MINERALS AND METALS GROUP

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Media release:

Feasibility study to expand Golden Grove with copper open pit

MMG recommenced stakeholder consultation this week as part of its Feasibility Study into the expansion of its Golden Grove mine with a copper open pit to supplement current underground operations. The Study commenced in May this year and will be reviewed by the MMG Board for approval later this year.

When approved the open pit will produce approximately 240,000 tonnes of copper concentrate containing 59,000 tonnes of copper metal in concentrate at 25% copper from 2011 to 2014. The current processing plant throughput of 1.7 million tonnes per annum of ore will be maintained throughout the project.

MMG Golden Grove General Manager Nick Mosenthal said that results from the drilling program undertaken earlier this year showed good correlation with previous results of copper oxide and sulphide resources which sit above the underground mine.

"The copper open pit project is an exciting move forward for Golden Grove and demonstrates the potential of the Golden Grove ore system," said Mr Mosenthal.

"The open pit will supplement production from our current underground mining operations and support our mine life extension."

The copper open pit project was put on hold in 2009 during the global financial crisis and has been recommenced this year as global commodity prices have improved. MMG committed to focus on organic growth and internal development amongst its existing operations in 2010 and this, along with the construction of the new tailings storage facility at Golden Grove, delivers on that commitment.

The project will include development of an open pit mine, waste rock dump and supporting infrastructure including haul and access roads.

MMG and its predecessors have engaged in extensive stakeholder consultation since 2007 and completed detailed environmental and technical investigations in relation to the open pit studies. Incorporating feedback from these, MMG now believes there is a level of project certainty as environmental and social issues have been well studied and understood and impacts can be mitigated using standard practice management measures.

"We aim to continually engage with all of our stakeholders and as such are commencing a consultation process to discuss the open pit project in person between July and August," said Mr Mosenthal. MMG plans to lodge its environmental approval applications with the Western Australia Department of Mines and Petroleum in August 2010 following stakeholder consultation.

For further information or to discuss the Golden Grove Open Pit Project please contact Scott Young, Environment & Community Manager, on (08) 9956 4273. Details of the project including the stakeholder consultation letter and study update are available at www.mmg.com/pages/GoldenGroveOpenPit.aspx

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