



Quarterly Report

to 31 March 2010



ASX release

29 April 2010

Metallica Minerals Ltd

A Queensland focussed multi-commodity resource company with major interests in Nickel-Cobalt, Scandium, Coal, Bauxite, Tungsten, Limestone, Zircon-Rutile & Gold-Copper

ASX:MLM

Issued Capital (31/3/2010):

121,740,917 Shares issued

125,074,250 as at 29 April 2010

(includes 3,333,333 shares escrowed until 16.06.10)

3,500,000 Unlisted Employee Options

~ 2,445 shareholders

Top 20 shareholders: Hold 61%

Directors:

David K. Barwick - Non Exec Chairman

Andrew Gillies - Managing Director

John Haley - Director & Company Sec

Peter Nicholson - Non Executive Director

Shu Wu - Non Executive Director

Largest Shareholders:

Jien Mining Pty Ltd 18.8%

RCF (Funds III LP & IV LP) 12.3%

Golden Breed Pty Ltd 7.2%

Cash Balance:

As at 31 March 2010,

MLM's cash balance was

approximately \$8.78 million.

Highlights

- ▶ **NORNICO Resource doubles** to over 600Kt contained nickel (Ni) and approximately 50Kt contained cobalt (Co) after acquisition of the Greenvale and Lucknow tenements (now 100% Metallica).
- ▶ With the inclusion of the Greenvale Ni-Co deposit, the combined NORNICO Resource is now 76 Mt at 0.80% Ni & 0.06% Co (see Tables 4 & 5 page 24).
- ▶ Major RC drilling programs commenced on Greenvale and Lucknow deposits, specifically targeting high grade (>1.6 Ni Eq or Ni+2Co) zones (see Figure 4). Early results confirm remnant high grade is present e.g. 9m (2-11m) @ 3.59% Ni & 0.12% Co.
- ▶ Drilled discovery of new high grade scandium (Sc) mineralisation (>200g/t Sc) within the Lucknow Ni-Co deposit near Greenvale e.g. 24m (0-24m) @ 309g/t Sc.
- ▶ Progressing the NORNICO Stage 1 Scoping Feasibility Study for a 180,000tpa heated AAL operation on the Greenvale mine site sourcing high grade Ni-Co & Sc ores from Greenvale, Lucknow and Kokomo with acid supply trucked from Townsville. Scoping Feasibility Study on track for completion in July.
- ▶ **MetroCoal Ltd ASX:MTE** signs \$30 million JV Agreement with China Coal Import & Export (China Coal), whereby China Coal will acquire, subject to certain conditions, 51% of one of MTE's tenements - EPC 1165 "Columboola" - in the Surat Basin, for an agreed expenditure of \$30M. MLM has a 56% shareholding in MetroCoal (80 million MTE shares).
- ▶ Surat Basin coal drilling commenced – two drill rigs undergoing a program of 30 holes within 5 priority areas (Bundi, Norwood, Miles West, Miles North and Miles East project areas) which are all down dip or along strike of major coal deposits and highly prospective for underground coal mining targets close to planned rail infrastructure.
- ▶ **Cape Alumina Ltd ASX:CBX** (MLM holds 33%) commenced Bankable Feasibility Study (BFS) on its 100% held Weipa Bauxite project - Pisolite Hills bauxite deposit, with completion due end Q1 2011. The BFS has been temporarily deferred pending outcome of the proposed Wild Rivers declaration. The Environmental Impact Study (EIS) is advanced and well progressed for 2010 submission. Cape Alumina has identified potential for early mining of Musgrave bauxite deposit for direct shipping ore (DSO) as part of early stage infrastructure development for the proposed Pisolite Hills Project
- ▶ An Economic Impact Assessment (EIA) report finds the proposed Pisolite Hills bauxite mine and port project would boost GDP by \$1.2 billion in NPV terms, over the life of the project. Total employment impact of more than 1,700 direct and indirect jobs to be created or sustained over the mine's 15-year life.
- ▶ **Planet Metals Ltd ASX:PMQ** completed major drilling programs at Wolfram Camp tungsten & molybdenum mine – a total of 200 holes (4,840m) were drilled between Sept 2009 and Feb 2010. An updated Resource estimate is being prepared by Golder Associates using this additional drill data.
- ▶ Mr Brett O'Donovan was appointed CEO of PMQ during the Quarter to manage future developments of the company and to advance its projects.

Corporate

- ▶ In December 2009, Metallica signed an agreement for the **100% purchase the Greenvale and Lucknow tenements** for a total of \$1.65M, comprising \$650,000 cash and 3.33 million Metallica ordinary shares at a deemed price of A\$0.30 per share. The transfer of the Greenvale and Lucknow tenements were finalised by the DME on the 1st April 2010 and these tenements are now held 100% by Greenvale Operations Pty Ltd (a wholly owned subsidiary of Metallica Minerals Ltd).
- ▶ Metallica has issued the **3.33 million shares to Straits Resources** (escrowed until 16 June 2010) and Metallica now has a total of 125,074,250 shares on issue.
- ▶ On 12 April Metallica announced a **non-cash selective share buy-back** and transfer agreement with its second largest shareholder, Resource Capital Funds (RCF). The agreement, which is subject to Metallica shareholder approval at a shareholders meeting on 31 May 2010, effectively involves RCF exchanging 7.74 million of its shares in Metallica for approximately 3.9 million shares in Cape Alumina Limited (Cape Alumina) which are currently held by Metallica.
- ▶ The effect of the agreement will be:
 1. Metallica's interest in Cape Alumina Limited will be reduced from 32.9% to 29.9%,
 2. Resource Capital Fund's interest in Metallica will be reduced from 12.28% to 6.3%, and
 3. The 7.74 million shares bought back from RCF by Metallica will be cancelled reducing Metallica's total issued shares to approximately 117.3M.
- ▶ **Completion of Metallica Corporate Promotional Video**, providing information and graphics on the company, its' projects and ASX listed resource and exploration company investments – see Metallica Website www.metallicaminerals.com.au
- ▶ During the Quarter, **Metallica relocated its office** to 71 Lytton Road, East Brisbane, Qld 4169.
- ▶ Metallica has a 47% shareholding of Brisbane based **Orion Metals Limited** ASX:ORM. Orion's focus is on gold and rare earth & tech metal projects in Australia. On the 14th April Orion announced a fully underwritten pro-rata rights issue prospectus to shareholders. The Rights Issue opened on 14th April 2010 and closes on the 12th May and will raise \$1.235 million.
- ▶ During the Quarter, Mr James Canning-Ure joined the ORM Board as Managing Director.
- ▶ **Metallica has maintained a strong cash position of approximately \$8.78 million with effectively no debt.**

Metallica's ASX listed investments and major projects are summarised graphically in **Figure 2 – Metallica's Company and ASX Listed Investment Structure.**



RC Drilling at the Greenvale Nickel Deposit - Early March 2010

Financial

To be read in conjunction with **Appendix 5B** attached

As at 31 March 2010, Metallica's cash balance was \$8.78 million including interest income of \$159,000 received during the March Quarter.

Exploration and evaluation expenditure totalled \$503,000, production \$45,000 (Ootann) and administration expenditure was \$402,000 for the quarter to 31 March 2010. Expenditure included an ATO tax payment of \$584,000.

The total combined March quarterly expenditure was approximately \$1.5 million.

The planned estimated exploration and evaluation expenditure by Metallica for the June 2010 quarter is \$1.3 million.

2.4 million employee options were issued during the quarter. These were issued in lieu of salary increases in 2009.

There are 3.5 million unlisted options on issue, comprising 2.4 million employee options exercisable at 35 cents on or before 12 February 2012 (providing the employees are still employed at 12 February 2011) and 1.1 million options exercisable at 65 cents on or before 28 September 2012.

The Company's cash reserves will be utilised to progress Metallica's key 100% NORNICO nickel-cobalt & scandium project, and its significant Queensland-based wholly owned exploration interests in zircon-rutile, gold-base metals, scandium (80%) and limestone-lime.

Metallica continues to assess attractive corporate and project opportunities that are compatible to the Company's core operations.

Subject to the Metallica share buyback and planned subsequent MLM:CBX share transfer with RCF being approved. Metallica shareholders will vote on the resolutions to give effect to the Agreement at a meeting proposed to be held in Brisbane on 31 May, 2010. **Metallica's ASX listed company shareholding investments comprise:**

Commodity	Company	% Ownership
Nickel-Cobalt-Scandium & Limestone	Metallica ASX:MLM	100%
Coal & energy	MetroCoal ASX:MTE	56%
Bauxite	Cape Alumina ASX:CBX	29.9%**
Gold & Rare Earth Tech Metals	Orion Metals* ASX:ORM	47%
Tungsten & Moly/ Copper & Gold	Planet Metals ASX:PMQ	76%

* this shareholding % will reduce post the closing of the current Orion Rights Issue.

** assuming CBX:MLM share transfer with RCF being approved.

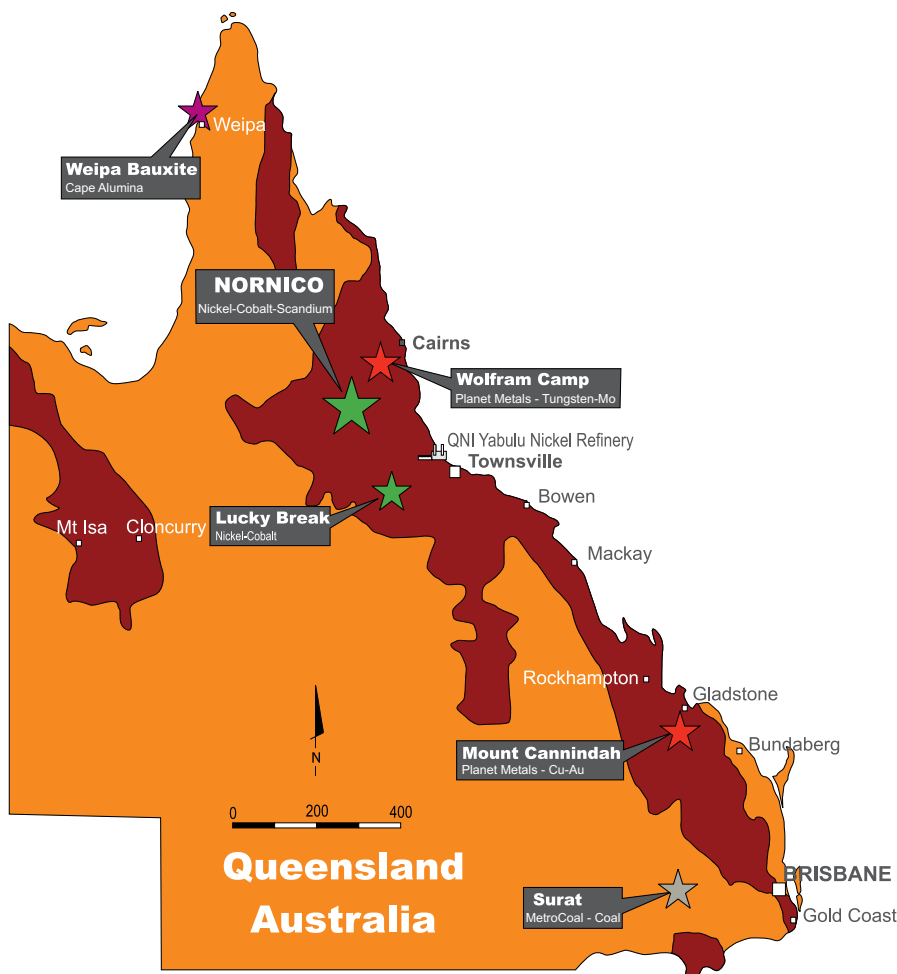


Figure 1 : Queensland project locations of Metallica's major interests in nickel-cobalt, scandium, coal, bauxite, tungsten-moly, zircon-rutile, copper-gold & limestone

Technical information contained in this report has been compiled by Andrew Gillies B.Sc (Geology) Managing Director of Metallica Minerals Ltd and Metallica Minerals Ltd, Exploration Manager, Mr Pat Smith MSc. B.Sc (Hons), M.AusIMM, who are competent persons and Members of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Gillies and Mr Smith have relevant experience to the mineralisation, Exploration Targets and Mineral Resources being reported on to qualify as Competent Persons as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Information on Cape Alumina bauxite projects in this report are compiled by Mr John Cameron, Exploration Manager of Cape Alumina Limited who is a Member of the AusIMM and has 20 years experience in exploration and mining including a significant time studying bauxite projects. Mr Gillies, Mr Smith and Mr Cameron consent to the inclusion in the report of the matters based on the information in the form and context in which it appears. A separate Competent Person Statement is presented included in each relevant page of this report for the MetroCoal Ltd (Coal) and Cape Alumina Ltd (bauxite) sections of this report, see page 12 and page 15 respectively.

