9 November 2010

ASX Announcement

Greenvale Nickel–Cobalt Project (Qld)
Phase 2 Drilling Update

- 175 additional drill holes for 4,000m completed at Greenvale
- 6 PQ diamond holes for 189m completed at Greenvale and Lucknow for bulk density and metallurgical purposes
- Additional 2,000 – 3,000m drilling to be completed, expected to be finished late this month
- Assay results for the first 100 holes received (GVM 418 to 517)
- Zones of high grade Nickel & Cobalt intersected outside current resource boundaries
- Updated resource estimate due mid December

A second phase of drilling has commenced at Metallica Minerals Limited's (ASX code" MLM") wholly owned Greenvale nickel-cobalt mine site approximately 170km NW of Townsville in northern Queensland. The drilling is aimed at identifying additional Nickel–Cobalt resources outside the current resource boundaries. To date 175 RC and Aircore holes have been drilled at Greenvale for 4,000m of which assay results have been received for the first 100 holes (GVM418 to 517). Better results received to date include:

The Power Line:

GVM 425, 11m @ 1.25% Ni and 0.09% Co (1.43% NiEq[1])from 22m
GVM 432, 8m @ 1.49% Ni and 0.14% Co (1.77% NiEq) from 36m
GVM-434, 10m @ 1.53% Ni and 0.04% Co (1.61% NiEq) from 35m
GVM-440, 11m @ 2.00% Ni and 0.17% Co (2.34% NiEq) from 39m

The Powder Magazine

GVM-448, 14m @ 1.28% Ni and 0.11% Co (1.50% NiEq) from 3m
GVM-451, 6m @ 0.87% Ni and 0.37% Co (1.61% NiEq) from 2m

Moonscape

GVM-472, 5m @ 1.58% Ni and 0.07% Co (1.72% NiEq) from 0m
GVM-475, 8m @ 1.22% Ni and 0.28% Co (1.78% NiEq) from 2m
GVM-495, 16m @ 1.22% Ni and 0.44% Co (2.10% NiEq) from 0m
GVM-503, 14m @ 1.39% Ni and 0.13% Co (1.65% NiEq) from 23m
GVM-507, 8m @ 2.63% Ni and 0.17% Co (2.97% NiEq) from 2m

[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

The Phase 2 drilling is concentrated on the two main zones of high grade Ni – Co mineralisation (The Power Line and The Edge) identified by the Phase 1 drilling completed in July this year. Holes are also being drilled at the Moonscape and Powder Magazine areas where initial drilling has intersected high grade Ni-Co mineralisation close to the surface.

Scandium values for the holes drilled at Greenvale in the Phase 2 drilling program have returned values of between 20–50 g/t Sc and average approximately 35 g/t.

A complete list of drill hole results for holes GVM-418 to 517 is provided in **Table 3** at the back of this report and the location of the holes at Greenvale to date are included as **Figure 2.**

The current Greenvale Indicated and Inferred resource stands at 4.5Mt @ 1.12% Ni and 0.08% Co (1.28% NiEq) with a higher grade zone of 1.43Mt at 1.39% Ni and 0.11% Co (1.61 % NiEq), see **Tables 1 and 2** for the breakdown of the resource categories. The Phase two drilling is targeted at potentially increasing the current resource by between 1Mt to 1.5Mt at comparable grades.

In addition to the RC drilling at Greenvale, Metallica has also completed six PQ diamond drill holes for 189m at the Greenvale and Lucknow deposits. The diamond holes were drilled to obtain samples for bulk density determinations, metallurgical testwork and XRD and petrological studies. It is likely that with the additional bulk density data received from the diamond drilling, the resources which were previously classified as Indicated may be re-classified as Measured in the updated resource estimate due out in mid December.

