
Jilin moves to 15% stake in Metallica Minerals Limited

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Metallica Minerals Limited announce that China's second largest nickel producer, Jilin HOROC Nonferrous Metal Group Co Ltd has increased its holding in the Australian diversified resource company to just over 15%.

This follows a recent off-market transaction under which Jien Mining Pty Ltd an Australian based subsidiary of Jilin acquired 14 million ordinary shares in Metallica from Kagara Ltd. Kagara retains approximately 5.72 million MLM shares.

Jien had previously acquired approximately 3.25 million shares in MLM. The latest share purchase increases Jien's holding now to approximately 17.25 million shares or 15.1% of Metallica's issued capital, becoming MLM largest shareholder as a result.

Jilin controls Jilin Jien Nickel Industry Co Ltd a large scale nonferrous metals enterprise integrated with mining, smelting and chemicals with total assets of CNY 4.8 billion. In 2008 Jilin Jien Nickel's revenue was CNY 1.82 billion a profit of CNY 275 million and had 4,600 full time employees. The Company listed on the Shanghai Stock Exchange in 2003 and its Market Capitalization as of April 14th 2009 was CNY 11.7 billion.

Jilin Jien Nickel is one of the world's largest enterprises producing nickel sulphate. Its main products include nickel sulphate, nickel matte, electrolytic nickel, nickel hydroxide, nickel chloride, copper sulphate, copper concentrate, sulphuric acid and a range of established high quality "JIEN" brand products. Jilin Jien Nickel also has major interests in nickel-cobalt mining, project development, nickel and cobalt processing technologies and nickel cobalt products a portfolio of assets and expertise which is complimentary to Metallica's minerals focus in Queensland.

Kagara has been an investor in Metallica for a number of years and its subscription funding was important in enabling Metallica to grow, following its ASX debut late in 2004. Metallica is currently bidding to take over Queensland Ores Limited on the basis of 1 MLM share for every 22 QOL shares, which if achieved, will see the merged group control:

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