Andrew Gillies – Managing Director, 29 April 2010

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Metallica Company and ASX Listed Investment Structure



Figure 2 : Metallica's Company and ASX Listed Investment Structure as at 29 April 2010

Mineral Projects

Nickel-Cobalt NORNICO Project 100%

Highlights

- ▶ NORNICO's contained nickel doubles to over 600Kt Ni metal after the inclusion of the Greenvale nickel resource.
- ▶ Development strategy focussing on selectively extracting high grade Ni ores sourced from within Greenvale and high Co-Sc bearing Ni ores trucked from Lucknow and Kokomo.
- ▶ NORNICO Stage 1 Scoping Feasibility Study, flow sheet design and Ni-Co-Sc metallurgical testwork progressing positively – expect study completion in July.

The previous combined NORNICO Measured, Indicated and Inferred Resource, including the Bell Creek, Minnamoolka and Kokomo deposits, was 38.6Mt @ 0.78% Ni and 0.08% Co (0.94% Ni Eq or Ni + 2Co), containing approximately 302,000t Ni and 30,600t of Co (using a 0.7% Ni Eq cut off grade).

Now that Metallica has acquired the Greenvale-Lucknow tenements 100%, the Greenvale Resource can be added to the NORNICO Resource base. The Greenvale minesite contains an Inferred and Indicated Resource of 38Mt at 0.80% Ni and 0.05% Co, containing approximately 310,000 tonnes Ni and 19,000 tonnes Co (using a 0.5% Ni only cut off grade) see Table 1.

This provides for a new combined NORNICO Measured, Indicated and Inferred Resource of 76.31 Mt at 0.80% Ni and 0.06% Co (0.93% Ni Eq), containing approximately 610,000 tonnes Ni and 50,000 tonnes Co.

Details of the revised NORNICO resource for each deposit and resource categories are included in the NORNICO Exploration section and in Tables 4 and 5 on page 24 at the back of this report.

Resource and exploration drilling has been completed on the Bell Creek, Minnamoolka and Kokomo deposits – all efforts are presently focused on the Greenvale and Lucknow deposits.

Resource definition and exploration drilling has commenced on the Greenvale and Lucknow projects which is expected to increase the status of the Greenvale Ni-Co resource and provide a maiden Ni-Co-Sc resource for Lucknow.

Most importantly, emphasis will be focused on defining the high grade (>1.6% Ni Eq) portions of each deposit to provide the highest Ni-Co (and potentially Sc) grade, to maximise revenue and operating margins.



Figure 3: NORNICO Project Regional Setting

Key Activities Undertaken During the March Quarter:

- ▶ Initiated a Scoping Feasibility Study based on a modest size (180,000 tpa) project located at Greenvale using heated agitated Atmospheric Acid Leaching (AAL) processing, with acid supply trucked from Townsville, solvent extraction and recovery of Ni-Co and Sc, with options to produce nickel (metal or nickel sulphate), cobalt sulphide and scandium oxide products.
- ▶ Metallurgical testwork of Kokomo Ni-Co-Sc ore from the Wild Honey Deposit for recovery of Scandium continued.
- ▶ Exploration and resource drilling commenced at the Greenvale Nickel Minesite (from which 40Mt at 1.56% Ni and 0.12% Co was mined from 1974-1992) and the Lucknow Ni-Co-Sc deposit.

NORNICO Project Studies

The NORNICO project team, including external consultants, has commenced an internal Scoping Feasibility Study on establishing a modest processing operation of 180,000 tpa in size (NORNICO stage 1), at the former Greenvale mine site, using selected high grade Ni & Co (>1.6% Ni Eq) feed primarily sourced from the Greenvale deposit and blended with cobalt and scandium rich nickel laterite ores trucked from the Lucknow (6km) and Kokomo (55km) deposits.

Acid supply for the project would be sourced from Townsville. Limestone-lime could be supplied from Phoenix Lime (MLM 100% owned) Ootann project and its other limestone deposits close to NORNICO.

The former Greenvale minesite is an excellent location to establish a Ni-Co ore processing facility as it is within a previously disturbed (and rehabilitated) large mining area, has remnant zones of high grade nickel, it is close to the Greenvale township, sealed roads, and existing infrastructure, water and limestone supplies.

Subject to completion of further feasibility studies, NORNICO Stage 1 annual production is targeted at approximately 2,900t Ni, 200t Co and over 5,000kg Sc.

Metallica is pursuing a two stage development strategy for NORNICO.

It is envisaged, subject to feasibility studies, that within several years of the commencement of the NORNICO Stage 1 operation, that mining and processing could be scaled up with to a much larger size, in the order of a 700,000 tonnes to 1Mtpa operation (NORNICO Stage 2) with its own acid generation and power plant, and production of over 10,000t Ni metal with substantial Co (and potentially Sc) credits.

During the March quarter the NORNICO Stage 1 Ni-Co-Sc Scoping Feasibility Study has progressed significantly.

The following summarizes the current status:

- ▶ Flowsheets have been finalised with options for nickel recovery by electrowinning to produce LME nickel or precipitation to produce nickel sulphate
- ▶ Process design criteria has been developed based on detailed testwork undertaken during previous studies and current testwork
- ▶ Metsim modelling has been completed and mass and energy balances completed
- ▶ Plant equipment sizing and estimates of opex and capex are well advanced.

Completion of the Scoping Feasibility Study is targeted for late July 2010.

Metallurgical Testwork

1. NICKEL-COBALT-SCANDIUM TESTWORK

Testwork was undertaken on representative high grade scandium ore types from the Kokomo Wild Honey deposit at HRL laboratories in Brisbane. Preliminary results from the single stage, small scale, heated agitated atmospheric leach tests were reported last quarter. The summary of these tests indicated high extractions of scandium were achieved, exceeding 90% extraction. To achieve the high scandium extractions, acid addition requirements exceeded 800kg of acid per tonne of ore,

Activities Planned for the June Quarter 2010

- ▶ Continue the Kokomo Ni-Co-Sc metallurgical test program for recovery of scandium. The program includes both leach testwork and solvent extraction (SX).
- ▶ Progress the Scoping Feasibility Study for an 180,000 tpa nickel laterite processing plant (NORNICO Stage 1) located at Greenvale sourcing high grade nickel ores from Greenvale and cobalt rich nickel ores (with elevated scandium) from Lucknow and Kokomo.
- ▶ Initiate pit design and mining schedule for the high Ni-Co and Sc zones in the Kokomo project – Mona, Blueberry and Wild Honey area.
- ▶ Initiate further AAL metallurgical testwork on the Greenvale Ni-Co and Lucknow Co-Ni-Sc ores.
- ▶ Progress permitting of mining lease application MLA 20549 “Bell Creek Consolidated” and MLA 10342 “Kokomo”.
- ▶ Undertake baseline environmental studies on the old Greenvale Minesite & Lucknow.
- ▶ Planning of Mining Lease Application(s) over portion(s) of the Greenvale mine site and the Lucknow projects.

mainly due to the much higher iron content of the scandium ore.

A larger scale 60L single stage leach test was conducted at an acid addition of 800 kg per tonne of ore, at 90 °C, for 12 hours. The aim of this first pass testwork was to generate a high iron, aluminium and scandium tenor PLS solution for conducting

small scale neutralisation tests. The objective of these small scale tests was to determine iron, aluminium and scandium precipitation profiles.

Test work is continuing for the purpose of establishing the optimum process option for selective scandium recovery from the pregnant (dissolved metal bearing) leach solutions, particularly from the dissolved iron and aluminium.

2. PYROMETALLURGICAL PROCESSES (ISASMELT TECHNOLOGY) AND TESTWORK

Preliminary laboratory scale crucible results have been promising. Ferro Nickel alloys containing 14-35% Nickel has been produced with recoveries of nickel and cobalt up to 90%.

A concept study for a 500,000 tonnes per annum smelting facility based on IsaSmelt technology was undertaken in order to ascertain if there was any merit in pursuing the pyrometallurgical option for recovery of nickel from the NORNICO nickel laterite deposits in parallel with the hydrometallurgical AAL base case.

The Capex of just the smelting facility was estimated at approximately \$US216m for the production of nickel (15-30%) within the ferronickel product. Despite the capital cost, the concept has merit, but was considered not as competitive as the hydrometallurgical AAL base case which has several significant benefits over the pyrometallurgical IsaSmelt process option, not least the ability to produce cobalt and scandium as significant co-products.

Environmental

The Kokomo dry season flora and fauna study was completed in the September 2009 quarter and the wet season survey was completed April 2010.

Environmental baseline studies on the Greenvale tenement were delayed whilst further site historical information was sourced. An on site meeting was held with EPA Townsville personnel on the Greenvale project to examine the site prior to Metallica's planned mining lease application. Baseline studies are now planned for the June quarter.



Nickel laterite exposure on the Greenvale mine site

NORNICO Exploration Update

Exploration work undertaken on the NORNICO Project area in the last three months includes:

- ▶ RC drilling within the old pit limits at the Greenvale Nickel Mine
- ▶ RC drilling at the Lucknow Nickel – Cobalt Project (EPM 10680 and 10866).
- ▶ XRF surveys of exposed faces in the old Greenvale Mine, face mapping and channel sampling

The Greenvale and Lucknow tenements were purchased from Straits Resources Ltd in December 2009. The transfer of the Greenvale and Lucknow tenements were finalised by the DME on the 1st April 2010 and these tenements are now held 100% by Greenvale Operations Pty Ltd (a wholly owned subsidiary of Metallica Minerals Ltd).

Exploration Work at NORNICO in the next three months will be concentrated almost exclusively on the Greenvale and Lucknow tenements with the aim of defining high grade (1.8% - 2% Ni Eq¹ or Ni+2Co) Ni-Co mineralisation to a Measured and Indicated Resources status suitable for mining studies.

The drilling within the Greenvale resource and Lucknow deposit areas is primarily targeted at identifying high grade (1.8-2% Ni Eq or Ni+2Co) plant feed of between 500,000t to 1,000,000t with combined Ni-Co-Sc metal grade ranges of between 1.2 to 2% Ni, 0.10% to 0.3% Co, and between 30 to 250 g/t Sc (see Table 1). This high grade feed is expected to be sufficient (with attractive margins) to support the first three years mine life for a proposed Ni-Co-Sc laterite ore processing operation at Greenvale.

¹ Ni Eq calculated using 1Ni + 2Co based on a nickel price of \$10/lb and a cobalt price of \$20/lb.

Greenvale Nickel Project Acquisition

In December 2009, Metallica purchased the Greenvale Mine site tenements 100% for \$1.65M, comprising \$650,000 cash and 3.33 million Metallica ordinary shares at a deemed price of A\$0.30 per share.

The Greenvale Mine operated for 18 years from 1974 to 1992, mining ore from a 3 km² area, that produced 40 million tonnes (Mt) of nickel laterite ore grading 1.56% Ni and 0.12% Co, making it the largest high grade nickel laterite mine in Australia.

Straits Resources and their JV partner RMI undertook Reverse Circulation (RC) drilling on the Greenvale mine site to define the extent of the remnant nickel resource. Between May 2007 and July 2008, Straits drilled 141 RC holes for 5,935m, with approximately 25% of the holes drilled intersecting Ni grades greater than 1% over a 5m interval.

Benefits of acquiring the Greenvale tenements include:-

- ▶ The Greenvale nickel project contains a remnant Inferred & Indicated Resource of 38 million tonnes (Mt) at 0.8% Nickel (see ASX Release dated 29th July 2009). Within this resource are significant higher grade zones >1.2% Ni.
- ▶ Remnant high grades confirmed by their drilling – including 17m @ 1.81% Ni and 24m @ 1.65% Ni in holes GVM 090 and GVM 111) respectively (drilled by Straits Exploration in 2008)
- ▶ Excellent development site with existing infrastructure and relatively close to an acid supply which could easily be trucked to site
- ▶ Scoping Feasibility Study started on establishing a processing operation at the Greenvale site, using feed sourced from Greenvale and blended with trucked cobalt and scandium rich Kokomo and/or Lucknow nickel laterite ores.

Greenvale Nickel Project

Nine areas within the Greenvale Pit area have been selected for drilling (see Figure 4), based on historical holes drilled by MetalsEx in the 1960's and more recent holes drilled by Straits Resources between 2007 to 2008.

Hand held XRF surveys have been completed on old pit walls and excavated faces with this data being used to further identify drill targets.

Drilling at Greenvale commenced on the 16th of March and is on-going. To date a total of 96 RC holes (GVM-142 to GVM-237) have been drilled for 2,883m. These holes have been drilled at Area 15, part of the AWR Area and Metallica is currently drilling out The Edge, see Figure 4.

