MINERALS AND METALS GROUP

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21 APRIL 2011

Media release:

South Hercules Testing Begins

MMG Rosebery's South Hercules project will process its first bulk sample of ore at the end of April 2011.

South Hercules is a four phased mining project, located on Mount Hamilton, 7 kilometres south of Rosebery in Western Tasmania.

In 2010 the project received approval from the Environmental Protection Authority to proceed with phase one of the Development Proposal and Environmental Management Plan (DPEMP), which involves mining an initial sample pit.

MMG Rosebery General Manager, John Lamb said the first bulk sample from the South Hercules site would be an important milestone to assess whether the project would continue to further stages.

"At the end of April, some 20,000 tonnes of ore will be tested through the existing Rosebery contractor to determine its suitability for long term development, and subject to all necessary approvals being received, we expect that up to 500,000 tonnes of ore from South Hercules could be processed at Rosebery," Mr Lamb said.

The staged approach to mining at South Hercules (outlined in the DPEMP) is designed to ensure there is minimal disturbance to the surrounding environment.

Mr Lamb said careful planning over the past two years had ensured that every possible step had been implemented to reduce risk and minimise harm to the local area.

"We have implemented a number of measures to ensure safe mine practices are employed at the South Hercules site, including road upgrades to the Williamsford Road and Murchison Highway intersection to improve traffic safety; successfully preserving threatened flora species through a relocation program, and constructing an effluent treatment plant to treat mine water from the open pit," Mr Lamb said.

Further work on the South Hercules project will continue throughout 2011 and involve developing a more detailed mine closure plan.

A copy of the DPEMP is available from the EPA website.

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