Future Work

Work planned for Greenvale to the end of 2010 includes:

- Drilling an additional 150 holes for 4,000m
- Survey pick up of all Phase-2 drill holes
- Survey of existing pit outlines
- Greenvale and Lucknow resource update

For further information

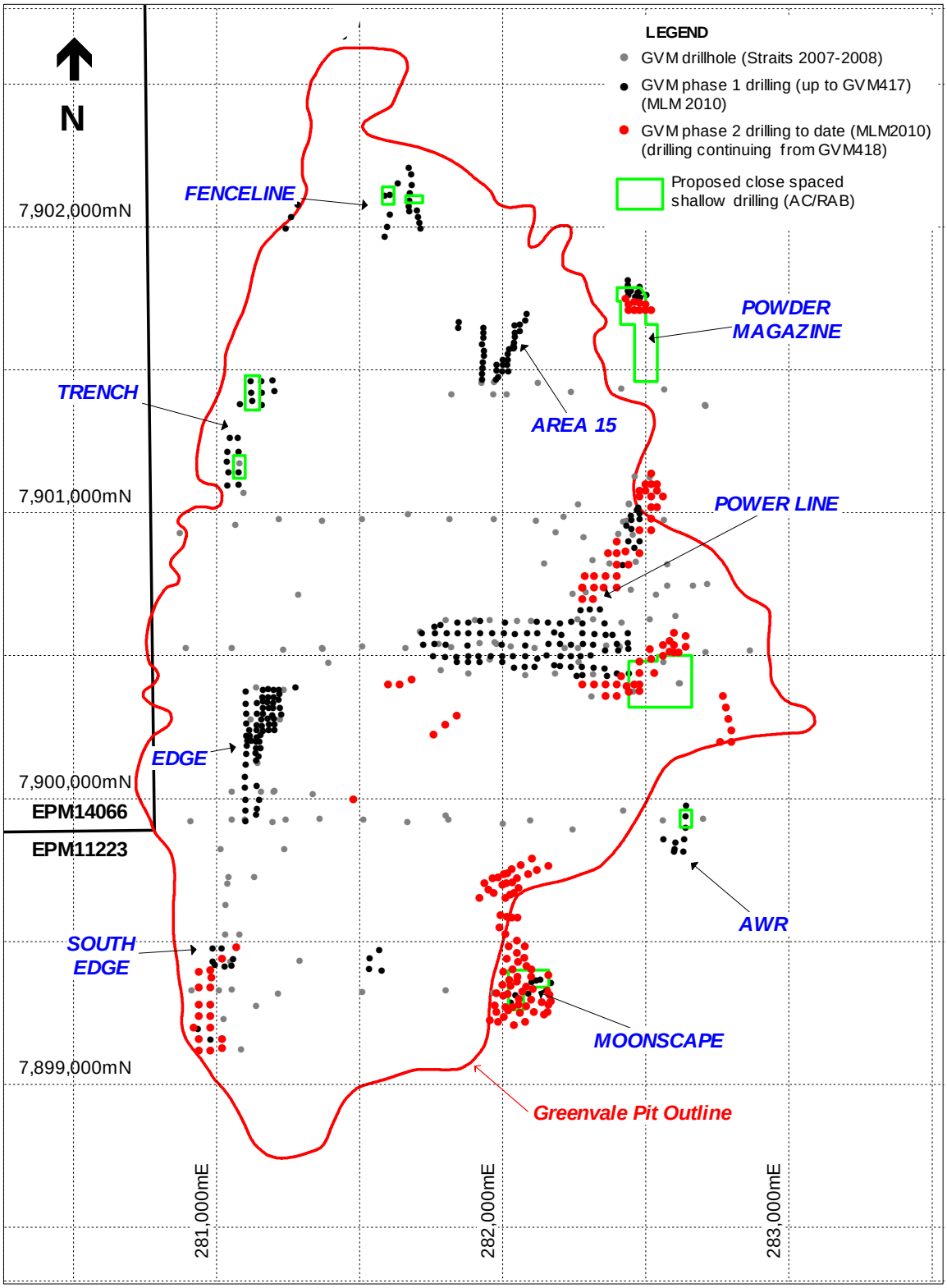
Andrew Gillies
Managing Director
Metallica Minerals Limited
(07) 3891 9611