Results have been received for the first 13 holes (GVM-142 to GVM-154) with better results including:-

- ▶ GVM-147, 9m @ 3.59% Ni and 0.12% Co (3.83% Ni Eq) and 15.35% Fe from 2m
- ▶ GVM-148, 17m @ 1.59% Ni and 0.04% Co (1.67% Ni Eq) and 18.19% Fe from 7m

An additional 150 holes for 5,000m are planned for Greenvale and it is expected that drilling will continue until the end of May.

Greenvale Resource Estimate

Straits Resources Ltd completed a resource estimate for the Greenvale Mine site which was announced in a quarterly activities report to the ASX on the 29th July 2009. The resource stated that there was an estimated Inferred and Indicated resource at Greenvale of 37.7Mt @ 0.80% Ni and 0.05% Co, (see Table 1, page 10).

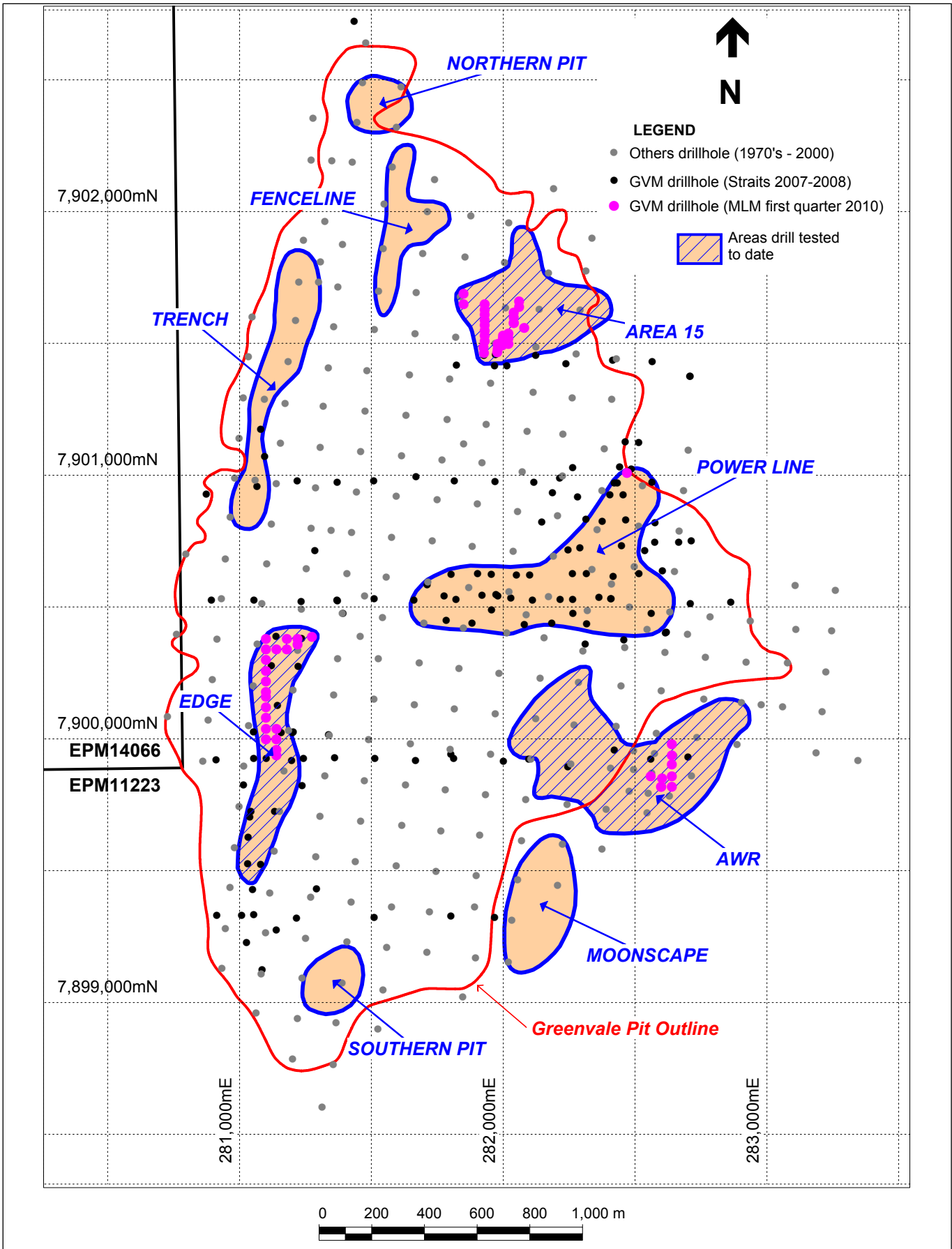


Figure 4 : Greenvale Nickel Minesite 9 Priority Drill Targets 2010

Table 1: Mineral Resource at Greenvale Nickel Mine, North QLD (Using a 0.5% Ni COG)

Classification	Million Tonnes (Mt)	Nickel %	Cobalt %	In-situ Ni Tonnes	In-situ Co Tonnes
Indicated	4.80	0.90	0.05	40,000	2,400
Inferred	32.90	0.80	0.05	270,000	17,300
Total	37.70	0.80	0.05	310,000	19,700

(Refer ASX Release dated 29th July 2009)

This Greenvale resource was estimated using data from approximately 430 drill holes, comprising 266 MetalsEx holes, 23 holes drilled by Ananconda and 141 holes drilled by Straits Resources Ltd. Areas which have been previously mined were identified by detailed geological mapping and these zones removed from the estimate.

The Metallica drilling is targeting high grade nickel zones within this resource to identify zones of +1.6% Ni, which can deliver, by selective mining, a feed head grade of between 1.8 – 2.0% Ni Eq will sourced for the first three years of operation of a proposed processing plant.

Metallica will update the Greenvale Resource when drilling is completed in late May 2010.

Lucknow Nickel–Cobalt (& Sc) Project

The Lucknow deposit is located approximately 6km south east of the Greenvale mine site. Four areas at Lucknow have been selected for close spaced drilling to identify zones of high grade Ni–Co mineralisation using historical data from drilling by QNI in the early 1990's (prior to the closure of the Greenvale Mine site) and more recently by the Anaconda - Cobra JV in 1998.

One area, where the most intense drilling was undertaken by QNI had 40,000t of ore extracted from it prior to the closure of the Greenvale Mine, historical holes in this area have recorded intercepts to:-

- ▶ QNLK-108, 16m @ 0.97% Ni and 0.41% Co (1.79% Ni Eq)
- ▶ LKRC-004, 16m @ 1.09% Ni and 0.26% Co (1.61% Ni Eq)

High Grade Scandium Discovery

In addition to these holes, high grade scandium mineralisation has been discovered on Lucknow, with 5 holes drilled in the same area returning values of greater than 200g/t Sc over significant intervals from surface. Results are detailed below:-

LKRC-013	0-24m	24m @ 287g/t Sc
LKRC-014	0-24m	24m @ 309g/t Sc
LKRC-015	0-18m	18m @ 206g/t Sc
LKRC-016	0-21m	21m @ 257g/t Sc
LKRC-017	0-25m	25m @ 246g/t Sc

These holes contain narrow zones (2 to 4m) of high grade cobalt mineralisation and on average contain between 32% and 36% Fe.

This area at Lucknow has the potential to be of a similar size, (if not larger) to the Wild Honey Scandium deposit at Kokomo. Additional drilling has been completed in this area to determine the extent of this deposit and assay results are awaited.

The significance of this discovery is that Metallica can now source and blend high grade scandium ore and nickel-cobalt ores (with elevated scandium grades) from Lucknow in the early years of the mine life without having the upfront extra capital and operational costs to mine and truck the high Co-Sc nickel laterite ores from Kokomo which is located 55km NNE of Greenvale.

Ni-Co-Sc Resource Work

A site visit was made to the Greenvale and Lucknow prospects in mid March by John Horton of Golder Associates as part of their due diligence. Golder Associates will undertake the resource estimate for the project once all the drilling has been completed.

Activities Planned for the June Quarter 2010

- ▶ Continue drilling at the Greenvale Ni – Co project
- ▶ Undertake face mapping and sampling of high grade areas in the Greenvale Pit area
- ▶ Complete a wet season environmental study at Kokomo
- ▶ Undertake a wet season environmental survey of Greenvale
- ▶ Apply for a Mining License over a portion of the Greenvale and Lucknow Prospects
- ▶ Ground Magnetic Surveys over the Junction Bore W-Mo prospect and target within the Six Mile tenement.

Lucky Break Nickel Project

MFC 40% MLM 60% JV

The Lucky Break nickel project, located 140km west of Townsville (see Figure 5) is a joint venture between Metals Finance Ltd (ASX:MFC) and Metallica. Metallica holds two granted Mining Leases (ML 10324 and 10332). Both MFC and MLM hold their Joint Venture Interest through wholly owned subsidiaries.

MFC is the manager of the Lucky Break nickel project and is responsible for all development costs as part of its earn-in agreement. Metallica is free carried and will receive its share of the operating surplus once the project is in operation and MFC has recouped its capital investment and then sharing cash flow thereafter.

The project is to be developed and brought into nickel production at no extra cost to Metallica and hence does not dilute shareholder equity.

The other key advantage is that it provides Metallica with significant hydrometallurgical operational experience and know-how, ahead of the proposed larger scale NORNICO Stage 1 development at Greenvale.

MFC recently completed a revised internal Feasibility Study, incorporating revisions in scale to approximately 60ktpa higher grade nickel ore processing operation.

The proposed nickel operation is of modest size, with nickel production in the order

of 700 tonnes nickel metal per annum. MFC propose recommencing development of the project during 2010. MFC have commenced discussions with suppliers of consumables and purchases of the expected product with a view to locking in pricing during the early stage of the project.

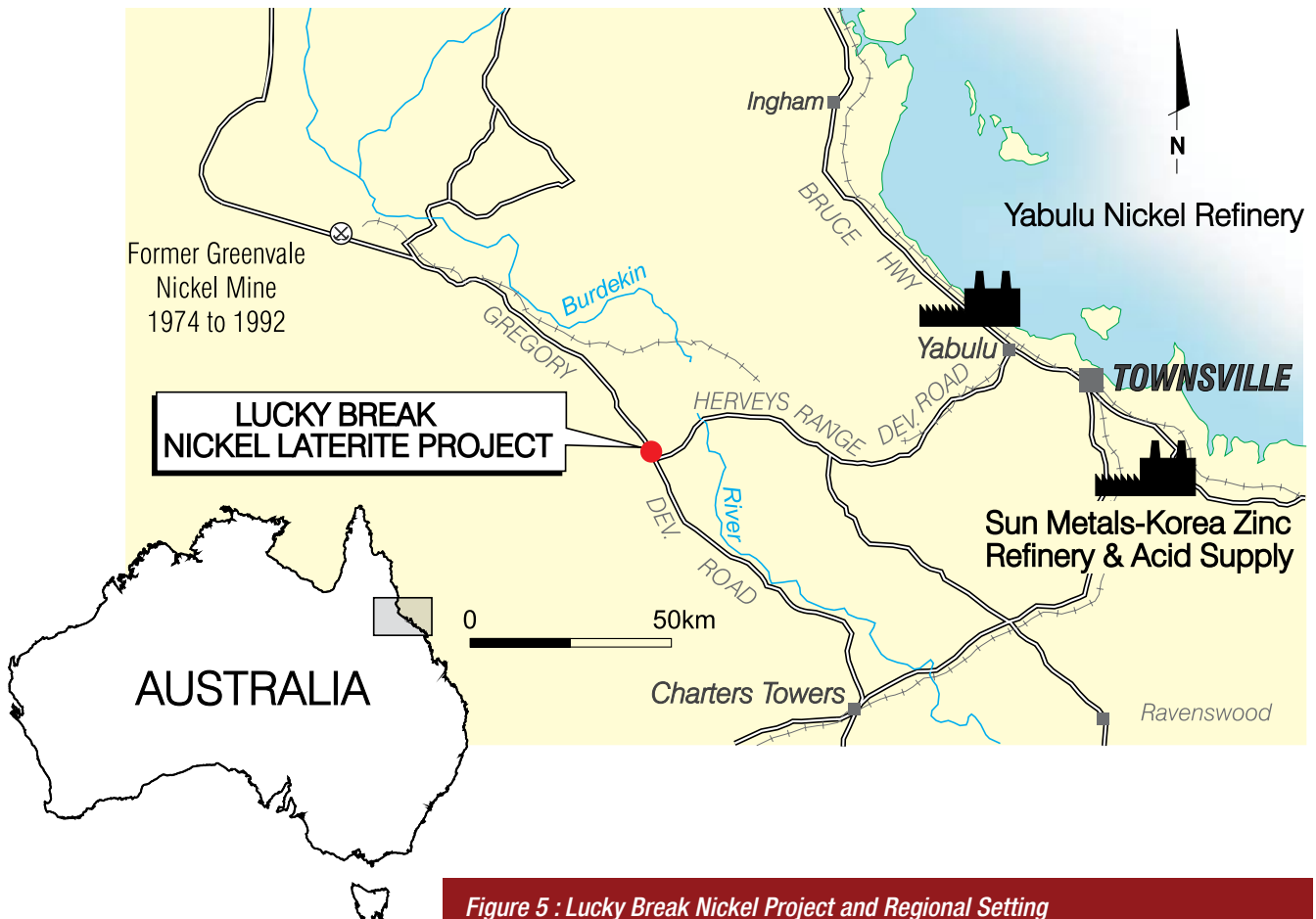


Figure 5 : Lucky Break Nickel Project and Regional Setting

MetroCoal Ltd – MLM 56%

South East QLD Coal Project

Highlights

- ▶ MetroCoal (ASX:MTE) signs \$30m Joint Venture Agreement (JVA) with China Coal subsidiary to earn 51% on one of MTE's Surat coal tenements.
- ▶ MetroCoal's drilling program has commenced – 2 drilling rigs, currently undergoing 30 hole program.

