MINNELEX PTY. LTD.

GEOLOGICAL CONSULTING SERVICES & VALUATIONS

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The Directors
MGT Mining Limited

At the request of the Directors of MGT Mining Limited (MGT), Minnelex Pty Ltd, (Minnelex), was engaged to prepare an Independent Geological Report on MGT's tenements in Queensland. The project areas are for inclusion in a Prospectus prepared by MGT, relating to the raising of $2,380,819 via the issue of 3 new shares for every 2 shares that a shareholder currently has in MGT for the allotment of a total of 79,360,637 shares at $0.03 per share.

The Independent Report includes an opinion as to MGT's proposed exploration programs and budget estimates and is prepared to conform to the JORC Code of AusIMM and is in accordance with the relevant requirements and listing rules of ASX Limited, and the Australian Securities and Investments Commission (ASIC) Regulatory Guides, 111, 112 and 55. Regulatory Guide 111 provides guidance on how an expert can help security holders make informed decisions about transactions. Regulatory Guide 112 explains how ASIC interprets the requirement that an expert is independent of the party that commissions the expert report (commissioning party) and other interested parties. Regulatory Guide 55 covers the citing of experts and statements of interest.

The status and tenure of the tenements are detailed in the Solicitor's Report. A field visit has not been undertaken however the author has worked in both regional areas and is familiar with the geology and mineralisation.

The report has been prepared by R C Pyper, BSc. FAusIMM. GAICD.Consultant Geologist.

Yours faithfully

1.0 Introduction

MGT owns 100% of a number of tin and gold tenements in Queensland where targets are ready for immediate drilling. The company has a substantial tin project complimented by a crushing and refining plant and is well placed to progress development opportunities in districts that have a long prospecting and mining history.

Both tin and gold have been rising rapidly in price. This is especially the case with tin, which is undergoing increased demand coupled with severely restricted output that has no apparent short term solution. With the rapidly increasing tin price, Australian hard-rock tin mining districts now have the potential to compete with the best in the world. The Queensland mines that were operating 100 years ago in the Mt Garnet – Irvinebank district were achieving similar ore grades at similar width of ore to modern tin mines. The Australian mines differed only in scale due to the primitive technology of the time and these old mine areas now provide targets with high grade tin lode potential.

Figure 1 Location of projects

2.0 Property

MGT's tenements are tabulated below.

Table 1 List of tenements

Tenement	Mineral	Ownership %	Area Ha
ML 4349 "Mt Veteran"	Tin	100	18.3
MLA 20655 "Heads & Tails"		100	45.5
MLA 20547 "Summer Hill"	Tin	100	1,170
EPM 16948 "Nymbool"	Tin	100	8,200
EPM 12887 "Pyramid"	Gold, Silver	100	320 sq.km
EPM 8402 "Yarrol"	Gold, Silver	100	40,000
EPM 12834 "Mt Steadman"	Gold, Silver	100	40,000
EPM 15426 "Gooroolba"	Gold, Silver	100	50,000

3.0 Tin Projects

3.1 Introduction

MGT is a significant holder of exploration and mining tenements in southern part of the Mt. Garnet – Irvinebank region and owns the only tin mill in the district. The veteran Mill on Mining Leases (ML) 4349 covers an area of 18.3 ha and includes a tin smelter and tailing storage facility. The mill was originally constructed in the early 1980s and, due to a recent upgrade, now has a production capacity of up to 50,000 tpa. The collapse of the price of tin occurred soon after its completion and the mill was on care and maintenance for most of the time; the lease (ML 4349 which includes a tailing storage facility) was maintained so that mill operation can resume without any delay).

The company intends to re-start the mill, and in so doing will be able to treat the hard rock tin ore from its own (MLs) and from Mining Leases owned by others. The objective is to become the main tin producer in the district. The company has spent approximately $2.4 million over the past 18 months to repair, refurbish and upgrade the mill from its previously inoperative condition, and on exploration. In the longer term the objective is to increase the grade and tonnes supplied to the mill by continued drill testing of targets. The focus will be on increasing the grade for better profitability. Smelting of cassiterite concentrate at the Veteran Mill site will provide additional profit margin.

The Mt. Garnet – Irvinebank district was one of the two major tin producing districts in Australia and historically Australia has been one of the major tin producing countries in the world. Hard rock tin ore was obtained from open cuts and tunnels at the Summer Hill mining area (ML Application 20547) which includes historic Dalcouth, Extended and Summer Hill mines, located 0.5 – 4 km from the Veteran Mill).

In addition to hard rock mines, alluvial tin was also mined on large scale with a total production to 1972 of 117,000 tonnes (t) of cassiterite. The valleys in and around ML Application 20547 "Summer Hill" have been extensively mined using mechanised equipment but mining stopped in 1989 due to depressed prices.

No systematic exploration of the whole potential of the Summer Hill tin field has been carried out but rather ad hoc searching for high-grade patches to fulfill the immediate requirements of the treatment facilities for cash-flow generation. The main challenge for MGT in the short term is to prove up hard rock resources and ore reserves at Dalcouth and Extended so that a source of 50,000t/year of high grade tin ore can be confirmed for the Veteran Mill.

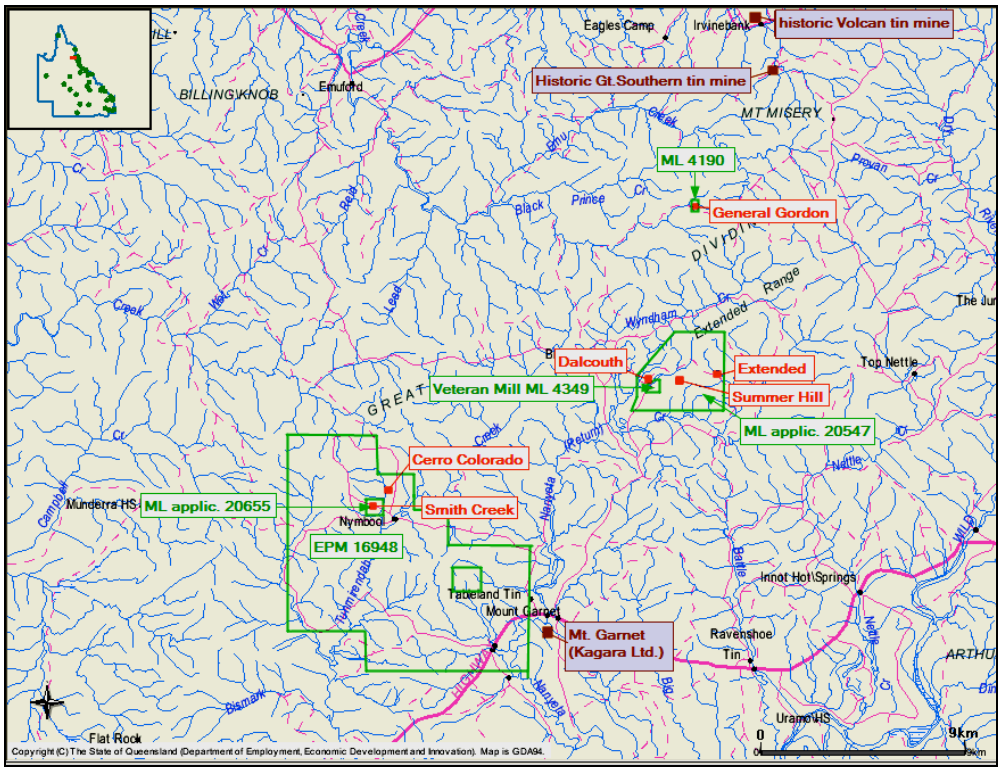

Figure 2 showing main tin mines MGT tenements and tenement applications

3.2 Summer Hill lode system

3.2.1 Introduction

The Summer Hill lodes (MLA20547) that MGT is investigating occur in complex linear fracture zones that are usually steeply dipping. The intensity of shearing controls the size and possibly the grade of lodes. The lodes extend over an area of some 10 sq km and there are nine with major size targets and several minor lodes.

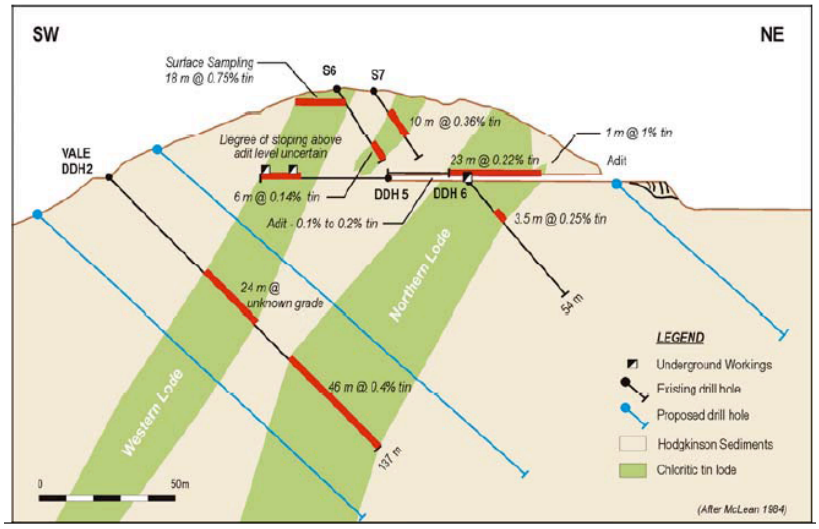

Figure 3 Summer Hill tin lode. Cross section from 1984 drilling

There is potential for finding larger bodies of higher grade (1% Sn) mineralisation at depth. To test this possibility an inexpensive ground magnetic survey is required prior to drilling.

Depending on grade, tonnes and depth of any ore located by drilling, it might be possible to mine by open cut.

3.2.2 Previous Investigations

The history of the Summer Hill area is summarised as follows:

1880s Underground and surface workings of high grade tin
1940s Underground mining of at Dalcouth lode
1960s Adits driven into both the Mayday and Summer hill lodes by Noranda Australia Pty Ltd. Six underground diamond drill holes.
1965 An adit driven into Summer Hill
1970 First hard rock mill built with mining and milling of high grade from multiple prospects. Two diamond drill holes from the surface at Summer Hill returned a best intersection of 46m grading 0.4% tin. The nearby Mayday Lode mined 1% to 2% tin values.
1980 Mount Veteran Mill established. 20 000t of ore with a head grade of 0.7% were treated by Vancea
1985 Viking Lode mined
1986 Mount Veteran Mill placed on care and maintenance
1999 Tin Australia NL recommissions and upgrades Mount Veteran Mill. Mill operates as a toll treatment and tin buying facility
2002 Mount Veteran Mill placed on care and maintenance.
2004 Mill upgraded in dry processing area and tin smelter added
2006 Mill recommences with buying of tin ore and toll treatment

3.2.3 Geology and Mineralisation

The project area lies on the northeastern margin of the Georgetown Inlier, as defined by the Palmerville Fault, in the centre of the Atherton 1:250,000 Geological Sheet. The simplified geology of the tenement area is shown in Figure 4.

The Herberton - Irvinebank tin field is situated within the Hodgkinson Province of the Tasman Orogenic Zone and is bounded to the west by Precambrian metamorphic rocks. The Siluro-Devonian aged Hodgkinson Formation comprises a thick sequence of clastic marine greywacke, shales, slates and sandstones which contain locally minor volcanic and chert interbeds. It is intruded by, and overlain by extrusions of acid igneous rocks of Upper Palaeozoic age.

In the Mount Garnet district high-level granites of the O'Brien's Creek Super Suite intrude the Hodgkinson Formation. Greisen and pipe formation is common at the contacts between the Hodgkinson Formation and the O'Brien's Creek member granites. Younger, mainly extrusive, acid Volcanics form the Slaughter Yard Creek Volcanics and related porphyry dykes frequently disrupt the Hodgkinson Formation sediments.

The Hodgkinson Formation sediments are generally metamorphosed to green schist facies and display broad north-trending upright folding. The folding decreases from intensely folded in the east to gentle folded in the west. Small scale faulting is common. Alteration is mainly silica, chlorite and sulphide with occasional sericite and kaolin (greisen). Tourmaline has been reported. At surface the lodes are distinctive with strong iron staining, from the weathering of chlorite and minor sulphide and numerous quartz veins.