Kevin Skinner
Partner
Field Public Relations
(08) 8234 9555 or 0414 822 631

RC Drilling at the Edge – Greenvale Mine Site

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

Figure 2: Greenvale Mine Site – Drill Hole Locations



GREENVALE NICKEL MINE SITE
DRILLHOLE LOCATIONS

TABLE 1: GREENVALE Ni-Co RESOURCE (SEPTEMBER 2010)
(USING A 0.70% NiEq COG)

CLASSIFICATION	Mt	Ni %	Co %	NiEq %	Fe %	Sc g/t
Indicated	3.2	1.16	0.08	1.31	22.0	35
Inferred	1.3	1.03	0.09	1.21	23.0	39
Total	**4.5**	**1.12**	**0.08**	**1.28**	**23.0**	**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 may 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.

TABLE 2: GREENVALE Ni-Co RESOURCE (SEPTEMBER 2010)
(USING A 1.40% NiEq COG)

CLASSIFICATION	Mt	Ni %	Co %	NiEq %	Fe %	Sc g/t
Indicated	1.10	1.42	0.11	1.63	22.0	33
Inferred	0.33	1.23	0.15	1.52	24.0	40
Total	**1.43**	**1.39**	**0.11**	**1.61**	**22.0**	**34**

Table 3: Greenvale Project - Assay results GVM-418 to GVM-517

Hole Number	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-418	NSR								
GVM-419	NSR								
GVM-420	**6**	**11**	**5**	**1.24**	**0.15**	**19**	**12.61**	**8.42**	**1.54**
GVM-421	NSR								
GVM-422	NSR								
GVM-423	**0**	**3**	**3**	**1.35**	**0.32**	**49**	**32.43**	**3.88**	**1.99**
GVM-424	NSR								
GVM-425	**22**	**33**	**11**	**1.25**	**0.09**	**35**	**21.98**	**6.43**	**1.43**
inc	**26**	**32**	**6**	**1.48**	**0.02**	**15**	**11.36**	**10.40**	**1.52**
GVM-426	25	27	2	1.12	0.04	50	13.60	5.02	1.20
GVM-427	NSR								
GVM-428	50	56	6	0.96	0.09	29	24.98	4.47	1.15
GVM-429	16	26	10	0.94	0.14	37	28.79	3.73	1.21
GVM-430	**14**	**21**	**7**	**1.18**	**0.14**	**36**	**27.60**	**5.37**	**1.46**
GVM-431	NSR								
GVM-432	**0**	**3**	**3**	**1.43**	**0.04**	**23**	**16.60**	**6.14**	**1.51**
and	**36**	**50**	**14**	**1.28**	**0.09**	**31**	**22.28**	**3.58**	**1.46**
inc:	**36**	**44**	**8**	**1.49**	**0.14**	**40**	**28.10**	**3.58**	**1.77**
GVM-433	34	36	2	0.47	0.24	41	6.85	3.07	0.95
and	41	46	5	1.37	0.10	25	13.02	8.71	1.58
GVM-434	**35**	**45**	**10**	**1.53**	**0.04**	**37**	**18.90**	**5.90**	**1.61**
GVM-435	27	33	6	0.64	0.13	70	27.20	1.14	0.90
and	**35**	**39**	**4**	**1.41**	**0.05**	**38**	**16.91**	**5.58**	**1.51**
GVM-436	**34**	**38**	**4**	**1.21**	**0.14**	**33**	**28.15**	**3.45**	**1.49**
and	**40**	**50**	**10**	**1.29**	**0.17**	**52**	**30.01**	**4.77**	**1.63**
GVM-437	Hole Adandoned								
GVM-438	**39**	**50**	**11**	**1.43**	**0.07**	**28**	**18.75**	**3.21**	**1.57**
GVM-439	**27**	**35**	**8**	**1.23**	**0.09**	**32**	**24.29**	**5.58**	**1.41**
GVM-440	**39**	**50**	**11**	**2.00**	**0.17**	**25**	**19.86**	**4.62**	**2.34**
GVM-441	**43**	**51**	**8**	**1.32**	**0.12**	**52**	**41.19**	**3.65**	**1.56**
GVM-442*	**40**	**43**	**3**	**1.78**	**0.27**	**25**	**17.16**	**4.01**	**2.32**
GVM-443	46	54	8	1.21	0.09	59	42.30	2.51	1.39
GVM-444	21	26	5	0.88	0.20	56	33.00	1.56	1.28
	31	**42**	**11**	**1.39**	**0.07**	**41**	**28.60**	**4.64**	**1.53**

