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Media release:

MMG Avebury review underway

MMG today announced it had commenced drilling work at its Avebury nickel mine on the West Coast Tasmania to support a technical review being undertaken on the project. The Avebury mine was placed on care and maintenance in December 2008 due to depressed nickel prices.

“While the operation is on care and maintenance we have a great opportunity to re-evaluate it and improve the business plan,” said MMG General Manager – Rosebery and Avebury, Mr John Lamb.

The review, which commenced last year with desktop analysis, will involve technical analysis across a range of specialties including geology, mine planning, process plant engineering and metallurgy, in addition to new surface drilling work. The new drilling work will consist of 17 drill holes at an average depth of 500 metres, totalling 8,550 metres over approximately eight months.

MMG will spend around AUD\$3 million and employ approximately 12 contractor positions on the review.

“While this review is not an indication that operations at Avebury will be recommenced imminently it does demonstrate MMG’s commitment to the project and the region,” said Mr Lamb.

“In tandem with this review MMG will continue to monitor nickel prices as part of its longer term decision around recommending the operations at Avebury.”

The new drilling work will commence in May and the review is expected to be completed by the end of 2010.

Regional exploration around Avebury will continue to investigate the potential for additional nickel resource. An aerial geophysical survey is planned to provide new data to assist the search.

The community can expect to see some activity at and around the mine, located near Zeehan, in preparation for drilling to commence in May.

Media enquiries:

Sally Cox

Communications Manager

T 61 3 9288 0850 / 61 417 144 524

E sally.cox@mmgrouppltd.com