MGT Resources | Australia's newest tin producer

Soil Sampling Programme Increases Tin Potential at Summer Hills Mining Lease

HIGHLIGHTS

MGT is pleased to announce the completion of an extensive soil sampling programme over its flagship Summer Hills Mining Lease (ML 20547), and its Mt Veteran Mining Lease (ML 4349).

- Four new target areas of anomalous tin geochemistry have been identified
- An additional three target areas that are associated with reported historical tin occurrences have been identified
- Follow up of anomalies is planned for the second half of 2014

Executive Chairman and Managing Director Jonathan Back said:

"This is the first time a comprehensive soil sampling programme has been carried out over this historic tin ground. The programme was undertaken over the entirety of our primary mining leases which surround our Mt Veteran Tin Processing Plant.

"The soil sampling programme was very successful, as it generated four new tin targets. Along with the pleasing results coming from our current 2014 Summer Hills Drilling Programme, this work demonstrates MGT has a pipeline of projects to develop moving forward."

ASX Release

6 August 2014

ASX CODE

MGS

REGISTRY

Computershare

SHARES ON ISSUE

288,157,040

Tin Price: US$22,375/t

MGT
Resources Limited
2.05/68 York Street
Sydney NSW 2000
Australia

T: 61 2 9262 1122
F: 61 2 9299 5175

www.mgt.net.au
info@mgt.net.au

ABN: 38 131 715 645

OVERVIEW

MGT Resources Ltd (ASX: MGS) is pleased to announce soil sampling results from its Summer Hills Mining Leases (ML20547 and ML4349). In 2013, an extensive soil sampling programme was conducted over the leases. A total of 5008 samples were collected on 100 metre spaced lines with a sample spacing of 20 metres along the lines. Samples were analysed in-house, using MGT's laboratory FXL XRF analyser. The sampling technique and size fractions used were selected on the basis of an orientation survey conducted over known mineralisation at the Extended and Summer Hill prospects. Samples were analysed for a large range of elements including tin, arsenic, lead, zinc, copper and tungsten. Relationships between anomalous tin values and possible indicator elements have still to be fully assessed.

