



Lake Rosebery EL 41/2010

ANNUAL REPORT

FOR THE PERIOD ENDING 1st June 2017

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1. SUMMARY

Activities during the period focused on track cutting and soil sampling at the Mt Black Anomaly and the Farm Creek grids where 12.1 line kilometres of grid were cut and 240 soil samples were collected.

INTRODUCTION

Exploration activities undertaken on EL 41/2010 Lake Rosebery during the period May 2016 to April 2017 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.

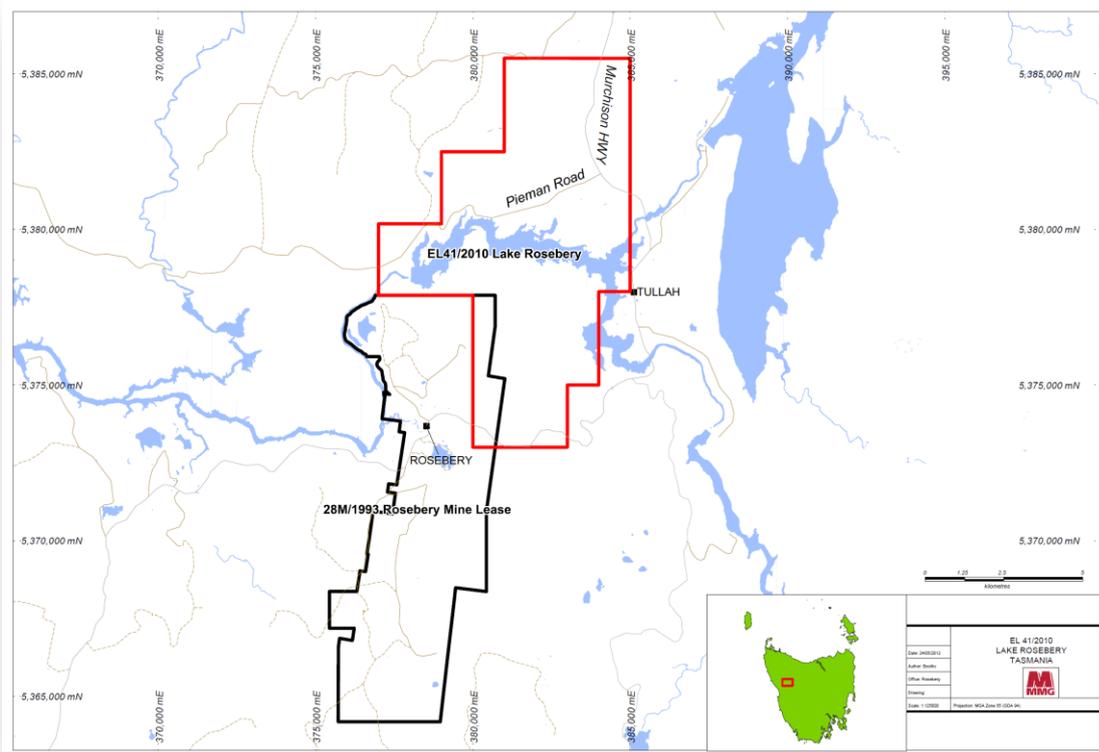


Figure 1. Location of EL41/2010 Lake Rosebery

2. 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. EL 41/2010 is contiguous with the northern boundary of the Rosebery Mine Lease 28M/1993

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.

