

ASX RELEASE



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ABN 46 119 711 929

13 October 2010

ASX CODE: MZM

ISSUED SHARES: 42.33M

52 WEEK HIGH: \$0.40

52 WEEK LOW: \$0.16

CONTACT:

JUSTIN BROWN

Managing Director

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BOARD:

Denis O'Meara: Chairman

Justin Brown: MD

John Ribbons: Non-Exec

KEY PROJECTS:

PEAK HILL (85-100%)

Gold

DURACK (earning 85%)

Gold, Copper

BUTCHERBIRD (100%)

Manganese, Copper

MT PADBURY (100% of gold)

Gold, Manganese, Iron

KEY SHARE POSITIONS:

AUVEX RESOURCES LTD

7,500,000 FPO Shares

BUXTON RESOURCES LTD

3,010,000 FPO Shares

DMS TEST WORK AT BUTCHERBIRD YIELDS COMMERCIAL MANGANESE GRADES

- First-pass dense media separation (DMS) test work yields up to **37.65% Mn** in concentrate, using a separation S.G. of 3.4.
- Grades >35% Mn returned from multiple 5m composite samples from zones at both Yanneri Ridge and Budgie Hill.
- Results to date support an ****Exploration Target of 100-130 Mt @ 8-15% manganese**. Excellent potential to exceed this if other target areas return positive results.
- 9,000m RC and DD drilling programme commencing mid-October to support maiden JORC Resource Estimate.

***It should be noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.*

The Company is pleased to advise that very encouraging first pass DMS beneficiation test results have been received for composite material sampled from recent drilling at the Budgie Hill and Yanneri Ridge Prospects at the Butcherbird manganese project.

Grades of up to 37.65% have been achieved using a separation SG of 3.4, with favourable values for both phosphorous and iron, two key impurities in manganese ore. Work is ongoing to further investigate and refine the beneficiation behaviour of the material.

The work completed to date continues to define large tonnages of manganiferous material and beneficiation test data continues to show that the material from a number of identified deposits can be upgraded to commercial grades using routine techniques.

Drilling is expected to recommence mid-October to support a maiden JORC resource over selected subsections of the known mineralised areas which will form the basis for a scoping study to investigate the commercial parameters for developing a mine at Butcherbird.

Diamond drilling is expected to commence in early November to provide material for more definitive metallurgical testing which would normally be expected to yield better recoveries and potentially higher beneficiation grades than the work completed to date on RC chips.

