



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

ABN: 45 076 696 092

ASX RELEASE

20 December 2010

PLANET METALS LIMITED

OPTION TO PURCHASE AGREEMENT SIGNED

Metallica Minerals Limited (ASX-MLM) advises that its 76% owned subsidiary, Planet Metals Limited (ASX-PMQ), has announced that an Option to Purchase Agreement has been signed with Hazelwood Resources Limited (ASX-HAZ) for the sale of the Wolfram Camp Project.

The Planet Metals Limited ASX release is attached.

For more information contact:

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Managing Director
Metallica Minerals Limited
Phone: 07 3249 3000

John Haley
Director
Metallica Minerals Limited
Phone: 07 3249 3000

**OPTION TO PURCHASE SIGNED
FOR \$8 MILLION SALE
OF WOLFRAM CAMP TUNGSTEN PROJECT**

- Planet Metals Ltd has entered into a binding Option to Purchase Agreement (“Agreement”) with ASX-listed Hazelwood Resources Ltd (“Hazelwood”) to sell its 100% owned subsidiary, Wolfram Camp Mining Pty Ltd (“WCMPL”) for a total sale price of \$8 million, comprising \$5 million cash and \$3 million worth of Hazelwood shares. The Agreement is subject to conditions including satisfactory due diligence by Hazelwood and, pending exercise, all regulatory and shareholder approvals obtained.
- WCMPL is the holding company which has an 85% stake in the Wolfram Camp tungsten-molybdenum project, located west of Cairns (Qld). The project’s assets comprise:
 - 150,000tpa commercial scale processing plant – purpose built in 2008 and currently on care and maintenance
 - Spares and equipment related to the plant and mine site
 - Total resource estimate of 1.42Mt @ 0.60% WO₃ and 0.12% Mo within granted mining leases (MLs 4935, 5117, 20486, 20534). This comprises 0.78Mt @ 0.56% WO₃ and 0.13% Mo in the Indicated Resource category and 0.64Mt @ 0.65% WO₃ and 0.11% Mo in the Inferred Resource category.
 - \$817,627 (excl. gst) in financial assurance held as security by DEEDI (Qld Mines Dept)
 - Exploration permits (EPMs 8884, 16050, 16395 and EPMAAs 18253, 18254)
 - Farm-in agreement (earn up to 85%) on EPM 14028 (Bamford Hill)
 - All documentation and intellectual property associated with, but not limited to, resource estimates, mining studies, processing plant commissioning and product marketing.
- Key terms relating to the purchase include:
 - Non-refundable deposit of \$100,000 paid by Hazelwood at the time of signing the Agreement. Hazelwood has until 3 February 2011 to carry out its due diligence and exercise its option to purchase (“exercise date”).
 - The balance of consideration, being \$4,900,000 cash and \$3,000,000 in Hazelwood shares (based on VWAP in the five trading days prior to Agreement Date), is payable on settlement, which is 42 days after the exercise date.
- Hazelwood Resources is a Perth-based ASX-listed company which is planning to be a global player in the integrated tungsten business. Earlier this year, Hazelwood acquired a 60% interest in a company which is constructing a new ferrotungsten plant in Vietnam. This plant is scheduled for commissioning during the March quarter of 2011 and will be the largest ferrotungsten plant outside of China. Hazelwood also owns 100% of the Big Hill tungsten deposit in Western Australia, which is currently the subject of a Definitive Feasibility Study.
- Mr Brett O’Donovan, Chief Executive Officer of Planet Metals Ltd, said, “Planet Metals received strong interest for Wolfram Camp from a number of parties following last month’s termination of the Tropical Metals’ Share Sale Agreement. After due consideration, the Company considered Hazelwood’s offer fair and reasonable in the current market and viewed this transaction as the most timely means for the mine to ultimately resume production.”

- Planet Metals is constantly reviewing opportunities within the metals sector, primarily in copper and gold. Funds from the sale of WCMPL will enable Planet to more aggressively target such opportunities. This would complement the Company's Mount Cannindah Cu-Au project.

For further information, please contact:

Brett O'Donovan
Chief Executive Officer
Ph: 61 7 3249 3080

Competent Persons Statement

The Wolfram Camp Resource estimate is based upon and accurately reflects data compiled or supervised by Dr Andrew Richmond, Principal Geostatistician, who is a Member of the Australasian Institute of Mining and Metallurgy and a full time employee of Golder Associates Pty Ltd. Dr Richmond 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'. Dr. Richmond consents to the inclusion of this information in the form and context in which it appears in this report.

About Planet Metals Limited

Planet Metals (ASX Code: PMQ) is a Brisbane-based ASX-listed mining development and exploration company, with a focus on copper, gold, tungsten and molybdenum. Key operations include the Mount Cannindah copper-gold project (100% owned) and the Wolfram Camp tungsten-molybdenum project (85% owned) – both located in Queensland. The Company's major shareholder is Metallica Minerals (ASX Code: MLM) with a 76% shareholding. As at the date of this release, Planet Metals has 59.7 million shares on issue as well as 1.5 million unlisted options. The Company had in excess of \$800,000 cash on hand at the date of this release.



Wolfram Camp's existing 150,000tpa processing plant