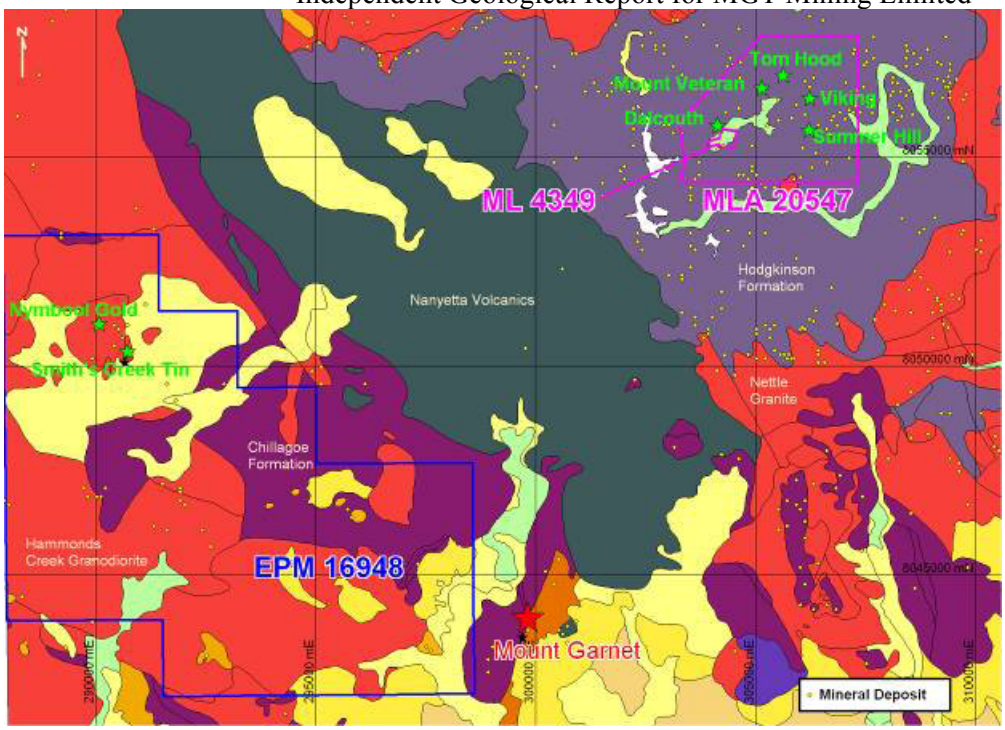

Figure 4 Ssimplified geology of the M Garnet Area

Tin mineralisation is widespread in both the sediments and in the granites (O'Brien's Creek Super Suite). In the sediments, tin, tungsten and copper can be found in quartz veins and fluorite veins in fracture controlled fissure filling, as replacement veins and pipes and as disseminated tin generally associated with intense chlorite alteration. The lodes occur in complex linear fracture zones that are usually steeply dipping. The lodes extend over an area of some 10 sq km and there are nine with major size targets and several minor lodes.

The tin generally occurs as fine grained cassiterite with minor sulphides when found in major lithological controlled structures within the greywacke portions in sediments overlying the granite. Larger deposits can be found at the intersections of these structures (although these intersections also host later stage stannite, pyrites and arsenopyrite). Tin is also found at the sediment - granite contacts. Higher grade tin can be found as skarns in the carbonate sections of the sediments, this tin (banded magnetite-fluorite) typically is stannite rich and contains sulphides.

Tin that is associated with greisen and granite can be quite localised, showing a patchy character with tourmaline and topaz and magnetite that form in intense but local alteration zones. Deposits rich in tungsten, molybdenum and antimony are also associated with the O'Brien's Creek Super Suite. A zonation occurs ranging from tungsten within the granite batholith, outwards to tin at the margins and contact of the granite and then to base-metals, largely within the sediments.

3.3 Dalcouth and Extended Prospects.

Two drilling programs have recently been completed on these prospects and confirmed the presence of high grade tin intercepts at Summer Hill MLA 20547 (Table 2). The drilling has intersected significant tin mineralisation at shallow depths from both prospects but infill assay results have not yet been processed. All significant intersections are within 50m of the surface and future exploration work is focused on testing the continuity of the ore bodies and identification of new mineralised zones.

The company's second drilling program consisting of 43 holes for a total of 2,461m of RC drilling, was

designed to accomplish the following.

- Extend and infill previous drilling program on MLA 20547
- Test weathered oxidised zones and the robust nature of the ore bodies
- Identify pods of economic mineralisation.
- Test both strike and parallel extensions to the mineralised pod zones
- Test other exploration targets identified by trenching and ground magnetics

High grade tin intercepts located included:

- 4m @ 1.2% Sn (SH03) between 33 to 40m, includes 1m @ 1.7% Sn
- 2m @ 8.0% Sn (X02) between 25 to 28m, includes 1m @ 15.75% Sn
- 3m @ 4.7% Sn(X02) between 37 to 40m, includes 1m @ 7.59% Sn
- 5m @ 0.8% Sn (DAL 48) from 7 to 12m, includes 1m @ 2.6% Sn
- 3m @ 1.6% Sn(DAL50) between 19 to 24m, includes 1m @ 3.2% Sn

Table 2 Drill Hole summary — one metre intervals greater than 1% Sn Intercepts

Drill Hole ID*	Easting	Northing	Dip	From	To	Sn
SHO3	305459	8055664	90	33	34	1.30%
SHO3	305459	8055664	90	35	36	1.00%
SHO3	305459	8055664	90	37	38	1.70%
0A148	304097	8055755	90	11	12	1.00%
DAL48	304097	8055755	90	17	18	2.60%
DAL48	304097	8055755	90	21	22	1.40%
DAL50	304098	8055775	90	21	22	1.00%
DAL50	304098	8055775	90'	23	24	3.20%
X02	306872	8055932	60 NE	25	26	15.75%
X02	306872	8055932	60 NE	37	38	7.59%
X02	306872	8055932	60 NE	38	39	5.06%
X02	306872	8055932	60 NE	39	40	1.70%

***SH - Summer Hill; DAL- Dalcouth; XO2 – Extended.**

Follow up drilling on the exploration targets of Extended, Dalcouth, Veteran and Summer Hill is planned in conjunction with infill ground magnetics. Resource modelling will be undertaken once all assay results are received. The results indicate that around the previously identified pods of mineralisation there is a significant amount of high grade (>1% Sn) at shallow depths (<50m). It may be possible to incorporate this shallow mineralisation into a resource model if its grade is above 0.4% Sn. Below this figure metallurgical recovery rates diminish.

3.3.1 Dalcouth Historic Mine:

The Dalcouth prospect consists of a set of several parallel mineralised zones with widths of up to 20m. These mineralised zones are located between 0.3km and 0.7 km from the Mount Veteran Plant. MGT's interpretation is that these zones are located relatively low in the terrain, near the contact of sediments with underlying granite, where MGT expects the best mineralisation to occur.

Host rocks are altered sediments of Palaeozoic Hodgkinson Formation containing a quartz – cassiterite vein stockwork; a small porphyry intrusion with pyrite disseminations was intersected at depth.

Prior to the 2010 drilling campaign a total of 40 RC holes had been drilled; mineralisation was intersected in most holes. The 2010 drilling program encountered a significant amount of mineralisation (in 8 holes) that could potentially be incorporated into a resource model. Further exploration will comprise close-spaced drilling to define a resource.

3.3.2 Extended Historic Mine

The Extended prospect is located 2.5 km from the Mount Veteran Plant. The prospect hosts a mineralised zone with a width of 5m. The zone is located relatively low in the terrain, near the contact of sediments with underlying granite, where MGT expects the best mineralisation to occur. The Extended is located 2.5 km from the Mount Veteran Plant

Host rocks are altered sediments of Palaeozoic Hodgkinson Formation containing quartz – cassiterite vein stockworks; a small porphyry intrusion with pyrite disseminations was intersected at depth.

Prior to the 2010 drilling campaign, 8 RC holes had been drilled, all of which intersected mineralisation. Since the weathered oxide zone was being tested, most of the holes were relatively short (~30m). The 2010 program intersected some very high-grade shallow mineralisation, including 3m at 4.78% Sn from 37m. Further exploration will comprise close-spaced drilling to define a resource.

3.3.3 Summer Hill Historic Mine

This prospect has also been identified as having possible bulk mining hard rock potential. Historical records show that 22,000t of tin metal has been produced from dredging alluvials within the Summer Hill area. Large chloritic lodes outcrop as resistant ridges in the project area and are known to contain 1 to 4m zones of tin bearing material. The company has conducted sample testing from the old workings with positive results for tin, gold and copper.

Host rocks are altered sediments of Palaeozoic Hodgkinson Formation containing quartz – cassiterite vein stockworks; a large porphyry intrusion with pyrite disseminations was intersected at depth.

Drilling results from the 2010 program have been promising, including one hole with multiple intersections of above 1% Sn (see Table 2). Further exploration will comprise close-spaced drilling to define a resource.

3.3.4 Exploration Program and Budget

MGT plans to build up a resource inventory at the Summer Hill tin lodes and have allocated a first-year budget of $420 000 to include 2000 m of RC percussion drilling. This will begin at Summer Hill where the targets are already clearly defined. At other lodes, surface work, mainly trenching will be assist locating shallow drill targets. The principle lodes of Dalcouth, Mount Veteran and Viking have not been systematically tested. RC percussion drilling is planned at 25 m spacing to intersect at 15 m and 25 m vertical depth and will focus on extensions of known tin mineralisation at the principle lodes, initially.

3.4 Smith Ck. Historic Mine - Prospect:

3.4.1 Introduction

MGT holds 100% equity in the Smiths Creek Tin Mine within EPM 16948 (Figures 5-7) where mineralisation is a series of quartz-tourmaline, tin-copper-tungsten rich pipes in a chlorite shear zone. The mine is 15 km by existing road from Veteran Mill and is covered by 100% owned EPM 16948. Prior to 1990s, it was not possible for companies with substantial capital and high level of expertise to apply for large EPMs and explore in Mt. Garnet District for tin, copper, zinc or gold, because the government has reserved the area for small miners that were mostly exploiting alluvial tin on small scale. Therefore potential for discovery of economic tin, copper, zinc and gold ore deposits by modern methods like stream sediment sampling and assaying by geochemical methods remained to be tested.

Historically, hard rock tin production from Smith Creek was more significant than that from mines like Dalcouth and Viking and the discovery potential for new hard rock tin deposits is

probably better in EPM 16948 because granitic areas that are prospective for tin are more extensive and alluvial tin workings more widespread, indicating a larger number of sources.

3.4.2 History

In 1901 the Smiths Creek lode was discovered and from 1903 – 1909, departmental records show that about 60,000t of 4% Sn ore was produced from a lode 6 – 10m wide, that extended from the surface to 167m, with grades up to 15% tin. At 167m, copper sulphides were encountered and reportedly the mining stopped because of a major accident leaving high grade ore behind. An additional 23 800t were won by open-cutting mineralisation estimated to have graded approximately 0.7% tin.

Later on the Goldfields Drilling Company tested the mine and intersected grades ranging from trace to 10.4% tin (widths not reported) at the 92 m level and the Geological Survey of Queensland drilled three diamond holes between 1955 and 1966 targeting possible tabular extensions with negative and inconclusive results. Past records suggest there is possibly a second body to the east.

3.4.3 Modern Exploration

In 1980, an economic evaluation by Otter Exploration NL was carried out based on an expected 250 000 t grading 1.68% tin. Otter then drilled three diamond drill holes (260 m total) to test related magnetic features but core recovery was poor and the chloritic shear zones intersected returned grades that were less than 0.1% tin.

In 1996, Strike Mining NL reviewed the feasibility of treating the mineral deposits they controlled in the Mount Garnet district. This included mining the Smiths Creek tin mine and the Adelaide block with processing proposed at the Mount Veteran Plant. On review, the projects were considered unattractive due to weak metal prices.

Smiths Creek mine has recently been gridded, soil sampled, mapped, costeaned, and ground magnetics run. The magnetic response has been integrated with geological mapping and spectral imagery (Aster) interpretation to produce a target area for drilling between the Adelaide block and the Smiths Creek Mine.

3.4.4 Geology and Mineralisation

Most historical tin mines in the area are associated with Permo-Carboniferous Granitoids overlain by Tertiary to Quaternary sand and gravel cover; these were mainly alluvial mines. Smiths Creek Mine was hard rock, exploiting a high grade tin-copper deposit which was outcropping in a small area of exposed granitic rocks.