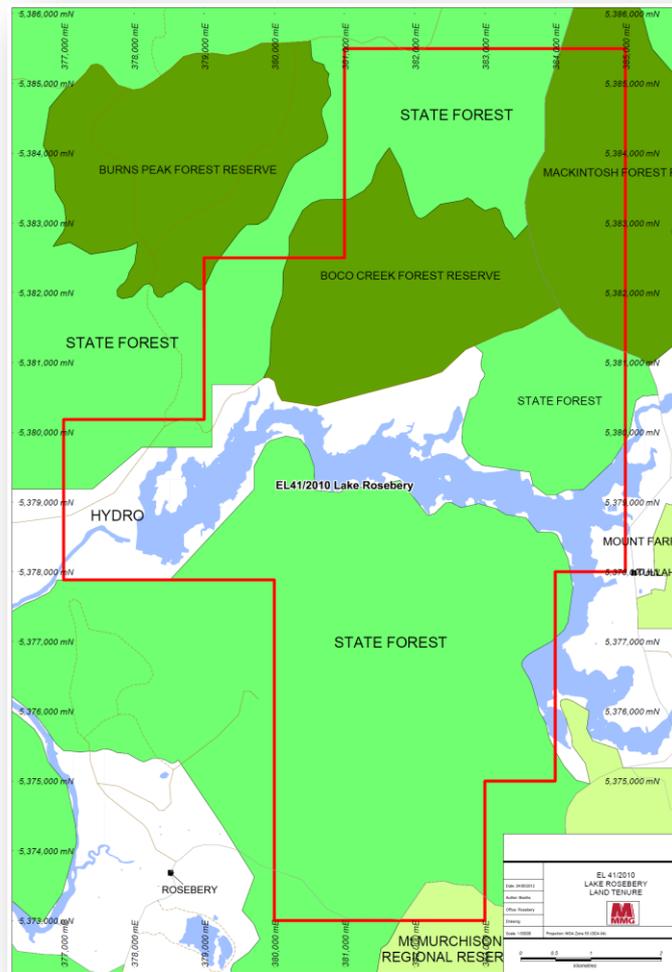


Figure 2. Land Tenure EL41/2010 Lake Rosebery

3. 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 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. 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 consist 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.

