



Lake Rosebery EL 41/2010

ANNUAL REPORT

FOR THE PERIOD ENDING 1st June 2015

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1. SUMMARY

Activities during the period focused on collecting soil samples as part of a regional soil sampling exercise. A total of 27 regional B-C horizon samples were collected. All data has now been collected and will be reviewed in June 2015.

2. INTRODUCTION

Exploration activities undertaken on EL 41/2010 Lake Rosebery during the period April 2014 to May 2015 are detailed herein.

Access to the tenement is via the Rosebery Mine lease 28M/1993 south of Lake Rosebery (Figure 1). A network of 4WD tracks gives access for near mine extension of the Rosebery ore body. The Pieman Road enables access to areas north of Lake Rosebery through a series of unsealed Hydro Electric Commission roads.

MMG's main exploration target within EL 41/2010 is Cambrian hosted Rosebery style Zn–Pb–Cu–Au rich VMS subsurface seafloor replacement style mineralisation and/or Hellyer type seafloor mound-type mineralisation hosted in the Mount Read Volcanic (MRV) belt. The tenement covers a generally N-S striking section of the Central Volcanic Complex (CVC).

MMG recognise the potential of the Lake Rosebery tenement for near mine resource extension of the Rosebery deposit and its potential to provide additional mill feed for the Rosebery Mine through small resources previously identified, including Langdon's Mine and Cutty-Sark prospects. MMG Exploration intends to continue deep exploration diamond drilling, geophysical surveys and geologic mapping to resolve old and new geologic interpretations.