Tin mineralisation, associated with some copper, is located in the upper part of the granite, while in overlying sedimentary rocks there is zinc-lead-silver mineralisation). The results of sampling of mine dump and the tailings (located in newly applied 'Head or Tails' ML) of the historic mill in which ore from Smith Creek was processed in period 1903 – 1909 indicate that there is significant copper sulphide present in main ore body which was mined to a depth of 167m.

Test work on flotation of the copper sulphide produced a concentrate with about 500 g/t Au and 25% Cu. This byproduct increases the chance of finding mineralisation that would be economic

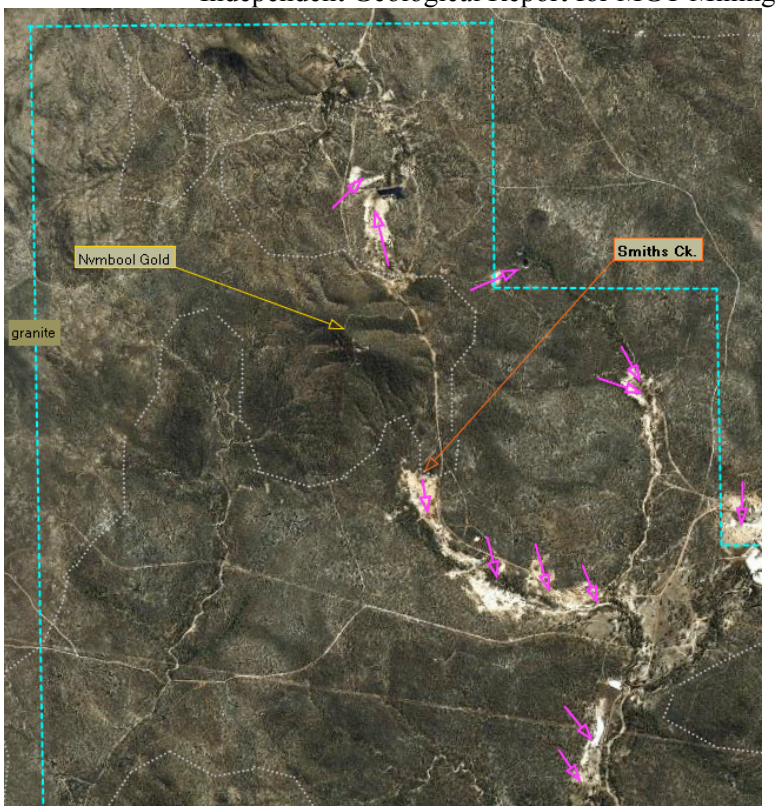

Figure 5 Google Earth map of NW and Central part of Smith Creek EPM 16948

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Figure 5 shows:

- historic Smith Creek hard rock tin mine
- historic alluvial tin workings in light coloured patch of ground that are located downstream of Smith Creek tin mine
- other historic alluvial tin workings, which are located on other streams must have sourced tin from other hard rock sources – as pointed out by pink arrows)
- outline (doted light grey line) of low ground with thin (probable thickness 1 -5 m) sand and gravel cover on granite bedrock

The central granite area is also prospective for tin and includes a number of other hard rock tin and tin-tungsten mines and alluvial tin mines. The geological setting is similar to that in northern granite area prospective for tin" which includes historic Smiths Creek hard rock tin mine and alluvial tin mines, therefore a similar exploration programme is proposed.

Some recorded historical tin, copper and zinc and gold mines are in the southeast part and less than 1km south of the southern boundary there are large ore deposits like Gillian (tin) and Rio Cerveza (magnetite), as well as historic copper and fluorite mines, which indicate potential for similar discoveries in SW part of EPM 16948.

3.4.5 XRL Drill Testing of Smiths Creek Target:

XRL drilled six holes in 2008 along the 300m length of the old workings (Figure 6). Despite the large quantity of tin in the alluvial sand derived from Smiths Creek area there was only a modest amount of low grade tin in the drill holes. Most economic tin ore bodies in Mt. Garnet – Irvinebank district are vertical pipes with a diameter of 10 to 30m and these holes are probably between the pipes, which represent targets needing precision layout.

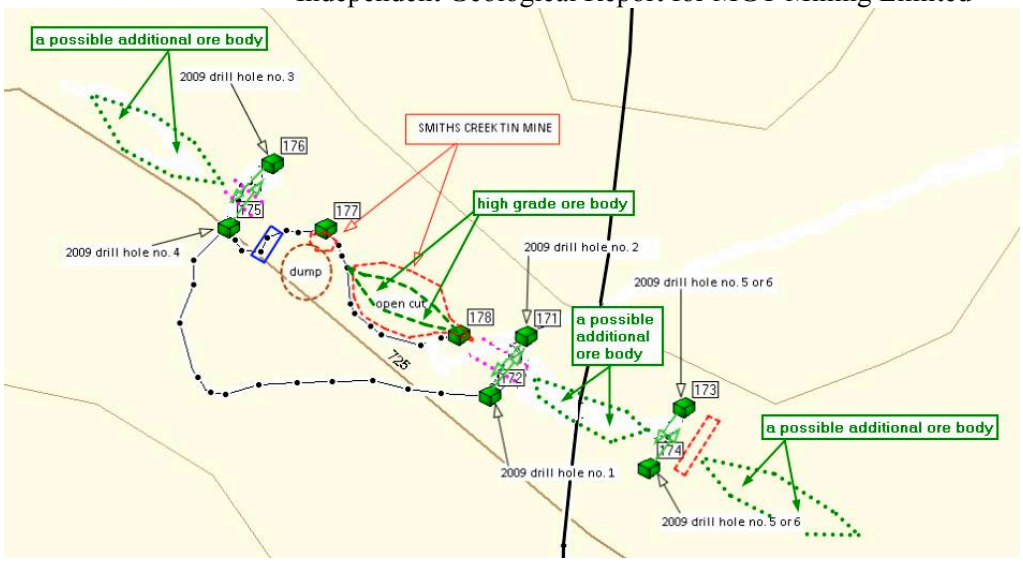

Figure 6. Location of XRL drill holes along the 300m length of Smith Creek workings

Figure 7 shows the longitudinal Section to illustrates the concept of high grade ore bodies with short strike extent and great depth extent- Difficult drill targets.

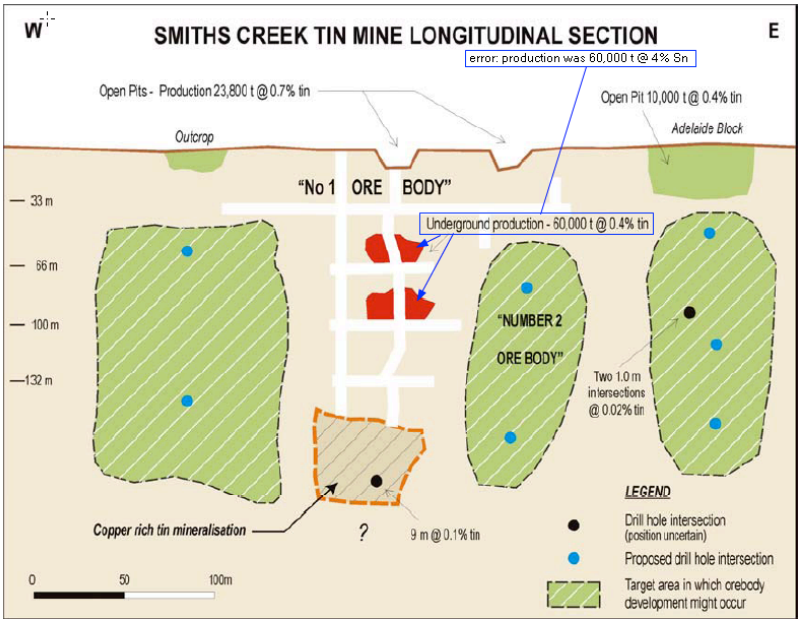

Figure 7 Smiths Creek tin mine. Longitudinal Section

3.4.6 Exploration Proposal:

Drill testing of Smith Creek targets (main high grade ore body and the lower grade ore body under the open pit) has become high priority with the likely association of tin with gold and copper making the target much more attractive. The following program is proposed:

- Check all historic mine workings
- Stream sediment sampling of immediate area of Smiths Creek mine and the surroundings
- Ground magnetometer survey of immediate area of Smiths Creek mine and extending outwards
- Drill testing new targets
- Expansion of programme as required exploration for extensions of known mineralised zone at Smiths Creek toward WNW and ESE

- Exploration for similar mineralised zones under sand and gravel cover
- A series of about 12 inclined RC holes (variable length of 50 to 100m) to determine the exact position of the main vertical high grade pipe-like ore body (5 – 10m wide, 30 – 40m long), and to test for shallow tin mined in open pit which produced 23,800 t @ 0.7% tin). The stopes may be filled with low grade mineralisation that can be extracted by open pit.

3.4.7 Other Tin Areas for further exploration

There are several magnetic targets located within a 1km radius of historic Smith Creek mine which warrant drill testing. In addition the following prospects near Smiths Creek are known from old workings and/or stream sediment anomalies..

- Ridge
- 4by
- Queen, depending on assay results from recent drilling –the two holes drilled recently ended in old underground workings
- April Fool
- Adelaide Block mineralisation – depending on assay results from recent drilling

3.4.8 Conclusions

The objective of the proposed drilling programme is to intersect vertical ore pipes containing high grade (+1% Sn) mineralisation associated with magnetite. If the target is a vertical cylinder with diameter of 20m, the tonnage to depth of 60m is about 50,000t (targets like April Fool WP28, Adelaide Block WP26 and WP27 may have such dimensions).

If the target is a vertical cylinder with diameter of 30m, the tonnage to depth of 75m is about 150,000t (targets like Queen WP34 may have such dimensions).
Historic Smith Ck Mine produced approximately 60,000t of ore averaging 4% Sn (including small tonnage of ore with 10% Sn in initial stages) from a pipe 6 – 10m in diameter from depth interval 0 – 167m.

3.4.9 Recommendations:

- Total of proposed drilling in Queen WP 34 and 35 Targets is 7 holes / 495m.
- Total of proposed drilling in April Fool and Adelaide Block Targets is 8 holes / 480m.
- Drilling in Queen WP 34 Target - should be undertaken first because of coincident magnetic 'bullseye' anomaly and old pits.
- Queen, April Fool and Adelaide Block Targets are high – medium priority because of association of old pits with magnetic anomalism and stream sediment values for tin that are an order of magnitude greater than in MLA20547.

3.4.10 Smith Creek Budget

A budget of $250,000 has been allocated for approximately 2000m of drilling at Smith Creek. Drilling should commencing around March 2011.

4.0 Nymbool Copper-Gold Project

4.1 Introduction

The Nymbool district falls into the province that produced Kidston in excess of 3.2 million ounces of gold (Moz Au), Mount Leyshon and Red Dome. The project area, EL16948, is within the tenements that surround the MLs of the Smiths Creek Tin Mine (Figure 8). The mineralisation is a copper-gold porphyry style or "intrusive related system" with a large tonnage potential at depth. The main historical interest has been around the Nymbool Gold Prospect that is associated with an IP anomaly. Drilling has intersected large intervals of low-grade gold and minor copper mineralisation, mostly in the oxidised zone above the anomaly with most of the drill holes ending in mineralisation (eg 27m grading 1.1 g/t Au).

There are currently 27 drill holes delineating an area of interest covering about 40 000 sq m. If deeper drilling confirms that economic copper-gold mineralisation is present throughout the IP anomaly / target, some 35 Mt of mineralisation may be present within depth of 250m which is a depth for open cut.

At Ambrose Gully Gold Prospect some 4 km south, elevated gold values in rock chip and soil samples also require further exploration.

4.2 Mining and Exploration History

The Nymbool Gold Prospect was held by Western Mining Corporation (WMC) under a Mining Lease Application (MLA) and prospected during 1989. After surface grid-based mapping, sampling and induced polarization (IP) surveying, WMC drilled 11 RC holes to about 50m hole depth, for a total of 545m. Every hole intersected low-grade gold eg 31m grading 0.68 g/t Au, and 27m grading 1.1 g/t Au, but it held little interest for WMC at the time.

