

EL ROBLE ACTIVITIES – MARKET UPDATE

ASX ANNOUNCEMENT

20 JANUARY 2014

HIGHLIGHTS

- **Open pit trial production to commence at Panga as Mining Group works towards extraction of first bulk ore for trucking to the toll treatment facility.**
- **Visible copper in drilling confirms Panga orebody continues underneath current workings.**
- **Open pit design and economic assessment commences at Panga Mine over 500m of exposed surface mineralisation.**

Mining Group Limited (ASX: MNE) is pleased to provide the following market update on activities completed at the El Roble copper project, Chile (**El Roble**).

PANGA OPEN PIT ASSESSMENT

Mining Group has commenced a detailed assessment of the vein to complement the already completed underground mapping, sampling, surveying and diamond drilling at Panga. This detailed assessment will include **the trucking of an initial 1,000 tonnes of material to the ENAMI toll treatment facility** from a trial open pit operation.

This material is planned to be extracted following completion of mapping and grade control sampling of the Panga vein, which is, on surface, over an initial 500m strike length.

Recent work has included a 'pre-strip' of overburden (Figure 2) along this 500m strike length to expose the mineralised vein. This pre-strip work has revealed that the vein has an average true width of 2.50m and is cross cut by numerous andesitic dykes. Company geologists have identified two main high priority areas along the 500m of pre-strip work where the vein averages 3.50m in width and prominent copper oxide mineralisation is visible.

Following completion of the grade control sampling, a decision will be made to extract a 1,000 tonne bulk sample which can be undertaken under the conditions of the current mining permit. This 1,000 tonne bulk sample will be trucked and sold to one of the two local toll treatment plants. If the bulk sample program is successful, the Company will then carry out the necessary work to increase the Panga open pit ore production up to 5,000 tonnes per month by submitting the appropriate applications to the mining regulatory authority in Chile, SERNAGEOMIN.

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 ore from the concession. Under Chilean mining regulations, the Company is required to submit an application to 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 already commenced this application but has the ability under the current conditions of the existing permit to continue to extract at a rate of 1,000 tonnes per month if deemed to be profitable.

The Company is currently obtaining firm pricing from contractors and start-up costs for the Panga open pit operation and expects to have detailed cost information compiled by early February 2014.



Figure 1 – Top, Long section view looking north west, of approximately 500m of strike length of the Panga vein which has had overburden removed – red line shows approximate position of the vein. Bottom – Looking south west along approximately 500m strike of the Panga vein showing over burden removed in preparation for bulk sampling – Red gridded area is mapped copper bearing vein.

PANGA DRILLING

Drilling at Panga has been used to assess the down dip continuity of the high grade copper ore shoots exploited from the historic Panga mine. Three holes have been drilled to date with all holes awaiting assays.

Two holes have intersected the Panga vein approximately 20m below the existing underground workings. RCPDH00012 intersected a narrow, copper zone with significant native copper visible within the core (Figure 2). The Company expects assays to be available in the next three to four weeks.



Figure 2 – Native copper in drill core from hole RCPDH00012 at 89.55m downhole, beneath the Panga underground mine. Field of view 5cm.

Commenting on the recent significant work at El Roble, Mining Group Managing Director, Mr Zeff Reeves, said: “The decision to bulk sample the Panga vein to assess its viability for a small open pit operation is another step in our strategy to begin small scale mining operations and sell ore to the local toll treatment plants to enable us to become self-funded for growth.

“If our grade control work is positive, the 1,000 tonnes we intend to extract will test the proposed mining method and the ultimate economics of a small open pit at Panga. The bulk sample ore will be sold to the local plants and we will actually achieve our first revenues from El Roble. We will then continue extracting 1,000 tonnes per month until SERNAGEOMIN grants the mine permit for 5,000 tonnes per month at Panga. So it really is an exciting time for the Company, with a lot of activity occurring on site all focussed toward getting some ore to the plant.

“We are obviously pleased with what we see at El Roble and this recent activity is another step towards executing our strategy to utilise small scale production to fund long term growth”, added Mr Reeves.

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About Mining Group Limited

Mining Group Limited (ASX: MNE) is an ASX listed, Australian based exploration company established to explore, evaluate and acquire commercially significant resource projects in Australia and overseas.

Mining Group seeks to develop the Comval Copper Gold Project in the Philippines and establish near term production at its Chilean copper project El Roble. Further, it continues to evaluate the prospective Western Australian based Boorara and Teutonic Projects.