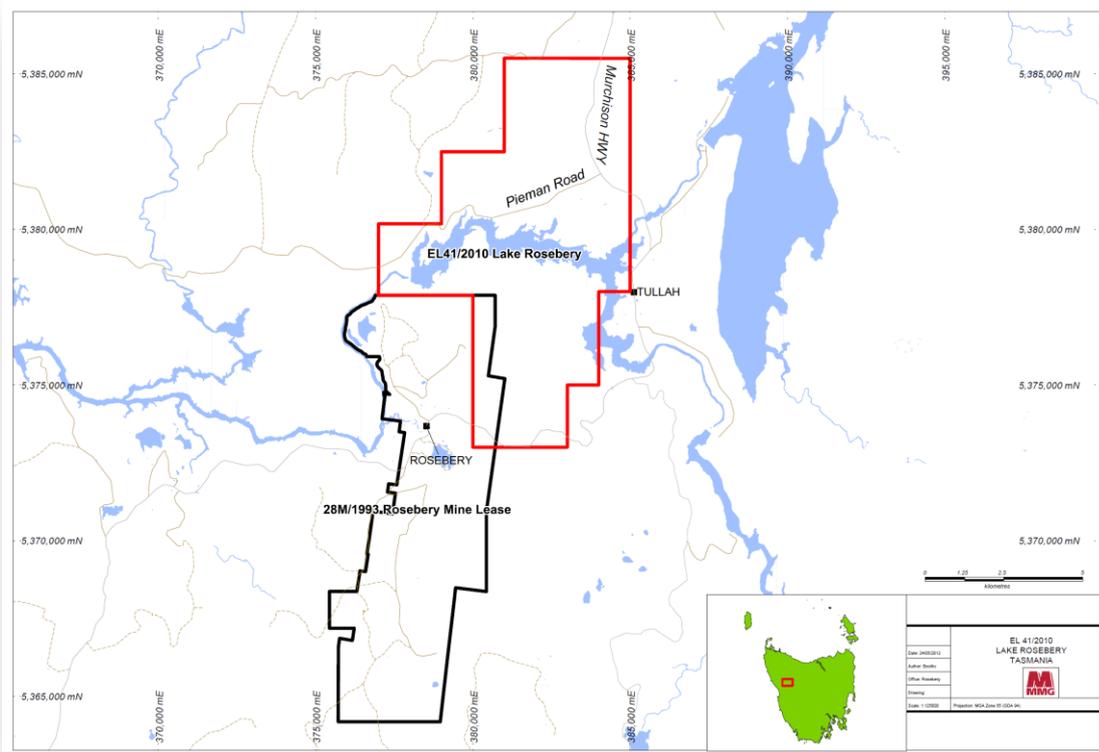


Figure 1. Location of EL41/2010 Lake Rosebery

3. LAND TENURE

EL 41/2010 Lake Rosebery (58 sq. km- Figure 2) was granted to MMG Exploration Pty. Ltd. in 2011 for a period of 5 years. EL 41/2010 covers ground relinquished by Bass Metals Ltd (EL 54/2004) previously. MMG hold two additional licenses surrounding EL 41/2010 including Mt Kershaw (EL48/2004) to the North-West and Rosebery Mine lease to the South-East.

Land covered by EL 41/2010 is crown land designated as State Forest or informal reserves including parts of the Boco Creek and Mackintosh Forest Reserve areas. A small section of the Murchison Regional Reserve lies in the South of the tenement. All of the area contained within the tenement boundary is available for exploration under the Mineral Resources Development Act, 1995.

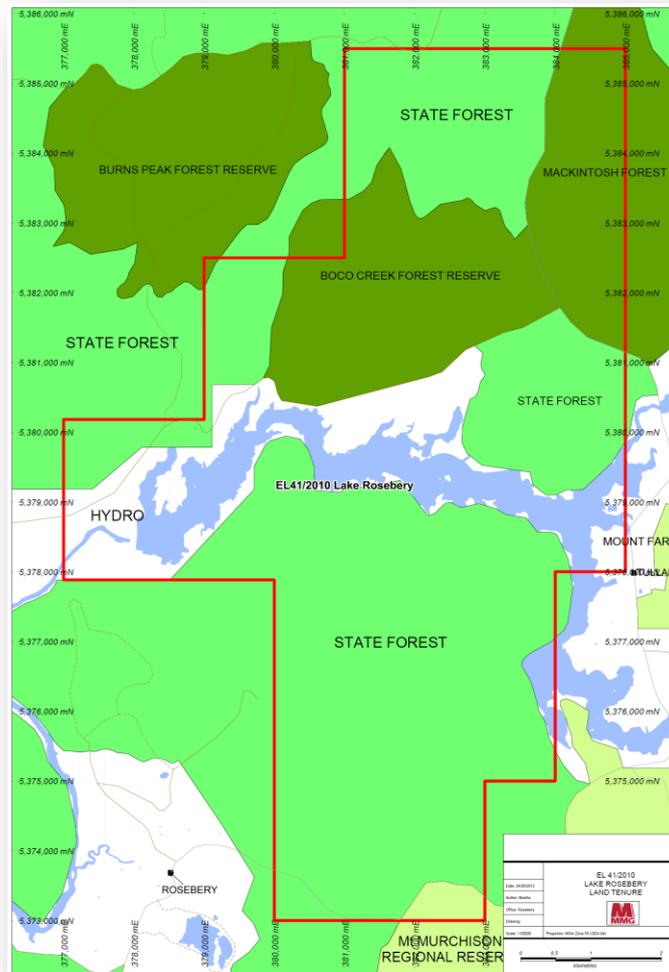


Figure 2. Land Tenure EL41/2010 Lake Rosebery

4. GEOLOGY

Regional

The basement lithologies in western Tasmania are Precambrian in age, comprising predominantly greenschist-facies meta-sediments with minor basalt and dolerite. Higher-grade amphibolite and eclogite facies are also present as isolated occurrences within the Precambrian packages.

Cambrian volcanism and sedimentation developed on this Precambrian continental crust, and is subdivided into the Eo-Cambrian tholeiitic Crimson Creek Formation (CCF) and the mid- to late-Cambrian predominantly calc-alkaline, Mt Read Volcanics (MRV).

The CCF was deposited in shallow but rapidly subsiding basins (Brown, 1986). The CCF consists of basaltic lavas and volcanoclastics, turbidites, carbonates, chert and minor evaporites.