MetroCoal is an emerging coal based energy company focused on the Surat Basin, with a vision to build a substantial thermal coal and cleaner energy business. The coal in the Surat Basin is ideally suited to provide high quality export thermal product and also to provide the feedstock for an alternative energy and fuel production from Underground Coal Gasification (UCG).

MetroCoal holds 100% of extensive coal tenements covering 4,000km² in the Surat Basin region, in southern Queensland (see Figure 6).

MetroCoal's cash balance was approximately \$9.05M as at 31/03/2010.

\$30 Million JV Agreement with China Coal

On 8 April 2010, MetroCoal announced it had signed a JVA with China Coal Import & Export Company (CCIEC), a wholly owned subsidiary of China National Coal Group Corp (China Coal).

Under the terms of the Agreement, CCIEC will acquire a 51% interest in MetroCoal's EPC 1165 Columboola tenement in the

Surat Basin, Queensland (Figure 7 on page 13) for an agreed expenditure of AUD\$30 million on EPC 1165. The funds will be used for exploring, drill programs and evaluating the potential for future commercialisation options within the Columboola tenement and also opens up the opportunity for participation in MetroCoal's other tenements. The Columboola JVA requires a minimum expenditure of \$4 million within the first two years of the agreement.

Bringing CCIEC in as a joint venture partner is a significant milestone for MetroCoal, as it meets its stated strategic objective, as set out in its 2009 Prospectus, of developing projects with substantial partners as well as complementing its overall strategy to confirm its Exploration Target of between 2.5 and 3.5 billion tonnes* by December 2010.



Figure 6 : MetroCoal's Surat-Moreton Basin Coal Tenements

China Coal is a substantial company producing in excess of 100 million tonnes of coal a year. With access to this strong mining base, CCIEC will bring valuable technical skill and expertise into the joint venture, particularly in underground coal mining.

The transaction has already been approved by the Australian Foreign Investment Review Board (FIRB) but is subject to approvals from several Chinese Government agencies for the setting up of an Australian Subsidiary and the transfer of the \$30 million in funds to the Australian subsidiary company. The process for obtaining these approvals is underway and is required to be completed within three months of the date of signing the Joint Venture Agreement. Other salient aspects of the Joint Venture Agreement are:

- ▶ within 10 days of receipt by CCIEC of the \$30 million, MetroCoal will amend the ownership of EPC 1165 with Queensland Mines and Energy;

- ▶ after the first \$4 million has been expended within 2 years, either party may withdraw from the joint venture and the withdrawing party will forfeit its interest in the Joint Venture;
- ▶ when the \$30 million has been fully expended each party will be required to contribute in proportion to their respective Joint Venture interests;
- ▶ CCIEC will be the Manager of the Joint Venture; and
- ▶ CCIEC will also have first right to enter into a Joint Venture over the other MetroCoal tenements.

*Under the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (Paragraph 18) the Company is required to make the following statement with regard to Exploration Targets – the potential quantity and quality is conceptual in nature, and that there has been insufficient exploration to define a Mineral Resource Ore Reserve and that it is uncertain if further exploration will result in the determination of a Mineral Resource of Ore Reserve.

About China Coal

China Coal Import & Export Company (CCIEC) is a subsidiary of China National Coal Group Corp (China Coal). In 2009, China Coal ranked second in terms of coal production and sales revenues in the Chinese coal industry for six consecutive years and has ranked 76th among China's top 500 industrial enterprises in 2009. China Coal was established in 1982 and its core businesses comprise coal production and trading, coal chemical, coal-bed methane exploitation, pit mouth power generation, coal mine construction, coal mining equipment manufacturer and relevant engineering technical services. In 2009, China Coal turned out 125 million tons of raw coal and made profits of 10.3 billion RMB (~A\$166 million), China Coal has set 200 million tonnes of coal as the target of turn out in 2014.

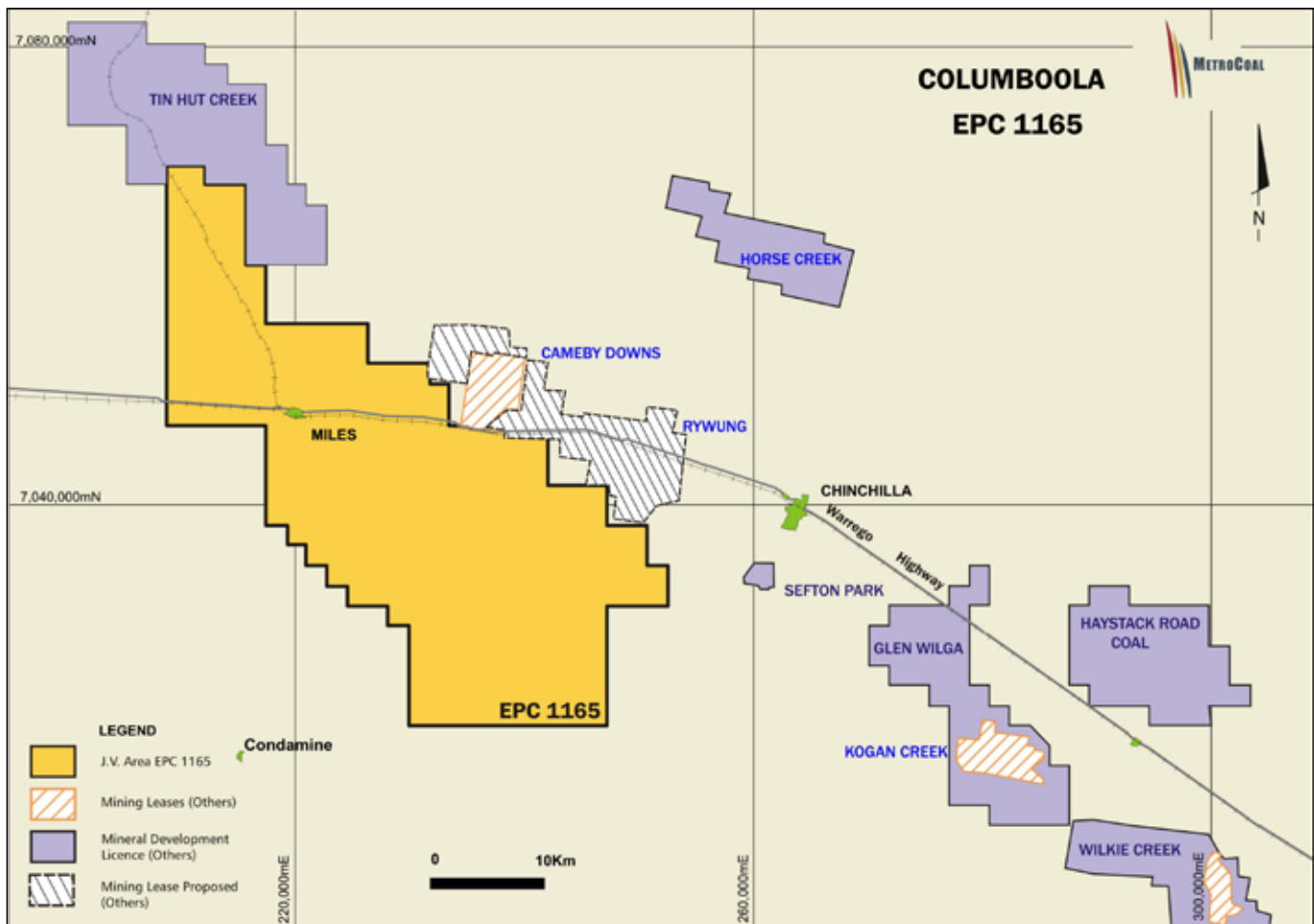


Figure 7 : EPC 1165 Columboola Tenement Map

MetroCoal's Surat Basin Drilling Program Begins

Following the delay due to heavy rains in the area MetroCoal began its drilling program of 30 holes in the Surat Basin on 8th April. With the improvement in ground conditions following the exceptional wet season in the region, two drill rigs are now in place and operating.

The drilling program of 30 holes will be focussed on five priority areas, being: Bundi (within EPC 1164 MTE 100%), & Norwood (within EPC 1167 MTE 100%)-see Figure 9, Miles West, Miles North and Miles East project areas are all within EPC 1165 (in joint venture with China Coal) - see Figure 8. All five priority areas are highly prospective for underground coal mining targets which are also close to planned rail infrastructure.

Competent Persons Statement

The information in this statement that relates to in situ coal results and resources is based on information compiled by GeoConsult and reviewed by Warwick Smyth, who is a member of the Australasian Institute of Mining and Metallurgy (CP) Geology; and the Australian Institute of Geoscientists. Warwick Smyth is a qualified geologist (B.Sc. Geol, Grad Dip AF&I, MAusIMM (CP), MGS&A, MAIG), and has over 17 years experience which is relevant to the style of mineralisation, the type of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the Australia Code for Reporting of Coal Resources. Warwick Smyth consents in writing to the inclusion in the statement of the matters based on the information in the form and context in which it appears.

The information in this statement that relates to in situ coal results and Exploration Targets are based on information compiled by Neil Mackenzie-Forbes, who is a member of the Australian Institute of Geoscientists and a full time employee of MetroCoal Ltd. Neil Mackenzie-Forbes is a qualified geologist (B App Sc, MAIG), and has over 15 years experience with over 9 years relevant to the style of mineralisation, the type of deposit under consideration and to the activity which has been undertaken to qualify as a Competent Person as defined by the 2004 edition of the Australia Code for Reporting of Coal Resources. Neil Mackenzie-Forbes consents in writing to the inclusion in the statement of the matters based on the information in the form and context in which it appears.

