EAST RENISON EL 05/2002

Relinquishment Report
FOR THE PERIOD ENDING 9th MAY 2014

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1. SUMMARY

MMG and previously Allegiance Mining have explored the East Renison tenement for both nickel and basemetal mineralisation since 2002.

Allegiance Mining completed 7 holes for 3893 metres predominantly testing nickel targets but also testing the Salmons basemetal / tin lode. In 2009 Allegiance Mining was purchased by MMG via Zinifex and OZ Minerals.

MMG has completed a four hole 693.8 metre diamond drilling program at the Salmon Lode. This drilling failed to confirm a viable resource for processing at the Rosebery Mill and subsequently the tenement is relinquished.

This report briefly describes exploration completed during the life of the tenement and more details are provided in the relevant annual report.

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 tenement was held by Eastren Pty Ltd until the 21st March 2014 when it was transferred to MMG Exploration Pty Ltd.

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.

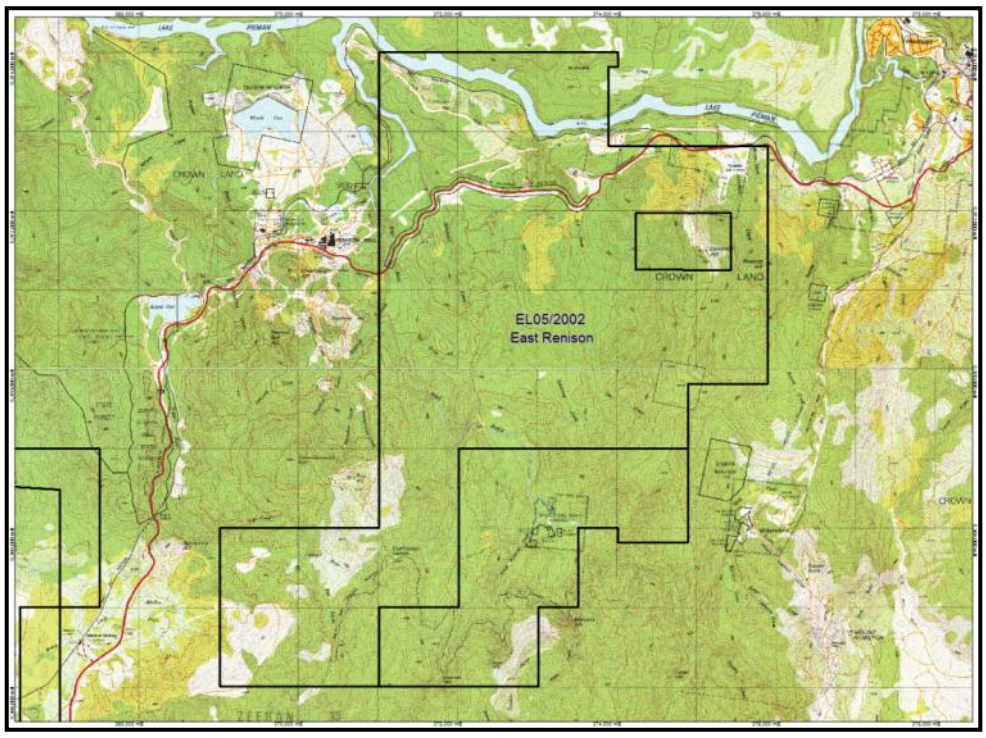

Figure 1: EL05/2002 Regional Location Map (GDA94).

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.

