) and 96 g/t Sc, at a 0.7% NiEq cut-off grade (COG), including a higher grade zone of 0.57Mt @ 0.70% Ni, 0.30% Co (1.30% NiEq) and 107 g/t Sc, using a 1.1% NiEq COG. A breakdown of the resource categories for Lucknow is included in **Table 3** and grade tonnage data presented in **Table 4**. **Figure 3** depicts the location of the various resource categories with respect to the drilling at Lucknow. **Tables 5 & 6** show the Lucknow Ni-Co resources which are affected by the Straits JV - i.e. excludes the scandium ore (high scandium and low grade nickel – cobalt).

Table 3: Global Lucknow Nickel - Cobalt Resource (Using a 0.70% NiEq COG)

Classification	Mt	Ni %	Co %	NiEq %	Fe %	Sc g/t
Indicated	1.7	0.59	0.20	0.99	24	85
Inferred	0.7	0.54	0.20	0.93	23	116
Total	2.4	0.57	0.20	0.97	24	96

The above resource conforms to JORC guidelines for the reporting of mineral resources, the resources have been classed as either Indicated or Inferred based on geological continuity, sample intervals and drill hole spacing, parts of the resource could be classed as Measured once additional bulk density data has been obtained. The Indicated resource is sufficient for initial pit design and scheduling.

The Lucknow Ni–Co & Sc resource was completed by using data from 298 RC drill holes comprising 7,036m of drilling. The resource has been drilled out on either a 20m (N-S) by 20m (E-W) grid or a nominal 40m (N-S) by 40m (E–W) grid which is sufficient to classify the resource as Indicated. Where the drilling has been completed on a 80m (N–S) by a 40m (E–W) grid the resource has been classed as Inferred. It is possible that once additional bulk density data becomes available, the majority of the Indicated Resource may then be classed as Measured.

**Table 4: Global Lucknow Ni-Co Resource – Grade Tonnage Data**

Cut-off	Mt	Ni %	Co %	NiEq %	Sc g/t
0.70	2.44	0.57	0.20	0.97	95
0.80	1.80	0.61	0.22	1.05	98
0.90	1.30	0.64	0.24	1.13	101
1.00	0.88	0.67	0.27	1.21	105
1.10	0.57	0.71	0.30	1.30	107
1.20	0.35	0.75	0.33	1.40	107

The scandium resource within the Lucknow laterite deposit is subject to a Joint Venture (JV) agreement with Straits Resources Exploration Limited. Under the terms of the JV, all scandium ore is to be mined or stockpiled separately and kept for later processing by the JV. Laterite resources are classified as either Ni-Co ore or Sc ore under a formula agreed by the JV. As a result of this, the total Lucknow resource is separated into two exclusive parts.

