

## Mining Group commences mining at Panga

ASX ANNOUNCEMENT

10 April 2014

Perth-based copper developer **Mining Group Limited (ASX: MNE)** is pleased to provide an update of its activities at the Panga Mine at the El Roble Copper Project in Chile.

### Highlights

- **Approximately 60m of underground tunnel development completed**
- **Approximately 150 tonnes of copper-bearing material extracted and stockpiled**
- **Mine rehabilitation and re-establishment of access for mining completed**
- **Underground development designed to encounter high-grade copper zone**
- **Mining Group to commence trucking material to treatment plant this month**

### Panga Mine Work Update

As previously reported, the Company commenced assessment of the surface mineralisation of the Panga structure to test the viability of an open-pit mining scenario. Following detailed work and particularly survey work of the historic underground mine it was deemed inappropriate to consider open mining at Panga due to the close proximity of the existing underground mine voids to the surface.

The Company has instead decided to proceed with underground work at Panga to expose the interpreted depth extensions of the previously mined high-grade copper zones. This initial work consists of the installation of along-strike development drives within the mineralised vein on two levels, the 966m level and the 956m level. The existing underground mine required some minor rehabilitation and some waste development in order to safely access below the historic mined out zones. This has caused minor delays in the timing of the trucking of first material to the toll treatment plants, which the Company is now on track to achieve during April 2014.

Development work has been completed and both levels are currently being progressed along the strike of the vein, with some material having already been stockpiled.

Mining Group Managing Director, Mr Zeff Reeves said: "We are pleased with the progress being made at Panga underground. Now we have the vein exposed in two headings, working towards our target zones below the historic stopes in the coming weeks. Along the way we are still stockpiling mineralised material which will help pay for the development when sold later this month.

"The commencement of this work is another small milestone for us and the development of the El Roble Project. The Company continues to move forward with achieving its goals and executing the strategy of small-scale mining to fund longer term growth."

## Panga Underground Development

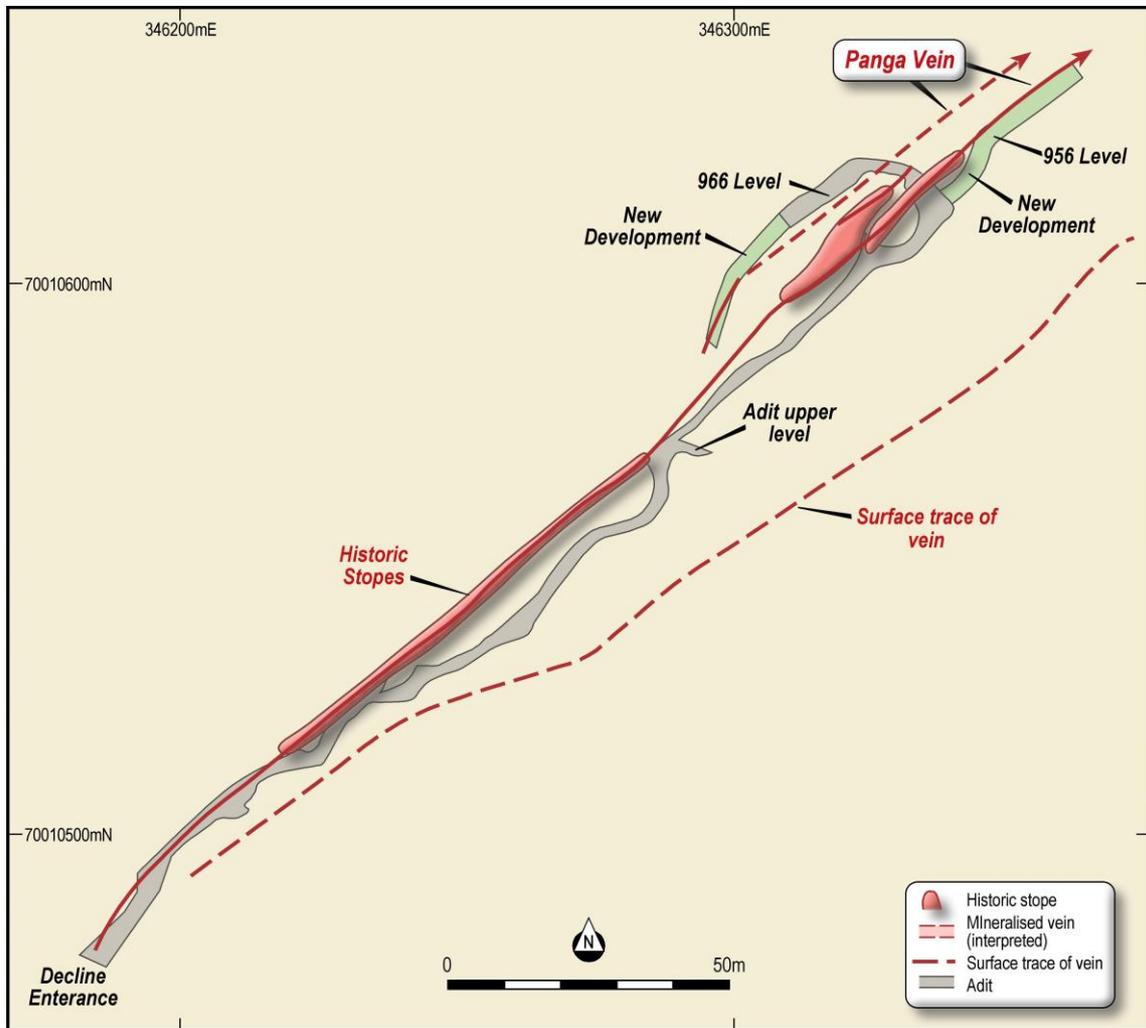
The Company has re-established access and commenced development along the mineralised Panga vein on two levels (Figure 1), the 966 level and the 956 level. Along-strike development drives are installed along the vein with a nominal dimension of 2.20m high x 2.20m wide, drilling is carried out by a handheld airleg drill and following blasting, material is removed with a small diesel powered scoop.