Composite	Rock Unit	From	To	Feed Description	Yield	Mn %	P %	Fe %	SiO2 %
208-1	Manganese Zone Mineralisation	0	5	DMS Concentrate	23.3%	37.65	0.06	8.71	16.36
				DMS Tail	8.8%	7.06	0.09	17.14	44.92
				-1.18mm Fines%	68.0%				
208-2	Manganese Zone Mineralisation	5	10	DMS Concentrate	12.0%	36.24	0.08	9.48	16.73
				DMS Tail	4.0%	2.13	0.23	34.99	31.77
				-1.18mm Fines%	84.0%				
208-3	Manganese Zone Mineralisation	10	17	DMS Concentrate	11.3%	31.15	0.09	13.99	18.26
				DMS Tail	6.1%	5.89	0.27	32.20	29.31
				-1.18mm Fines%	82.5%				
091-1	Manganese Zone Mineralisation	0	5	DMS Concentrate	13.8%	32.97	0.11	12.35	17.95
				DMS Tail	5.3%	11.90	0.26	26.89	27.09
				-1.18mm Fines%	80.9%				
091-3	Manganese Zone Mineralisation	10	16	DMS Concentrate	15.9%	35.88	0.11	8.50	17.86
				DMS Tail	4.9%	21.17	0.18	16.21	24.13
				-1.18mm Fines%	79.2%				
091-4	Manganese Zone Mineralisation	16	21	DMS Concentrate	4.2%	35.84	0.07	7.30	18.67
				DMS Tail	17.1%	3.24	0.06	8.69	54.64
				-1.18mm Fines%	78.7%				
201-1	Manganese Zone Mineralisation	7	13	DMS Concentrate	11.4%	34.97	0.08	9.06	19.22
				DMS Tail	11.1%	26.01	0.10	11.43	26.78
				-1.18mm Fines%	77.5%				
201-2	Manganese Zone Mineralisation	13	19	DMS Concentrate	4.4%	30.22	0.14	11.75	20.90
				DMS Tail	16.5%	21.74	0.13	15.99	26.93
				-1.18mm Fines%	79.0%				
201-4	Manganese Zone Mineralisation	24	29	DMS Concentrate	17.5%	31.47	0.14	13.18	18.60
				DMS Tail	6.0%	14.11	0.33	25.48	25.64
				-1.18mm Fines%	76.5%				
185-1	Caprock, minor Manganese	0	5	DMS Concentrate	11.2%	34.11	0.07	11.64	17.82
				DMS Tail	27.2%	5.29		15.27	51.17
				-1.18mm Fines%	61.6%				
185-2	Manganese Zone Mineralisation	5	10	DMS Concentrate	15.5%	37.29	0.08	7.71	18.13
				DMS Tail	5.8%	19.00		17.16	30.03
				-1.18mm Fines%	78.7%				
185-3	Manganese Zone Mineralisation	10	15	DMS Concentrate	18.5%	33.81	0.11	10.72	18.84
				DMS Tail	10.2%	24.60		15.25	25.41
				-1.18mm Fines%	71.2%				
185-4	Manganese Zone Mineralisation	15	21	DMS Concentrate	20.7%	33.88	0.10	10.12	18.70
				DMS Tail	6.9%	20.06		18.54	27.38
				-1.18mm Fines%	72.5%				
185-5	Manganese Zone Mineralisation	21	25	DMS Concentrate	5.9%	33.97	0.17	11.98	16.19
				DMS Tail	6.5%	6.85		28.03	31.22
				-1.18mm Fines%	87.7%				
138-2	Manganese Zone Mineralisation	7	12	DMS Concentrate	10.8%	36.56	0.07	8.39	18.74
				DMS Tail	15.5%	20.20		14.00	30.94
				-1.18mm Fines%	73.7%				
138-3	Manganese Zone Mineralisation	12	17	DMS Concentrate	14.2%	36.25	0.09	7.69	19.03
				DMS Tail	8.7%	23.72		14.10	27.15
				-1.18mm Fines%	77.0%				
138-4	Manganese Zone Mineralisation	17	23	DMS Concentrate	14.0%	34.36	0.09	9.02	19.64
				DMS Tail	9.7%	27.13		11.70	25.80
				-1.18mm Fines%	76.3%				

Composite	Rock Unit	From	To	Feed Description	Yield	Mn %	P %	Fe %	SiO2 %
138-5	Manganese Zone Mineralisation	23	27	DMS Concentrate	6.5%	36.10	0.13	7.86	16.88
				DMS Tail	5.4%	17.77		16.78	31.06
				-1.18mm Fines%	88.1%				

Table 1: XRF assay values of DMS fractions at 3.4 S.G. Analyses was performed on the >1.18mm fraction. Yield % values for each composite are calculated from mass recoveries. Composites which yielded concentrate grades >30%Mn are shown.

5 drill holes were selected for DMS test work. Each hole was further subdivided into approx 5m benches, based on geological boundaries. Each bench comprises 1m drilled intervals composited by the test lab.

Each Composite was screened at 1.18mm to separate out the fines fraction, which comprises weathered clays and finely pulverised rock material. The composites were then crushed to achieve a grain size of between 1.18mm and 6.7mm.

The feed material was run through the Dense Media Separation Cyclone at a S.G. of 3.4. The DMS Concentrate material comprises rock chips with S.G.'s greater than 3.4, while the DMS Tail constitutes material with S.G.s lighter than 3.4.

The Concentrate and Tails were analysed using Fused Bead XRF to determine grades as reported. The fines fraction was not assayed due to the high clay contents.

All testwork was undertaken by Nagrom, with specialised equipment suited to this small scale DMS study.

Exploration Target		
Prospect	Tonnage Potential	Grade Estimate
Yanneri Ridge	40-50 Mt	10-15% Mn
Budgie Hill	40-50 Mt	10-15% Mn
Bindi Bindi Hill	20-30 Mt	8-12% Mn
Ilgararie Hill	Insufficient Drilling	
Ilgararie Ridge	Insufficient Drilling	
TOTAL**	100-130 Mt	8-15% Mn

Table 2: Exploration Target size estimates for zones drilled to date.

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Task	October	November	December	January	February	March
EM Survey						
RC Drilling						
DD Drilling						
Detailed Met Tests						
JORC Resource						
MLA Applications						
Scoping Study						

Table 3: Indicative timeline for work at Butcherbird over the next two quarters.