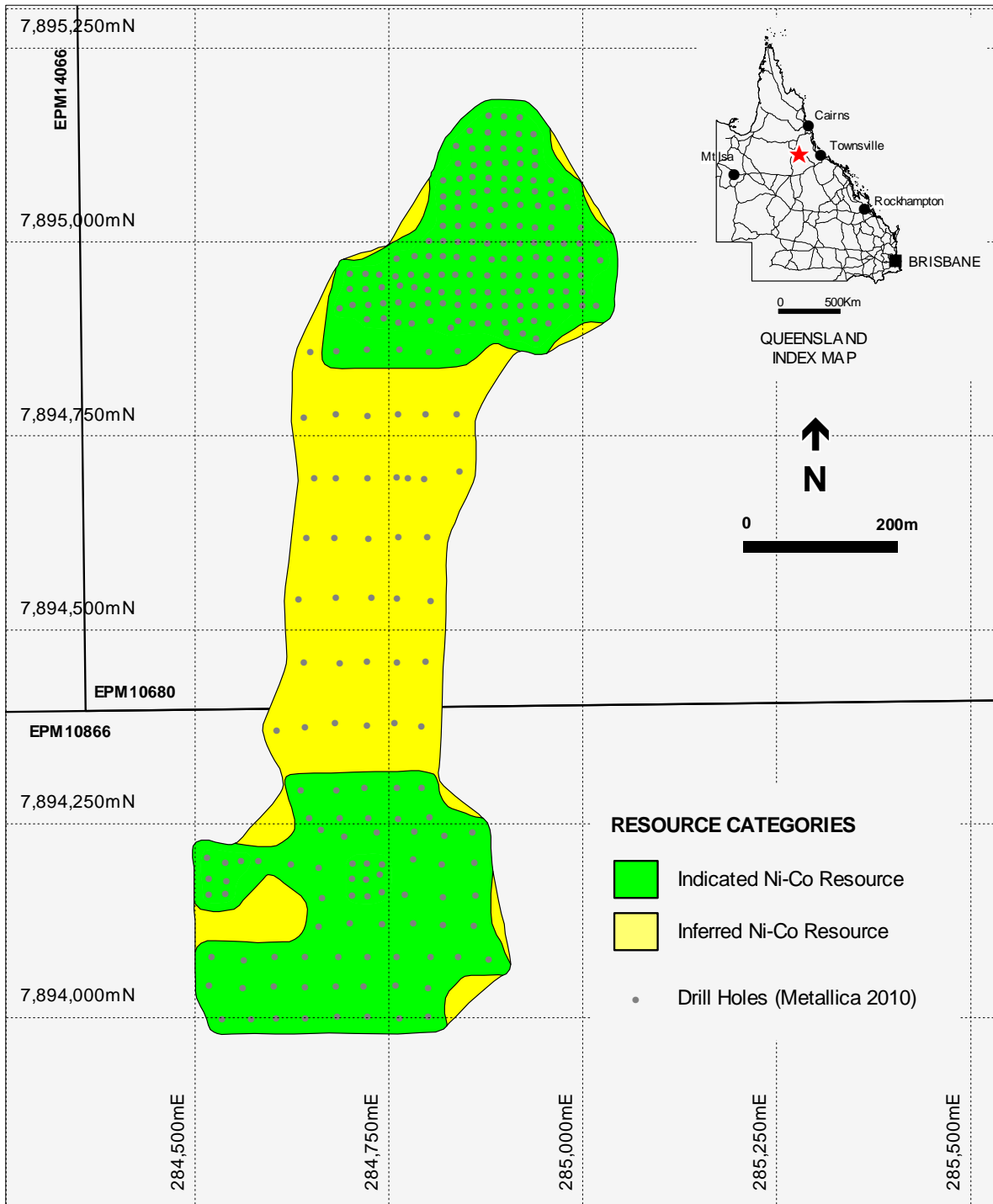
The scandium ore could either be treated separately or potentially treated by blending with Ni-Co ores using the proposed NORNICO Stage 1 Ni-Co & Sc plant as it will have the capability to extract and recover all three metals from the same ore feed. The Lucknow Ni-Co resource (100% owned by Metallica) is reported using a 0.70% NiEq and is included as **Table 5**.

Table 5: Lucknow Ni – Co Resource – not subject to the Straits JV (Using a 0.70% NiEq COG)

Classification	Mt	Ni %	Co %	Ni Eq %	Sc g/t
Lucknow					
Indicated	1.3	0.61	0.19	0.99	42
Inferred	0.5	0.55	0.19	0.94	51
Totals	1.8	0.60	0.19	0.98	44



Figure 3; Outline of Lucknow Indicated + Inferred Resource Categories



LUCKNOW PROJECT

Ni - Co RESOURCE CATEGORIES





Resource Estimate Methodology

The Scandium ore as defined by the JV is currently owned 80% by Metallica and 20% by Straits. The Scandium resource does contain some small portions of lower grade Ni-Co resources excluded from the Ni-Co resource stated above. The Scandium resource presented in **Table 6** below has been estimated using a 70 g/t Sc cut off grade (as reported in an ASX announcement 20th August 2010).