Hole Number	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-445	NSR								
GVM-446	NSR								
GVM-447	1	16	15	0.91	0.07	23	15.21	4.70	1.05
GVM-448	**3**	**17**	**14**	**1.28**	**0.11**	**39**	**23.39**	**5.42**	**1.50**
GVM-449	14	23	9	1.19	0.07	43	27.23	4.38	1.33
GVM-450	NSR								
GVM-451	**2**	**8**	**6**	**0.87**	**0.37**	**42**	**27.68**	**1.44**	**1.61**
GVM-452	3	32	29	0.81	0.13	43	27.41	2.57	1.07
GVM-453	8	18	10	1.03	0.09	54	37.09	3.37	1.21
GVM-454	NSR								
GVM-455	6	23	17	0.73	0.3	20	15.69	2.2	1.33
GVM-456	13	30	17	0.91	0.23	29	21.01	2.35	1.37
GVM-457	**16**	**33**	**17**	**0.96**	**0.14**	**31**	**21.03**	**3.59**	**1.24**
inc:	**16**	**19**	**3**	**1.09**	**0.14**	**48**	**32.37**	**20.30**	**1.37**
	26	**29**	**3**	**1.28**	**0.18**	**27**	**21.90**	**4.17**	**1.64**
GVM-458	11	16	5	1.00	0.12	40	28.84	1.84	1.24
and	20	23	3	0.56	0.20	23	17.43	2.45	0.96
GVM-459	11	33	22	0.66	0.23	25	19.56	1.99	1.12
inc:	**22**	**26**	**4**	**0.71**	**0.42**	**23**	**18.97**	**2.77**	**1.55**
GVM-460	13	20	7	0.71	0.24	25	25.90	0.67	1.19
GVM-461	**13**	**17**	**4**	**1.21**	**0.17**	**41**	**30.95**	**3.07**	**1.55**
and	20	27	7	0.65	0.13	24	17.34	3.68	0.91
GVM-462	12	19	7	0.73	0.19	63	33.76	1.55	1.11
GVM-463	NSR								
GVM-464	0	4	4	0.98	0.15	25	18.02	4.56	1.28
and	**8**	**10**	**2**	**1.50**	**0.11**	**30**	**20.70**	**5.89**	**1.72**
GVM-465	**0**	**7**	**7**	**1.13**	**0.28**	**31**	**22.47**	**3.38**	**1.69**
and	25	31	6	1.15	0.03	16	15.66	4.88	1.21
GVM-466	0	12	12	0.99	0.12	33	22.10	4.25	1.23
inc	0	8	8	1.14	0.09	38	24.95	5.22	1.32
GVM-467	5	9	4	0.99	0.05	28	21.95	6.19	1.09
GVM-468	NSR								
GVM-469	**1**	**3**	**2**	**1.17**	**0.31**	**48**	**28.55**	**1.85**	**1.79**
and	**6**	**8**	**2**	**1.10**	**0.26**	**102**	**33.35**	**3.11**	**1.62**
GVM-470	NSR								
GVM-471	NSR								
GVM-472	**0**	**5**	**5**	**1.58**	**0.07**	**29**	**21.66**	**5.66**	**1.72**

