EAST RENISON EL 05/2002

ANNUAL REPORT
FOR THE PERIOD ENDING 9th MAY 2013

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Rosebery Report No:	ER04

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1. SUMMARY

Reassessment of the exploration strategy of EL05/2002 has been made this year from a Nickel driven strategy to a Pb-Zn-Ag strategy to progress activities on the lease. Current assessments are ongoing on the Pieman/Salmon Deposits to provide an easily accessible opportunity for progress to feasibility study.

Late in the period a drilling program commenced at the Salmon Deposit with two holes completed (for 323 metres) and a third in progress for a total of 350 metres.

INTRODUCTION

Extensive previous exploration by others has been undertaken in selected areas within EL 05/2002, such as tin mineralisation known as the Pieman Deposit, Pb-Zn-Ag mineralisation known as the Salmon Deposit and the Cu-As skarn zones on Colebrook Hill.

Late in the period MMG commenced drilling at the Salmon Deposit.

2. LAND TENURE

Exploration Licence EL 05/2002, East Renison, straddles the Murchison Highway between the town of Rosebery and the Renison Mine in Western Tasmania (Figure 1) and has an area of 24 km². The status of land covered by EL 05/2002 is varied and

includes Crown Land, HEC Land, Informal Reserve (Renison Bell Regional Reserve), and State Forest.

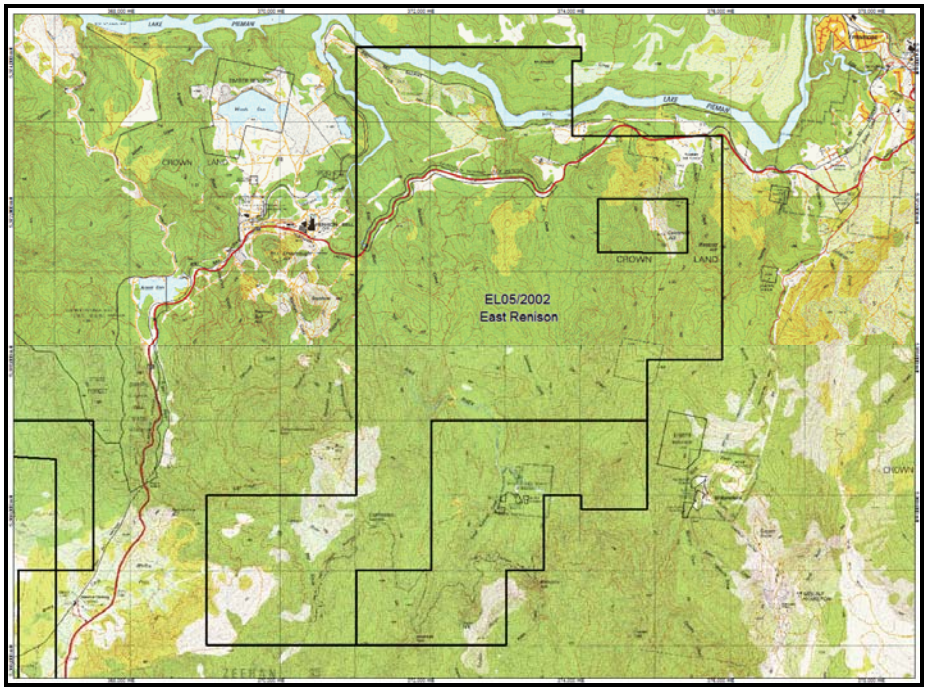


Figure 1: EL05/2002 Regional Location Map (GDA94)

3. GEOLOGY

EL 05/2002 is interpreted to cover a sequence of Cambrian sediments, cut by two belts of highly magnetic Cambrian mafic/ultramafic rocks intruded and altered by Devonian-Carboniferous granite (Figure 2). The granite forms an ENE trending ridge at approximately one kilometre depth and connects to granite outcrops at Pine Hill in the west and Granite Tor in the east.

Intrusion of the granite has resulted in extensive alteration of the adjacent sediments and mafic-ultramafic belts, ranging from contact metasomatism adjacent to the granite to more distal alteration, caused by migrating hydrothermal fluids. The ultramafics, which were probably pyroxenites, were altered to dark-green serpentinite carrying abundant magnetite. Gabbros, particularly associated with the western ultramafic, were extensively altered to talc-carbonate. This alteration appears most intense around structural zones (faults) cutting the gabbro. Calcareous sediments were extensively altered to marbles and garnet rich skarns.