Table 6: Lucknow Sc Resource subject to the Straits JV (Using a 70g/t Sc COG)

Classification	Mt	Sc g/t	Ni %	Co %	NiEq %
Lucknow					
Indicated	3.3	176	0.20	0.04	0.29
Inferred	2.8	161	0.20	0.04	0.28
Totals	6.1	169	0.20	0.04	0.29

Note:- Does not include any scandium associated with the Ni – Co ore

Modelling technique

The resource estimate was undertaken by Golder Associates of Brisbane using block modelling Ordinary Kriging (OK) techniques. The estimate was completed using unfolding techniques to make a wire framed model to represent the paleo-laterite surfaces between drill holes, and was further refined by incorporating data from sectional interpretations of the considered logged geology and scandium, nickel, cobalt, iron, magnesium and manganese assays. A nominal 0.80% Ni-only mineralised envelope was used to constrain the mineralisation and grade estimates at Greenvale and a nominal 0.5%NiEq was used at Lucknow. The wireframe was then filled with 10m by 10m by 1m blocks, with the grades of the various elements estimated by ordinary kriging using a three pass search strategy and a maximum of 3 composites selected from any one drill hole. Mineralisation was extrapolated a nominal 20m from drill hole intercepts, depending on supporting information. Further details of how the Greenvale and Lucknow Resources were estimated are listed at the back of this report.



Future work

As previously announced, Metallica is continuing to investigate the processing of a minimum of 180,000tpa of high grade Ni-Co & Sc ore through a proposed NORNICO Stage 1 processing plant located on the Greenvale Mine Site. This would maximise margins by recovering the three metals together. The proposed operations resource base will be from Greenvale, Lucknow and possibly supplemented in later years from high grade zones within the Kokomo deposit north of Greenvale and within the southern NORNICO project area (see Kokomo Resource Update ASX Release 27th January 2010). However, to ensure that there will be sufficient high grade Ni – Co material for the proposed operation to process and to possibly increase throughput, additional drilling is being scheduled. A plan showing where the additional drilling to upgrade and expand the Ni-Co Greenvale Resource is included as **Figure 4**.

Further metallurgical testwork will also be undertaken on material from Greenvale and Lucknow to investigate the processing of higher than expected iron levels (>25% Fe) before committing to a full feasibility study. Both high cobalt and scandium ores are most commonly associated with higher iron. The added benefit of being able to treat higher iron ores, either Ni-Co (with some Sc) and Sc ore (high iron bearing) laterite ore feed through the proposed NORNICO Stage 1 plant is to take advantage of any significant rises in either the cobalt or scandium price (when the scandium market develops) which could significantly increase the contained metal value revenue and operating margins.

Other testwork will include investigating the likelihood of screening out coarse material from the numerous low grade dumps on the Greenvale mine site to determine the quantity of any high grade nickel associated with the fines.

Initial beneficiation testwork on the Greenvale ore types has so far indicated there is good potential to upgrade the Ni-Co grade of the ore by around 20%

Remaining 2010 work program

A list of activities planned for the next four months to progress the NORNICO Stage 1 project, is detailed below:-

- Drilling 6 PQ diamond drill holes at Greenvale and Lucknow for metallurgical, geological and bulk density purposes.
- Additional 3,000m of RC drilling and 2,000m of shallow Aircore drilling which is designed to increase the resource base, convert the Indicated and Inferred resources



to Measured and Indicated status and to identify shallow high grade resources (in the top 10m of the laterite profile) which can be processed in the early years of the planned NORNICO Stage 1 Ni-Co-Sc processing plant.

- Additional metallurgical testwork to investigate the possibility of treating high grade scandium ore (>200 g/t Sc which is significantly higher in iron) in the proposed NORNICO Stage 1 plant
- Beneficiation testwork on PQ core to further investigate and confirm the expected up-grade of the nickel and cobalt content of the Greenvale ores by simple screening
- Screening work on the large Greenvale low grade waste dumps to determine the proportion of any high grade nickel and cobalt in the fines fraction.

