ANNUAL TECHNICAL REPORT FOR EL25346
“Treasure Project”
(Reporting Period 05/02/2013 – 04/02/2014)

Project Title Holder: Iron Mountain Mining Ltd
Project Operator: MMG Exploration Pty Ltd

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<th><strong>Titleholder</strong></th>
<th>Iron Mountain Mining Ltd</th>
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<tr>
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<td>MMG Exploration Pty Ltd</td>
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<td><strong>Tenement Manager/Agent</strong></td>
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<td><strong>Titles/Tenements</strong></td>
<td>EL25346</td>
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<td>Treasure Project</td>
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<td><strong>Company reference number</strong></td>
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<td>Nickel, Copper, Platinum Group Elements (PGE)</td>
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<td><strong>Date of report</strong></td>
<td>13 March 2014</td>
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<td><strong>250 K mapsheet</strong></td>
<td>Illogwa Creek SG53-15</td>
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<tr>
<td><strong>100 K mapsheet</strong></td>
<td>Quartz SF59-51</td>
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ABSTRACT

On 10 September 2013, MMG Exploration Pty Ltd (MMG) executed an Option and Joint Venture Agreement with Iron Mountain Mining Ltd (Iron Mountain) in relation to their tenement EL25346 located in the Harts Range region of the Northern Territory. This tenement is referred to as the “Treasure Project”. On 6 January 2014 Iron Mountain Mining Ltd appointed MMG Exploration Pty Ltd to act as its agent in respect to EL25346.

The Treasure Project is situated over the margin between the Palaeoproterozoic Aileron Province and the Cambro-Ordovician Irindina Basin. The exploration target for MMG is mafic-ultramafic intrusion hosted nickel-copper-PGE deposits associated with the Lloyd Gabbro Suite.

Since commencement of the Option and JV agreement, MMG personnel have conducted a detailed review of previous work and available data within the Option JV area as well a high-resolution, low-altitude, aeromagnetic survey which was completed just prior to the onset of the 2013/14 wet season. This aeromagnetic survey was part of a larger exploration program and airborne survey within this region of which a total of 1,738.9 line km was flown within EL25346.

During the next 12 month reporting period MMG is proposing to follow-up this recently flown aeromagnetic survey with basic field reconnaissance and shallow RC drill testing of some of the more interesting magnetic features identified. The principal exploration target is Lloyd Gabbro suite intrusions that may contain economic amounts of Ni-Cu-PGE mineralisation.
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1. BACKGROUND

1.1 INTRODUCTION

This annual technical report is for Exploration Licence EL25346 for the period ending 4 February 2014. On 6 January 2014 Iron Mountain Mining Ltd appointed MMG Exploration Pty Ltd to act as its agent in respect to EL25346.

1.2 LOCATION AND ACCESS

The Treasure Project is comprised of one Exploration Licence, EL25346, and is located in the Harts Range region approximately 170 km ENE of Alice Springs. The tenement is located on the Illogwa Creek SG53-15 1:250 000 scale map sheet and the Quartz SF59-51 1:100,000 scale map sheet.

The project area is accessible from Alice Springs via the Stuart and Plenty Highways (Figure 1). Station tracks provide access to the area with the remainder accessed by four-wheel drive or on foot.

![Figure 1. Location of the Treasure Project, EL25346.](image)

1.3 TENURE

Tenure details for the project are summarised in Table 1 below. On the 4th of September 2008, Mithril Resources entered a Heads of Agreement with Bralich Holdings Limited, Aluminex Resources Limited and Uranium Oil & Gas Limited to earn-in to this tenement. Mithril was the tenement operator from September 2008 to September 2012. Mithril Resources Ltd pulled out from the Joint Venture in September 2012. Iron Mountain Mining Ltd applied for renewal of the tenement in January 2013 which was granted 7 June 2013.
Table 1. Treasure Project tenement details.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Holder</th>
<th>No. sub Blocks</th>
<th>Date Granted</th>
<th>Expiry Date</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL25346</td>
<td>Iron Mountain Mining Ltd</td>
<td>32</td>
<td>05/02/2007</td>
<td>04/02/2015</td>
<td>Renewal granted 7th June 2013 for a further period of 2 years.</td>
</tr>
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</table>

1.4 REGIONAL GEOLOGY

EL25346 is situated over the margin between the Palaeoproterozoic Aileron Province (south-eastern Arunta Inlier) and the Cambro-Ordovician Irindina Basin. This tenement contains approx. 50% outcrop/subcrop with recent cover from aeolian and colluvial sands and gravels.