Allegiance Mining NL also considered the area as geologically analogous to the Avebury mine area and considered the East Renison EL as prospective for Avebury-style remobilised nickel sulphide deposits.

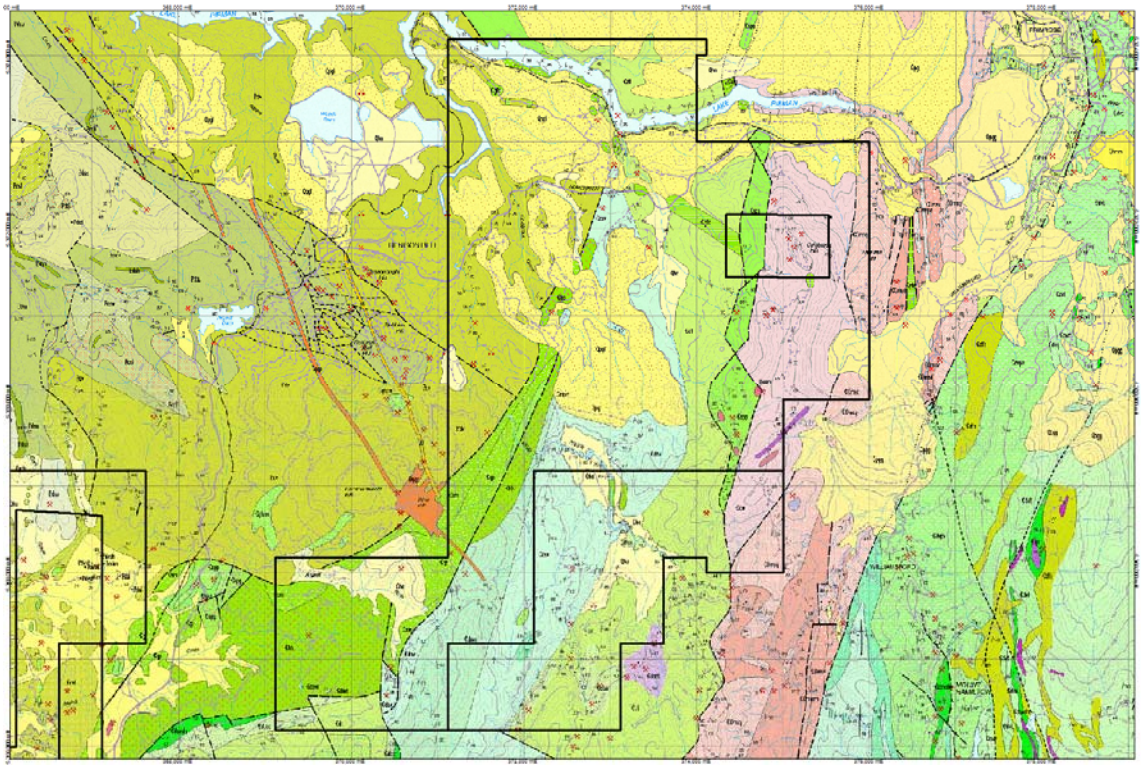


Figure 2: EL05/2002 overlaid on 1:25K MRT Geology (Dundas:Rosebery Sheets)

4. PREVIOUS EXPLORATION

Previous exploration has been well compiled in the 2012 annual report, the reader is referred to that report for details.

5. CURRENT EXPLORATION

The initial stages of a desktop review regarding the Salmons Zn/Pb deposit was carried out during the period of tenure. This deposit has the potential to supplement ore at the Rosebery mine. It was found that the existing East Renison database was incomplete and had to be updated to fully review the further potential of existing mineralisation. During the reporting period this data has been captured and migrated into MMG's GBis database so it could be extracted to create 3D models of the project area.

The Salmon Deposit was initially explored by Comstaff during the early 1980's, where fifty holes were drilled for a total of 18,308.4m. Thirty of the drillholes intersected mineralisation in three main coalescing Pb/Zn/Sn/Ag veins. The veins are oriented sub-vertical to vertical, and strike approximately north south along a 1.5km zone.