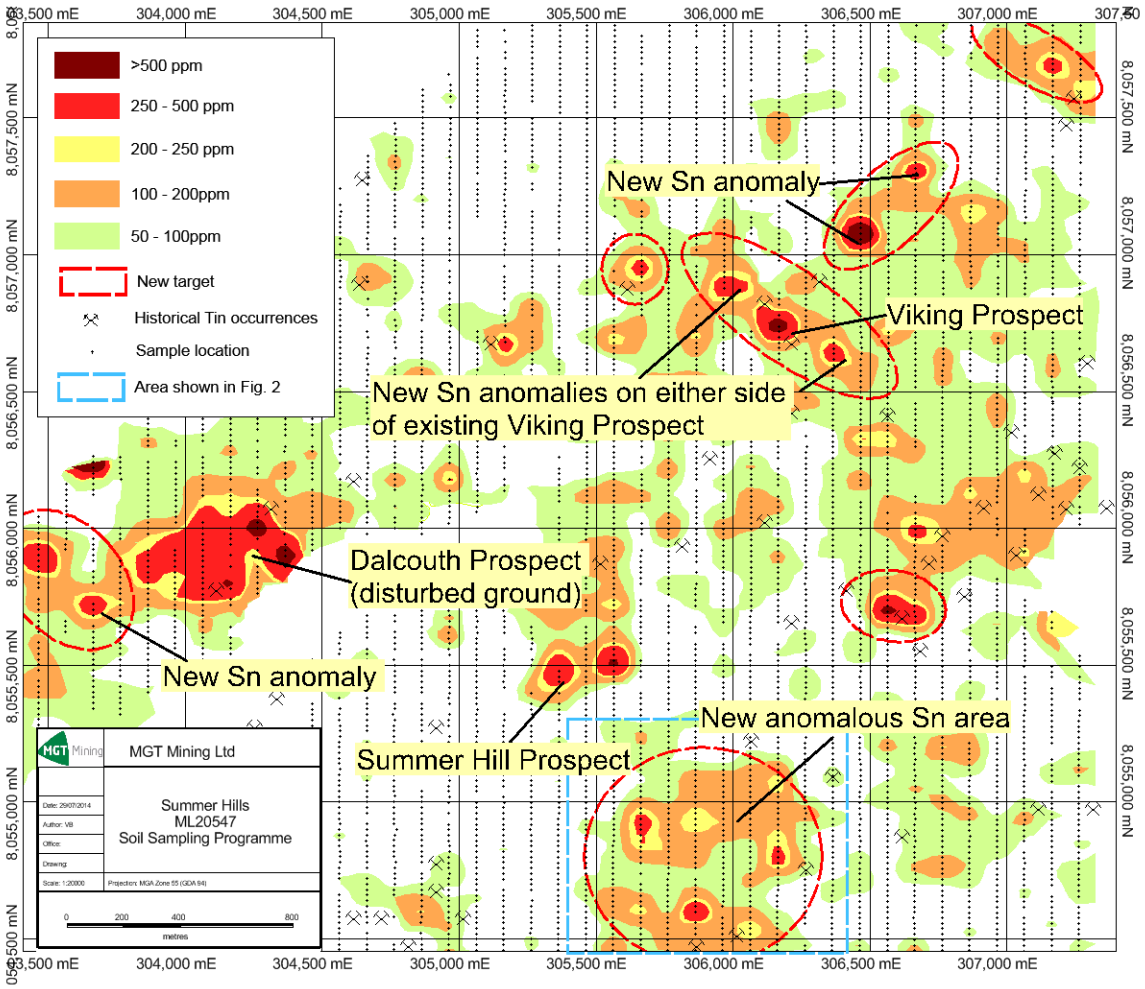


Figure 1: *Location of tin geochemical anomalies identified from soil sampling over the Summer Hills mining lease.*

New Tin Anomalies Identified

In addition to elevated tin values associated with established prospects, four new tin anomalies have been identified, including anomalies that occur adjacent to (along strike of) the existing Viking prospect (see Figure 1). The Viking prospect is currently being investigated in the first phase of 2014

www.mgt.net.au
info@mgt.net.au

drilling (see Start of Summer Hills Drilling Announcement, May 21st 2014 and Interim Results – Phase 1 of 2014 Summer Hills Drilling, July 21st 2014). An additional three new target areas have been identified that correspond with historical tin occurrences listed by the Queensland Department of Natural Resources and Mines. These are areas that have not yet been investigated by MGT. Follow-up of these geochemical anomalies has yet to be undertaken. Of particular interest is a large area of anomalous tin geochemistry in the south of ML20547 (see Figures 1 and 2) where anomalous tin values occur over and adjacent to a mapped granite body.

Follow-up work will include field inspections, rock chip sampling and infill soil sampling to provide further definition of the geochemical anomalies with the objective of delineating additional drill targets to be tested in the second half of 2014.

