



## ASX/MEDIA RELEASE

4 AUGUST 2011

### METALLICA MOVES TO 100% OF NORNICO SCANDIUM

Metallica Minerals Limited (ASX: "MLM") has taken full control and ownership of all scandium deposits contained within the Company's broader NORNICO tri-metals project in North Queensland.

Metallica has today executed an agreement to acquire (with settlement expected tomorrow) from Straits Resources Limited ("Straits"), the remaining 20% interest in the NORNICO scandium rights it previously did not own.

This delivers Metallica 100% of all the scandium within the NORNICO tri-metal nickel-cobalt-scandium project including the large, high grade Kokomo and Lucknow scandium deposits in the southern portion of the NORNICO project area. The Project's JORC compliant Resources are included in Metallica's Quarterly Report for the period ended 30 June 2011 released to the ASX on 27 July 2011.

Metallica is currently preparing for the feasibility study into the development of NORNICO where it is targeting first mining from 2014, subject to a favourable feasibility study.

The consideration for the scandium acquisition from Straits is A\$1,858,649 (excluding GST), which will be satisfied by the issuance of 3,400,000 fully paid ordinary escrowed shares in Metallica, and options to acquire shares as detailed below. The shares are subject to a one year escrow.

Metallica will also issue Straits with 1,000,000 options to acquire shares in Metallica at an exercise price of 50 cents each, with the options being exercisable for 2 years from the date of grant. The terms will also see Straits issued with a further 1,000,000 options to acquire shares in Metallica at an exercise price of 70 cents upon Metallica advising Straits in writing, or Metallica making an announcement to the ASX, that a decision to mine either the Kokomo deposit or the Lucknow deposit has been made (the Vesting Date). These options will expire on the date being 3 years from the Vesting Date.



**Metallica Managing Director, Mr Andrew Gillies:**

“The acquisition of Strait’s scandium interest delivers the dual benefit leading into our feasibility study of full ownership now of the project’s significant scandium potential, while completing Metallica’s strategic transition to total ownership of the whole project – covering nickel-cobalt and scandium.

“Combined with the recent appointment of Mr Gavin Becker as our new CEO, the separate worth of the Company’s substantial direct ASX-listed investment portfolio (with a current market value in excess of A\$70 million) - and healthy cash position after our recent underwritten A\$4.6 million (after expenses) rights issue, Metallica is in a very healthy shape to now take our projects forward, and for NORNICO, specifically to maintain the development and permitting path towards mine commissioning, subject to a favourable feasibility study.”

**FURTHER INFORMATION:**

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