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

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 is an employee of the Company. Mr Reeves has sufficient experience that 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 Reeves consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

APPENDIX 2: JORC Table 1, Section 1 Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	- Drill core samples are half core samples cut longitudinally down core axis - Minimum sample interval was 0.25m and maximum of 1.00m are collected from core, sampled to geological boundaries. - Samples sent to ALS Laboratories, Copiapo, Chile - Samples were pulverised to obtain a 30g charge for fire assay for gold - A 0.5g charge was digested by four acid near total digest and analyses using ICP-OES for multi-element analysis, including copper - Ore grade copper samples over 10,000ppm (10%) are re-assayed using AAS - High grade gold samples over 10 g/t are re-assayed using a fire assay fusion and gravimetric finish.
Drilling techniques	Diamond Drilling method has been used recovering HQ diameter drill core
Drill sample recovery	- Drill sample recovery is generally 100% and is recorded for every meter of core recovered. - Minor core loss was encountered but is not deemed material
Logging	- All drill holes are geologically logged by qualified geologists. - Geological data is recorded in the Company's geological database. - Logging is qualitative in nature and describes lithology, alteration, structure and mineralisation visually observed by the logging geologist. - Total length of each sample interval has been logged.
Sub-sampling techniques and sample preparation	- The sample collection and preparation technique is deemed suitable and industry standard for drill core sampling. - Samples are coarse crushed to 70% passing 2mm and then split produce a 30g sample for gold assay and 0.5g sample for multi-element assay. Sub samples are then pulverised to 85% passing 75 microns prior to assay. - No duplicate samples have been carried out. - Sample size is deemed appropriate.
Quality of assay data and laboratory tests	- Assay techniques are deemed suitable and accurate for the elements being tested. - Standard reference materials have been submitted in each sample run every 20 samples. - Blank reference materials are submitted in each sample run every 50 samples.
Verification of sampling and assaying	- All significant intersections have been calculated using weighted averaging to sample length. - All significant intersections have been checked by alternative company geological personnel. - No duplicate sampling or twinned holes have been completed - All data collected is done so in accordance with the Company's written data collection procedures and is kept within the Company's electronic database. Original sample logs and written data collection forms are also retained in the Company's data library. - No adjustment to data has been done.
Locations of data points	- All drill holes have been surveyed using a differential GPS instrument with appropriate control points used and referenced to ensure accuracy of survey information. - Co-ordinates have an error of +/-10cm.. - Co-ordinates are recorded in WGS84 co-ordinate system
Data spacing and distribution	The current drill spacing is deemed appropriate for the current early stage of exploration
Orientation of data in relation to geological structure	- Wherever possible drill holes have been planned to intersect mineralised structures perpendicular to the structure. - Drill Hole intercepts are downhole widths and do not indicate true widths of any mineralised structure.
Sample security	All sampling was conducted under the supervision of an independent geology consultant who conducted sample collection and the chain of custody from the drill to the sample preparation and logging facility is continually monitored by the consultant. Samples are shipped to the lab by qualified couriers or Company personnel under locked bags.
Audits or reviews	No audit or review has been conducted due to the early stage exploration nature of the work.

JORC Table 7: Section 2 Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	• Mining Group does not own any of the properties sampled or mapped and sampling and mapping completed was done so as part of a due diligence process in order to assess the properties. • Mining Group has an production agreement over the Panga Mine, granting exclusive access to carry out further geological and mining studies and to extract copper and gold ore.
Exploration by other parties	• No information has been used in this report from exploration by other parties.
Drill hole information	• Details of channel locations, depth and intercept depths are contained within this announcement (Appendix 1).
Geology	• The El Roble Project and Panga mine area consists of quartz and iron oxide veins, containing copper and gold mineralisation. The veins are hosted within intrusive dioritic and andesitic volcanic rocks of the Chilean Cretaceous Belt.
Data aggregation methods	• Intercept widths are along channel widths, intercept calculated by length weighted average for all samples and no internal dilution was used, where length is the along channel length for each sample interval • Intercepts comprise of aggregated length weighted average for all samples taken in each channel. Length weighted averages have been calculated using the following formula assuming 3 samples were taken from the channel, where: A=sample interval, B=sample assay value 1) $A1 \times B1 = C1$, $A2 \times B2 = C2$, $A3 \times B3 = C3$ 2) $A1 + A2 + B2 = \text{total interval}$ 3) $(C1 + C2 + C3) / \text{total interval} = \text{length weighted grade average}$ • No metal equivalent values have been used.
Relationship between mineralization widths and intercept lengths	• Channels were designed to be installed perpendicular to the interpreted strike of the mineralized structures unless stated. • Intercept widths are along downhole widths and are not true geological widths.
Diagrams	• Pertinent maps, plans and sections are within this announcement
Balanced Reporting	• Full results of all samples taken from the underground Panga Mine are presented in Appendix 1 of this announcement.
Other substantive exploration data	• No other data other than that presented has been used or relied upon.
Further work	• Further exploration work including mapping, sampling and drilling is required, on areas throughout the property. • These areas will be identified in the future through further analysis and interpretation of results. • Diagrams cannot be provided until areas for future exploration have been identified, other than what is presented within this notice.