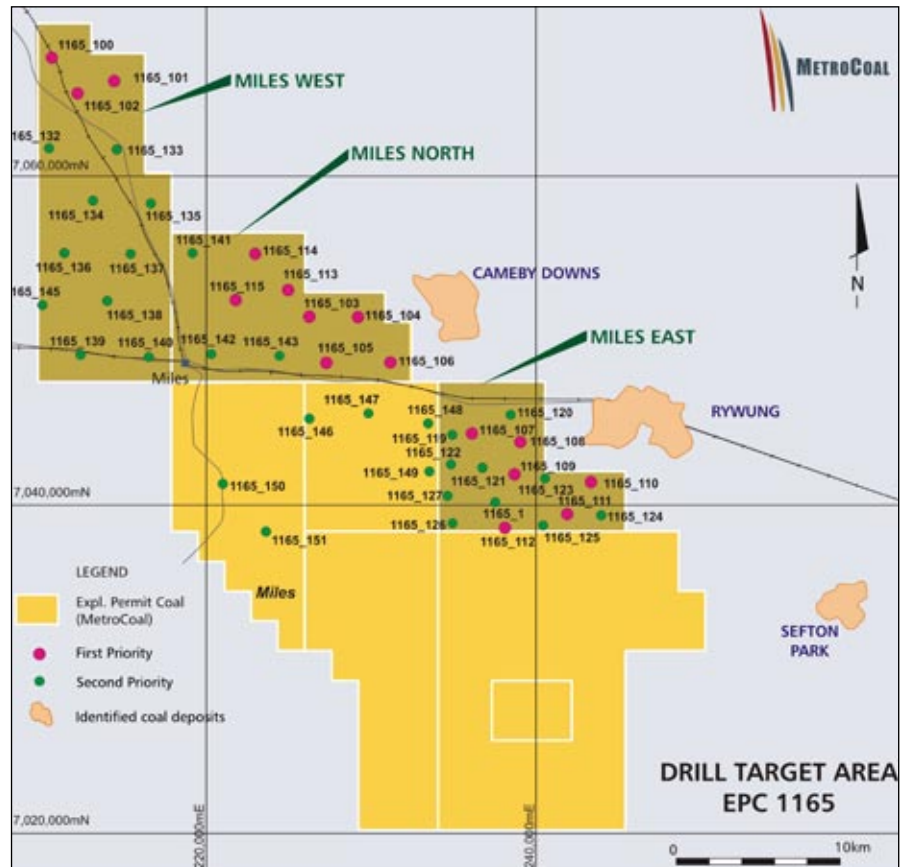


Figure 8: EPC 1165 Drill Target Area and Proposed Drill Holes

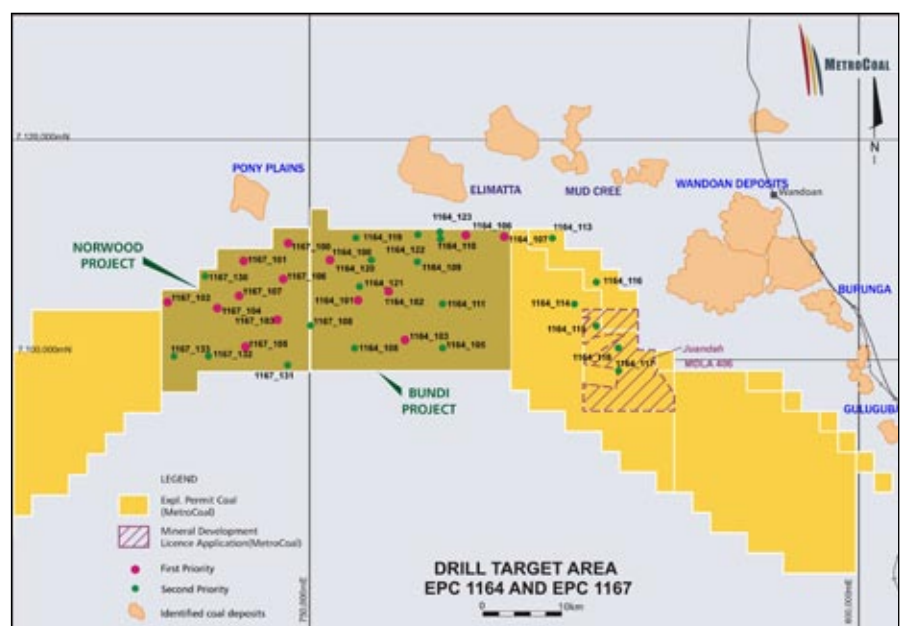


Figure 9 : EPC 1167 & EPC 1164 Bundi and Norwood Drill Target Area

Bauxite

Cape Alumina Ltd (MLM 33%)

Metallica has a strategic 33% shareholding (comprising 42.3 million ordinary shares) in Cape Alumina.

Cape Alumina Ltd (Cape) listed on the ASX (ASX:CBX) in January, 2009, on the back of its 100% ownership of the Weipa Bauxite project on Queensland's Cape York Peninsula (see Figure 10). Cape is a specialist bauxite (ore for aluminium) exploration and development company.

March Quarter Highlights

- ▶ Potential for early mining of Musgrave Bauxite deposit identified.
- ▶ Community information centre and Pisolite Hills project office to be established in Mapoon township.
- ▶ Environmental Impact Study (EIS) progresses for 2010 submission
- ▶ An Economic Impact Assessment (EIA) report finds the proposed Pisolite Hills bauxite mine and port project will boost GDP by \$1.2Billion in NVP terms, over the life of the project. Total employment impact of more than, 1,700 direct and indirect jobs to be created or sustained over the mine's 15 year life.

Exploration and Tenure

Cape Alumina controls 2,100 km² of tenements, including thirteen granted and four applications for Exploration Permits for Minerals, adjoining Rio Tinto mining leases in the Weipa Bauxite Province of Cape York, Queensland (Figure 10).

PISOLITE HILLS BAUXITE PROJECT

Field activities on the Pisolite Hills project have been limited to ongoing environmental monitoring programs due to the wet season.

PORT MUSGRAVE BAUXITE PROJECT

Initial investigations were commenced into the suitability of bauxite from the Musgrave deposit (EPM15984) (see Figure 12) for dry screening and also for sale as Direct Shipping Ore (DSO) as part of early stage infrastructure development for the Pisolite Hills Project. Initial modelling of the results shows an Indicated Resource of approximately 2.1Mt of bauxite with

an average grade of approximately 40% Trihydrate Available Alumina at 150°C (THA) and 7.5% Reactive Silica (RSI) on a dry product basis. This represents an approximate 50% increase in bauxite resources compared to the previous estimate, which was based on wet beneficiation, and provides potential for cost reduction. Further test work, analysis and market appraisal for this bauxite are underway.

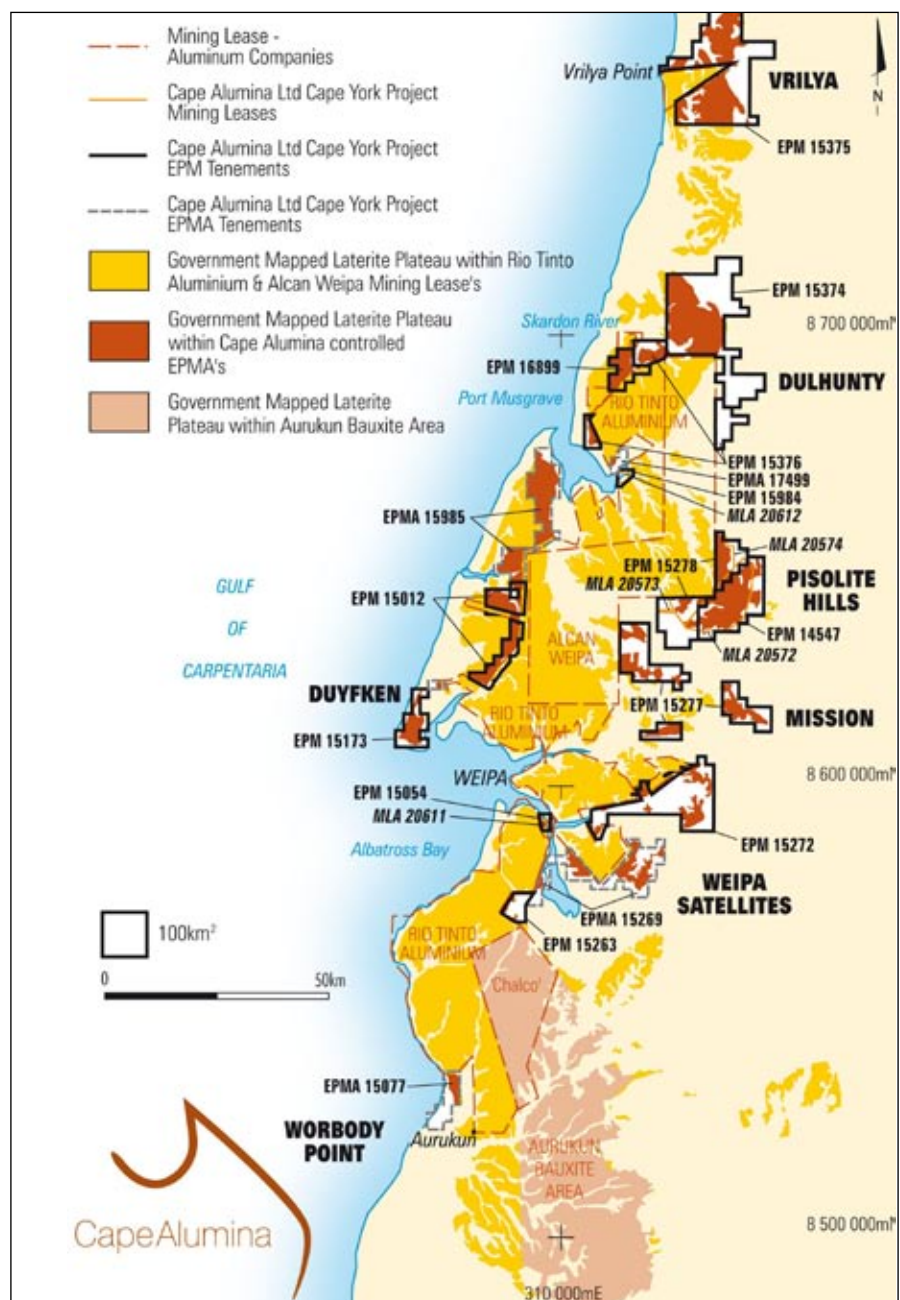


Figure 10 : Cape Alumina's Weipa Bauxite Project Tenements & Regional Setting

WESTERN CAPE YORK REGIONAL BAUXITE EXPLORATION

Planning is underway for exploration scout drilling to be undertaken on the Dulhunty project at Namaleta and on the Skardon prospects as well as on the Andoom North prospect during the June and September quarters.

Mapping of remotely sensed data in these areas indicates potential for a total of between 70 and 110Mt* of bauxite on a dry product basis, which could more than double the Company's existing resource base at Pisolite Hills.

*The potential quantity and grade of these deposits are conceptual in nature. There is insufficient information to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource in these areas.

Environment

WILD RIVERS

Cape Alumina is still waiting for the Queensland Government decision on the proposed declaration of the Wenlock River Basin as a Wild River Area.

Cape Alumina has called on the State to reduce the extent of the High Preservation Areas (HPA) around the minor tributaries and springs in the vicinity of Pisolite Hills to a maximum of 200m on the basis of detailed environmental studies.

Cape Alumina has appeared before the Senate Enquiry currently being undertaken in relation to the Wild Rivers legislation, and has presented an outline of the Pisolite Hills project, it's likely social and economic benefits and the likely impact on the project of the declaration of the Wenlock River Basin as a Wild Rivers Area. Cape Alumina advised the Senate Inquiry that a report by an independent hydrology expert, who was engaged by the State Government to assess submissions on the proposed Wild Rivers Area Declaration, agreed with Cape Alumina that the extent of the proposed HPA's in the vicinity of Pisolite Hills is unjustified and that mining bauxite here will have relatively little impact on the hydrology of the nearby springs. Scientific studies completed to date confirm that responsible and sustainable economic development of the Pisolite Hills project and environmental protection of



Figure 11 : Artists impression of the proposed Port Musgrave barge loading facility and bauxite stockpiles ready for export

the Wenlock River can both be achieved, provided the state government determines the extent of the HPA's on the basis of sound science.

Environmental Impact Statement (EIS)

The majority of independent environmental baseline studies and reports have been completed and preparation of the EIS Report is well advanced.

FEASIBILITY STUDY

Further work on the Pisolite Hills Bankable Feasibility Study (BFS) was deferred during the quarter pending the outcome of the proposed Wenlock River Basin Wild Rivers Area declaration and to allow the project team to focus on completion of the EIS.

During the quarter, scoping studies were concentrated on assessing the potential for integration of the Pisolite Hills construction phase and early mining from the Musgrave deposit, see Figures 11 & 12.

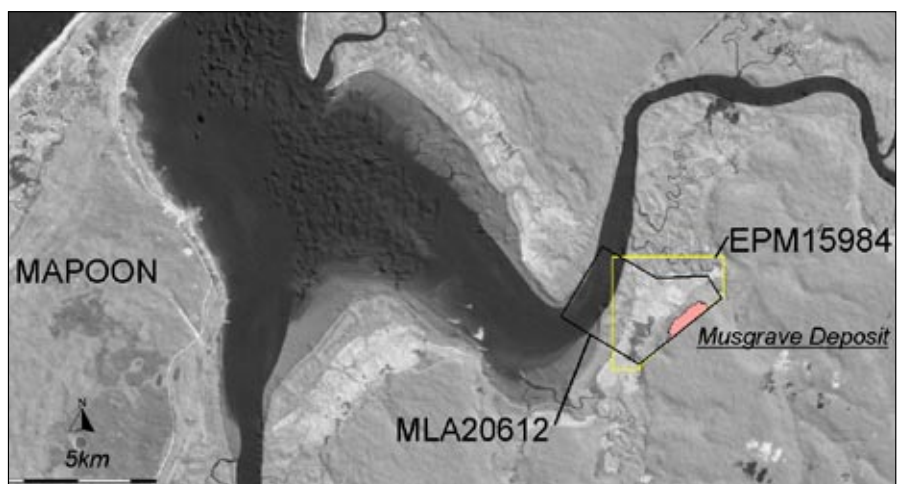


Figure 12 : EPM15984 Musgrave Deposit

It is proposed that the product bauxite will be loaded by FEL onto 100t capacity trucks and transported across a 1.8km long causeway to Port Musgrave where it will be dumped into a surge bin and transferred via a mobile conveyor/shiploader onto barges of 5,000 – 6,000 tonne capacity (see Figure 11). The barges will be pushed or towed by tugs to Handimax size (approximately 50,000 tonne capacity) export vessels moored offshore from Cullen Point. No dredging will be required for this operation.

It is estimated that export operations could commence from the Musgrave deposit within 3-4 months of grant of the Mining Leases. Mining and rehabilitation of the Musgrave deposit will be integrated with the construction of the mine village and project infrastructure.