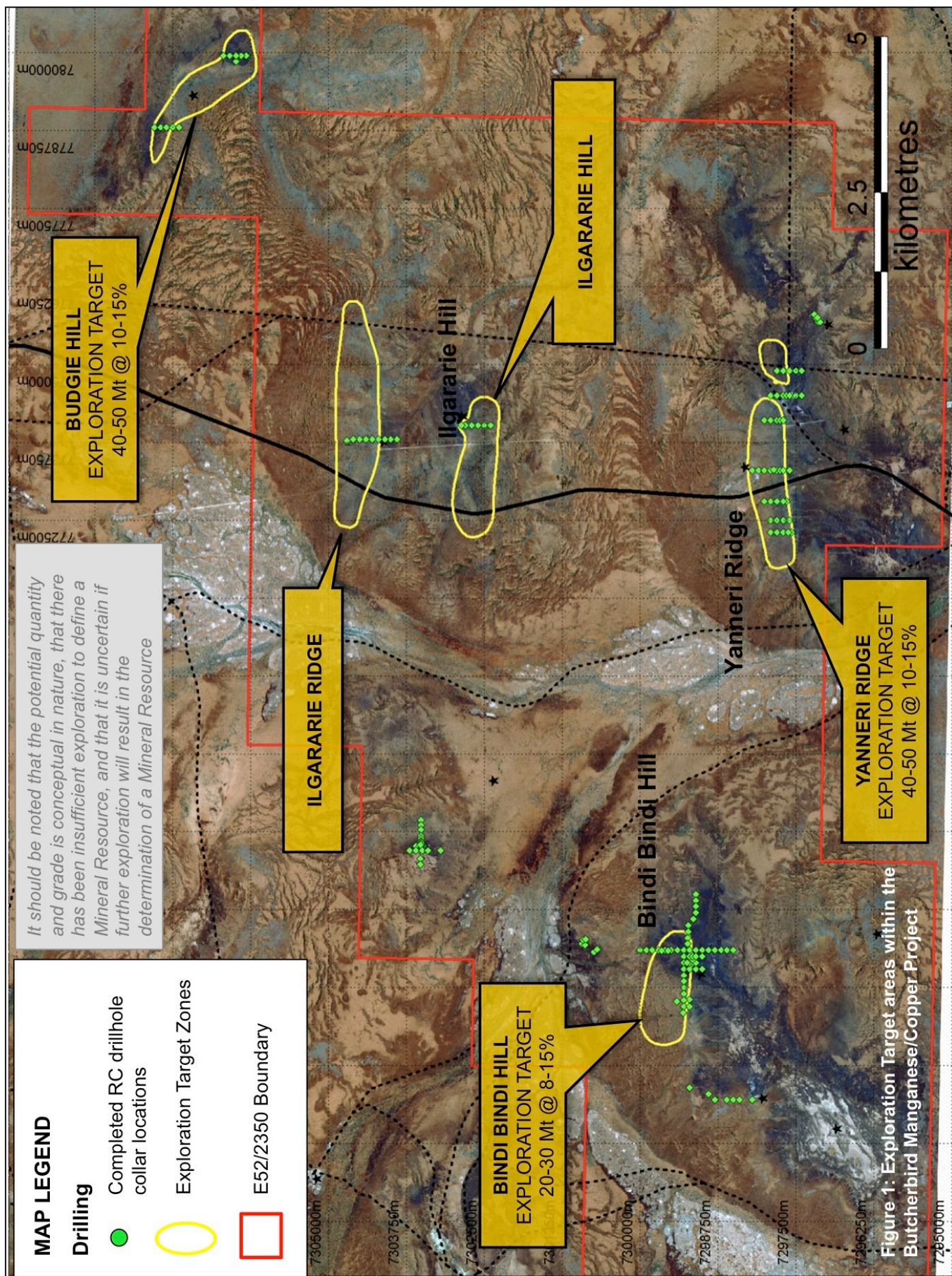




Figure 2: Composite 208-2, DMS Tail on left, DMS Concentrate on right.

More Information

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Managing Director

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The Information in this report that relates to exploration results is based on information compiled by Justin Brown, who is a member of the Australian Institute of Mining & Metallurgy. Mr Brown is a geologist and has sufficient experience which is relevant to the style of mineralisation and 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. Justin Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.