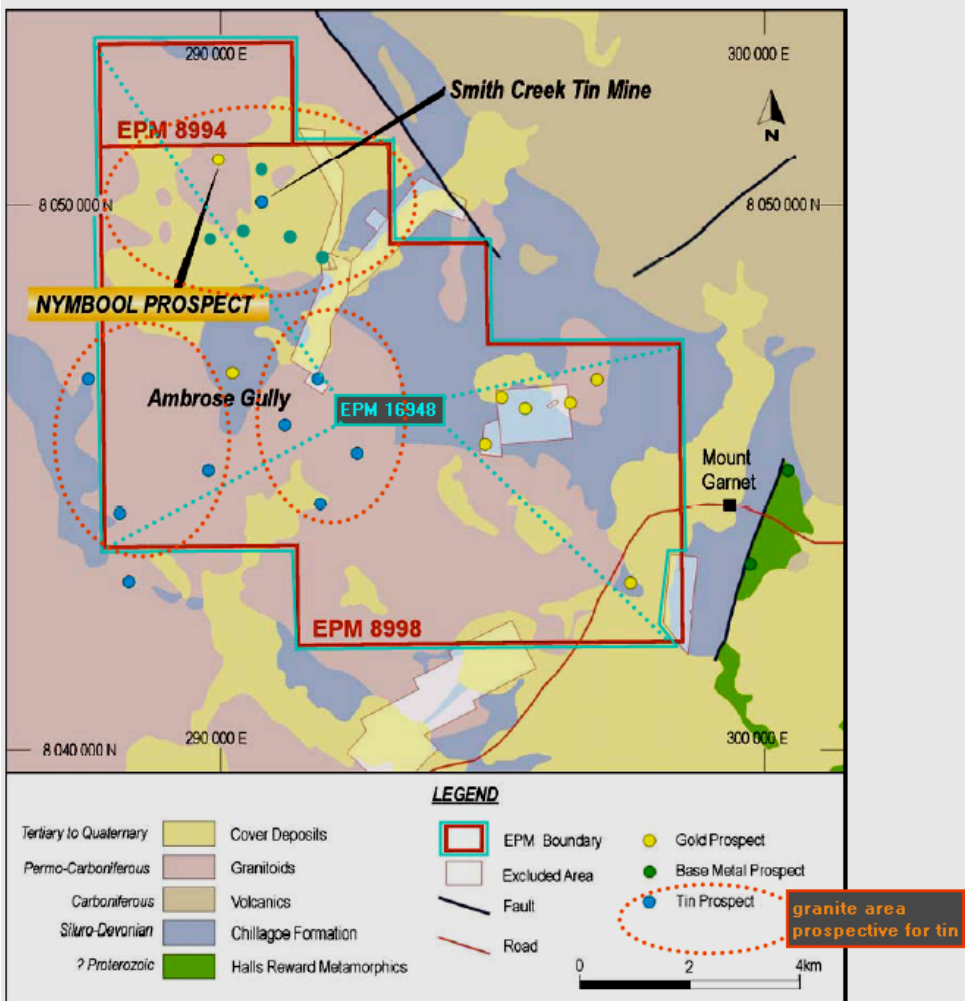

Figure 8 Nymbool EPM showing geology and prospects

WMC relinquished the area and in 1992, Aurelia, in a nine hole program of RC drilling, extended the low-grade gold mineralisation further to the north.

Between 1992 and 1994, Normandy Gold Exploration Pty Ltd ("Normandy") EPM 8998, explored for bulk tonnage copper and gold mineralisation. Normandy's exploration program included drainage geochemistry and prospecting of airborne geophysical anomalies in areas of outcrop and drill testing of aeromagnetic targets on the Palmerville Fault in areas of Cainozoic cover. Since 1994, under a farm-in agreement with Normandy, DRX explored the area for gold and base metal mineralisation. In mid 2002 DRX purchased Normandy's interest. DRX has completed stream sediment and grid based soil sampling and geological mapping, IP surveying, RC drilling, mineral target estimates and preliminary metallurgical studies of composites of rock chips from previous drill holes. This was followed up by a dipole-dipole IP and resistivity survey, and the completion of two more RC programs.

4.3 Geology and Mineralisation

The Nymbool Gold Project covers part of the Hodgkinson Province close to the west-bounding Palmerville Fault Zone, which is spatially and genetically related to some centres of economically important mineralisation in north Queensland. In the district, sediments of the basal Siluro-Devonian Chillagoe Formation, consisting of sandstone, shale and conglomerates, are intruded by numerous granitoid rocks of Permo- Carboniferous age.

Regionally, the granitoids are often hosts to the extensive tin mineralisation around Mount Garnet as well as deposits of tungsten, molybdenum, gold and base metals. Vein gold mineralisation is widespread in the sedimentary rocks and base metal skarn deposits are currently under investigation. Low-grade gold deposits similar to Nymbool are known in the district. The Triple Crown Prospect (467,000 t @ 1.5 g/t Au) situated about 7 km south-east of the Nymbool Gold Prospect is an example. The Triple Crown is not held by MGT.

Far north Queensland contains several bulk tonnage low-grade gold deposits of economic significance, which fall into the "intrusive-hosted or related" category. While these are the same style, they are quite different in details of structure and mineralogy and vary from Permian to Carboniferous age. They are described as plugs, breccia pipes and diatremes and can feature skarns. The deposits include Kidston (production to 2001 of in excess of 3.2 million ounces of gold (Moz Au), Mount Leyshon (production to year 2000 in excess of 3.0 Moz Au), and Red Dome (production to 1997 to 0.68 Moz Au). The Nymbool district falls into this gold province. (Note that the resource information is given only to illustrate the order of magnitude of the gold deposits).

4.4 Nymbool Gold Prospect

The principal interest in the area is the low-grade porphyry style Nymbool Gold Prospect where mineralisation is associated with a complex of felsic porphyritic rocks intruding the contact zone of two granitoids. Several felsic porphyry bodies, together with country rock granitoids, are hosts to mineralisation, but the principal host is quartz porphyry. The host rocks are cut by a northwest trending set of fractures, greisen zones and veins which, in turn, are cut by north trending shears with sheeted quartz veins, gossanous partings and narrow, quartz-fill breccias. Better gold grades are associated with intense quartz veining and pervasive or selvage silicification, but gold grades occur in all rock types.

Drilling has intersected large intervals of low-grade gold and minor copper mineralisation with most of the drill holes ending in mineralisation. There are 27 drill holes delineating an area of interest covering about 40 000 sq m.

In 2001, DRX completed a dipole-dipole IP and resistivity survey using a dipole spacing of 100m to define zones with potential gold mineralisation at depth and adjacent to the known gold mineralisation. Three-dimensional inversion modelling of this IP data identified a number of targets.

The top of IP anomaly is about 80 - 100m below surface so that only the upper portion has been tested and is a high priority target for deep drill testing. The > 2.4 Mt of oxidised leached zone contains about 0.3 - 1g/t Au and averaging 0.7 g/t, and may be extractable by heap leaching, which would pay for removal of overburden to access the potentially profitable sulphides below, which should be amenable to concentration by inexpensive flotation to produce a payable gold/copper product. For these reasons, deep holes need to test the entire IP anomaly.

The IP anomaly / target extends for 350m in a NE direction. The width of the anomaly / target is 150 to 300m (average 200m). A series of 250m deep vertical drill holes is proposed to test this IP anomaly. If these holes confirmed that economic copper-gold mineralisation is present throughout the IP anomaly / target, some 35 Mt of mineralisation may be present within depth of 250m which is a depth for open cut.

The IP anomaly / target appears to remain open to the northeast so that it may be possible to prove up a larger tonnage by drill testing potential extensions to the NE.

The depth extent of sulphide mineralisation remains unknown but is likely to extend to a depth greater than 250m reached by IP, so that the tonnage potential may be increased by drilling deeper than 250m.

In first stage only two new 250m holes would be drilled to confirm that the IP anomaly is correlated with copper sulphides. Depending on results of first two holes, a new IP survey to extend anomaly to the NE and further drilling would be undertaken.

4.5 Ambrose Gully Gold Prospect

The Ambrose Gully Gold Prospect is located some 4 km south of the Nymbool prospect and has been defined by elevated gold values in rock chip and soil samples – particularly in the region of the contact between granite and sediments where the development of an extensive quartz greisen has been developed. Some early drilling in the general area by previous explorers targeted ferruginous breccia "lodes" in the sediments, but did not target the greisen zones which remain to be tested.

4.6 Exploration Program

The mineralisation at Nymbool is significant because it shows that the prospect is part of a widespread gold bearing zone with geological characteristics similar to deposits that have been successfully exploited. MGT will examine the intrusive-related gold system to search for higher-grade zones. The mineralisation has not been closed off, at depth and to the north.

At both the Nymbool and Ambrose Gully, gold is closely associated with the top contact of a porphyritic biotite granite. At Nymbool, gold occurs in a fine to medium grained granite on the contact, while at Ambrose Gully, gold is associated with quartz-greisen on the contact. In both cases the contacts dip at a flat angle of less than 20°.

The bulldozing of access tracks and drill pad sites on the hilly terrain has created new rock exposures and at the Nymbool Prospect, extensive (15 m wide) areas of alteration in the granitoids and an auriferous quartz bearing zone (25 m wide and intermittently 100 m long), are known, which might represent a feeder system containing elevated gold.

At Ambrose Gully, where very little recent work has been carried out, the granitoid/sediment contact will be investigated for signs of mineralised greisenised areas.

MGT has allowed between $20,000 and $100,000 for geochemistry, geological mapping and follow-up drilling in the first year. If the first year program is successful a further program of approximately $100 000 is likely for the second year

5.0 Pyramid Gold Project.

5.1 Introduction

MGT holds EPM 12887 "Pyramid" of 320 sq km, located in the Mt. Coolon district / Drummond Basin, 150 km southwest of Bowen in North Queensland. It contains several prospects showing gold bearing epithermal style quartz veins. The region is important for high grade gold deposits of the epithermal style such as Pajingo, Yandan and Wirralie.

The EPM includes a major north-northeast trending belt of gold mineralisation developed over a strike length of 15 km, extending from the Sellheim North Prospect southwesterly through to the Madhya Pradesh - Rockpool Creek prospects in the south, with many gold prospects in between, including the main gold targets, Gettysberg and Sellheim.

Gettysberg and Sellheim were drilled in the 1990s and produced shallow high grade quartz lode gold values and low grade disseminated gold. These two prospects are unusual in that after 30 years intensive gold exploration in all parts of Australia, there are few targets with encouraging drill intersections at shallow depth that still remain to be followed up, such as these. The drilling at the Gettysberg prospect defined a significant mineralized gold zone with epithermal characteristics and included 8.0m @ 18.08 g/t gold in Hole MDRC-031.

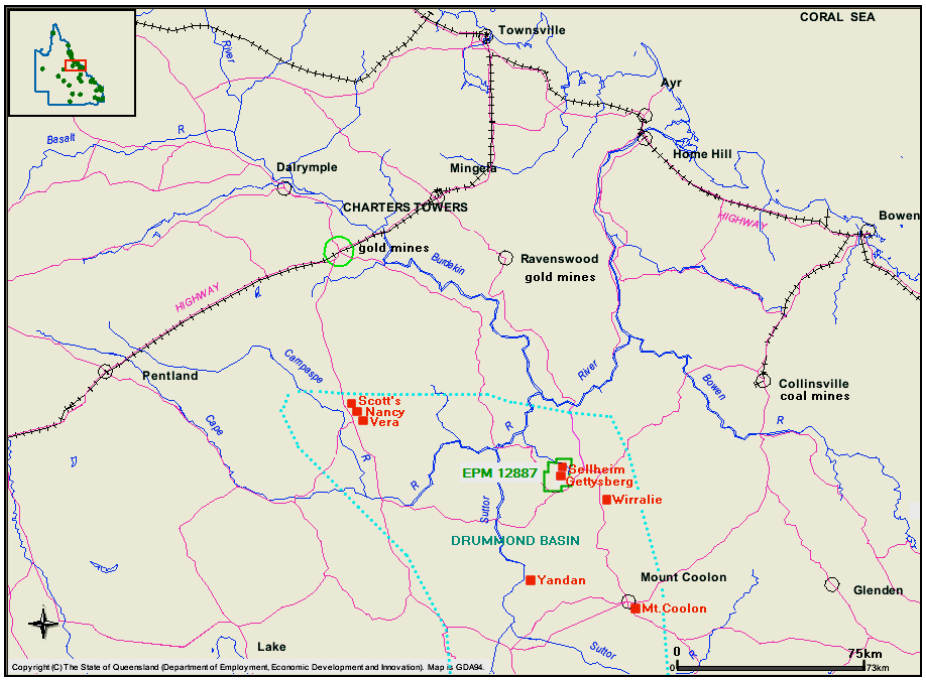

Figure 3 showing main gold mines and MGTs tenement in the Drummond Basin

MGT's review of exploration in the Drummond Basin shows that exploration and mine development is still at an early stage and that further major discoveries such as Pajingo can be expected. The region has included some important quartz lode and disseminated gold deposits and the company considers the basin to one of the most promising gold districts in Australia that has the potential to turn the company into a significant participant in gold exploration & mine development.