The NORNICO Stage 1 Scoping Study and financial model has been completed, with a summary being currently prepared.

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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

This Mineral Resource estimate is based upon and accurately reflects data compiled, validated or supervised by Mr John Horton, Principal Geologist, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. Mr Horton has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Horton consents to the inclusion of this information in the form and context in which it appears in this letter.

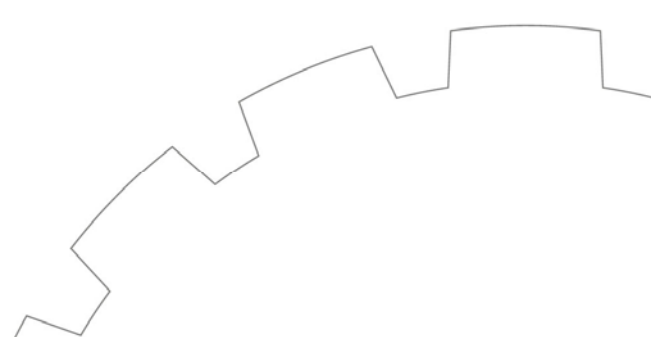
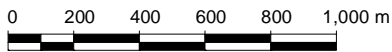
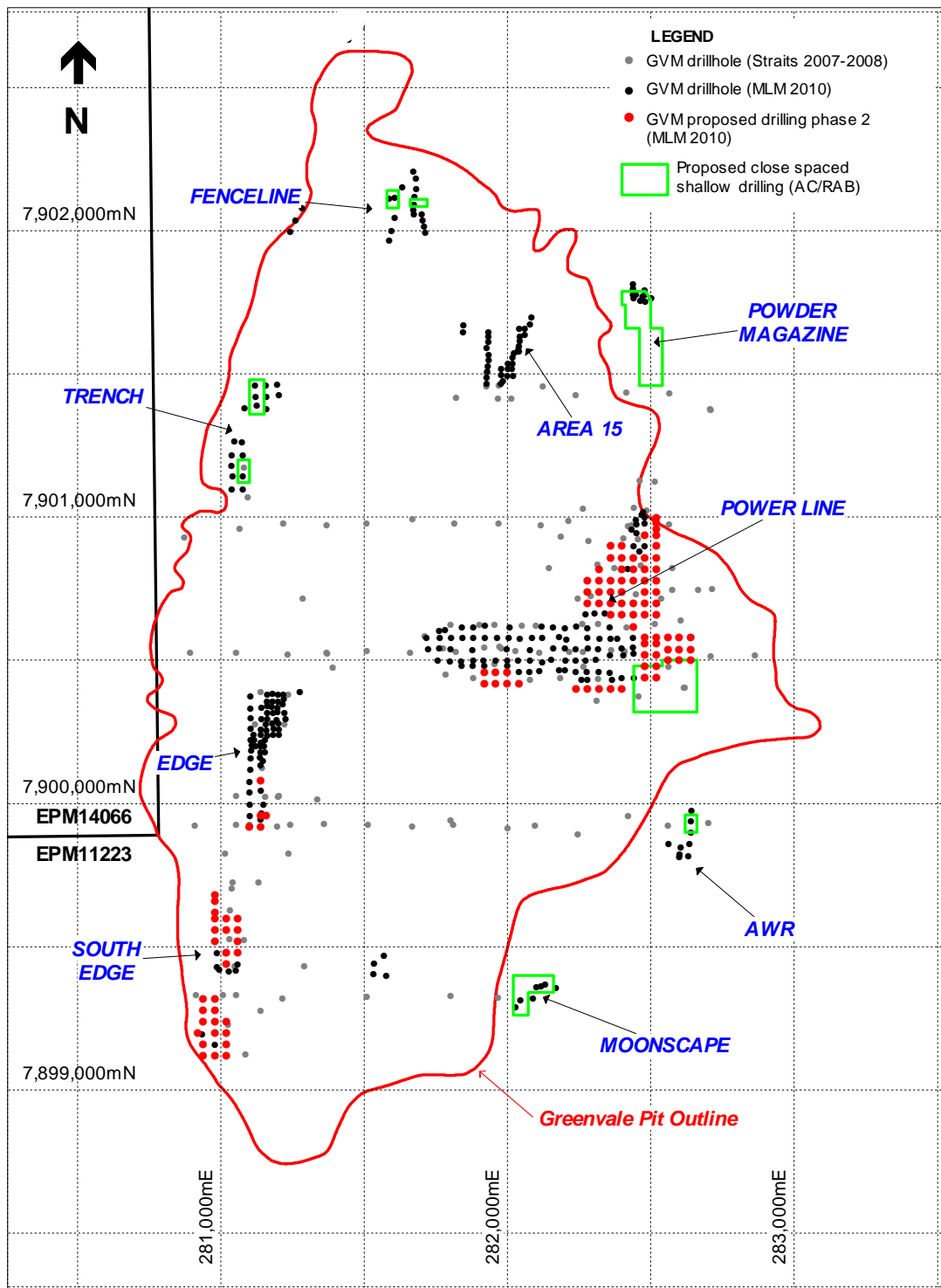