The Irindina Basin comprises the Harts Range Group, a sedimentary succession that was metamorphosed to granulite facies during the Ordovician Larapinta Event (480-460 Ma). Litho-stratigraphical and geochronological data indicate that the Harts Range Group correlates with Neoproterozoic to Cambrian sediments of the adjacent Amadeus and Georgina Basins. Therefore, the Harts Range Group was probably deposited in a basin contiguous with, and possibly linking, the Amadeus and Georgina Basins. While the Harts Range Group was metamorphosed to granulite-facies, however, sedimentation continued in the Amadeus and Georgina Basins. Structural and lithological evidence suggest that the Larapinta Event was extensional, with very deep burial required for the measured metamorphic conditions (30-35 km). Such an event was probably associated with mantle melting with sedimentation and burial coincident with voluminous mafic magmatism. The Harts Range Group and Amadeus and Georgina Basins were structurally inverted and brought to the surface during the mid-Palaeozoic Alice Springs Orogeny (450-300 Ma).

1.5 EXPLORATION RATIONALE

The exploration targets for MMG are Ni-Cu-PGE mineralisation hosted within mafic-ultramafic intrusions. Evidence of such processes have been recorded locally within the “Blackadder” and “Baldrick” gabbroic intrusions.

1.6 NATIVE TITLE

At the time of writing there are no known registered Native Title claims over EL25346.

1.7 LANDOWNERS

Landowners over whom the granted exploration licence partially lies are the Ambalindum and Indiana Stations (Perpetual Pastoral Leases).

2. EXPLORATION HISTORY

2.1 PRE MMG EXPLORATION COMPLETED

In the mid-1950s, BMR geologists reported on pegmatite-hosted mica mining in the Harts Range Mica Field in an area both within and around EL25346 tenement. It was noted that in addition to mica, beryl, uranium and niobium mineralisation were associated with the mica.

In 1982, CRA conducted exploration across tenements which encompass the current tenement area. They conducted a geochemical based program which involved extensive stream sediment and rock chip sampling. They subsequently dropped the ground but their results are in the NTGS database.
In 1983, Union Oil Development Corporation (Union) carried out exploration on E3466 that encompass the tenement area. Union’s programme of exploration comprised geological reconnaissance mapping on 1:25,000 scale aerial photographs, stream sediment sampling and detailed mapping and evaluation of an area west of Brumby Bore. Here widespread scheelite mineralisation was identified. Mineralisation mostly occurs within calc-silicate bearing quartzites. Tungsten values range from 40 ppm to 800 ppm W.

During the 2007/08 reporting period MinMap, Alice Springs, was contracted by Uranium Oil & Gas (UOG) to complete a soil sample program over the W anomalous area. A total of 194 assays were taken and assayed by ALS in Malaga WA. The assay method was ME-ICP41 and was screened at -35 mesh (500 micron). Results were disappointing, all assays being <10 ppm for tungsten and uranium. This was later confirmed by a helicopter reconnaissance. Although the soil samples covered the area where the high grade rock chips were taken and the creeks indicated the area was anomalous, there was no soil anomaly delineated.

During the 2008 reporting period Mithril Resources undertook field work which included reconnaissance geological mapping, rock chip sampling and minor stream sediment sampling. Geological mapping was undertaken to field check mafic units previously identified by the NTGS and the surrounding areas were explored to potentially identify unrecorded mafic rock outcropping localities. Twenty rock chip samples were collected and sent to the lab for assay. One rock chip sample was sent for petrological analysis and three stream sediment samples were collected and sent to the lab for size fraction analysis. Geological mapping was focussed around two localities in the south of the tenement where mafic rocks had been previously identified by the NTGS.

Field checking in the southwest of the tenement confirmed small pods of mafic rock outcropping in a rugged valley which are coincident with two anomalous Cu historic stream sediment samples. The pods of amphibolite and gabbro outcrop along a linear trend and were deformed and metamorphosed to variable extents possibly suggesting two or more intrusive events are present. No visible sulphides were noted in rock chips. Field checking showed the outcropping of mafic rocks to be more extensive than previously mapped.

Field checking in the southeast of the tenement confirmed a mafic intrusive body outcrops on the end of and in contact with rocks of the Harts Range Group previously mapped by the NTGS as the Brady Gneiss. The mafic is a relatively fresh medium grained olivine bearing gabbronorite. On the south side of a hill near its contact with a felsic gneiss pyrrhotite and chalcopyrite are visible in rock chips as fine grained disseminations and rare blebs. On the east side of hill, near its contact with a felsic gneiss and a metre wide quartz vein, small occurrences of gossanous malachite stained rock outcrop sporadically. This location was named the “Baldrick” Prospect.