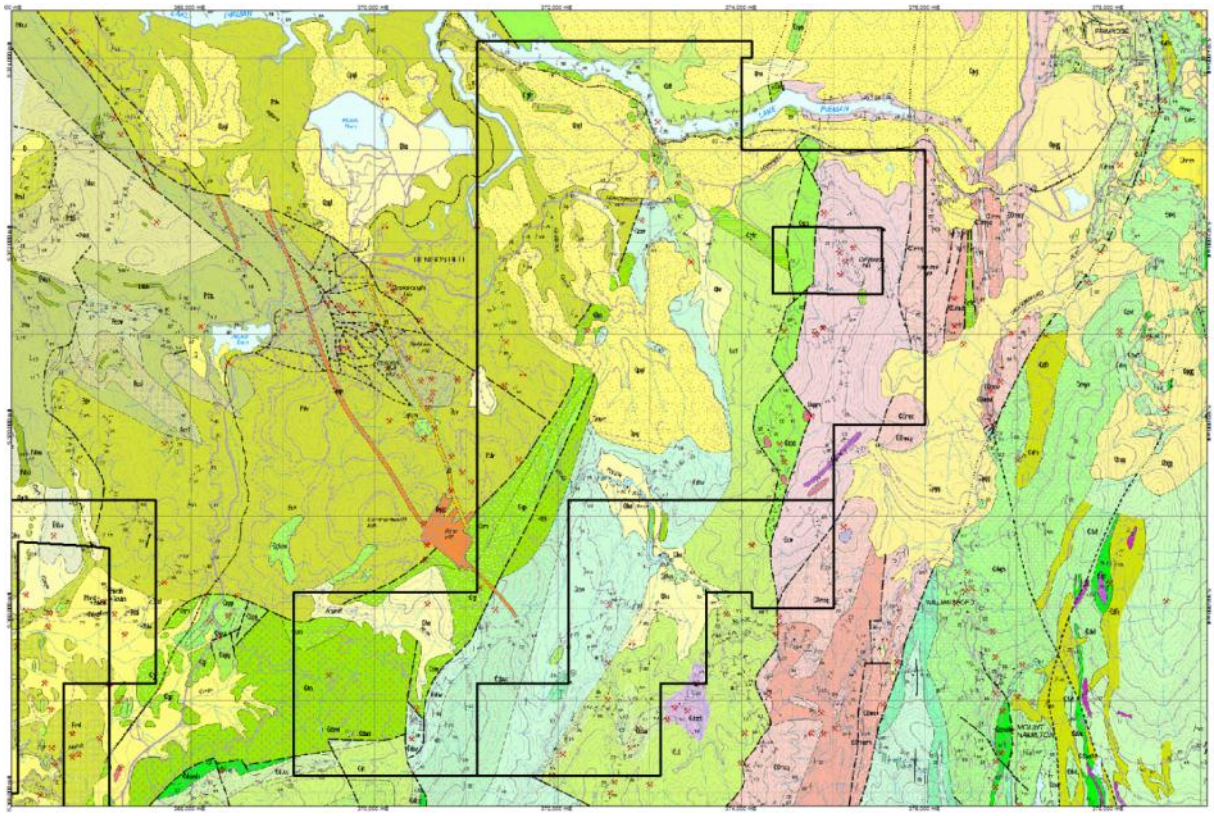

Figure 2: EL05/2002 overlaid on 1:25K MRT Geology (Dundas: Rosebery Sheets).

4. PREVIOUS EXPLORATION

4.1 Work conducted by Allegiance Mining/Eastren on EL 5/2002, Pre- 2009

Work described in this section is taken from previous Annual Reports on EL 5/2002 submitted by Allegiance Mining and Eastren.

4.1.1 *Year 1, ended March 2003*

No work was undertaken during the year on the licence, apart from the administrative work involved with the licence amalgamation.

4.1.2 *Year 2, ended March 2004*

Work was focused on two sub-projects:

- a detailed aeromagnetic survey which survey identified and defined several mafic-ultramafic bodies interpreted as having been intruded at shallow depth by Carboniferous granite.
- collation of previous exploration data in this annual report.

4.1.3 *Year 3, ended March 2005*

During 2004-05 work was concentrated on the Lynton Mine area which consists of a group of small workings developed on the western margin of the eastern ultramafic in the late 19th century.

4.1.4 *Year 4, ended March 2006*

Allegiance Mining/Eastren undertook minimal work on EL 5/2002 during the 2005-06 year. A minor effort was directed to identification and collation of previous exploration work ahead of a major exploration program planned for 2006-07.

4.1.5 *Year 5, ended March 2007*

During the 12-month period ending March 2007, Eastren Pty Limited drilled 4 holes ER001 – ER 004 for 1746 metres testing nickel targets.

4.1.6 *Year 6, ended March 2008*

During the 12-month period ending March 2008, Eastren Pty Limited drilled 3 holes ER005 - ER 007 for 2347 metres testing both the southern strike extension of the Salmon deposit and the altered gabbros for nickel sulphide mineralisation.

4.1.7 *YEAR ending March 2009*

No on-ground exploration was carried out on EL 5/2002 in the year ending March 2009 except for several site visits to inspect access routes and the condition of existing tracks.

Most work carried out has been of an administrative and data management and review nature including database validation, because of the change of project management from Allegiance Mining NL to the OZ Minerals Limited Exploration group.

4.2 Work conducted by MMG

4.2.1 *YEAR ending March 2010*

No on-ground exploration was carried out on EL 5/2002 in the year ending March 2010 except for several site visits to inspect access routes and the condition of existing tracks.

Most work carried out has been of an administrative and data management and review nature including database validation.

4.2.2 *YEAR ending March 2011*

An aerial LIDAR (Light Detection and Ranging) survey was conducted by Fugro Spatial Solutions Pty. Ltd. over the total area of the licence during the reporting period.

4.2.3 *YEAR ending March 2012*

No field work completed, compilation of data for the Salmons Lode was completed.

4.2.4 *2 YEARs ending March 2014*

A four hole 693.8 metre diamond drilling program was completed at the Salmons Lode.

5. CONCLUSIONS AND RECOMMENDATIONS

The recent drilling intersected both the Salmons Pb-Zn and the Cu rich vein in all four drillholes. The true widths of these intersections, however, were variable and did not replicate historical results that were identified initially by Comstaff. As a result the tenement has been recommended for relinquishment.