Ultramafic cumulates and volcanic equivalents were thrust onto the CCF in the mid Cambrian (Crawford and Berry 1992). These rocks generate strong magnetic anomalies and outcrop within the Huskisson Syncline.

The MRV form a 200km long by 20km wide broadly north-south trending belt adjacent to and in some areas on-lapping with and intruding Precambrian basement rocks. The volcanics include intermediate to felsic lavas, sub-volcanic porphyries and granites, volcanoclastics and basement-derived sedimentary rocks. The MRV host six economically significant volcanic hosted massive sulphide deposits. Regional structures that subdivide the MRV are the Rosebery and Henty Faults.

The Mt Kershaw license is located at a regionally significant point within the central part of the MRV, where the main trend changes from north-south to northeast-southwest. The area also coincides with a regional lithological change where lithologies correlated with the Rosebery-Hercules sequence are juxtaposed with lithologies broadly correlated to the Sock Creek and Que-Hellyer sequences.

The MRV are overlain by a late Cambrian – early Ordovician marine and fluvial sequence of quartzite, polymict sandstones, siltstones, shales and polymict conglomerates (Rosebery Group/Stitt Quartzite to the west of the MRV and Owen Group to the east; Corbett, 2002).

Cambrian volcanism and sedimentation was followed by predominantly basement derived Ordovician to Devonian age sedimentation, which includes sandstone and limestone.

At least two phases of regional compression were associated with the mid-Devonian Tabberabberan Orogeny (Keele, 1991). The development of folding, cleavage and regional thrusts in lower Palaeozoic rocks were associated with this event.

Deformation was followed by the extensive intrusion of Devonian to Carboniferous granitoids. The carbonate replacement and skarn Sn mineralisation at Renison Bell Mount Bischoff and Mt Lindsay, the Pb Zn Ag vein deposits of Zeehan and, possibly, the Tullah Fields are associated with the Devonian granites.

In the Quaternary extensive unconsolidated glacial and fluvioglacial deposits up to >100m thick accumulated (Augustinius and Nichol, 1999). These deposits now obscure parts of the Palaeozoic geology.

Local Geology

The Lake Rosebery licence occurs along strike to the north from the Rosebery deposit and is mapped as containing the northern continuation of the Rosebery stratigraphy. The Central Volcanic Complex (CVC) is host to this deposit and is subdivided into four units: the footwall pyroclastics, the host rocks, the hangingwall epiclastics and the upper lava-rich sequence (Mt Black Volcanics). Major N-S trending fault zones including the Rosebery Fault, Mt Black Fault and Henty Fault, cut the MRV in the licence area.

Central Volcanic Complex

The CVC is dominated by proximal volcanic rocks (rhyolite and dacite flows, domes and cryptodomes and massive pumice breccias) and andesite and rare basalt (lavas, hyaloclastites and intrusive rocks) deposited in a shallow marine environment (Seymour et al., 2006).

The Footwall Pyroclastics

The Footwall Pyroclastics consists of a uniform sequence of feldspar porphyritic, vitric crystal lapilli tuffs which lie below the ore horizon at both the Rosebery and Hercules deposits (Smith & Huston, 1992).

The Host Rocks

Units at Rosebery and Hercules consists predominantly of sericitic siltstone with minor crystal tuffs, bedded carbonates and up to 60m of pyritic black shale. The host rocks and black shale represent a period of quiet sedimentation.

The Hangingwall Epiclastics

This unit disconformably overlies base metal mineralisation and the black shale of the host rock unit. It consists of small to large graded mass flow units which contain polymict lithics including black shale, sandstone and basalt clasts

The Mt Black Volcanics

Overlain by the Mt Black thrust fault, the Mt Black Volcanics predominantly consist of massive to brecciated lavas of dacitic to andesitic composition with volcaniclastic units throughout.