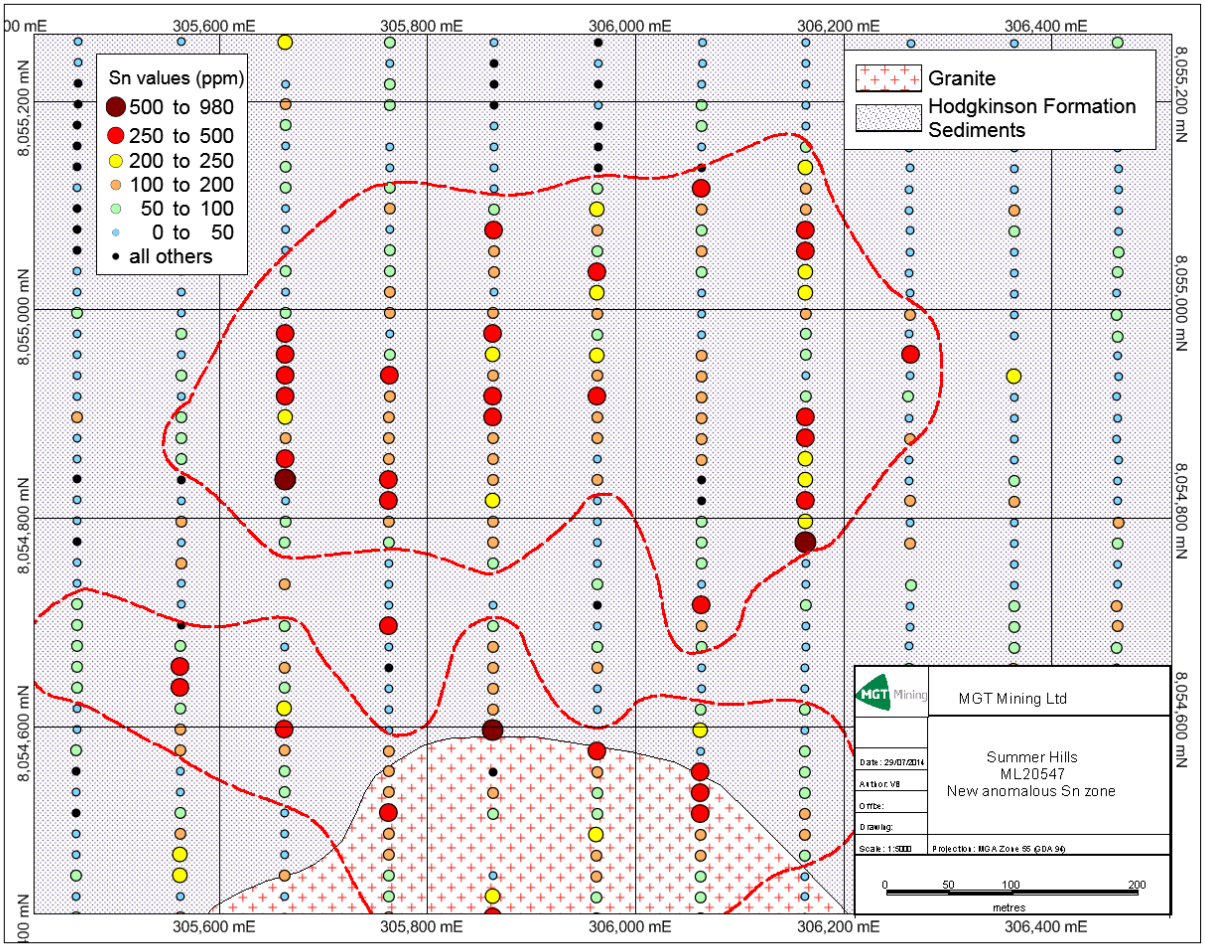


Figure 2: *A map showing the area of anomalous tin geochemistry which occurs in close proximity to a mapped granitic outcrop in the southern portion of ML 20547. Red dashed line encloses areas of interest.*

www.mgt.net.au
info@mgt.net.au

ABOUT THE MT GARNET TIN PROJECT

MGT's flagship Mt Garnet Tin Project is located approximately 100km (3 hours' drive on largely-sealed road) south west of Cairns in far North Queensland.