Cultural Heritage and Community

During the March quarter, Cape Alumina leased office space in the newly constructed Mapoon Land and Sea Centre

at Mapoon. The office will be used as a base for Cape Alumina staff in the field and as the Pisolite Hills Community Information centre.

A video model presentation and an interactive physical model will be housed in the Community Information Centre together with other project related information. The office and community information centre will play a central role in Cape Alumina's community consultation program throughout the planning, commissioning, operation and decommissioning phases of the project. Office visitors will be able to view copies of the EIS, after it has been released for public comment, and inspect project plans, models and audio visual presentations.

Mapoon resident Daphne De Jersey was appointed Community Liaison Officer and Mapoon Office Manager.

A social impact questionnaire of the local community was undertaken during the quarter to assist in the Social Impact assessment being prepared for the EIS.

Over seventy people attended a community information meeting at Mapoon. Numerous meetings were held with government agencies.

Corporate

A recruitment program was initiated to fill a number of senior roles to move the company forward through the permitting phase of the Pisolite Hills project.

Financial

As at 31 March 2010, Cape Alumina Limited had funds on hand of approximately \$6.2 million.

Competent Persons Statement

Technical information relating to Cape Alumina Limited contained in this report has been compiled by Mr John Cameron who is a competent person and full time employee of Cape Alumina Limited and member of the Australasian Institute of Mining and Metallurgy with relevant experience to the mineralisation being reported on to qualify as a Competent Persons as defined by the Australasian Code for Reporting of Minerals, Resources and Reserves. Mr Cameron consents to the inclusion in this presentation of the matters based on the information in the form and context in which it appears.



Environmental monitoring, Wenlock River (approximately 10km Pisolite Hills Bauxite Project)

Planet Metals Limited

ASX:PMQ

MLM ~76%

- ▶ **Wolfram Camp Tungsten-Molybdenum Project**
- ▶ **Mt Cannindah Copper-Gold Project**

Metallica successfully acquired 76% of Planet Metals (ASX Code: PMQ) in mid-2009. Planet Metals is a Brisbane-based ASX-listed mining, development and exploration company, with a focus on tungsten, molybdenum, copper and gold. Key operations include the Wolfram Camp tungsten-molybdenum project (85% owned) and Mount Cannindah copper-gold project (100% owned) – both located in Queensland, see figure 13.

The **Wolfram Camp** project (located 90km west of Cairns, Qld) has a full scale 150,000tpa commercial processing plant and equipment under care and maintenance. Planet Metals continues to evaluate the project with a view to returning it to production. Results from an intensive resource drilling program are currently being assessed and a revised independent resource estimate due shortly.

The **Mount Cannindah** copper-gold project (located 100km south of Gladstone) has an existing total resource of 7.47million tonnes at 0.97% copper and 0.38g/t gold, of which 5.57million tonnes at 0.95% copper and 0.41g/t gold is in the Measured Resource category (see Table 2 on page 20). Work has commenced to compile and analyse all available historical exploration data relating to the mining leases and exploration permits in this large gold bearing porphyry

copper style system. A drill program to assess the depth potential of the project is planned in the near future.

The Company remains active in reviewing additional opportunities as they arise and also continues to discuss various growth options regarding its projects with potential partners.

As at 31 March 2010, the Company's cash position was \$1.417 million with a total of 59.7 million shares on issue.

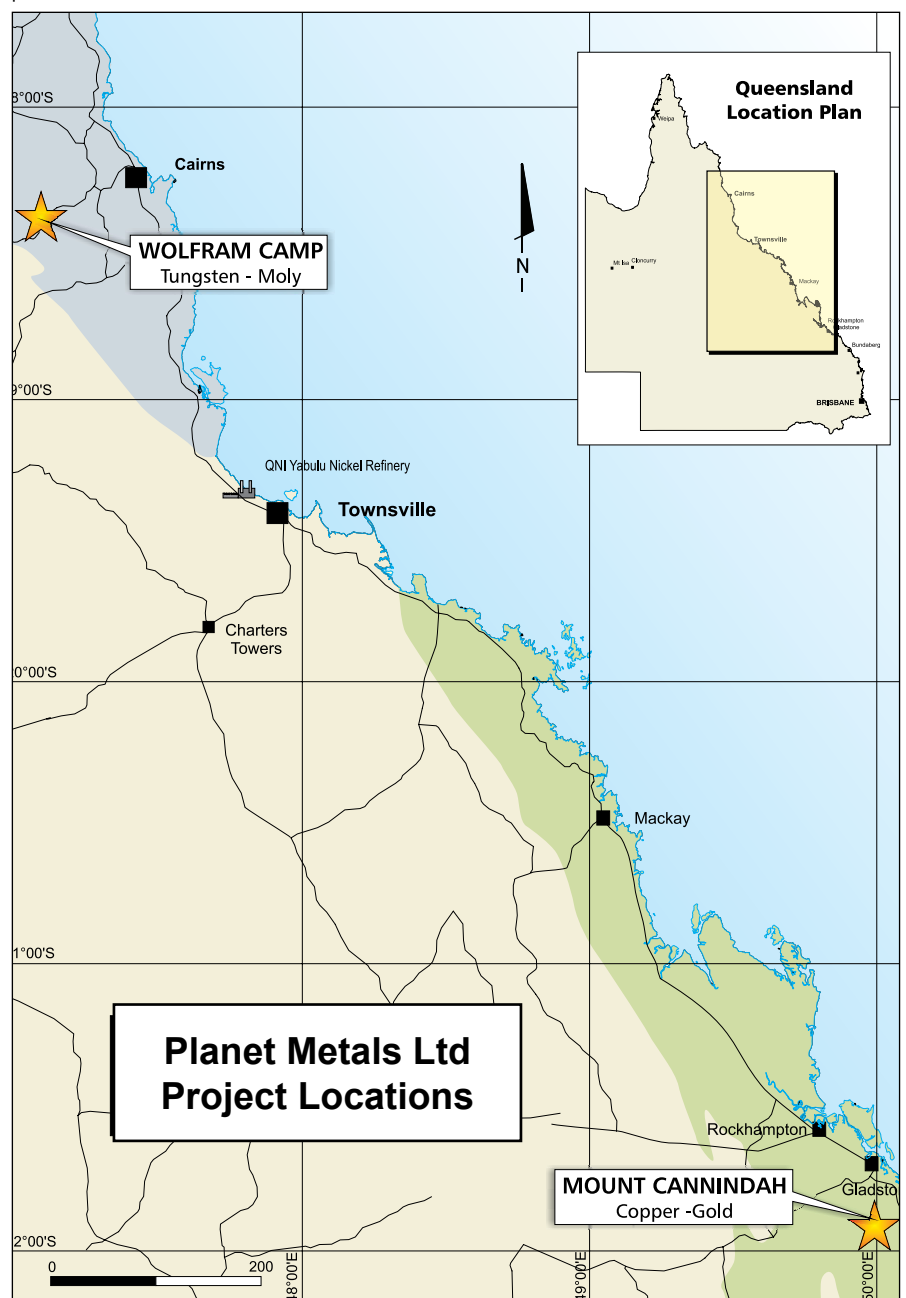


Figure 13 : Planet Metals Project Locations

March Quarter Highlights

- ▶ A 200 hole (4,840m) drill program was completed at Wolfram Camp with the aim to provide additional geological information for the calculation of a revised independent resource estimate. This estimate will be finalised shortly.
- ▶ Very encouraging ore sorting testwork results on the Wolfram Camp run of mine material for pre-concentration to enhance plant feed tungsten grade.
- ▶ Wolfram Camp continues to be evaluated with an ultimate view to re-commissioning the project's 150,000tpa processing plant.
- ▶ At Mount Cannindah, work has commenced to compile and analyse all available historical exploration data relating to this large gold bearing porphyry copper style system. Geological interpretation of key targets reveal similarities to the style of mineralisation at Newcrest's Cadia and Ridgeway deposits (NSW).
- ▶ A drill program is planned at Mount Cannindah to assess the depth potential of the existing resource base.
- ▶ At Bamford Hill (Planet earning up to 85%), compilation of historical exploration data and mapping was undertaken during the quarter. This work has identified key target zones which are currently being followed up.
- ▶ Brett O'Donovan was appointed CEO during the quarter to manage future developments of the Company and to advance its projects.

Wolfram Camp Operations (PMQ 85%)

(TUNGSTEN-MOLYBDENUM PROJECT, NEAR DIMBULAH, NORTH QUEENSLAND)

Wolfram Camp Drilling Program

All assay results were received during the quarter from the Wolfram Camp drilling program which was completed in early February 2010. In total, 45 diamond holes (for 2,269m) and 155 RC holes (for 2,571m) were drilled since the program commenced in September 2009. The drilling was designed to infill areas in the existing resource model where there was paucity of drilling data and to provide additional geological information for an updated resource model and estimate.

As a result of the wolframite and molybdenite mineralisation being erratic and often concentrated in narrow high grade zones, drill results revealed some extremely high grade intercepts. Best results included:

- 2m @ 26.3% WO₃ and 5.5% Mo from 2m (Hole BP-059)
- 1m @ 16.7% WO₃ and 2.2% Mo from 27m (Hole WCD-044)
- 2m @ 3.4% WO₃ and 0.1% Mo from 13m (Hole WCD-058)
- 3m @ 2.9% WO₃ and 0.04% Mo from 5m (Hole BP-018)

Full assay results are included in Planet Metals' ASX release dated 31 March 2010.

Wolfram Camp Resource Estimate

All assay, survey and geological data was compiled into a database and forwarded to Golder Associates (Brisbane) to undertake a revised independent resource estimate. The real benefit associated with this process is that the resource will be prepared independently and will hopefully provide the Company with greater confidence in the geology of the mineralisation. This estimate will be finalised shortly.

Activities Planned for the June Quarter 2010

- ▶ Obtain a revised independent resource estimate for the Wolfram Camp open pit area and further evaluate regional prospectivity
- ▶ Normal care and maintenance activities will continue at Wolfram Camp
- ▶ Preparation of a drill program targeting down dip extensions and new mineralisation below the Mount Cannindah mine Cu-Au resource
- ▶ Review of Mount Cannindah's regional prospectivity
- ▶ Fieldwork including soil sampling, rock chip sampling and mapping at Bamford Hill
- ▶ Continue investigations regarding alternative growth options for the Company's key projects

Care and maintenance activities continue at Wolfram Camp as Planet Metals continues to evaluate the project with a view to returning it to production.

X Ray Ore Sorting

Investigations continue on run of mine preconcentration via X Ray Ore Sorting in order to enhance mill feed grade. Preliminary sample testwork has indicated that a feed grade upgrade factor of 250% is achievable, milling only approximately 45% of the pre-sorted tonnes (Run-of-Mine Ore).

The Company has also identified a number of other key modifications which it proposes to implement to improve the performance of the project's 150,000tpa plant and equipment if the decision is made to resume production.

Mount Cannindah (PMQ 100%)

(COPPER-GOLD PROJECT, NEAR MONTO, SOUTH-EAST QUEENSLAND)

Planet Metals holds 100% of the Mount Cannindah copper-gold project which includes nine granted mining leases covering six square kilometres and two surrounding EPMS. The project includes a Measured Resource of 5.6Mt at 0.95% Cu and 0.4g/t Au (see Table 2) and several large mineralised prospects within a large porphyry copper-gold system.

Work has commenced to compile and analyse all available historical exploration data relating to the project's mining leases and exploration permits. This includes drill data relating to the 2008 resource estimate. The first phase of this work is nearing completion - assessment of the project will follow. Geological similarities to Newcrest Mining's Cadia and Ridgeway deposits (NSW) provide encouragement to test the down dip potential of the mineralisation as well as several other key targets.

The Board and Management of Planet Metals have a very high regard for the potential of this project and planning has commenced for a drill program in the near future. The existing resource base is outlined in Table 2 below.

Table 2: Mt Cannindah Resource Inventory (March 2008)

Category	Million tonnes	Cu %	Au g/t
Measured	5.57	0.95	0.41
Inferred	1.9	1.0	0.3
Total	7.47	0.97	0.38

The JORC compliant resource estimate was undertaken by Golder Associates Pty Limited and is based on the 25 diamond drillholes (DD) and 17 reverse circulation (RC) holes.

Bamford Hill (PMQ earning up to 85%)

(TUNGSTEN, MOLYBDENUM, TIN, LEAD, SILVER AND GOLD PROSPECT, 30KMS SW OF WOLFRAM CAMP)

Planet Metals is earning in to the highly mineralised W-Mo-Sn-Pb-Ag-Au Bamford Hill project (EPM 14028), 30km south west of Wolfram Camp. Compilation and mapping of historical exploration data was completed during the quarter. This work has identified key target zones which will be the subject of soil sampling, rock chip sampling and geological mapping in the current quarter. Fieldwork, incorporating XRF sampling, will commence shortly.