Figure 4: Greenvale Proposed Drill hole Locations



**GREENVALE NICKEL MINE SITE
PROPOSED DRILLING 2010 (PHASE 2)**

**Key features of the resource estimate for Lucknow:**

- Topography was provided as spot heights that were surveyed by PES surveyors of Cobar using a differential GPS with a stated accuracy of ± 20 mm.
- Collars of holes drilled by Metallica were surveyed by PES surveyors of Cobar using a differential GPS with a stated accuracy of ± 20 mm.
- All drill holes used for resource estimation were drilled by Metallica in 2010.
- All drill holes used for resource estimation were drilled vertically. Visual inspection of some drill holes indicated no significant down-hole deviations. Due to the shallow nature of the drilling (<40 m) it is unlikely that material drill hole deviations would have occurred.
- Sample recovery in the mineralised zone is believed to be good to excellent.
- All drilling used for resource estimation was by face-sample RC.
- The drill holes were sampled by spearing, predominantly over 1 m intervals.
- SGS Laboratories (SGS) in Townsville were used for assaying. SGS used a four acid digest method with an ICP finish.
- The QAQC program for Metallica drilling involved intra-laboratory pulp duplicates and blind field duplicates. The QAQC results indicated that the assays for the Metallica drilling program were satisfactory for resource estimation purposes.
- The mineralisation has a surface expression that was observed in places during a field visit by Mr Horton.
- Golder undertook basic validation checks of the drill hole database, including checks between digital assay certificates and the supplied database.
- Drill hole data was composited to 1 m, which was the dominant sample interval.
- Appropriate high-grade cuts to Ni, Co and Sc outlier values were applied on a zone by zone basis.
- A wireframe of the paleo-laterite (enrichment) horizon between drill holes was constructed based on sectional interpretations. A nominal 0.3% Ni was the underlying basis of a Ni-Co mineralised wireframe. A nominal 60 ppm Sc was the underlying basis of a Sc mineralised wireframe. Laterite profile wireframes were also constructed to constrain major material types based on either geochemistry or logging.
- The mineralised envelope wireframes included a nominal 20 m horizontal extrapolation from the drill holes at the margins of the mineralised zone.
- A computer block model was constructed by filling the mineralised wireframes with 10 m by 10 m by 1 m blocks. Additional blocks were retained to the topography and base of drilling as well as peripheral to mineralisation to permit open pit optimisation. Sub-blocking was not employed, with whole blocks assigned to mineralised/geological domains on a maximum proportion basis.
- Grades of Ni, Co, Fe, Mg, Mn, Al, Ca, Cr, Cu and Sc were estimated by ordinary kriging using a three pass search strategy with a maximum of 15 composites, including a maximum of 3 composites selected from any one drill hole. A minimum of 10, 8, and 1 composites were used for Pass 1, 2, and 3 respectively.
- Hard boundaries were used between the mineralised envelopes and the laterite domains for Ni, Co and Sc. All other elements used hard boundaries between different laterite horizons.
- Unfolding methods were employed during variogram analysis and block grade estimation to represent adequately the paleo-laterite (enrichment) horizon between drill holes.
- Validation included visual observation, statistical checks, and swath plots.
- Internal dilution has been accounted for, but not dilution at the margins of the mineralised wireframe.
- Drilling was mostly on a reasonably regular pattern of 20 m (NS) by 20 m (EW) or 40 m (NS) by 40 m (EW) for Indicated Mineral Resources. The closer spaced drill pattern would be appropriate for Measured Mineral Resources except that no dry bulk density measurements have been recorded. The 20 m by 20 m area represents