5.2 Historical work

In 1984 the Wirralie and Pajingo gold deposits were discovered and were developed as mines by 1987. Soon after this the Yandan gold deposit was discovered. Intensive detailed search in vicinity of Pajingo mine led to the discovery of the Vera and Nancy deposits and the development of new mines here, which are significant gold producers from quartz lode type ore bodies.

Examples of quartz lode gold mines in the district include:

- The Scott quartz lode at Pajingo produced 1.35 Mt @ 8.86 g/t Au for 0.39 Moz Au.
- The Vera and Nancy lodes at Pajingo had initial resources of 1.68 Mt @ 14.1 g/t Au and 0.8 Mt @ 12g/t Au respectively (0.84 Moz Au). These resources were increased to more than 2 Moz Au by 2001 despite continued production. In June 2010, North Queensland Metals Ltd, announced reserves and resources of 0.8 Moz- sufficient for an additional 14 years of mining, with potential for further increases of reserves by continued drill testing of extensions.

Examples of disseminated gold deposits include:

- Wirralie with 3.65 Mt @ 2.75 g/t Au (0.32 Moz Au).

– Yandan with 6.42 Mt @ 1.54 g/t Au (0.32 Moz Au).

Pajingo and Vera Nancy are characterised by high-grade gold mineralisation of the low sulphidation epithermal style: discrete high-grade shoots, containing usually fine (occasionally coarse) grained, free-milling gold and banded quartz. Alternatively the gold may be disseminated in a stock work of small veins, which can be a bulk-mining target. The resource figures are given only to illustrate the order of magnitude that well developed epithermal gold deposits can attain.

5.3 Geology

The Pyramid Project lies in the northeast of the Devonian to Carboniferous Drummond Basin, which is Devonian to Carboniferous in age. The Basin contains a north-northeast trending inlier of Late Ordovician Anakie Metamorphics The inlier divides this region from the main area of Drummond Basin sedimentation to the west and the thick wedge of the Late Carboniferous Bulgonunna Volcanics to the east.

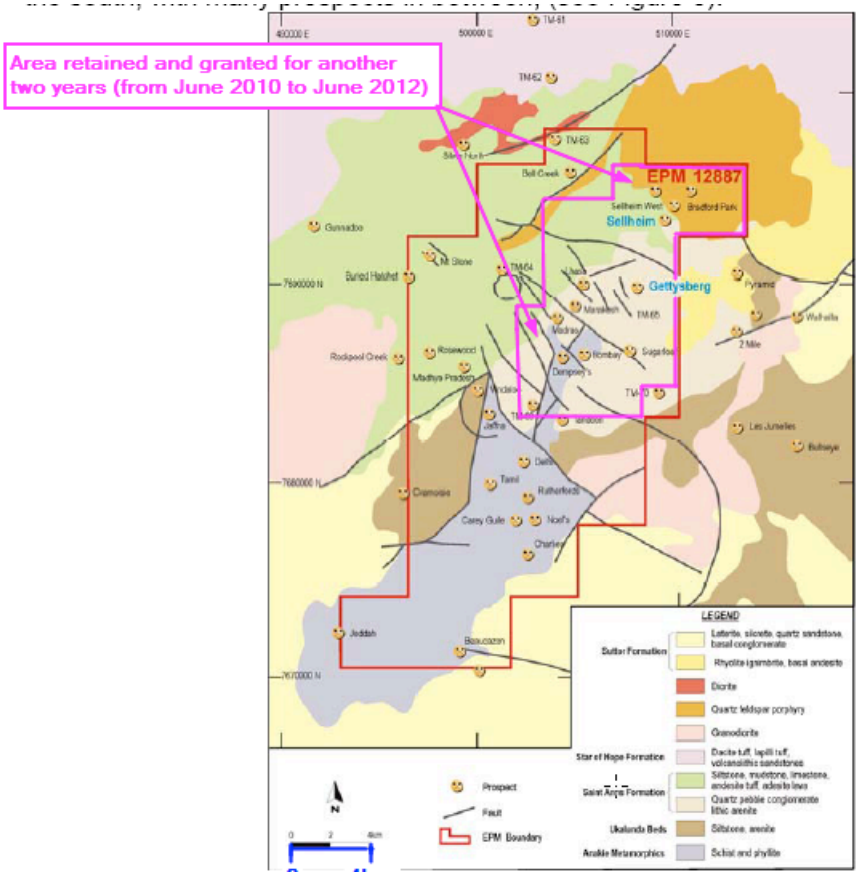

Figure 4 Pyramid Project EPM. Geology with the location of epithermal style gold deposits

The host rocks in the EPM are the 'Saint Anns Formation' sediments (siltstones, and sandstones). Mineralisation at the Pyramid Project consists of epithermal quartz veins, graphite---pyrite---sericite stylolitic veinlets and breccia matrix infill. This mineralisation is only hosted in micaceous sandstones of the Saint Anns Formation.

Equivalents to the Saint Anns Formation are the hosts to epithermal gold mineralisation in the Drummond Basin at the Pajingo, Yandan, Wirralie and Twin Hills gold deposits. On this basis, considerable potential is thought to exist for the development of multiple bulk-tonnage epithermal gold deposits within sediments of the Saint Anns Formation in the Pyramid area. In the Pyramid area mineralisation also occurs within the Ukalunda Beds which underlie the Saint Anns Formation.

Mineralisation includes several styles of which the most economically significant gold mineralisation are the epithermal veins , which include the Sellheim and Gettysberg prospects. These carry free visible gold and electrum is present. This mineralisation is hosted within clastic units of the Ukalunda Beds and Saint Anns Formation.

5.4 Previous Investigations:

From the late 1970s, several mining companies explored the surrounding area, principally Amoco Minerals Inc, AOG Minerals Limited, Sanidine NL, Battle Mountain (Australia) Inc ("BMA") (Pajingo Gold Mine Pty Ltd), Hunter Resources Limited, Dalrymple Resources NL ("Dalrymple"), Poseidon Exploration Limited, Newcrest Mining Limited ("Newcrest") and Diatreme Limited.. Exploration was mainly directed towards locating epithermal gold mineralization.

The work has included mainly geological mapping, stream sediment surveys (BCL and pan concentrate), rock chip sampling and drilling of gold anomalous prospects, especially those showing epithermal characteristics. Some exploration was directed specifically towards Carboniferous intrusive associated porphyry gold mineralisation.

5.5 Gettysberg Project

5.5.1 Introduction

Gettysberg was discovered from the follow-up of a stream sediment anomaly. Highly anomalous rock chip assays up to 2000 g/t Au were located in siliceous breccias. Soil sampling delineated a 400 x 100 m anomaly of >175 ppb Au (1500 ppb Au peak) at the Devils Den and Culps areas, trending NE. Several zones of >50 ppb Au occur outside the main anomalous zone.

A total of 32 RC and 2 diamond holes have been completed and has included 114m (29 to 143m) grading 0.47 g/t Au and higher grade intersections that indicate there is good potential for continuity of gold values at greater depth. Further drilling is required to complete the initial exploration phase as the drilling only tested to a depth of 75m.

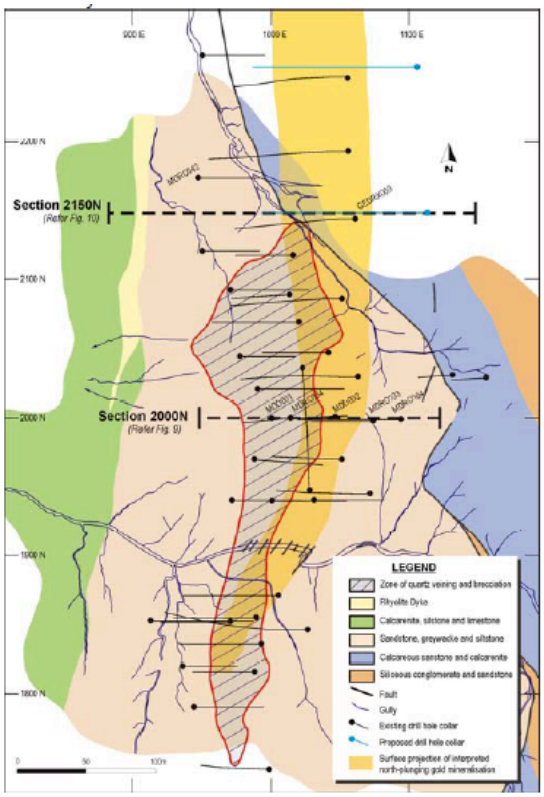

Figure 5. Gettysberg Prospect, geology and drilling

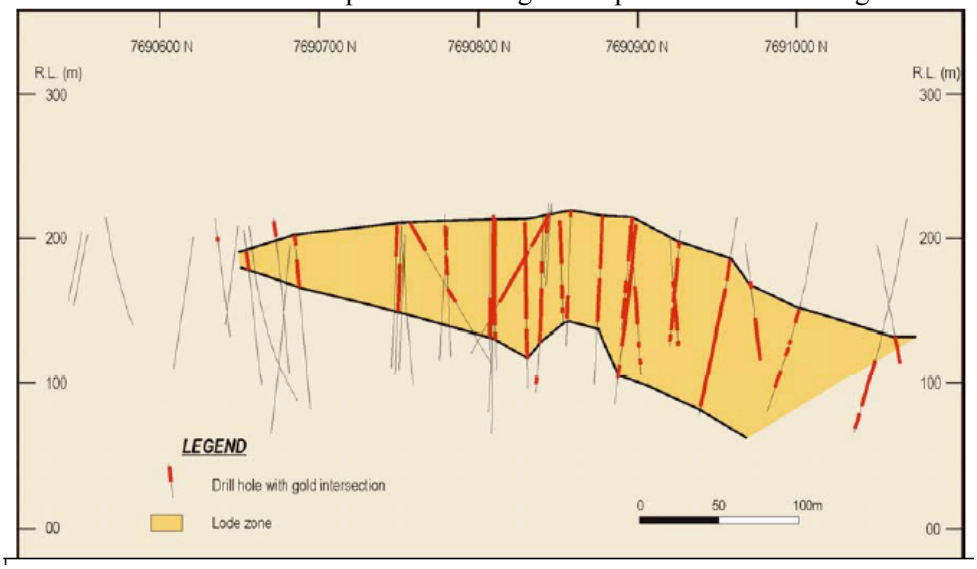

Figure 6. Gettysberg drilling long section 2000N (see Figure 11)

The host rocks include Saint Anns Formation of Late Devonian to Early Carboniferous age, dominated by a sedimentary sequence composed of feldspathic quartz sandstones, micaceous siltstones, thin beds of algal limestones and quartz pebble conglomerates. The equivalents to the Saint Anns Formation are the hosts to gold mineralisation in the Drummond Basin at the Pajingo, Yandan, Wirralie and Twin Hills gold deposits.

Gold is associated with sediments that are strongly sheared and altered to silicified sericitised schist. Mineralisation includes more extensive lower grade graphite-pyrite network veining and narrower but higher grade quartz vein / lode type.