Work from Comstaff delineated three main zones of mineralisation that are separated by post mineralisation faulting.

- The Pieman Sn vein in the north striking NW
- The Salmons Pb/Zn vein in the middle striking NS

- Salmons vein in the south striking NNE

Planned drillholes

The proposed initial drill program will focus on the Salmons Pb/Zn vein located in the central zone of the area of interest.

Proposed drillholes for the initial program in 2013 have been strategically located to determine the validity of existing holes, and to test for extensions to existing mineralisation. Planned drillholes will fill in gaps in existing drilling and in addition examine the potential mineralised zone closer to the surface.

There is scope within the project to complete additional drillholes and test mineralisation to the north of the current area of interest.

Ongoing visual logging of the drillholes will help determine potential of further mineralisation and the need for additional testing upon completion of the initial program.

The proposed drilling program for the Salmons prospect is illustrated in Figure 3. A long section from 373000mE shown in Figure 4 illustrates where the planned drillholes will intersect the Salmons vein.

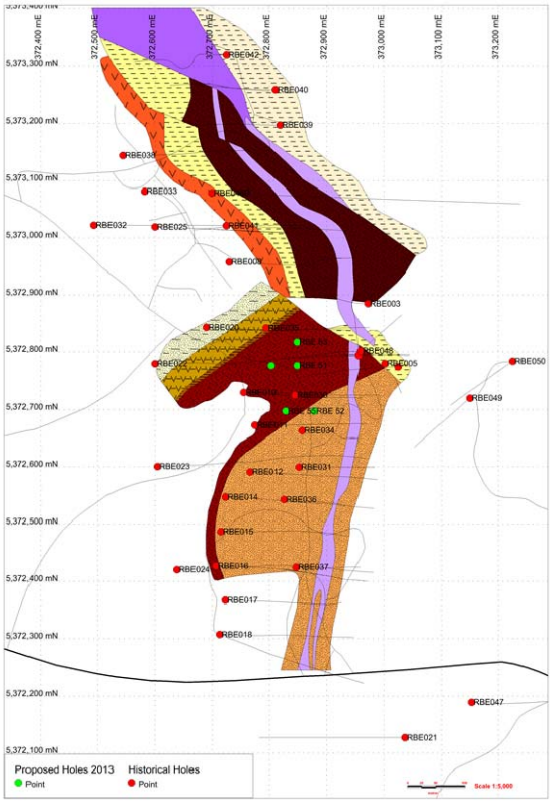
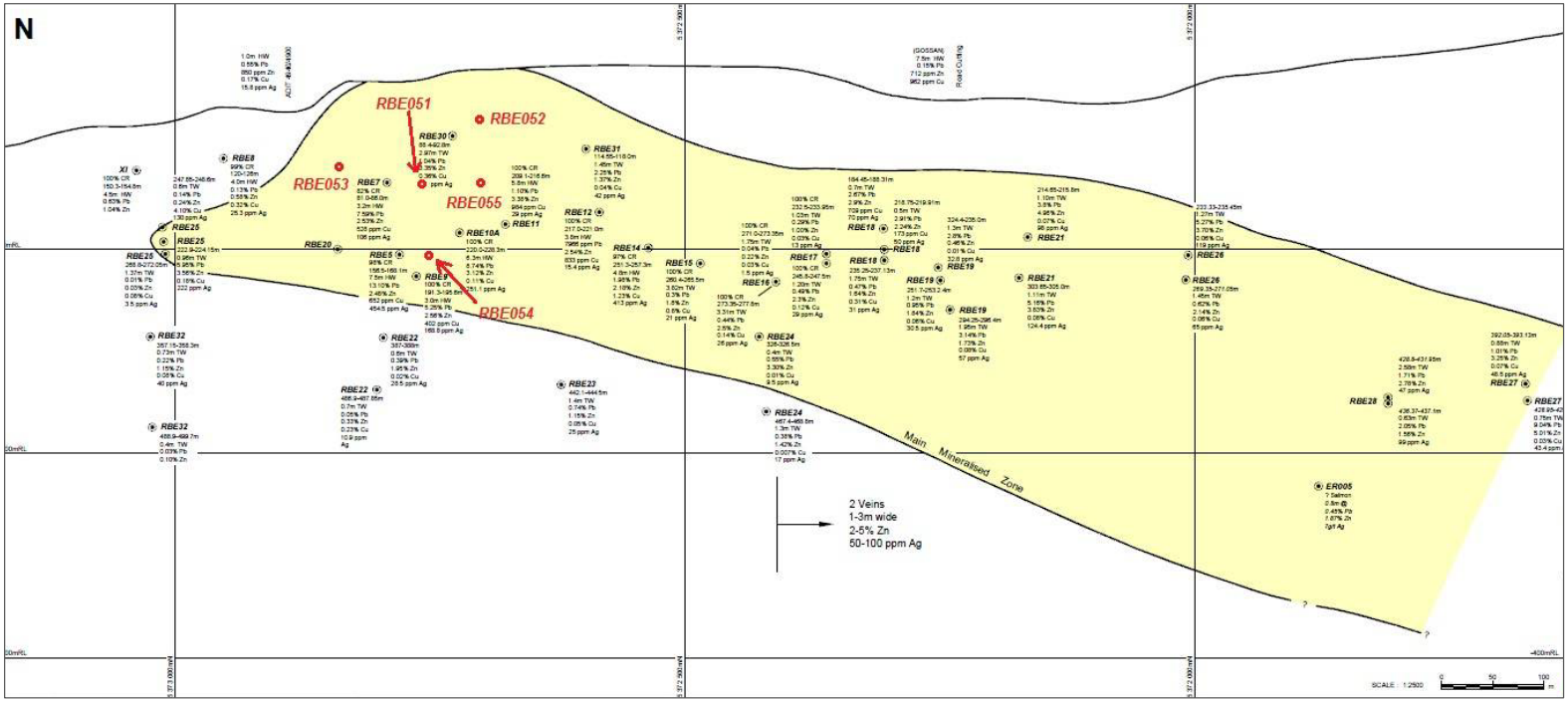