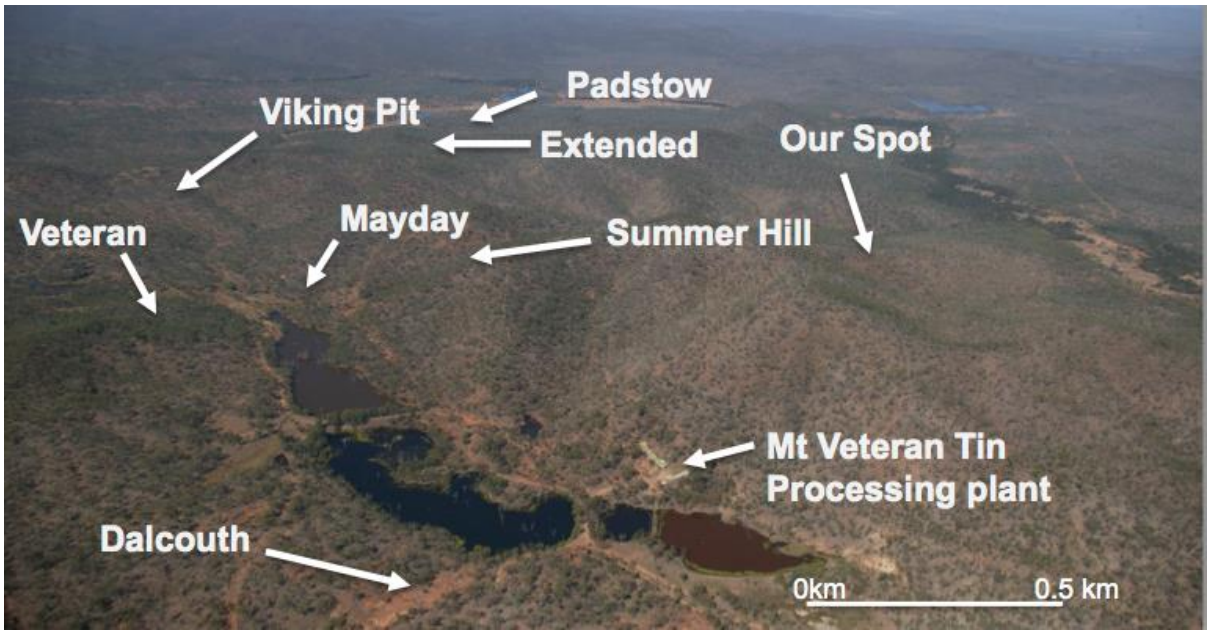
***Map 1** - Location of MGT's Mt Garnet Project tenements within the historic Herberton Tin fields.*

MGT's Mining Lease ML 20547 (Summer Hills ML) was granted for a period of 21 years from 1st February 2013. The Summer Hills ML, the main tenement within MGT's flagship Mt Garnet Tin Project, is 1170 Ha in area making it one of the largest mining leases in the region. MGT's strategy is to generate near-term cash-flow through campaign production of tin concentrates from its existing tenements. MGT sold its first shipment of tin in early 2013.

ML 20547 Contains Tin Processing Plant plus Mining and Exploration Targets

The Mt Veteran Tin processing plant is located on ML4349; wholly surrounded by the Summer Hills ML 20547. A number of tin mining and exploration targets are located within the Summer Hills ML.

Grades of up to 15.75% tin have been previously intersected in drilling on the Summer Hills mining lease. For investors unfamiliar with tin, 1% tin is approximately equivalent in value terms to 4 grams per tonne of gold or 3% copper.



Map 2 *- The Summer Hills Mining Lease contains the Mt Veteran Tin Processing Plant, dams, power, roads and a nearby skilled workforce.*

Competent Person's Statement

Information in this report related to exploration results are based on data compiled by MGT technical staff and checked by Max Rangott of Rangott Mineral Exploration Pty Ltd. Mr Rangott is a member of both the AIG and the AusIMM. Mr Rangott 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rangott consents to the inclusion in the report of the statements based on the information in the form and context in which it appears.

Forward Looking Statements

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

ENDS

Investor and media enquiries:

Alexander Moody
Company Secretary
T: +61 2 9262 1122
alex.moody@mgt.net.au

ASX RELEASE

APPENDIX 1 – JORC Code Table 1

Section 1: Sampling Techniques and Data

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.) These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sampling representivity and the appropriate calibration of any measurement tools or systems used.*	- Soil samples were collected at 20m intervals along 100m-spaced North-South grid lines. Sampling was not undertaken over selected areas of surface disturbance, gully alluvium and water-filled dams. - Sample locations were recorded using a handheld GPS - Soil sampling holes were dug using a hoe pick with between 0.3-0.5 kg of sample collected from the base of the B horizon just above weathered bedrock - Oven-dried soil samples were sieved using laboratory standard sieves to obtain a -20#+42# Tyler (-850 micron/+ 355 micron) size fraction for analysis. The -20#+42# fraction comprised approximately 15% of the total soil sample. - Samples were analysed in-house using an FXL laboratory XRF analyser. This work was undertaken by Field Technicians who had completed training courses on the operation of the XRF analyser - The XRF analyser was calibrated at the start of each day using certified reference materials and blanks.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	Orientation soil sampling was undertaken over areas of known mineralisation within MGT's Mining Lease 20547 to determine the most appropriate sampling methodology.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard*	Drilling was not conducted.