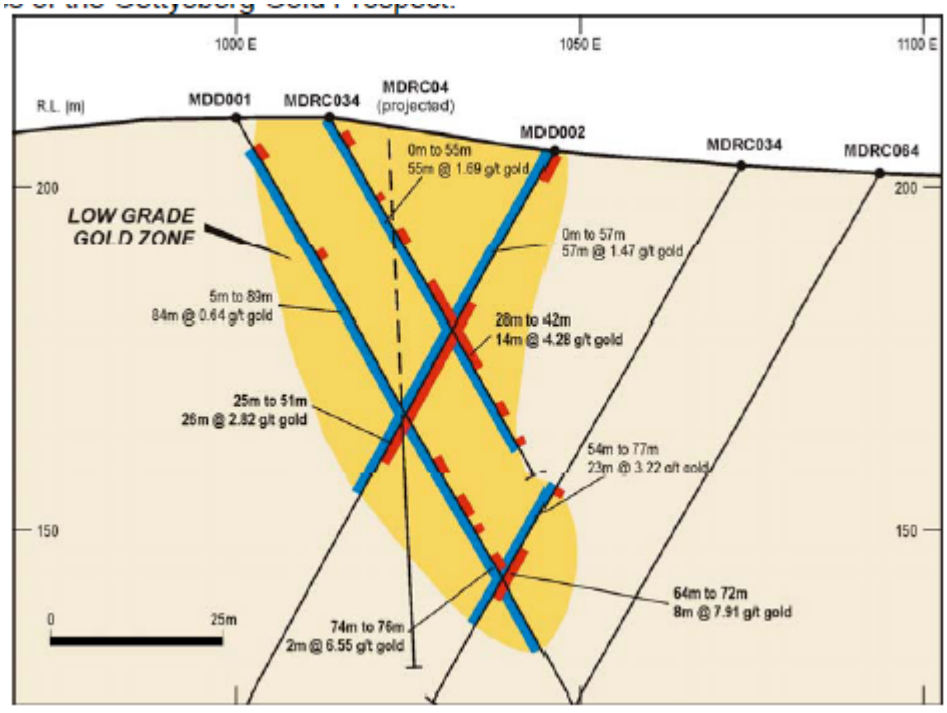

Figure 7 Gettysberg Drill Target, Cross section 2260N

5.5.2 Previous Work

Dalrymple drilled the Gettysberg prospect which was defined from follow-up stream sediment geochemical sampling and highly anomalous rock chip samples (up to 2000 g/t Au) from siliceous breccias in the general vicinity. They completed two drilling programs (comprising 32 RC holes and two cored holes. Figure 11). A cross section showing an area of high grade intersections is shown in Figure 13. The higher grade assays are distributed patchily and cannot be easily correlated.

The holes intersected fine-grained micaceous quartzose sandstone and interbedded fissile siltstones. Mineralisation consists of comb/cockade quartz vein stock works and graphite-pyrite-dolomite breccia zones. Visible gold was noted in the core holes associated with a graphite-pyrite matrix.

The best intersections from these drilling programs are listed below:-

Table 3 showing Gettysburg Prospect Drill Results

Hole No.	From(m)	To(m)	Width(m)	g/t Au
MDRCO31	0	8	8	18.08
MDRCO33	52	76	24	4.96
MDRCO34	28	44	16	2.48

In 2005, Diatreme Resources Limited (DRX) drilled eight RC holes at the Gettysberg prospect, to an average depth of about 130m. Gold bearing zones were encountered within sericite-silica altered fine sandstone with strong graphite-pyrite network veining and jigsaw crackle breccia development. Low tenor gold mineralisation was developed over thick intersections (from 30 to 114m). This "halo" mineralisation is interpreted to plunge to the north and mineralised zones are open to the east and down-dip. The best intersections include:

Hole GEDRX003: 114m (29 to 143m) grading 0.47 g/t Au, and
Hole GEDRX005: 16m (77-93m) at 0.87 g/t Au.

5.6 Sellheim

5.6.1 Introduction

The Sellheim Prospect was discovered by systematic 1:20,000 scale geological mapping and rock chip sampling by Battle Mountain (Australia) Inc. in 1987

Geology and Mineralisation

Host rocks, alteration and structure are the same as at Gettysberg but there is less quartz veining. Mineralisation includes graphite-pyrite network veining. A northeast-trending ridge of micaceous, feldspathic quartz sandstone is present and sericite-pyrite-jarosite alteration surrounds a quartz veinlet stockwork, with surface rock chip assays of up to 2.92 g/t Au.

Battle Mountain initially drilled 9 angled RC holes (EBR-1 to EBR-9), which obtained best intersections of 20m @ 0.37 g/t Au and 10m @ 0.36 g/t Au (Graham, 1989). This drilling was followed up by a further 9 deeper RC holes (EBR-40 to EBR-48) designed to test below the anomalous intersections, obtaining best intersections of 8m @ 0.83 g/t Au and 8m @ 0.62 g/t Au.

Dalrymple evaluated BMA's results and conducted soil sampling, geological mapping at 1:1,000 scale and trenching (2 trenches), indicating a pronounced soil geochemical anomaly of >100 ppb Au. A further 3 RC holes (MRDC-22 to MRDC-24) were completed by Dalrymple which also intersected mineralisation. Best results obtained were 28m @ 0.33 g/t Au (0-28m) in hole MDRC-23, which included 4m @ 1.30 (12-16m).

Dalrymple indicated the better mineralisation was associated with pyrite-sericite-silica altered, matrix supported breccia in sandstone. The breccia consists of sediment and dacite to andesite clasts/fragments supported by a quartz-sericite matrix, with both clasts and matrix being replaced by anhedral dolomite. Hydrothermal graphite is associated with the dolomite. The mineralisation

would appear to be similar to stylolites observed at Twin Hills (1991). Porphyry dykes containing 5 to 10% pyrite stringer veinlets were also intersected.

Dalrymple completed a further RC hole (MDRC-60) to test for extensions to the MDRC-23 intersection (Tedman-Jones, 1993). However, this hole only intersected narrow weak gold mineralisation (4m @ 0.24 g/t Au).

ERA Maptec (1994) indicated a noticeable change in the fault structure orientation has occurred from the Gettysberg prospect. They also indicate a rapid change in bedding dip occurs as the fault is approached, with rotation of bedding trends suggesting dextral shear movements occurred along the fault structure.

The budget will include closer-spaced drilling to define a resource.

5.7 Cerro Colorado:

Cerro Colorado is a typical copper-gold deposit with low grades. The host rocks include a large altered porphyry intrusion with pyrite – chalcopyrite vein stockwork and disseminations. In historical holes, the better assay intervals included:

1. NYM 13: 73 – 76m (3m) averaging 0.3% Cu and 1.5g/t Au
2. NYM 13: 80 – 95m (15m) averaging 0.4% Cu and 0.4g/t Au
3. NYM 14: 95 – 103m (8m) averaging 0.4% Cu and 0.4g/t Au
4. NYM 17: 89 – 99m (10m) averaging 0.8% Cu and 1g/t Au
5. NYM 18: 64 – 80m (26m) averaging 0.4% Cu and 0.2g/t Au
6. NYM 20: 70 – 88m (18m) averaging 0.4% Cu and 0.4g/t Au

Note that the holes were inclined so that true vertical depth is less than the depth down hole)

In the shallow oxidised zone, historic drill holes intersected gold mineralisation commonly between 0.2 - 1g/t Au on basis of which a 2.4 Mt of mineralisation is present at 0.2 g/t cut-off ? averaging 0.7g/t Au.

Four holes were recently drilled by MGT to test the primary (sulphide) zone below earlier drilling which stopped at a 50-80m vertical depth in elevated copper and gold values. The results showed that copper-gold mineralisation does extend to much greater depth but is weaker. At cut-offs of 1 g/t Au and 1000 ppm Cu the gold values averaged around 0.3 g/t and the copper 1700 ppm. Stronger copper in the upper zone are probably due to secondary enrichment under a leached cap.

Hole CC03 located in the centre of the system gave the best results with 0.18 g/t Au, 0.075% Cu (0 - 250m) – including 0.6ppm Au in interval 31-48m and 0.4 g/t Au with 0.22% Cu in interval 40-48m.

No further drilling is planned in the initial budget.

5.8 Proposed Gold Exploration

Depending on the amount of capital raised, MGT has allowed between $50 000 and $100 000 for geochemistry, geological mapping and follow-up drilling in the first year. If the first year program is successful a further program of similar magnitude is likely for the second year.

The Sellheim — Gettysberg — Marrakesh - Pradesh line of basin margin fault prospects are considered favourable for the location of high-grade gold mineralisation. proposed exploration program includes further geological mapping, structural analysis, refined improved soil geochemical sampling, IP - resistivity geophysical surveys and RC drill testing of targets generated. Mineralisation is likely to be "blind" as the area has been extensively prospected and explored by surface geochemical techniques.

No deep diamond core drilling has been undertaken on several of these prospects. Initial activity will be directed at the Gettysberg and Sellheim prospects which are more advanced. At Gettysberg, priority will be given to drilling at greater depths the interpreted flat plunging gold zone to the north within an envelope of low-grade mineralization (see Figure 1).

5.9 Pyramid Budget

A budget of $300,000 has been allocated for approximately 2000m of drilling on the Pyramid Project. Drilling should commencing around March 2011

6.0 Yarrol Gold Project

6.1 Introduction

MGT has three separate gold prospect areas in Southeast Queensland, Yarrol (EPM 8402), Mt Steadman (EPM12834) and Gooroolba (EPM 15426).

Yarrol and Mt Steadman have Inferred and Indicated Resources. MGT aims to advance these projects with further drilling and assess the amenability of heap leaching at Mt Steadman and of truck higher grade gold from Yarrol:

- At the Yarrol prospect an Indicated Resource of 1,200,000 t @ 0.9 g/t gold is present, mineable by open cut. Porphyry style gold mineralisation here is associated with a suite of dioritic bodies.
- At Mount Steadman, porphyry style gold and molybdenum is associated with various granitoids and acid dykes with gold located in a shallow dipping zone of sheeted quartz veining within the granitoids.
- At Gooroolba, porphyry style gold-molybdenum requires further exploration drilling.

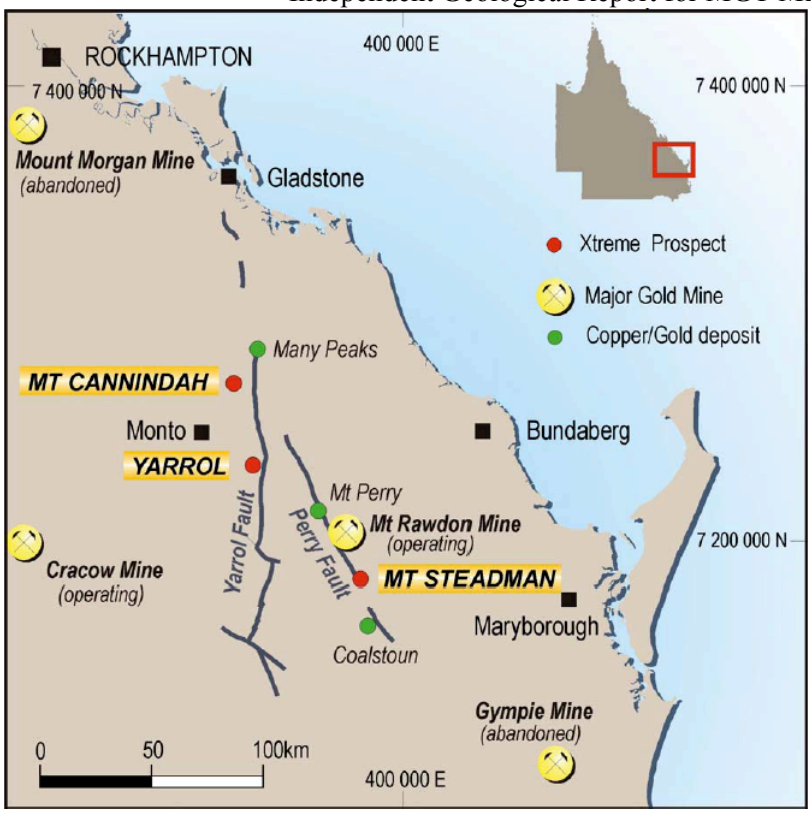

Figure 8 Yarrol Project showing main gold prospects

6.2 Geology and Mineralisation

The project area falls within the northern New England Fold Belt, which consists mostly of a complex volcanic arc – continental margin succession related to a Carboniferous subduction complex. Granitoid emplacement was accompanied the extensional events as well as extensive Triassic volcanism. North-northwest shears, such as the Perry Fault, (see Figure 15), and northeast cross-cutting faults, dominate the structural framework. Over printing this regional fabric are north trending faults, which exhibit a strong spatial relationship with Permian to Triassic mineralisation.