Level 966 is being installed along the strike of the vein and is advancing toward the north-east. To date, the Company has installed approximately 30m of development on Level 966. The mine plan allows for this drive to continue for approximately an additional 130m to the north-east along the vein, targeting below wider, high grade zones identified on surface. Within the development completed to date, the vein varies in width from between 20cm to more than 1.80m. Some material from Level 966 has been stockpiled on the surface.

Level 956 has been installed 10m below Level 966 and is heading to the south-west, back toward the entrance of the mine. The drive is designed to encounter the down-dip extensions of the previously mined high grade zones. These high grade zones are typically 2.00m to 3.00m wide and sampling conducted by the Company to date has returned grades of up to 4.76% copper (ASX announcement 4 December 2013). The historic stopes have strike lengths of between 25m and 50m.

Work on Level 956 consisted of approximately 18m of waste development to avoid unsafe historic workings and re-establish the drive onto the vein. The vein has been encountered and varies in width between 1.00m and more than 2.00m, and some copper bearing material has been stockpiled on the surface. The drive has approximately 25m-30m further to advance to the south-west before encountering the interpreted position of the historically mined high-grade copper zones.

The Company will continue to stockpile material from both development drives as they advance, in conjunction with geological mapping and grade control sampling to identify the high grade zones within the vein structure. It is envisaged material will be trucked to the local toll treatment plants during April.



**Figure 1 – Plan view of the Panga Mine. Areas shown in green on the 966 and 956 Levels are new development work completed by the Company. The 956 Level is targeting below the historic stopes shown in red.**



**Figure 2 – Panga surface stockpiles of mineralised vein material and mine office.**



**Figure 3 – Underground airleg miners on the 966 Level at Panga Mine.**

#### **Panga Background**

Mining Group has an exclusive option to acquire up to 90% of the El Roble Copper Project (“Project”), located in the iron oxide copper gold (IOCG) Coastal Cordillera Belt of Chile, approximately 30km from the Chilean port of Caldera. The Project covers approximately 6,000ha and is being actively mined on a small scale by the owner. Copper bearing rock is treated at one of the two toll treatment plants located within 80km of the Project.

In December 2013, the Company signed a production lease agreement over the historic Panga Mine, which is part of the Project. Under the terms of the production agreement over the Panga Mine (ASX announcement 4 December 2013), Mining Group has the right to exploit up to 5,000 tonnes per month of copper-bearing material from the concession. Under Chilean mining regulations, the Company is required to submit an application to the national mining regulatory authority (SERNAGEOMIN) detailing a mining plan, mining schedule and closure plan. Once the appropriate documentation has been submitted, a permit to extract up to 5,000 tonnes per month from the Panga concession must be granted within 60 days. The Company has completed this application and is awaiting confirmation of the permit, which is expected during April. Under the existing permit, the Company has the right to extract 1,000 tonnes per month if deemed to be profitable, until the 5,000 tonne-per-month permit is granted. The Company notes this is not a production target.

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## About Mining Group Limited

Mining Group Limited (ASX: MNE) is an Australian-based company that acquires and develops copper and gold projects around the world with a focus on Chile. The Company has an interest in the highly prospective, high grade El Roble Copper Project in Region III of Chile, targeting IOCG-style copper and gold mineralisation. The Company is focused on achieving growth and shareholder value through the development of near-term, small-scale mining operations at El Roble which will enable self-funded growth into the future. El Roble is ideally located 25km from the port of Caldera and within 80km of two copper toll treatment plants within the world class Atacama IOCG region, which has a history of high-grade copper production.

Mining Group also has an interest in the Comval Copper Project in the Philippines, and its Australian-based projects, Boorara and Teutonic Projects, are prospective for gold and basemetals.

Mining Group has a strong Board and management team with considerable technical, commercial and corporate experience in the resources sector.

For more information visit the Mining Group website at [www.mininggroup.net.au](http://www.mininggroup.net.au)

### Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Zeffron Reeves (B App Sc (Hons) (Applied Geology) MBA, MAIG), a member of the Australian Institute of Geoscientists and an employee of the Company. The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement on 4 December 2013 and the form and context of the information has not been modified. Mr Reeves has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Reeves consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.