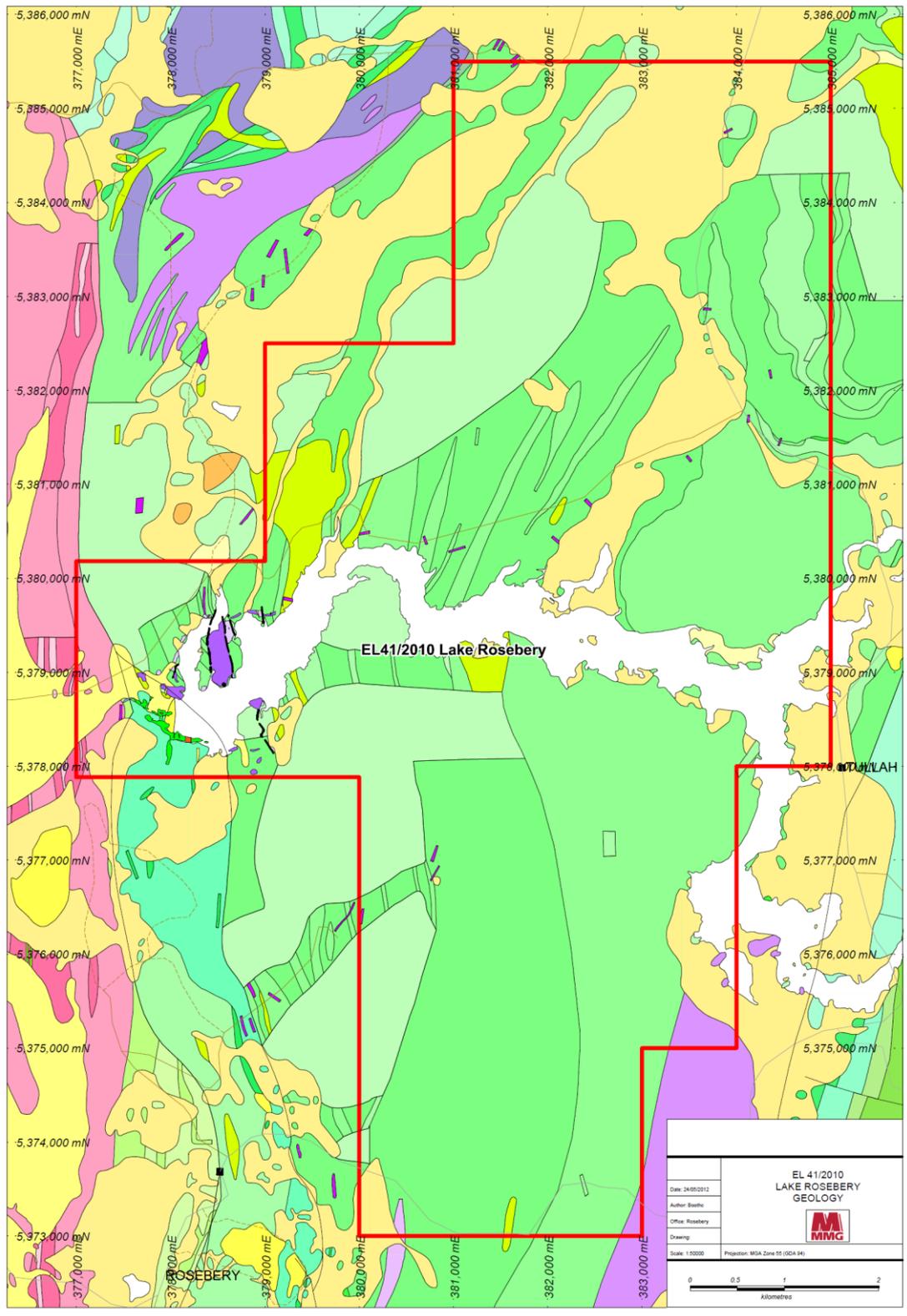


Figure 3. Geology of EL41/2010 Lake Rosebery

4. CURRENT EXPLORATION

Work Completed in the 2016-2017 Period

During the period grids were cut and soil samples were collected from the Mount Black anomaly and the Farm Creek grid. Assay results are appended in appendix 1.

The Mount Black Anomaly is located at the northern end of the Rosebery Mine lease and the northern extension of the anomaly is on the Lake Rosebery exploration Licence (EL 41/2010) – The Mount Black anomaly is a 2km x 1km zone strongly and consistently anomalous in Mo, Bi, W, Ag and In. It is very sericitic, and strongly phengitic, this zone is weakly anomalous in Cu and Zn. This alteration system does not have a Rosebery-type signature; with more Mo-Bi rather than Sb-Tl, it looks like a hotter system.

6.8 kilometres of grid were cut and 132 samples were collected at 50 metre intervals on 200 metre spaced lines (Figure 4). Assay results have been received but have not been reviewed.

At the Farm Creek grid 5.3 kilometres of grid were cut and 108 samples were collected at 50 metre intervals on 200 metre spaced lines (Figure 5). Assay results have been received but have not been reviewed.

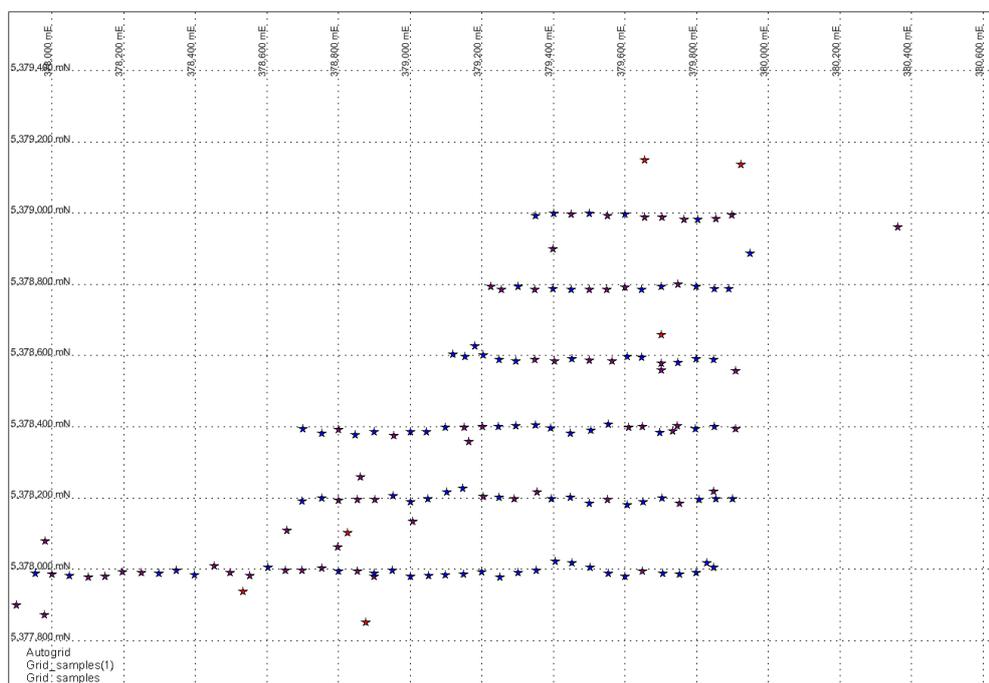


Figure 4: Mount Black Anomaly Sample Locations.