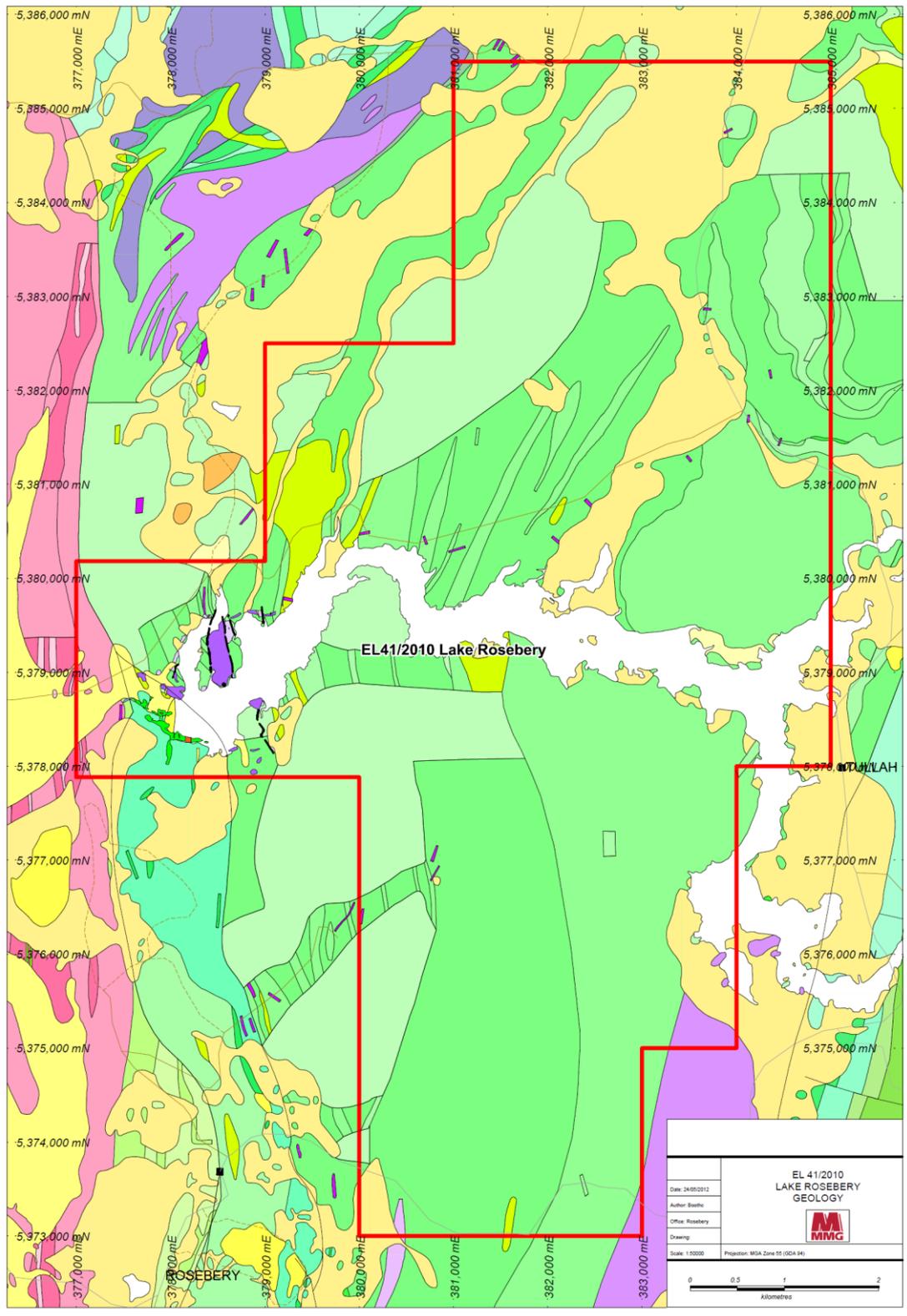


Figure 3. Geology of EL41/2010 Lake Rosebery (Legend in Appendix 1)

5. CURRENT EXPLORATION

Work Completed in the 2014-2015 Period

Activities during the period focused on collecting soil samples as part of a regional soil sampling exercise. A total of 27 regional B-C horizon samples were collected. Samples were collected on a nominal 400 x 150 metre grid with samples collected with a hand auger. Where outcrop was present a rock chip was collected as well. Location of soil samples are shown in Figure 4.