Criteria	Explanation	Commentary
	tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.)	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Drilling was not conducted
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drilling was not conducted
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Drilling was not conducted
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies*	Soil samples were not logged.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel etc.) photography.	Soil samples were not logged.
	The total length and percentage of the relevant intersections logged.	Soil samples were not logged.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drilling was not conducted.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Drilling was not conducted.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All soil samples were prepared for analysis at MGT's field facility near Mt Garnet. Bulk soil samples were oven-dried prior to sieving through laboratory-scale stainless steel sieves to produce a -20#+42# size fraction for analysis. The -20#+42# size fraction comprised approximately 15% of the original bulk soil sample. No additional sample preparation was undertaken prior to analysis. Sub-samples of the -20#+42# size fraction were collected by spear sampling for analysis.
	Quality control procedures adopted for all sub-sampling stages to maximise representativity of samples.	No quality control procedures undertaken to determine sample representativity
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	No duplicate samples have been collected.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Orientation soil sampling surveys over known mineralisation indicated that the size of the bulk soil samples and subsequent -20#+42# fractions are adequate to detect target mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples from the orientation study were assayed at ALS Laboratories using a fused disc XRF technique, which is the current industry standard for tin. Fused disc XRF is considered a total technique, as it extracts and measures the whole of the element contained within the sample.

Criteria	Explanation	Commentary
		Samples from the soil sampling program were analysed in-house at MGT's Mt Garnet field facility using an FXL laboratory XRF analyser. Analysis was undertaken using a pressed pellet XRF technique which is considered to be appropriate for geochemical testwork. Given that the -20#+42# samples have not been pulverised prior to analysis, the resultant analyses are considered to be partial.
	For geophysical tools, spectrometers, handheld XRF instruments, etc. the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation, etc.	Analysis was performed using a Niton FXL 950 Analyser (Thermofisher Scientific) laboratory XRF machine. The Niton FXL was calibrated using the pulps from the orientation survey to ensure that it was returning similar results to previous analyses conducted at the ALS laboratory. Reading time for each sample was 3 minutes. A calibration curve for Sn using the known values of the orientation survey sample pulps was set up by staff at Portable Analytical Services Pty Ltd who supplied the analyser.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Quality control procedures involved checks conducted on a daily basis using certified reference materials and limestone blanks. Checks were conducted at the start of each analysis day to ensure proper calibration of the machine.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	There has been no external check assaying undertaken on the soil samples.
	The use of twinned holes.	Drilling was not conducted.
	Documentation of primary data, data entry procedures, data verifications, data storage (physical and electronic) protocols.	Location and sampling data were collected by experienced field assistants and entered into Excel spreadsheets. Analytical data from the FXL XRF machine is supplied as an Excel readout. Location and analysis data are then collated into a single Excel spreadsheet. Data is stored on servers in the Company's head office and on site, with regular backups and archival copies of the database made.
	Discuss any adjustment to assay data.	No adjustments are made to the data.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Location data for soil sampling points was recorded by handheld GPS (±3m accuracy). Location data is downloaded from hand-held GPS using appropriate software.
	Specification of the grid system used.	Coordinate system is UTM Zone 55 and datum is GDA94
	Quality and adequacy of topographic control.	The Digital Terrain Model of the Summer Hills mining lease was derived by photogrammetry obtained by consultant surveyors with contours provided at 2m intervals.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Soil samples were collected with a spacing of 100m x 20m.
	Whether the data spacing and distribution	Sample spacing was deemed appropriate

Criteria	Explanation	Commentary
	is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	for identifying geochemical anomalies but could not be used to establish geological and grade continuity. It would not be appropriate to use this information in a Mineral Resource or Ore Reserve estimation capacity.
	Whether sample compositing has been applied.	No sample compositing has been applied.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Known mineralisation within the Mining Lease has a variety of linear orientations including North-South, NNW-SSE, NW-SE and East-West; hence it is possible that the North-South soil sampling orientation may not be appropriate to achieve unbiased sampling for certain structural orientations. Field inspections have yet to be undertaken to ascertain whether or not the sampling pattern is locally biased.
	If the relationship between drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Drilling was not conducted.
Sample security	*The measures taken to ensure sample security.*	Samples were collected, prepared and analysed by experienced MGT field assistants.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	To date there has not been an audit of sampling techniques and data.