Several Late Permian to Cretaceous age porphyries occur in relatively narrow zones roughly parallel to the Perry Fault. Host intrusives range from quartz diorite, granodiorite to granite/rhyolite composition. Multiple intrusions, breccias and pebble dykes are common. Mineralisation ranges from copper, copper/gold to gold. Alteration is typically quartz-pyrite-sericite assemblages, which grade outward to chlorite-clay zones. Potassic (biotite) cores are sometimes present.

The major Yarrol Fault occurs along the eastern margin of the Yarrol Basin, which is considered to be a thrust along which serpentinites have been emplaced. Large silica-pyrite bodies also lie along this fault.

The Yarrol Basin contains sediments of Carboniferous to Permian age intruded by Permian to Triassic plutonic rocks. The largest copper porphyry in the region is Coalstoun (85 Mt grading 0.3% copper). Mount Rawdon, a large breccia pipe, (2006 reserve statement of 33.3 Mt grading 1.01 g/t gold and 3.14 g/t silver) is currently being mined. These deposits are shown on Figure 15.

6.3 Yarrol Gold Prospect

6.3.1 Previous Investigations

Mining at Yarrol started in the late 1800s and continued spasmodically until 1938. Production records are incomplete, but only 300t are believed to have been produced with variable high grades and a likely average grade of 10 g/t gold.

Several exploration companies, including Amoco Minerals Australia Company, Augold N.L., the Geopeko-Fawdon/Skett joint venture, Cyprus Gold Australia Corporation ('Cyprus'), Strike and DRX, have completed exploration at Yarrol since 1971.
This exploration has included:-

- Stream sediment sampling and grid controlled geochemical soil sampling.
- Detailed and reconnaissance geological mapping, trenching and channel sampling.
- Ground magnetic and IP surveys.
- Airborne magnetic and radiometric surveys.
- Aerial photographic survey.
- RAB drilling, RC percussion and diamond drilling.
- Resource estimations.

In 2006, DRX drilled six angled RC holes to depths of around 150m to test possible extensions of mineralised zones at their "Starlight" and "Valley" prospect areas. Elevated gold values were intersected in all holes, but there were only a few high grade intercepts. The best drill intersections were:

YARC 92 with 4.0 m grading 1.45 g/t gold from 99 m, and 4.0 m grading 1.87 g/t gold from 143 m. and

YARC 93 (2.0m grading 3.32 g/t gold from 93m, and 4.0m grading 1.71 g/t gold from 133 m).

The general locations of the prospect areas where the holes were drilled are shown in Figure 15

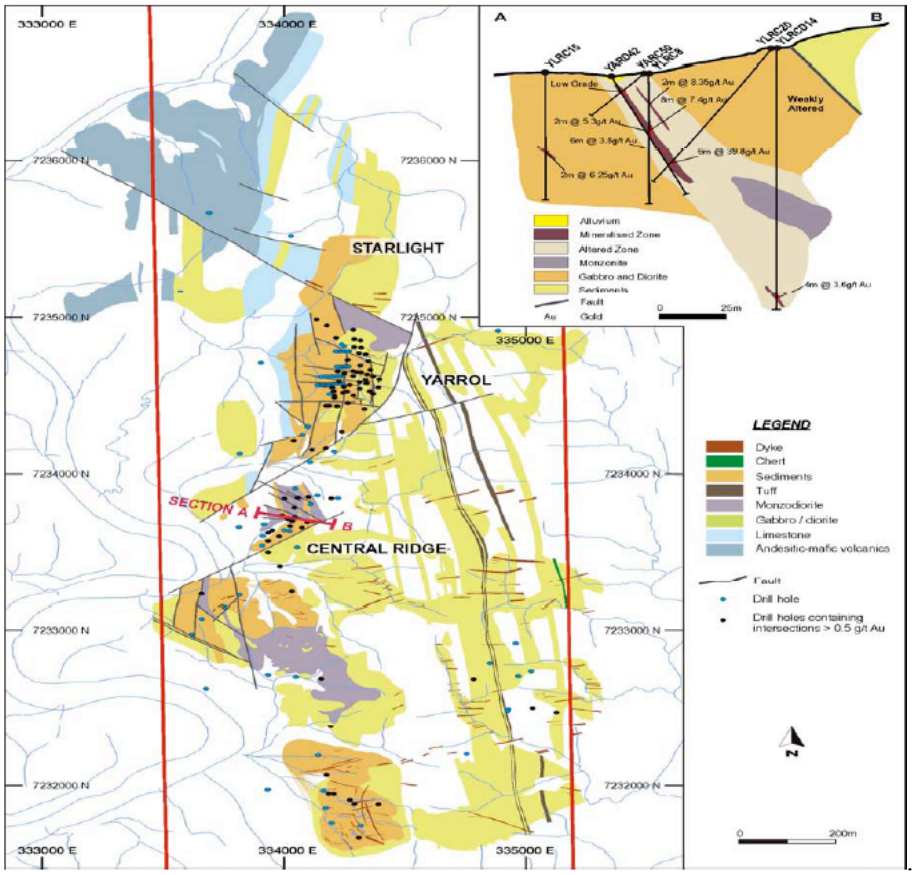

Figure 9 Showing Yarrol Gold Prospects, Geology and Drill holes

6.3.2 Mineralisation

Gold within the Yarrol prospect is contained mainly within a compositionally variable dioritic suite of rocks that have been intruded along major north-trending fault or fracture systems. Workings can be traced intermittently over a length of 4 km. In the southern part of the mineralised belt, the gold mineralisation is not always spatially related to north-south shearing and gabbroic country rocks are more prevalent.

The relative width of intrusive rocks mapped between east-trending cross faults, interpreted from aerial photography, indicates possible significant vertical movement along the cross faults and a possible deepening of the system to the north. Copper-gold mineralisation occurs as structurally controlled gossanous zones on both the eastern and western contacts of the intrusive body with the enclosing sediments. Old workings are present intermittently along the extent of the system.

Resources are present at the "Yarrol North" and "Central Ridge" prospects, which are shallow to moderate easterly-dipping, tabular zones of sodic alteration within a diorite intrusive (possible a separate quartz dioritic phase).

At the Yarrol North Grid area, steeply dipping, high-grade mineralised fault structures, exploited by early miners, are associated with a more disseminated style of gold mineralisation, incorporating sheeted quartz-sulphide veins within a tabular alteration zone characterized by anomalous bismuth and tellurium. This zone has a low to moderate easterly dip and appears truncated to the east by a mineralised steeply-dipping fault zone, which extends north into the Starlight Grid area.

Most of the resources are contained in this part of the Yarrol North Grid area. At the Central Ridge Grid area, a similar, easterly-dipping tabular zone of gold mineralisation, which has been intersected by drilling, locally contains high gold grades as shown in the cross section on Figure 15.

6.3.3 Resource Estimation

In 1996-1997 DRX estimated mineral resources at two separate prospect areas within the Yarrol project area. These resource estimates were reviewed by MGT and found to be compatible with the more recent versions of the JORC Code.

The resources are placed into oxidized and primary categories and also into the JORC categories of Measured, Indicated and Inferred. Most of the estimated resources can be considered to have Measured and Indicated status. Spacing between drill hole sections was 20 to 60m: most resources were calculated to a depth shallower than 50m, with a maximum of 80m (below surface).

At the Central Ridge Prospect there is an Indicated Resource of 273 000 t grading 1.5 g/t Au, estimated using a bottom cut-off grade of 0.5 g/t Au and a top cut of 20.0 g/t Au. With no top cut the grade rises to 3.1 g/t Au.

At the "Yarrol North" Prospect there is an Indicated Resource of 877 000t grading 1. 5 g/t Au (cut-off grade of 0.5 g/t Au). With a higher bottom cut-off (1.2 g/t Au) the resource becomes 431,000t of 2.1 g/t Au.

6.3.4 Proposed Exploration

Most of the drilling at Yarrol has been quite shallow (above 100 m) and only one deep diamond drill hole each has tested Yarrol North and Central Ridge. MGT intends to add to the resource

inventory and deeper RC drilling is planned on the Yarrol prospect to locate extensions to the known areas of gold mineralisation.

6.4 Mount Steadman Gold Prospect

6.4.1 Introduction

The Mount Steadman Gold Prospect (EPM 12834) is situated just south of the township of Mount Perry. The tenement covers part of the Chowey Goldfield that was worked between 1880 and 1886. The Mount Steadman Mines (Mount Steadman, Venus and London) were worked mainly between 1891 and 1902, with some activity up to the 1940s.

6.4.2 Previous Work

Modern exploration in the Mount Steadman Gold Prospect area has been carried out by Eagle Mining, Pennzoil, Transit Mining, Metana Minerals, M. F. Davidson, Homestake Australia Ltd, Probe Resources, CRA Exploration Pty Ltd ("CRAE") and DRX. This exploration has included:-

- Drainage and reconnaissance rock chip sampling programs.
- Data reviews.
- Prospect gridding, soil geochemical sampling, rock chip sampling.
- Prospect geological mapping and ground magnetics.
- RC and diamond drilling.
- Resource estimations
- Academic research.

6.4.3 Geology and Mineralisation

Gold is hosted by the Chowey Granite which is a relatively small polyphase stock with a core of medium to coarse-grained biotite hornblende granite, that gives way outwardly to a highly potassic (syenitic) marginal phase. Aplite, porphyry and dioritc dykes intrude the granite.

The work completed outlined an area of significant gold mineralisation at the Fitzroy Prospect. Intersections from surface at this prospect include:

26 m grading 1 g/t Au,
22 m grading 1 g/tAu, 25 m grading 1.1 g/t Au and
29 m grading 0.9 g/t Au.

The gold was found to be associated with a moderately east dipping zone of sheeted quartz veining in the Chowey Granite. The auriferous zone varies from 4 m to 33 m in true thickness. Sericite and haematite with minor chlorite alteration is characteristic of the mineralised zone. There is no consistent association between the gold grade and the intensity of quartz veining.

The location of the drill holes and the approximate outline of the gold mineralised zone at the Fitzroy Prospect are shown in Figure 16

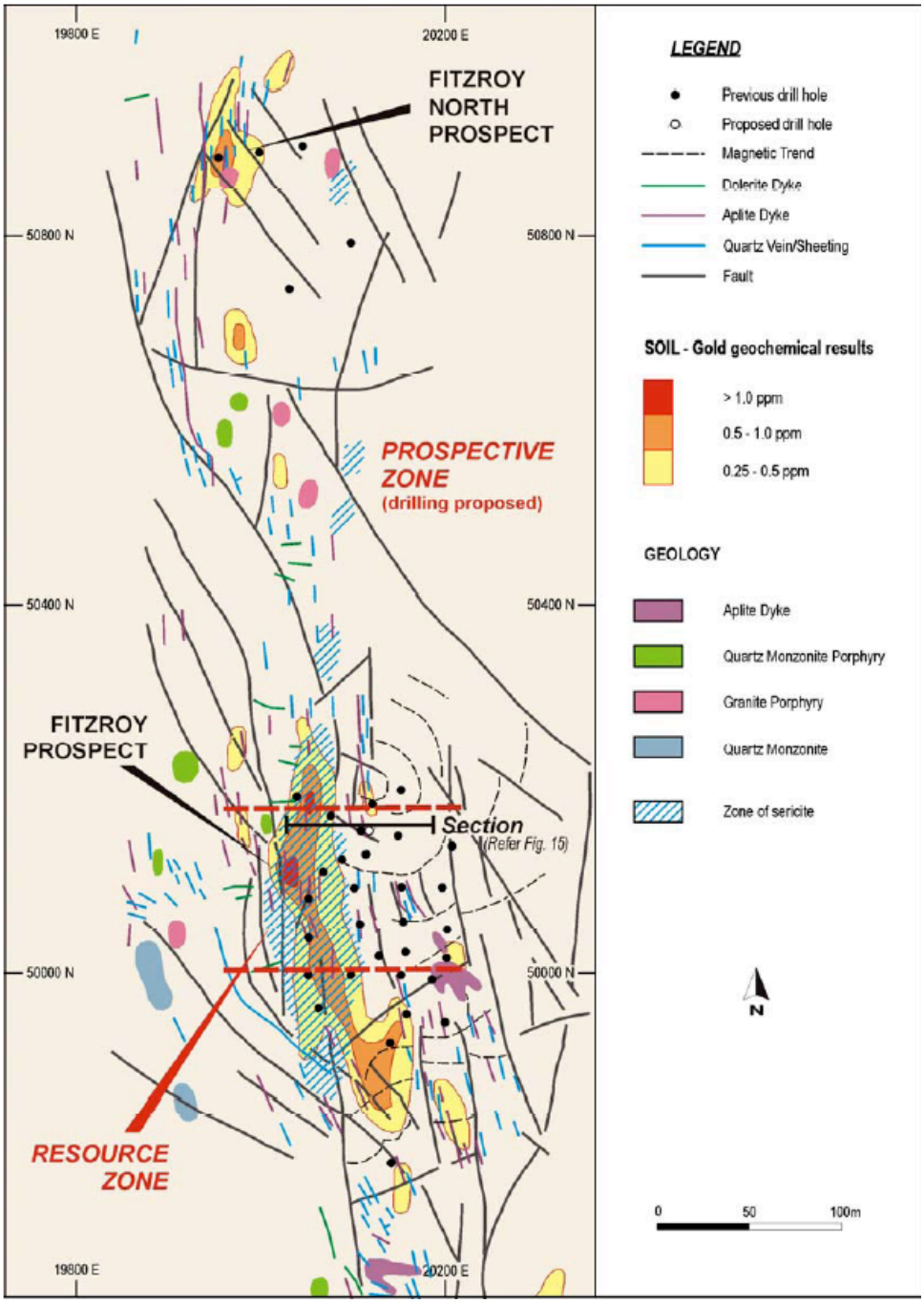

Figure 10 Showing Mt Steadman Prospect-Fitzroy gold prospect and gold soil anomaly target