Hole Number	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-473	4	10	6	1.20	0.04	19	17.47	8.83	1.28
GVM-474	**2**	**8**	**6**	**1.21**	**0.14**	**28**	**23.42**	**2.60**	**1.49**
and	**18**	**20**	**2**	**1.32**	**0.09**	**28**	**19.55**	**7.13**	**1.50**
GVM-475	**2**	**10**	**8**	**1.22**	**0.28**	**29**	**20.53**	**3.05**	**1.78**
GVM-476	**0**	**5**	**5**	**1.02**	**0.28**	**27**	**16.36**	**2.12**	**1.58**
GVM-477									
GVM-478									
GVM479	5	8	3	1.20	0.03	17	10.93	6.19	1.26
and	23	26	3	1.10	0.04	24	17.60	5.07	1.18
GVM-480	2	5	3	1.22	0.05	17	12.17	4.81	1.32
GVM-481	**0**	**5**	**5**	**1.09**	**0.18**	**48**	**32.10**	**3.03**	**1.45**
and	9	14	5	1.09	0.04	18	12.88	2.66	1.17
GVM-482	4	8	4	0.96	0.13	51	30.65	2.60	1.22
GVM-483	4	9	5	1.16	0.15	46	28.50	3.46	1.46
GVM-484	**17**	**21**	**4**	**1.44**	**0.03**	**24**	**16.65**	**10.27**	**1.50**
GVM-485	4	10	6	1.16	0.06	12	12.28	2.94	1.28
GVM-486	21	24	3	1.05	0.02	15	11.11	6.22	1.09
GVM-487	NSR								
GVM-488	NSR								
GVM-489	11	13	2	1.22	0.08	28	21.20	8.71	1.38
GVM-490	2	4	2	1.32	0.08	41	28.45	3.83	1.48
GVM-491	NSR								
GVM-492	5	10	5	1.12	0.04	26	19.60	9.76	1.20
GVM-493	4	6	2	1.33	0.09	30	18.35	3.05	1.51
GVM-494	0	2	2	1.17	0.09	14	12.25	3.86	1.35
GVM-495	**0**	**16**	**16**	**1.22**	**0.44**	**40**	**29.17**	**2.59**	**2.10**
inc:	**0**	**4**	**4**	**1.59**	**0.87**	**5**	**36.22**	**1.08**	**3.33**
GVM-496	0	3	3	0.68	0.13	22	17.73	2.31	0.94
GVM-497	0	22	22	0.91	0.12	25	19.85	3.70	1.15
inc:	**9**	**13**	**4**	**1.15**	**0.17**	**32**	**23.30**	**4.73**	**1.49**
GVM-498	NSR								
GVM-499	NSR								
GVM-500	NSR								
GVM-501	0	5	5	0.91	0.13	40	23.30	3.46	1.17
and	26	32	6	0.96	0.03	16	11.66	3.82	1.02
GVM-502	0	8	8	0.95	0.08	32	20.30	4.88	1.11

Hole Number	From	To	Intercept	Ni (%)	Co (%)	Sc (ppm)	Fe (%)	Mg (%)	NiEq %
GVM-503	**15**	**18**	**3**	**1.16**	**0.04**	**61**	**41.40**	**0.73**	**1.24**
and	**23**	**37**	**14**	**1.39**	**0.13**	**24**	**15.66**	**4.38**	**1.65**
GVM-504	15	17	2	1.07	0.06	58	45.35	0.48	1.19
GVM-505	29	41	12	0.87	0.14	40	27.72	5.40	1.15
GVM-506	NSR								
GVM-507	**2**	**10**	**8**	**2.63**	**0.17**	**21**	**16.76**	**5.30**	**2.97**
GVM-508			0						
GVM-509			0						
GVM-510	9	12	3	1.10	0.03	15	10.13	3.91	1.16
GVM-511	NSR								
GVM-512	1	4	3	0.98	0.08	57	40.50	1.63	1.14
GVM-513	3	5	2	1.07	0.06	66	47.20	0.49	1.19
GVM-514	NSR								
GVM-515	5	10	5	1.19	0.02	25	16.43	7.85	1.23
GVM-516	6	8	2	1.25	0.02	20	13.95	7.03	1.29
GVM-517	7	7	0	1.06	0.03	22	15.35	5.61	1.12

NSR - No Significant results, i.e No Intercept of > 1% NiEq over a two meter interval