Figure 3 – Location of proposed and historical drillholes at the Salmons prospect.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Main Mineralised Zone
2 Veins
1-3m wide
2-5% Zn
50-100 ppm Ag
SCALE : 1:2500

Figure 4 – Long section at 373000mE, historical drillholes in black and proposed drillholes in red, The Salmons vein mineralisation is outlined in yellow. Illustrates approximate position of planned intersections with vein.

Results to date

RBE055 was completed on Monday the 18th March with EOH @ 214.4m.

Significant intersections with visual estimates are as follows:

136.6 – 142.0m – 3-5% galena, 1-2% sphalerite and 0.5% chalcopyrite within quartz carbonate veins in the black shale and;

181.4 – 185.5m with 3-5% chalcopyrite within quartz carbonate veins at the black shale/talc carbonate contact.

RBE052 was completed on Friday the 29th March with EOH @ 122.1m.

Significant intersections with visual estimates are as follows:

93.0 – 93.5m – Quartz/carbonate with galena 3-5%, sphalerite 3-5% both fine to medium grained semi-massive.

95.9 – 96.3m – Quartz/carbonate vein with galena 5%, sphalerite 5-7% both medium grained semi-massive to massive.

100.4 – 104.5m – Quartz/carbonate vein with pyrrhotite 20-25%, arsenopyrite 15-20%, chalcopyrite 2-3% patchy with minor zones of semi-massive up to 10%.

RBE054 is still currently drilling as of Friday 5th April was @ 30m with no significant intersections to date.

6. CONCUSIONS AND RECOMMENDATIONS

Drilling will continue at the Salmon Deposit with three additional holes to be completed, including the current hole. All metadata associated with this drilling will be supplied to MRT at next annual report.

This drilling will be assessed and if warranted further drilling will be completed.

7. ENVIRONMENTAL

No new roads were created for the drilling program with all holes of existing track. Minor track rehabilitation work was completed.

8. EXPENDITURE

Expenditure on EL5/2002 East Renison for the year ending was approximately;

Salaries	AUD	39,873.55
Drilling Consumables	AUD	877.43
Drilling Diamond	AUD	70,004.03
Mtce Cont - Labour	AUD	13,570.00
Env/Rehab Consum	AUD	12,535.00
T'ment Rentals	AUD	1,168.82
Taxi fares	AUD	72.15
Airfares (Domestic)	AUD	5,601.95
Database Management	AUD	4,645.45
TOTAL		**148,348.38**