approximately 20% of the Sc and 60% of the NiEq Indicated Resource tonnage. Inferred Mineral Resources were mostly drilled on a reasonably regular pattern of 80 m (NS) by 40 m (EW), with some small areas at larger spacings.

- Dry bulk densities (DBD) were assigned to blocks according to nearest neighbour estimates of lithology. Bulk density values applied were assumed by analogy to the geologically similar Kokomo Ni-Co-Sc nickel laterite project of Metallica, where DBD for each lithology has been adequately established by several techniques, including Archimedes water displacement, sand replacement of excavated voids and caliper measurement.
- Metallica advises that the 0.7% NiEq (Ni + 2*Co) cut-off grade is considered appropriate based on ongoing feasibility studies at the nearby Bell Creek nickel laterite deposit. The suitability of this cut-off grade is to be confirmed as economic evaluation and metallurgical test work as part of feasibility studies at Lucknow.
- High Sc and high Ni-Co mineralisation overlap in places and for practicality Resource classification was maintained though Ni-Co displays less lateral continuity. It should be noted that some additional infill drilling maybe required to convert Resources based on Sc alone to Reserves. This is partly related to the economics of Sc that may only be fully defined during feasibility assessment.
- Resource classification is based on target drill spacing of 20 m by 20 m for Measured (downgraded to Indicated due to lack of local DBD measurements), 40 m by 40 m for Indicated and 80 m by 40 m for Inferred Mineral Resource. This classification is based on the continuity of the principal Ni-Co mineralisation. Sc displays greater continuity in places but cannot be practicably classified separately for Ni-Co as the two mineralisation zones largely overlap. Golder consider that for economic analysis of selective Sc mining, further drilling may be required to convert the current Indicated Resource to Reserve status.

Key features of the resource estimate for Greenvale:

- Post-mining topography was provided by Metallica as a DTM that was previously constructed by Straits from post mining aerial survey.
- Collars of holes drilled by Metallica were surveyed by PES surveyors of Cobar using a differential GPS with a stated accuracy of ± 20 mm.
- Previous data collated by Straits in local grid were converted to MGA using local and AMG coordinates surveyed by Straits. The Straits topography and drilling were lowered by approximately 4 m RL as part of the grid conversion to best match the Metallica survey locations.
- Drill holes used for resource estimation were drilled by the previous project owner Straits (141 holes in 2007/8) and Metallica (276 holes in 2010).
- All drill holes used for resource estimation were drilled vertically. Visual inspection of some drill holes indicated no significant down-hole deviations. Due to the shallow nature of the drilling (<40 m) it is unlikely that material drill hole deviations would have occurred.
- Sample recovery in the mineralised zone by Metallica is believed to be good to excellent.
- Drilling used for resource estimation by Metallica was face-sample RC. 121 of Straits drill holes were by RC, with the remaining 20 by aircore.
- Drill holes were sampled predominantly over 1 m intervals. Some 3 m intervals are present in overburden material. Observed RC sampling by Metallica employed a multi-stage on board riffle splitter. Straits used a grab sample approach due to the wet puggy nature of their samples.
- ALS Chemex and SGS Laboratories (SGS) in Townsville were used for assaying Metallica and Straits drill holes respectively. Both ALS Chemex and SGS used a four acid digest method with an ICP finish.
- The QAQC programs for Straits and Metallica drilling involved intra-laboratory pulp duplicates and blind field duplicates and some certified reference material (Straits only). The QAQC results indicated that the assays for both the Straits and Metallica drilling programs were satisfactory for resource estimation purposes.
- The mineralisation has a surface expression that was observed in places during a field visit by Mr Horton. There has also been substantial mining at Greenvale. The areas estimated by Golder appear to be remnant laterite blocks which have not been not previously mined.
- Golder undertook basic validation checks of the drill hole database.