In early 2006, DRX completed seven RC drill holes within the EPM. These holes targeted prospects other than the Fitzroy including the "London Workings", "Steadman Workings" and "Venus Workings", however the results were disappointing. In the London Mine, gold occurs in north-trending quartz fissure veins parallel to a major regional shear direction. At the Venus Mine, the formation carried bismuth and molybdenite with fine gold occurring between molybdenite laminae. Early workers refer to stockworking related to irregular bunches of aplite.

6.4.4 Resources and Further Exploration

In 1998, at the Fitzroy prospect area, DRX applied a geological cut-off of between 0.5 to 0.7 g/t to the mineralisation accessible by open cut. They used the cross-section polygonal method and determined there was probably around 1.1 to 1.2 Mt grading close to 0.9 g/t Au.

There are drill intersections of similar grade gold outside the present shallow defined mineralisation and there is also potential for extensions to the mineralisation along strike and at depth. A proposed hole to test for deeper mineralisation is shown on Figure 17, but others will be considered.

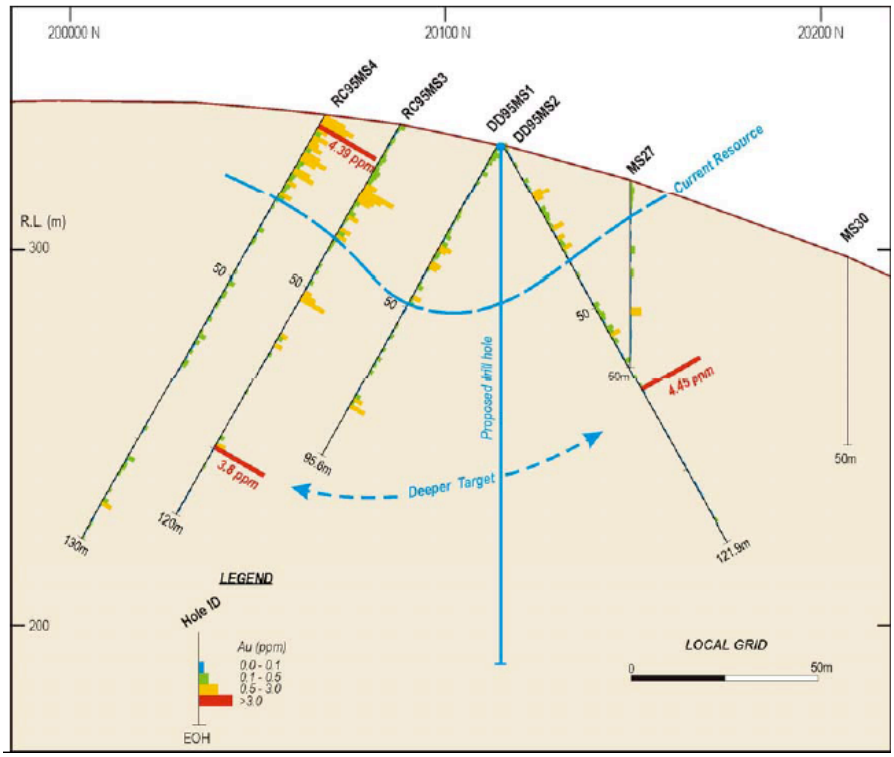

Figure 11 Mount Steadman Prospect – Cross section showing exploration target below current resources.

7.0 Gooroolba EPM 15426

EPM 15426 (of approximately 325 sq km) is located some 30 km south of Mount Perry in South-east Queensland (see Figure 1). The general geology is dominated by acid to intermediate volcanics and minor sediments of the Triassic Aranbanga Volcanics Group. This northwesterly-trending sequence is intruded by dacitic and rhyolitic phases of Late Triassic age. Copper and gold mineralisation and old mines are common in the general area – Mount Perry in the north, Mount Steadman in the east, and Ban Ban Springs and Coalstoun Lakes to the south.

The area is considered prospective for intrusive related gold-copper mineralisation (including "porphyry" styles). MGT has allowed $20,000 for geochemistry, geological mapping and planning follow-up drilling in the first year.

Qualifications

The person responsible for the preparation of this report is:
Mr R C W Pyper BSc, FAusIMM, GAICD. Consulting Geologist
Minnelex Pty Ltd ("Minnelex") is a long-established geological consulting company. Its principal, Robert Pyper, is a geologist with 47 years of industry experience and twenty-five years of consulting practice in precious metals, base metals, gemstones, coal, clays, dimension stone and mineral sands. He has had extensive experience in geological reporting, resource assessment and the valuation of mineral exploration properties.

Declaration

Minnelex consents to the inclusion of this report in the form and context in which it is included. Apart from that, neither the whole nor any part of this report, nor any references thereto, may be included in, or with, or attached to, any document, circular, resolution, letter or statement without the prior written consent of Minnelex

.

The information in this report that relates to exploration results and mineral resources is based on information compiled by Mr Robert Pyper, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Pyper has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pyper consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.

Disclaimer of Interests

At the date of this report, Minnelex does not have, nor has had any relationship with MGT, other than as may have occurred as a result of providing consultancy services in the ordinary course of business.

Minnelex and Mr Pyper have neither relevant interest in, nor any interest in the acquisition or disposal of, any securities of MGT. Minnelex and Mr Pyper have no pecuniary or other interest that could be regarded as being capable of affecting its ability to give an unbiased opinion in relation to the acquisition of the mineral interests of MGT.

Neither Minnelex nor Mr Pyper has received or may receive any pecuniary or other benefits, whether direct or indirect or in connection with the preparing of this report other than normal consultancy fees based on fee time at normal professional rates plus out-of-pocket expenses.

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Glossary Of Technical Terms

Terms not included in the glossary are used in accordance with their definition in the Concise Oxford Dictionary.

AAS (atomic absorption spectrophotometry) a laboratory technique for testing the amount of an element in a sample.

alluvial deposit a mineral deposit consisting of recent surficial water lain sediments. breccia a rock composed of angular rock fragments.

Cainozoic an era of geologic time from the end of the Mesozoic to the present.

Carboniferous a time period, approximately 360 million to 290 million years ago.

chalcopyrite a mineral of copper (CuFeS2).

Chlorite a type of wall rock alteration in which chlorite +/ quartz or tourmaline forms from the passage of hydrothermal fluids.

conglomerate sedimentary rock formed by the cementing together of water rounded pebbles, distinct from breccia.

costean a trench usually dug to expose rock for sampling.

Cretaceous a time period, approximately 131 million to 65 million years ago.

Devonian a time period, approximately 408 million to 360 million years ago.

dipole-dipole a method of completing an IP survey.

dip the angle at which any planar feature is inclined from the horizontal.

dyke a tabular igneous intrusion which cuts across the bedding or other planar structures in the country rock.

epithermal a hydrothermal mineral deposit formed at a relatively low temperature near the Earth's surface, mainly in veins.

felsic a light coloured igneous rock, typically containing an abundance of feldspar and quartz.

gossan rock composed of hydrated oxides of iron that forms a superficial cover over sulphides of iron and/or other metals.

granitoid rock similar to granite in texture and composition.

greisen a pneumatolytically altered granitic rock composed largely of quartz, muscovite mica, and topaz.

hematite (haematite) a mineral composed of ferric iron oxide (Fe203).

Indicated Resource a mineral resource sampled by drill holes, underground openings, or other sampling procedures at locations too widely spaced to ensure continuity but close enough to give reasonable indication of continuity, and where geoscientific data are known with a reasonable level of reliability.

Inferred Resource a mineral resource inferred from geoscientific evidence, drill holes, underground openings, or other sampling procedures where the lack of data is such that continuity cannot be predicted with confidence and where geoscientific data may not be known with a reasonable level of reliability.

IP (Induced Polarisation) a geophysical exploration method which measures changes in magnetic and electrical fields induced in the earth by the application of an electrical current to the

ground.

mafic a dark coloured rock composed dominantly of magnesium, iron and calcium-rich rock-forming silicates.

magnetic 'low' an area of low magnetic expression relative to the surrounding area.

Mesozoic an era of geologic time, from the end of the Palaeozoic to the beginning of the Cainozoic, or from about 250 to about 65 million years ago.

metamorphic descriptive of a rock which has changed its structure and properties due to the effects of heat and/or increased pressure over time.

Ordovician a time period, approximately 505 million to 433 million years ago.

paleo-drainage ancient drainage.

pelite a sediment or sedimentary rock composed of the finest detritus (clay- or mud-sized particles); e.g. a mudstone.

percussion a type of drilling method whereby the rock is broken by a hammering action into small chips.

Permian a time period, approximately 290 million to 250 million years ago.

Permo-Carboniferous an interval of geologic time covering the Permian and Carboniferous periods.

porphyry an igneous rock with conspicuous crystals in a fine-grained groundmass.

porphyry style deposit a well known intrusive related mineralisation style for copper and gold.
psammite a clastic sediment or sedimentary rock composed of sand-size particles; a sandstone.

pyrite a common iron sulphide mineral (FeS_2).

RC (reverse circulation percussion) a drilling method in which the sample is brought to the surface inside the drill rods, thereby reducing contamination. Conventional percussion drilling retrieves the sample exterior to the rods between the rods and the wall of the drill hole.

reduced to pole (RTP) the transformation from a directional magnetic survey to the earths magnetic field.

rhyolite a volcanic rock composed chiefly of potassium feldspar and quartz.

sericite a mineral; a fine grained white mica of similar composition to muscovite. Silurian a time period, approximately 433 million to 408 million years ago.

Siluro-Devonian an interval of geologic time covering the Silurian and Devonian periods. Sirotem a ground electromagnetic survey which utilizes a large transmitting loop.

skarn a thermally metamorphosed impure limestone.

stratabound a deposit confined to a single stratigraphic unit, it may or may not be conformable.

stratiform said of a special type of stratabound deposit in which the desired rock or ore constitutes, or is strictly coextensive with, one or more sedimentary, metamorphic, or igneous layers.

stylolite An irregular surface, seam or contact, usually occurring in carbonate rocks and more rarely in sandstones and quartzites and usually formed by dissolution under pressure. It resembles a suture or the tracing of a stylus.

subduction the process of one lithospheric plate (slab of the Earth's crust) descending beneath another.

Tertiary first period of the Cenozoic era covering the time span from 65 to 2 million years ago.

Triassic a time period, approximately 250 million to 210 million years ago.

ultrabasic said of rocks with less than 35% silica, which are dense, composed of calcic feldspars and ferro-magnesian silicate minerals.