Corporate

Brett O'Donovan was appointed Chief Executive Officer during the quarter. The Board of Planet Metals believes the appointment of a CEO is an important and timely step for Planet Metals as it further progresses its key resource development projects and corporate objectives. Mr O'Donovan has held a number of senior management roles in the junior resource, stockbroking and funds management industries over the last ten years.

As of 31 March 2010, Planet Metals Ltd's cash balance was approximately \$1.42 million.

COMPETENT PERSONS STATEMENT

Technical information contained in this report relating to the Wolfram Camp and Bamford Hill projects has been compiled by Planet Metals Ltd Exploration Manager, Mr Pat Smith MSc. B.Sc(Hons) M.AusIMM who is a Competent Person and member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Smith has relevant experience in Mineralisation, Exploration Targets and Mineral Resources being reported on to qualify as a Competent Person as defined by the Australasian Code for Reporting of Minerals Resources and Reserves. Mr Smith consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

Technical information contained in this report relating to the Mount Cannindah project has been compiled and/or supervised by Mr Andrew Border and Dr Andrew Richmond, both of whom are members of the Australian Institute of Mining and Metallurgy (AusIMM). Dr Richmond, a full time employee of Golder Associates Pty Ltd was responsible for the resource block model and estimation. Mr Border was a full time employee of Planet Metals Limited and was responsible for all other aspects of the mineral resource estimate. Both Mr Border and Dr Richmond have sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which they have undertaken to qualify as Competent Persons as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Border and Dr Richmond consent to the inclusion of this information in the form and context in which it appears in this report.



Wolfram Camp Processing Plant

Zircon-Rutile

Weipa Heavy Mineral Sands (HMS) Project

MLM 100%

Through wholly owned subsidiary Oresome Australia Pty Ltd, Metallica holds 100% of three granted tenements (Urquhart Point, Jardine and Doughboy) and three tenement applications Jackson River, Jackson River 2 and newly applied Sandman 1, EPMA18377 (see Table 10 at the back of this report) targeting rutile and zircon in sand dunes and strandlines along the coast line near Weipa and Western Cape York Peninsula's coastline.

In 2008, an Indicated Resource of 2.8Mt @ 7.0% Heavy Mineral (HM) to a maximum depth of three metres was identified at the Urquhart Point deposit, three kilometres south-west of Weipa (see Figure 14). The valuable HMS suite is dominated by zircon and rutile, likely greater than 30% combined. There is a further 9km of coastline still to be tested within just the Urquhart Point tenement.

Exploration to date has defined a high grade zircon and rutile sand deposit (Urquhart Point) with significant strandlines extending over three kilometres to the South. The strandlines are characterized with an extremely low slimes content and minimal overburden. This provides excellent potential to form a project with relatively low capital and operating costs to produce a zircon – rutile concentrate.

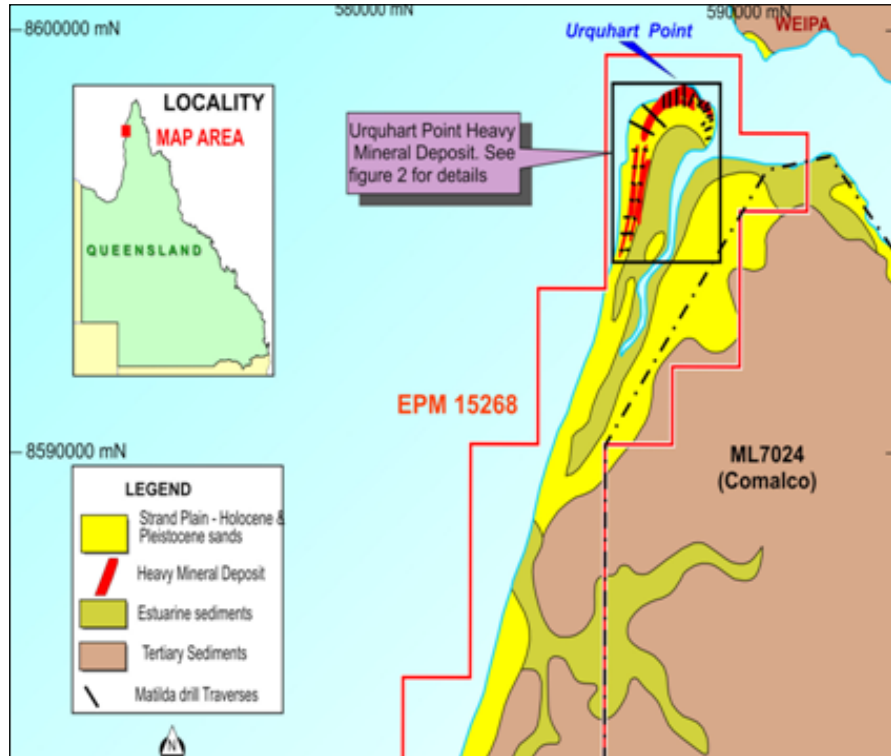


Figure 14 : Urquhart Point Heavy Mineral Sands Project

Competent Person Statement

The exploration comments have been prepared by Mr Roger Hobbs B. App. Sc. (Geophys & Geol), MAusIM, who was a Director of Matilda Minerals Limited (previously Oresome Australia Pty Ltd's joint venture partner), who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is to be undertaken to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hobbs consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Limestone Projects

Metallica 100%

Metallica owns six strategically located, high quality limestone projects comprising Ootann (near NORNICO), Star and Mt Podge (near Lucky Break & Townsville), Boyne and Fairview (both near Gladstone), and the Blue Rock deposit between Minnamoolka and Kokomo. A new EPM application (Craigie) has been placed over prospective ground for large high quality limestone deposits 65km SW of Greenvale near Dosey Creek.

OOTANN

Phoenix Lime Pty Ltd (a wholly owned subsidiary of Metallica) holds 240 hectares of mining leases covering a large high grade limestone deposit suitable for calcining and underpinning NORNICO's lime and limestone requirements.

FEASIBILITY

Metallica-Phoenix Lime has investigated the construction of a new lime kiln at the Ootann limestone quarry operation for the life span of the NORNICO nickel-cobalt project. To support this, a comprehensive drilling program was completed on site. Hole depth was kept to 25m with most holes finishing in high quality limestone. The results of this drilling program have been used to determine a resource compliant to the JORC code. (See Table 3 below).

Table 3: Ootann Limestone Deposit – Resource Categories

Category	Tonnes	% CaO
Measured	9,900,000	55.0
Indicated	14,300,000	54.7
Inferred	28,900,000	54.8
Total	53,100,000	54.8

FAIRVIEW

Results of the drilling program completed in the September Quarter have been assayed and this information has been collated to prepare a resource statement. In addition to the existing MDLA offered for grant, an

MLA has been placed over the Fairview Limestone deposit to ensure we are in a position to extract limestone at Fairview when the opportunity arises.

BOYNE

The two Boyne mining leases contain large high quality limestone deposits for crushed limestone and lime products suitable for markets in the Gladstone region. Proposed activities for 2010 include a drilling program for the purpose of defining a limestone resource within the Boyne SW mining lease.

STAR

No field work or activities have been undertaken recently. Should the Bowen Alumina Refinery proceed, CHALCO have revealed that they will require 50,000tpa of limestone for boiler desulphurisation, and limestone from Star River will be included in our supply proposal.

BLUE ROCK

This limestone deposit is conveniently located between Minnamoolka and Kokomo nickel deposits, approximately 60km from the proposed NORNICO nickel

operation. Stone samples assayed indicate outcropping limestone to be of high quality. It's Phoenix's intention to peg a mining lease encompassing this outcrop.

MOUNT PODGE

The Mount Podge EPM was granted in January 2009. The project is located 80km West of Townsville near the Herveys Range Road and close to the Star River mining lease. Proposed activities in 2010 include further drilling to confirm areas of high grade limestone identified in the drilling campaign completed in September 2009. This area has the potential to provide a significant quantities of high grade limestone product close to infrastructure.

Competent Persons Statement

The information contained in this report relating to mineral resources, was compiled by Brett H Duck who is a Fellow of the Australasian Institute of Mining and Metallurgy, and has five years of relevant experience in relation to the mineralisation being reported on, to qualify as a Competent Person as defined in the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Duck is a full time contract geologist with Bremar Minerals Pty Ltd. Mr. Duck consents to the inclusion of this information in the form and context in which it appears in this document.



Ootann Limestone Deposit and Limeworks

Exploring for Copper–Gold–Uranium on South Australian Targets

Metallica has earned a 75% interest in three IOCGU style targets

In mid 2009, Metallica signed a joint venture agreement with unlisted Adelaide based minerals explorer Salisbury Resources Ltd (Salisbury) and Metallica has now earned a 75% interest in three exploration tenements (Toby, Lake Torrens and Merna Mora). Within each of the three tenements, attractive Iron Oxide-Copper-Gold-Uranium (IOCGU) – Olympic Dam style targets have been identified. Metallica has also taken a \$100,000 cornerstone seed capital investment in Salisbury, and has to date injected approximately \$350,000 into exploration campaigns on the three Salisbury JV Projects.

The three IOCGU farm-in projects are:

- ▶ The 188km² EL 3402 (Toby), 65km east of Oodnadatta
- ▶ The 293km² EL 3630 (Merna Mora) 30km south-west of Hawker
- ▶ The 1,207km² EL 4118 and EL 4119 (Lake Torrens) project, 50km east of the Carrapateena IOCGU Cu-Au deposit.

The targets have coincident prominent gravity highs associated with interesting magnetic features under cover in a similar exploration setting to Olympic Dam, Carrapateena and Prominent Hill deposits. To date gravity surveys have been completed on the Merna Mora and Lake Torrens IOCGU projects, with targets identified.

In late 2009, the first deep drill hole (TB02 – 670m) in the Toby gravity feature and magnetic complex has been completed. Granite basement was reached at 240m with the hole predominately intersecting weak to moderately clay chlorite altered intrusives. Unfortunately no pervasive hematite or economic minerals were observed. As the gravity-magnetic target is very large there is still considerable scope for discovery with further drill testing.

No fieldwork or significant expenditure was expended on the SA projects during the March Quarter. A drilling program, including cultural heritage and landowner liaison is currently being prepared on the Merna Mora gravity-magnetic anomaly targets with drilling planned for the late June or September Quarters 2010.



Drilling 2009 - Toby Prospect EL 3402

Table 4: NORNICO Resource Summary (as at 29 April 2010)

Totals	Million Tonnes (Mt)	Ni (%)	Co (%)	Fe (%)	Mg (%)	Insitu Contained Ni Metal	Insitu Contained Co Metal
Bell Creek South	9.12	0.97	0.07	11.61	7.55	88,086	6,040
Bell Creek North	2.30	0.83	0.03	8.60	7.70	19,090	621
Bell Creek Northwest	3.07	0.77	0.05	15.70	5.20	23,639	1,443
The Neck	0.84	0.84	0.03	8.80	6.50	7,056	218
Minnamoolka	7.08	0.80	0.04	10.91	10.53	56,408	2,872
Kokomo	16.20	0.67	0.12	21.23	3.27	107,910	19,450
Greenvale Mine Site#	37.70	0.80	0.05	13.00	7.00	306,400	18,850
Lucknow##							
Totals	76.31	0.80	0.06	14.30	6.10	608,589	49,494

Table 5: NORNICO Resource Categories

Nickel Deposit	Million Tonnes (Mt)	Ni (%)	Co (%)	Fe (%)	Mg (%)	Insitu Contained Ni Metal	Insitu Contained Co Metal
Bell Creek South*							
Measured	8.85	0.97	0.07	11.70	7.50	85,845	5,930
Indicated	0.27	0.83	0.04	8.50	9.10	2,241	111
Totals	9.12	0.97	0.07	11.61	7.55	88,086	6,040
Bell Creek North							
Indicated	2.3	0.83	0.03	8.60	7.70	19,090	621
Totals	2.3	0.83	0.03	8.60	7.70	19,090	621
Bell Creek Northwest*							
Indicated	3.07	0.77	0.047	15.70	5.20	23,639	1,443
Totals	3.07	0.77	0.05	15.70	5.20	23,639	1,433
Minnamoolka*							
Indicated	5.92	0.8	0.044	11.30	10.60	47,360	2,605
Inferred	1.16	0.78	0.023	8.90	10.20	9,048	267
Totals	7.08	0.80	0.04	10.91	10.53	56,408	2,872
The Neck							
Indicated	0.84	0.84	0.026	8.80	6.50	7,056	218
Totals	0.84	0.84	0.03	8.80	6.50	7,056	218
Kokomo							
Measured	1.3	0.81	0.17	20.40	4.60	10,530	2,210
Indicated	11.7	0.66	0.12	21.90	3.20	77,220	14,040
Inferred	3.20	0.63	0.1	19.10	3.00	20,160	3,200
Totals	16.2	0.67	0.12	21.23	3.27	107,910	19,450
Greenvale Mine Site#							
Indicated	4.8	0.9	0.05	13.00	7.00	43,200	2,400
Inferred	32.90	0.8	0.05	13.00	7.00	263,200	16,450
Totals	37.7	0.81	0.05	13.00	7.00	306,400	18,850
Combined NORNICO Resource	Million Tonnes (Mt)	Ni (%)	Co (%)	Fe (%)	Mg (%)	Insitu Contained Ni Metal	Insitu Contained Co Metal
Measured	10.15	0.95	0.08	12.81	7.13	96,375	8,140
Indicated	28.90	0.76	0.07	16.03	5.88	219,806	21,438
Inferred	37.26	0.78	0.05	13.40	4.92	292,408	19,917
Totals	76.31	0.80	0.06	14.32	6.10	608,589	49,494