- Drill hole data was composited to 1 m, which was the dominant sample interval in mineralised material.
- Appropriate high-grade cuts to Ni, Co and Sc outlier values were applied on a zone by zone basis.
- A wireframe of the paleo-laterite (enrichment) horizon between drill holes was constructed based on sectional interpretations. A nominal 0.8% Ni was the underlying basis of a Ni mineralised wireframe. A nominal 0.1% Co was the underlying basis of a Co mineralised wireframe. Laterite profile wireframes were also constructed to constrain major material types based on either geochemistry or logging.
- The mineralised envelope wireframes included a nominal 20 m horizontal extrapolation from the drill holes at the margins of the mineralised zone.
- A computer block model was constructed by filling the mineralised wireframes with 10 m by 10 m by 1 m blocks. Additional blocks were retained to the topography and base of drilling as well as peripheral to mineralisation to permit open pit optimisation. Sub-blocking was not employed, with whole blocks assigned to mineralised/geological domains on a maximum proportion basis.
- Grades of Ni, Co, Fe, Mg, Mn, Al, Ca, Cr, Cu and Sc were estimated by ordinary kriging using a three pass search strategy with a maximum of 12 composites, including a maximum of 3 composites selected from any one drill hole. A minimum of 10, 8, and 1 composites were used for Pass 1, 2, and 3 respectively.
- Hard boundaries were used between the mineralised envelopes and the laterite domains for Ni and Co. All other elements used hard boundaries between different laterite horizons.
- Unfolding methods were employed during variogram analysis and block grade estimation to represent adequately the paleo-laterite (enrichment) horizon between drill holes.
- Validation included visual observation, statistical checks, and swath plots.
- Internal dilution has been accounted for, but not dilution at the margins of the mineralised wireframe.
- In the majority of the resource areas, drilling was mostly on a reasonably regular pattern of 20 m by 20 m or 40 m by 40 m for Indicated Mineral Resources. The closer spaced drill pattern would be appropriate for Measured Mineral Resources except that no dry bulk density measurements have been recorded. The 20 m by 20 m area represents approximately 10% of the NiEq Indicated Resource tonnage. Inferred Mineral Resources were mostly drilled on a reasonably regular pattern of 80 m (NS) by 40 m (EW), with some small areas at irregular spacings due to access issues.
- Dry bulk densities (DBD) were assigned to blocks according to nearest neighbour estimates of lithology. Bulk density values applied were assumed by analogy to the geologically similar Kokomo Ni-Co-Sc nickel laterite project of Metallica, where DBD for each lithology has been adequately established by several techniques, including Archimedes water displacement, sand replacement of excavated voids and caliper measurement.
- Metallica advises that the 0.7% NiEq (Ni + 2*Co) cut-off grade is considered appropriate for large-scale mining based on ongoing feasibility studies at the nearby Bell Creek nickel laterite deposit. The suitability of this cut-off grade is to be confirmed as economic evaluation and metallurgical test work as part of feasibility studies at Greenvale. Metallica have indicated that it is likely that initial small-scale mining will be at a higher NiEq cut-off grade in the order of 1.4% NiEq.
- Resource classification is based on target drill spacing of 20 m by 20 m for Measured (downgraded to Indicated due to lack of local DBD measurements), 40 m by 40 m for Indicated and larger or irregular for Inferred Mineral Resources. This classification is based on the continuity of the principal Ni-Co mineralisation.

