

26 August 2010

ASX CODE: MZM

ISSUED SHARES: 42.33M

52 WEEK HIGH: \$0.40

52 WEEK LOW: \$0.14

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

PRELIMINARY HMS TEST WORK AT BUTCHERBIRD YIELDS UP TO 34.5% MANGANESE

- First-pass heavy media separation (HMS) test work yields up to 34.5% Mn with up to 97.4% manganese recoveries.
- HMS data coupled with previously reported screen analyses show that the Bindi Bindi Hill material is strongly amenable to upgrade via conventional beneficiation.
- Data provides strong case to support further drilling and more detailed process work to achieve >35% manganese to ensure marketability.
- Results to date support ****Exploration Target of 10-20 million tonnes @ 8-12% manganese**. Excellent potential to exceed this if other target areas return positive results.
- Drilling expected to recommence at Bindi Bindi Hill following completion of work at Butcherbird copper target and a number of other priority manganese targets which remain undrilled.

***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 HMS beneficiation test results have been received for composite material from recent drilling at the Bindi Bindi Hill manganese deposit.

The work has shown that grades of up to 34.5% are simply achievable through density separation, with favourable values for both phosphorous and iron, the two key impurities in manganese ore.

The limited work completed to date has provided strong evidence for the presence of significant tonnages of manganiferous material with preliminary work on both HMS and screen size analysis demonstrating that material from the deposit is highly amenable to upgrade through conventional beneficiation processes.

Activities to date confirm Bindi Bindi Hill as a significant manganese discovery and work will now focus on completing substantial further drilling, bulk sampling and beneficiation test work to increase the known extent of the deposit and to improve on the product grades achieved to date with a target grade of 35-40% Mn.

COMPOSITE 1

DMS DENSITY	MASS		Cum	Mn				SiO ₂				Fe				P			
	g	%	%	%	Dist.	Cum. %	Cum. Dist	%	Dist.	Cum.%	Cum. Dist	%	Dist.	Cum. %	Cum. Dist	%	Dist .	Cum. %	Cum. Dist
3.30 Sink	234.4	45.8	45.8	34.5	93.3	34.5	93.3	16.2	39.6	16.2	39.6	9.56	58.2	9.56	58.2	0.06	57.3	0.06	57.3
3.00 Sink	33.1	6.46	52.2	13.1	5.01	31.9	98.3	26.5	9.14	17.5	48.7	19.8	17.0	10.8	75.2	0.11	15.2	0.06	72.5
2.73 Sink	47.9	9.36	61.6	15.9	0.88	27.3	99.2	20.6	10.3	17.9	59.0	8.54	10.6	10.5	85.9	0.05	10.9	0.06	83.4
2.73 Float	196.6	38.4	100.0	0.34	0.77	16.9	100.0	20.0	41.0	18.7	100.0	2.77	14.1	7.52	100.0	0.02	16.6	0.05	100.0
Calc'd Head	512.0	100.0		16.9	100			18.7	100			7.52	100			0.05	100		
Assay Head				N/A				N/A				N/A				x			

Mass % of - 212 µm fraction = 48.8

COMPOSITE 2

DMS DENSITY	MASS		Cum	Mn				SiO ₂				Fe				P			
	g	%	%	%	Dist.	Cum. %	Cum. Dist	%	Dist.	Cum.%	Cum. Dist	%	Dist.	Cum. %	Cum. Dist	%	Dist .	Cum. %	Cum. Dist
3.30 Sink	371.2	83.7	83.7	29.0	97.4	29.0	97.4	19.0	74.9	19.0	74.9	14.4	72.2	14.4	72.2	0.12	64.6	0.12	64.6
3.00 Sink	57.8	13.0	96.7	4.3	2.25	25.7	99.6	30.9	19.0	20.6	93.8	29.4	22.9	16.4	95.1	0.32	26.7	0.15	91.4
2.73 Sink	9.70	2.19	98.9	3.4	0.30	25.2	99.9	36.7	3.78	21.0	97.6	26.4	3.46	16.6	98.6	0.40	5.62	0.15	97.0
2.73 Float	4.90	1.10	100.0	1.4	0.07	24.9	100.0	46.2	2.40	21.2	100.0	21.9	1.45	16.7	100.0	0.42	3.01	0.15	100.0
Calc'd Head	443.6	100.0		24.9	100			21.2	100			16.7	100			0.15	100		
Assay Head				N/A				N/A				N/A				N/A			

Mass % of - 212 µm fraction = 55.6

COMPOSITE 3

DMS DENSITY	MASS		Cum %	Mn				SiO ₂				Fe				P			
	g	%		%	Dist.	Cum. %	Cum. Dist	%	Dist.	Cum.%	Cum. Dist	%	Dist.	Cum. %	Cum. Dist	%	Dist .	Cum. %	Cum. Dist
3.30 Sink	458.1	54.9	54.9	28.1	80.5	28.1	80.5	20.6	33.3	20.6	33.3	13.2	61.9	13.2	61.9	0.11	66.8	0.11	66.8
3.00 Sink	180.9	21.7	76.5	14.3	16.2	24.2	96.7	34.7	22.1	24.6	55.4	15.9	29.4	14.0	91.4	0.10	24.7	0.11	91.5
2.73 Sink	43.6	5.22	81.8	8.61	2.35	23.2	99.0	49.5	7.61	26.2	63.0	10.7	4.78	13.8	96.1	0.04	2.59	0.10	94.0
2.73 Float	152.2	18.2	100.0	1.00	0.95	19.2	100.0	69.0	37.0	34.0	100.0	2.48	3.86	11.7	100.0	0.03	5.96	0.09	100.0
Calc'd Head	834.8	100.0		19.2	100			34.0	100			11.70	100			0.09	100		
Assay Head				N/A				N/A				N/A				N/A			

Mass % of - 212 µm fraction = 16.5

COMPOSITE 4

DMS DENSITY	MASS		Cum %	Mn				SiO ₂				Fe				P			
	g	%		%	Dist.	Cum. %	Cum. Dist	%	Dist.	Cum.%	Cum. Dist	%	Dist.	Cum. %	Cum. Dist	%	Dist .	Cum. %	Cum. Dist
3.30 Sink	385.0	78.4	78.4	24.3	86.8	24.3	86.8	18.1	64.8	18.1	64.8	18.5	81.2	18.5	81.2	0.16	76.3	0.16	76.3
3.00 Sink	79.7	16.2	94.6	13.2	9.76	22.4	96.6	31.2	23.1	20.3	88.0	18.8	17.1	18.6	98.3	0.02	21.2	0.17	97.5
2.73 Sink	20.5	4.18	98.8	15.9	3.02	22.1	99.6	45.8	8.74	21.4	96.7	5.79	1.35	18.0	99.6	0.08	2.03	0.17	99.5
2.73 Float	5.80	1.18	100.0	7.23	0.39	21.9	100.0	60.7	3.28	21.9	100.0	5.43	0.36	17.9	100.0	0.07	0.50	0.17	100.0
Calc'd Head	491.0	100.0		21.9	100			21.9	100			17.86	100			0.17	100		
Assay Head				N/A				N/A				N/A				N/A			

Mass % of - 212 µm fraction = 50.9

Table 1: XRF assay values of Heavy Media Separation fractions at specified SG values. Analyses was performed on the >0.212mm fraction. Mass % values of the fine fraction for each composite are listed below the respective table.

More Information**Justin Brown**

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Managing Director

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.