APPENDIX 2 – JORC Code Table 2

Section 2: Reporting of Exploration Results

Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national and environmental settings.*	The Mining Leases: ML20547 and ML4349 are located approximately 100 kms SW of Cairns in Northern Queensland near to the township of Mt Garnet. The MLs are 100% owned by MGT Mining, which is a subsidiary of MGT Resources Ltd with 89.48% ownership. MGT has an ILUA Agreement with the Native Title claimants in the area, the Bar Barrum People. There are no sites of cultural heritage significance listed within the MLs.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.	ML20547 and ML4349 are held for periods of 21 years and 14 years respectively. The security of the tenure is good.
Exploration done by other parties	*Acknowledgement and appraisal of exploration by other parties.*	The Mt Garnet-Irvinebank area is one of the major tin-producing districts in Australia. Hard rock tin ore was obtained from open cuts, shafts and tunnels within ML20547, starting in the 1880s. In addition, alluvial tin was also mined on a large scale within the valleys in and around ML20547 by using mechanised equipment. Alluvial mining ceased in 1989. In the mid-1960s Noranda completed underground exploration at Summer Hill including the drilling of six diamond holes. Throughout the 1990s, Norminco/Tin Australia NL conducted surface exploration including mapping and rock chip sampling at a number of previously-defined prospects including Dalcouth, Summer Hill and MayDay.
Geology	*Deposit type, geological setting and style of mineralisation.*	Tin prospects within the mining lease are hosted in metamorphosed sediments of the Hodgkinson Formation. Mineralisation is locally hosted in fracture networks and quartz veins. Tin mineralisation, which occurs as cassiterite (SnO_2), also occurs disseminated through chlorite rich zones. The ML is located in the Hodgkinson tin province, an area of North Queensland which, historically, has been mined for hardrock and alluvial tin deposits.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *Easting and northing of the drill hole collar* • *Elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *Dip and azimuth of the hole* • *Down hole length and interception depth* • *Hole length*	No drilling was conducted.

www.mgt.net.au
info@mgt.net.au

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No cut-offs have been applied in reporting of the soil sampling exploration results.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations be shown in detail	No aggregate intercepts have been applied in reporting of the soil sampling exploration results.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents have been used in reporting.
Relationship between mineralisation widths and intercept lengths	*The relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known).*	No drilling was conducted.
Diagrams	*Appropriate maps and sections (with scale) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See Fig. 1 for a map of all soil sampling locations and contoured tin anomalies. Figure 2 provides an enlarged view of one of the larger anomalous areas and individual soil sampling points.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.*	It is not practicable or appropriate to report all individual soil sampling results. Gridding/imaging was performed using an Inverse Distance Weighting method using a cell size of 25 and a search distance of 120 (with 2 search sectors). Contouring was then applied to the grid (see Fig. 1). All data points have been shown in Fig. 1 to indicate that contouring was appropriate and show where data was not collected due to previous disturbance or location of dams. An enlarged figure of one of the larger new anomalous areas is shown with individual sample points to further indicate that contouring techniques applied in Figure 1 are appropriate (see Fig. 2).
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or*	The locations of known historic mineralisation /workings as provided on the Queensland Mines Department QMIN database are shown on Figure 1.

	contaminating substances.	
Further work	*The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large-scale step-out drilling).*	Following ground assessment of the soil geochemical anomalies, future work may include geological mapping, rock chip sampling and infill soil sampling to delineate drill targets. MGT is currently conducting a drilling program at a number of previously-established prospects on the Summer Hills Mining Lease.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	See Fig. 1