A heritage survey was carried out across Mithril Huckitta Project which included portions of EL25346.

During the 2009 reporting period Mithril undertook field work over the southern portion of the tenement which included reconnaissance geological mapping, rock chip sampling, airborne and ground EM and RC drilling. The drilling confirmed the presence of Ni-Cu-PGE mineralisation on the contact of the mafic with the felsic gneiss with grades up to 9m @ 0.5%Ni and 0.4%Cu.

Work during the 2010 reporting year consisted of a gravity survey and geological mapping. The detailed mapping of the Baldrick intrusion and one rock chip sample of a gabbro at the north-westernmost point of the intrusion suggested a NW plunge to the body. The gravity survey identified a gravity anomaly approximately 400m NW of Baldrick suggesting the presence of gabbro at depth (Figure 2). This anomaly was targeted for ground EM in 2011.

Work completed by Mithril during the 2011 reporting year consisted of a fixed loop ground EM survey over the gravity anomaly proximal to the Baldrick Ni-Cu prospect and 416 line km of a VTEM survey. No significant conductors were identified in the fixed loop survey. The VTEM survey identified two medium to low priority conductors worthy of ground follow-up. However, these conductors are long and linear suggesting they are stratigraphic in nature. Mithril subsequently pulled out of the JV with Iron Mountain Mining Ltd in Sept 2012.
3. WORK COMPLETED DURING THE REPORTING PERIOD

MMG Exploration Pty Ltd entered into an Option and Joint Venture agreement with Iron Mountain Mining Ltd in relation to EL25346 on 10 September 2013.

Since the commencement of this agreement MMG personnel have conducted a detailed review of previous work and available data within the tenement area. Furthermore, MMG commissioned a high-resolution, low-altitude, fixed wing aeromagnetic survey which was completed during Oct-Nov 2013 just prior to the onset of the expected wet season.

This aeromagnetic survey was part of a larger exploration program within this region of which a total of 1,738.9 line km was partially flown over EL25346 (Figures 2 and 3). The survey was flown with N-S flight lines with 50m spacing and a nominal terrain clearance of 35 m and tie lines orientated E-W with 500m line spacing (Figure 2; data and report contained in Appendix 1). The aeromagnetic data is being used to attempt to define Lloyd Gabbro Suite intrusions under cover within the Irindina Basin for potential follow-up work.

Figure 2. (a) Flight lines and tie lines for aeromagnetic survey for EL25346; and (b) survey area coverage w.r.t. tenement boundary (black polygon).
Figure 3. Total Magnetic Intensity (TMI) aeromagnetic data for EL25346.
4. EXPENDITURE

For the current reporting period, the total claimed expenditure for EL25346 was $39,040.84.

5. PLANNED WORK

During the next 12 month reporting period MMG is proposing to follow-up the recently flown aeromagnetic survey with basic field reconnaissance and shallow RC drill testing of some of the more interesting magnetic features identified. The principal exploration target is Lloyd Gabbro suite intrusions that may contain economic amounts of Ni-Cu-PGE mineralisation. Heritage Clearance Surveys are scheduled to take place before mid-2014.

Table 2. Proposed Exploration Expenditure for EL25346.

<table>
<thead>
<tr>
<th>Exploration Category</th>
<th>Expenditure AUS $</th>
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<td>Basic field reconnaissance/mapping/rock chip sampling</td>
<td>$15,000</td>
</tr>
<tr>
<td>RC drilling and drill sample analysis</td>
<td>$87,000</td>
</tr>
<tr>
<td>Complete rehab of drill sites</td>
<td>$5,000</td>
</tr>
<tr>
<td>Overheads - Office administration and sundry, Geoscientific desktop studies including exploration planning and conceptual targeting studies.</td>
<td>$16,050</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$123,050</strong></td>
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6. COPYRIGHT STATEMENT

This document and its content are the copyright of MMG Australia Limited (MMG). The document has been written by Luke Mortimer for submission to the Northern Territory Department of Resources as part of the tenement reporting requirements as per Regulation 86 of the Minerals Titles Act.

Any information included in the report that originates from historical reports or other sources is listed in the “References” section at the end of the document. This report may be released to open file as per Regulation 125(3)(a).