Resource estimates Calculated using a 0.70 Ni Eq COG (See MLM ASX announcement dated 29th January 2010). # Greenvale Resource Estimate calculated using a COG of 0.5% Ni (See Straits Resources Ltd ASX release dated 29th July 2009). The actual Fe and Mg values for the Greenvale Resource are were not estimated, however it is expected that the Fe content and Mg content will be approximately 13% and 7 % respectively. ## Currently drilling the Lucknow deposit - resource estimate due out mid year. Rounding may lead to inconsistencies if multiplying figures in tables

Tenement schedule (as at 31 March 2010)

Nickel-Cobalt Projects

Table 6

Tenement	Project Name	Holder/ Applicant	Status (expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
ML 4187	Bell Creek North Lease	NORNICO Pty Ltd	Granted (29/2/2020)	71.35 Ha	Ni, Co	N/A
ML 4188	Bell Creek South Lease	NORNICO Pty Ltd	Granted (29/2/2020)	98.11 Ha	Ni, Co	N/A
ML 10324	Dingo Dam	NORNICO Pty Ltd	Granted (28/02/2026)	36.17 Ha	Ni, Co	N/A
ML 10332	Lucky Break	NORNICO Pty Ltd	Granted (30/11/2027)	241.7 Ha	Ni, Co	N/A
MLA 10342	Kokomo	NORNICO Pty Ltd	Application	3593.07 Ha	Ni, Co	N/A
MLA 20549	Bell Ck Consolidated	NORNICO Pty Ltd	Application	2145 Ha	Ni, Co	N/A
MDL 387	Minnamoolka	NORNICO Pty Ltd	Granted (30/6/2013)	654.26 Ha	Ni, Co	\$100,000
EPM 10235	Minnamoolka	NORNICO Pty Ltd	Granted (8/9/2011)	5	Ni, Co	\$60,000
EPM 10699	Kokomo	NORNICO Pty Ltd	Granted (21/8/2013)	21	Ni, Co, Sc, Au	\$100,000
EPM 11285	Bell Creek	NORNICO Pty Ltd	Granted (27/8/2011)	8	Ni, Co	\$50,000
EPM 14066	Greenvale South	NORNICO Pty Ltd	Granted (22/08/2009)*	48	Ni, Co, PGE	\$50,000
EPM 14070	Greenvale North	NORNICO Pty Ltd	Granted (22/08/2009)*	65	Ni, Co, Cu, Au	\$50,000
EPM 14101	Mt Garnet South	NORNICO Pty Ltd	Granted (22/12/2010)	80	Ni, Co, Au, PGE	\$60,000
EPM 14181	Lucky Downs	NORNICO Pty Ltd	Granted (22/08/2009)*	18	Ni, Co, Cu	\$40,000
EPM 14273	Moonmyata	NORNICO Pty Ltd	Granted (22/12/2012)	8	Ni, Co, Au, PGE	\$50,000
EPM 14381	Greenvale South #2	NORNICO Pty Ltd	Granted (14/12/2009)*	15	Ni, Co, Cu	\$50,000
EPM 14518	Mt Garnet South #2	NORNICO Pty Ltd	Granted (7/3/2010)*	56	Ni, Co, Au, Cu	\$60,000
EPM 14608	Pinnerendi	NORNICO Pty Ltd	Granted (16/6/2010)#	12	Ni	\$60,000
EPM 14987	Sandy Creek	NORNICO Pty Ltd	Granted (8/11/2010)#	50	Ni, Co, Au, U.	\$40,000
EPM 15198	Kinrara	NORNICO Pty Ltd	Granted (26/9/2011)	67	Ni, Co, PGE, Cu	\$50,000
EPM 15924	Gunnawarra	NORNICO Pty Ltd	Granted (7/12/2011)#	6	Mg	\$13,000
EPMA 17892	Lockup Well	NORNICO Pty Ltd	Application	1	Ni, Co	\$15,000
EPMA 17893	Broken River South	NORNICO Pty Ltd	Application	3	Ni, Co	\$20,000
EPMA 18167	Canooka	NORNICO Pty Ltd	Application	22	Ni, Co	\$20,000
EPM 18175	Pinnacles Consolidated	NORNICO Pty Ltd	Granted (22/2/2015)	21	Ni, Co	\$50,000
EPMA 18167	Canooka	NORNICO Pty Ltd	Application	22	Ni, Co	\$20,000
EPMA 18175	Pinnacles Consolidated	NORNICO Pty Ltd	Application	21	Ni, Co	\$50,000

Greenvale - Nickel Cobalt Three Rivers Projects

Table 7

Tenement	Project Name	Holder/ Applicant	Status (expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPM 10680	Lucknow North	Greenvale Operations Pty Ltd	Granted (31/12/2010)+	3	Ni, Co	\$60,000
EPM 10866	Lucknow South	Greenvale Operations Pty Ltd	Granted (31/12/2010)+	4	Ni, Co	\$60,000
EPM 11223	Dinner Creek	Greenvale Operations Pty Ltd	Granted (31/12/2010)+	7	Ni, Co	\$61,000

Gold and Base Metals

Table 8

Tenement	Project Name	Holder/ Applicant	Status (expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPM 13873	Six Mile	NORNICO Pty Ltd	Granted (10/12/2009)*	51	Gold, Copper	\$70,000

Limestone Projects

Table 9

Tenement	Project Name	Holder/ Applicant	Status (expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
ML 10276	Star River Limestone	Metallica Minerals Ltd	Granted (30/4/2023)	18.54 Ha	Limestone	N/A
ML 80131	Boyne Limestone NE	Metallica Minerals Ltd	Granted (30/4/2027)	54.40 Ha	Limestone	N/A
ML 80132	Boyne Limestone SW	Metallica Minerals Ltd	Granted (30/9/2027)	52.70 Ha	Limestone	N/A
EPM 13423	Boyne Limestone	Metallica Minerals Ltd	Granted (1/1/2011)	4	Limestone	\$15,000
EPM 13756	Fairview Limestone	Metallica Minerals Ltd	Granted (10/12/2011)#	2	Limestone	\$10,000
EPM 14042	Fairview Extended	Metallica Minerals Ltd	Granted (23/10/2012)#	2	Limestone	\$60,000
EPM 17018	Mt Podge	Phoenix Lime Pty Ltd	Granted (12/2/2014)	4	Limestone	\$25,000
EPMA 18253	Craigie	Phoenix Lime Pty Ltd	Application	16	Limestone	\$20,000
MDL 394	Fairview	Metallica Minerals Ltd	Granted (31/8/2014)	776.6 Ha	Limestone	Nil
MLA 80162	Fairview	Metallica Minerals Ltd	Application	692.8 Ha	Limestone	N/A
ML 4788	Crotty 1	Phoenix Lime Pty Ltd	Granted (31/1/2026)	2.023 Ha	Limestone	N/A
ML 4789	Crotty 2	Phoenix Lime Pty Ltd	Granted (31/1/2026)–	2.023 Ha	Limestone	N/A
ML 5079	Crotty	Phoenix Lime Pty Ltd	Granted (30/4/2025)	25.95 Ha	Limestone	N/A
ML 5372	Crotty 3	Phoenix Lime Pty Ltd	Granted (31/1/2013)	210 Ha	Limestone	N/A

Zircon–Rutile–Mineral Sands

Table 10

Tenement	Project Name	Holder/ Applicant	Status (expiry date)	No. Sub Block	Commodity Targeted	Min. Annual Expenditure
EPM 15268	Urquhart Point	Oresome Australia Pty Ltd	Granted (24/10/2012)	24	Rutile, Zircon, HMS	\$30,000
EPMA 15370	Jackson River	Oresome Australia Pty Ltd	Offered for grant	14	Rutile, Zircon, HMS	\$15,000
EPM 15371	Doughboy	Oresome Australia Pty Ltd	Granted (28/9/2014)	16	Rutile, Zircon, HMS	\$15,000
EPM 15372	Jardine	Oresome Australia Pty Ltd	Granted (28/9/2014)	45	Rutile, Zircon, HMS	\$15,000
EPMA 18015	Jackson River #2	Oresome Australia Pty Ltd	Offered for grant	3	Rutile, Zircon, HMS	\$15,000
EPMA 18377	Sandman #1	Oresome Australia Pty Ltd	Application	63	Rutile, Zircon, HMS	N/A

Note:-

All tenements 100% held unless expressed otherwise

(*) Renewal pending

#) Surrender pending

(+) Assignment approved 1st April 2010

PGE = Platinum Group Elements

HMS = Heavy Mineral Sands

EPM = Exploration Permit for Minerals

EPMA = Application for Exploration Permit for Minerals

ML = Mining Lease

MLA = Application for Mining Lease

MDL = Mineral Development Licence

MDLA = Mineral Development Licence Application

Appendix 5B



Phoenix Lime—Ootann Limestone Quarry

Appendix 5B

Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity	
Metallica Minerals Limited	
ABN	Quarter ended ("current quarter")
45 076 696 092	March 31, 2010

Consolidated statement of cash flow

	Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	162	196
1.2	Payments for		
	(a) exploration and evaluation	(503)	(3,488)
	(b) development		
	(c) production	(45)	(147)
	(d) administration	(402)	(1,487)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	159	576
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(584)	(584)
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(1,213)	(4,934)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	(650)
	(b) equity investments		
	- Shares in Salisbury Resources Limited and East West Corporation	-	(120)
	- Shares in Planet Metals Limited	-	(1,516)
	(c) other fixed assets	(260)	(260)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities – Orion Metals Limited	-	(100)
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material) -Loan and IPO costs Metrocoal	-	(125)
	Net investing cash flows	(260)	(2,771)
1.13	Total operating and investing cash flows (carried forward)	(1,473)	(7,705)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Cash in MetroCoal Limited included in balance at 30/09/2009 but not subsequently as separately listed	-	(860)
	Net financing cash flows	-	(140)

	Net financing cash flows (brought forward)	-	(140)
	Net increase (decrease) in cash held	(1,473)	(7,565)
1.20	Cash at beginning of quarter/year to date	10,250	16,342
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,777	8,777

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	102
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	

Non-cash financing and investing activities

		Current quarter \$A'000
2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	

Financing facilities available

Add notes as necessary for an understanding of the position

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	1,300
4.2	Development	
	Total	1,300

Reconciliation of cash

	Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows	Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	2,022	599
5.2	Deposits at call	6,755	9,651
5.3	Bank overdraft		
5.4	Other (provide details)		
	Total: cash at end of Quarter (item 1.22)	8,777	10,250

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EPM 17707	EPM	EPM	Nil
		EPM 14658	EPM	EPM	Nil
6.2	Interests in mining tenements acquired or increased	EPM 18275	EPM	EPMA	EPMA
		EPMA 18253	EPMA	Nil	EPMA

Issued and quoted securities at end of current quarter

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference + securities (description)				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	121,740,917	121,740,917		
7.4	Changes during quarter (a) Increases through issues Escrow Release (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities (description)				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,100,000 Unlisted Options		Exercise price 65 cents	Expiry date 28 September 2012
		2,400,000 Unlisted Options		35 cents	12 February 2012 (only vest if still employed on 12 February 2011)

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.8	Issued during quarter	2,400,000 Unlisted Options		35 cents	12 February 2012 (only vest if still employed on 12 February 2011)
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: April 29, 2010

(Director/Company secretary)

Print name: JOHN KEVIN HALEY

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, AASB 1022: Accounting for Extractive Industries and AASB 1026: Statement of Cash Flows apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.



A Queensland focused multi-commodity
resource company

ASX:MLM

Subsidiary companies:

NORNICO Pty Ltd ACN 065 384 045
Oresome Australia Pty Ltd ACN 071 762 484
Lucky Break Operations Pty Ltd ACN 126 272 580
MetroCoal Limited ABN 45 117 763 443
Phoenix Lime Pty Ltd ACN 096 355 761
Greenvale Operations Pty Ltd ACN 139 136 708
Scandium Pty Ltd ACN 138 608 894