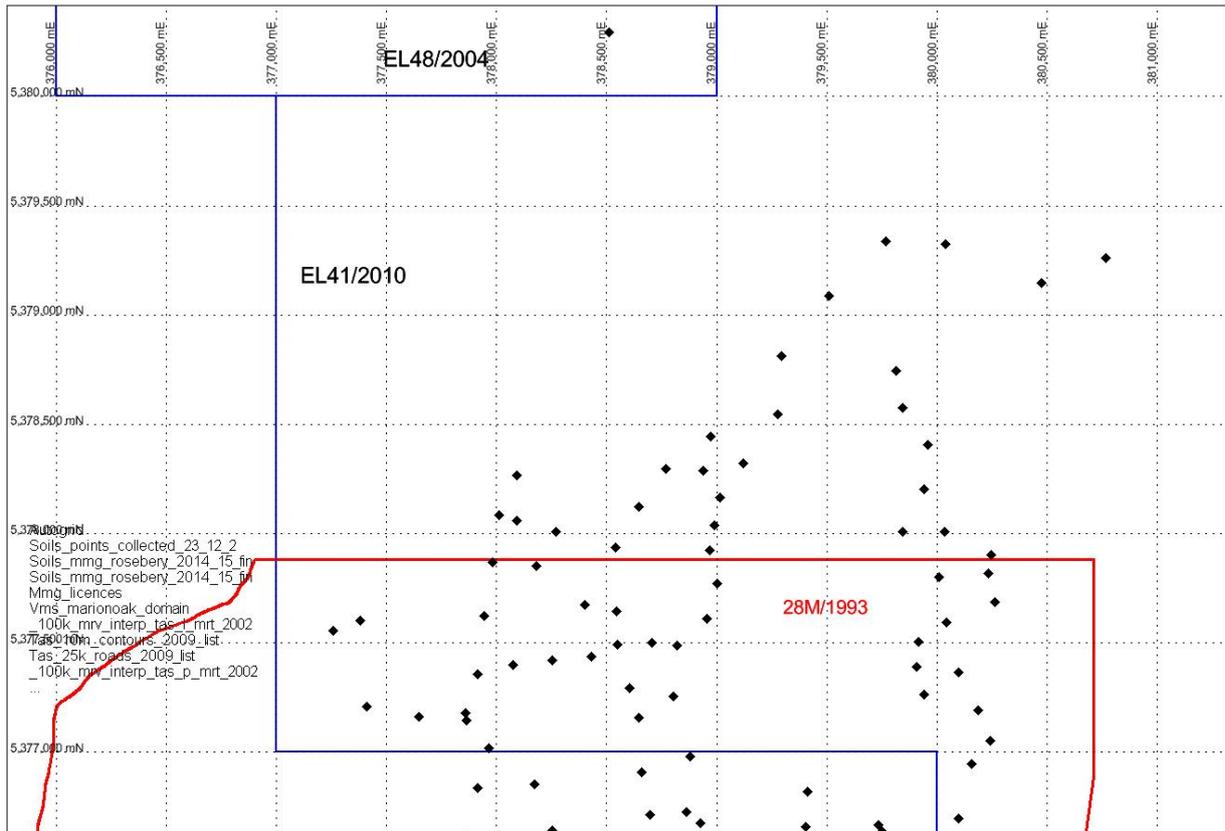


Figure 4: Location of soil samples with EL 41/2010. Boundaries for EL 48/2004 Mt Kershaw and Mining Lease 28M/1993 are shown for clarification.

6. PREVIOUS EXPLORATION

Date: 2011-

Company: MMG Ltd

Exploration Philosophy: Targeting base metal deposits.

Work Completed: Diamond drill holes testing along strike of the Rosebery deposit, 3D seismic Survey, SWIR on drill holes, Litho geochem study. LIDAR 2010 and 2014,

Results and Conclusions: 9.8m of massive sulphide intersected below the Rosebery Fault

Report: Booth and McGilvray 2012, Booth and Denver 2013.