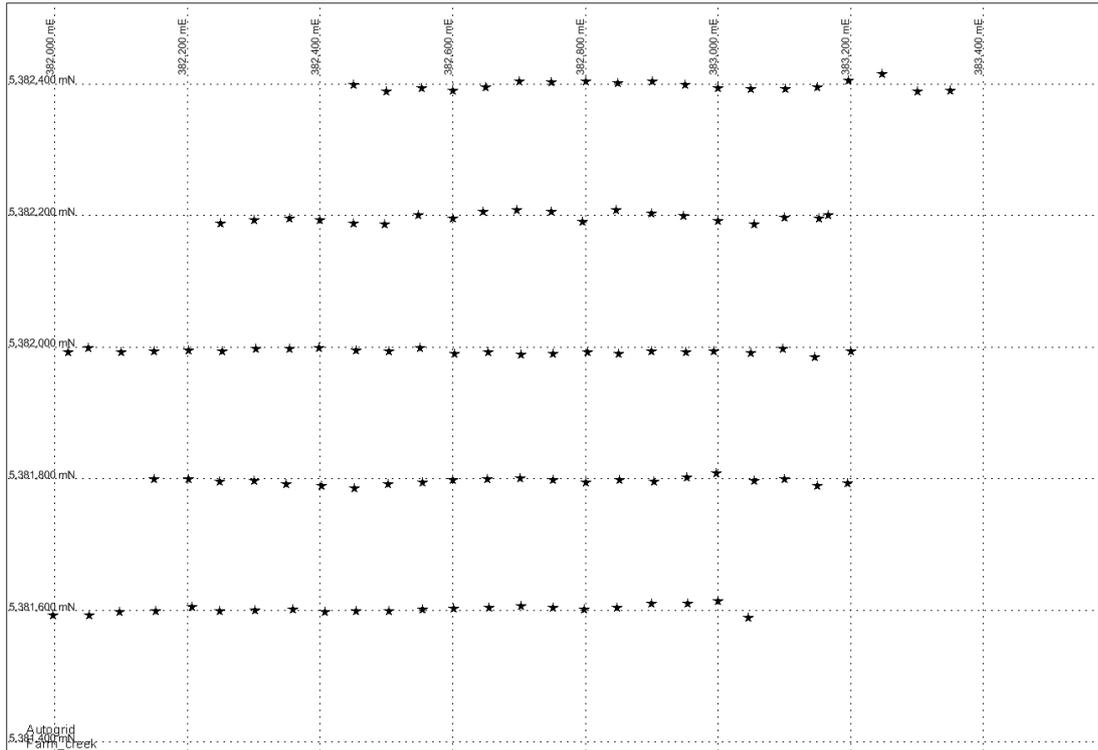


Figure 5: Farm Creek Samples location.

5. PREVIOUS EXPLORATION

Previous exploration is documented in the 2016 report.

6. ENVIRONMENTAL

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

7. CONCLUSIONS AND RECOMMENDATIONS

Work proposed for 2017-18 is to follow up the Mt Black and Farm Creek anomaly. It is proposed to map both grids and interpret the geochemical results. Follow up work will potential involve further gridding and sampling and possibly drilling.

Estimated expenditure for 2017-18 is \$80,000.

8. EXPENDITURE

Expenditure cost for 2016-2017 was \$81,346 as outlined in the table below.

TOTAL COSTS	81346
PERSONNEL	18263
CONTRACT FIELD SUPPORT	5120
RENTAL COSTS	3179
TRACK CUTTING & GRIDDING	43852
GEOCHEMICAL & ASSAYING	7432
VEHICLES, PLANT & MAINTENANCE	3500

9. REFERENCES

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