Date: 2005- 2010

Company: Bass Metals Ltd

Exploration Philosophy: Targeting base metal deposits.

Work Completed: Review of ASTER data, 3d modelling, Rock chip sampling, Soil Sampling, MMI, Drill hole planning

Results and Conclusions: ASTER data failed to identify anomalous areas. Rock Chip and soil samplings identified some anomalies but were not followed up conclusively. Planned drill hole never drilled.

Report: Bates 2010, 2009, 2007. Turnbull and Bates 2006. Jones 2005.

Date: 1987- 2000

Company: Pasminco Exploration

Exploration Philosophy: Targeting base metal deposits.

Work Completed: Auger soil sampling, geological mapping, downhole geophysics, surface geophysics & diamond drilling.

Results and Conclusions: Low grade Zn intersected at Chester and alteration zone interpreted to extend SW from Chester Mine. Results from Pinnacles, Burns Peak and Farrell included. Lots of data presented and numerous anomalies defined.

Report: Lorrigan, 1990. Kirsner, 1992. Fitzgerald, 1993. Parfrey & McNeill, 2000.

Date: 1988- 1989

Company: Climax Mining Ltd

Exploration Philosophy: Targeting base metal deposits.

Work Completed: Auger soil sampling, minor ground magnetics & four diamond drill holes (MBD1-MBD4) to test Billiton UTEM anomalies.

Results and Conclusions: No significant mineralisation intersected but continued exploration around Cutty Sark recommended.

Report: Hine & Scott, 1989.

Date: 1988

Company: Aberfoyle Resources Ltd

Exploration Philosophy: Targeting VHMS deposits

Work Completed: Diamond drilling of hole M02 to test a deep CSAMT and UTEM conductor.

Results and Conclusions: No significant results.

Report: McNeill & Wallace, 1988.

Date: 1986

Company: Billiton Australia

Exploration Philosophy: Targeting base metal deposits.

Work Completed: Geological mapping, ground geophysics, rock chip sampling & auger soil geochemistry. Work at Langdons and Cutty Sark and Mt Black.

Results and Conclusions: Auger Pb-Zn anomalies defined at Langdons.

Report: Randell, J.P., Purvis, J.G. & Hungerford, N., 1986.

Date: 1972-1975

Company: Electrolytic Zinc Company of Australasia Ltd

Exploration Philosophy: Targeting VHMS deposits and exploring Rosebery & Hercules mine trends.

Work Completed: Licence along strike both north and south from the Rosebery mine. Geochemistry, geophysics, geological mapping & diamond drilling.

Results and Conclusions: Concluded that the mine stratigraphy continues several kilometres north and south of Rosebery.

Report: Reinhardt, 1972. Williams, 1975.

7. ENVIRONMENTAL

There was no environmental or rehabilitation activities conducted on EL 41/2010 during this reporting period.

8. CONCLUSIONS AND RECOMMENDATIONS

Interpretation of grid based, regional soil and rock samples.

9. EXPENDITURE

Total expenditure from 2nd June 2014 until 28th April 2015 is outlined below

| | Project Definition | |
|-------------------------------|--------------------|------------------|
| | | XP/00148 |
| | | Lake Rosebery |
| | WBS Element | |
| | | XP/00148/01 |
| | | EL41/2010 |
| TOTAL COSTS | AUD | 83,036.96 |
| PERSONNEL | AUD | 65,156.46 |
| CONTRACT FIELD SUPPORT | | |
| GEOSCIENCE CONSULTANTS | | |
| TRACK CUTTING & GRIDDING | | |
| GEOCHEMICAL & ASSAYING | | |
| DRILLING | | |
| GEOPHYSICS | | |
| OTHER CONTRACTORS | AUD | 5,000.00 |
| STORES & SUPPLIES | AUD | 52.57 |
| VEHICLES, PLANT & MAINTENANCE | | |
| LAND & ENVIRONMENT | AUD | 5,057.80 |
| EQUIPMENT HIRE | | |
| DEPRECIATION, OFFICE & SUNDRY | AUD | 7,770.13 |

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