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Companies Manager
National Stock Exchange of Australia

NSX Announcement - MGT Resources Limited (NSX:MGS)

Drilling results from Nymbool EPM 16948

The Board of MGT Resources Limited (MGS, Company) is pleased to announce the attached results from the recent drilling program at EPM 16948.

On behalf of the Board of MGT Resources,

Yours sincerely,

Alexander Moody
Company Secretary

DRILLING RESULTS FROM NYMBOOL EPM 16948

Drilling results confirm potential for discovery of high grade polymetallic mineralisation at Smiths Creek Mine within Nymbool EPM16948 and identify a new high grade tin target. Intersections include 9.8m @ 0.4% Sn, 12m @ 0.8% Sn and 0.75m @ 3.55g/t Au.

MGT Resources Ltd (ASX: MGS) is pleased to announce the results from the first diamond and percussion drilling program at Nymbool EPM16948, at the historic Smiths Creek deposit and nearby targets, located 11kms northwest of the town of Mt Garnet.

Drilling commenced on the 5th June 2012 and was completed on 6th July. Two combination RC percussion/diamond drill holes (total depth 520.8m) and eight RC percussion holes (total depth 441m) were drilled (see Figure 1). The first planned diamond hole (SC04) deviated away from the target and had to be terminated at 108m. This hole was then redrilled as SC05.

HIGHLIGHTS:

- **Excellent tin intersections** obtained including:

9.5m @ 0.39% (DDH SC05) between 174 and 183.5m, including 0.75m @ 0.76%

12m @ 0.8% (PDH SC12) between 30 and 42m (includes two 1m voids – assumed to be old workings), including 2m @ 1.25%

- **Encouraging gold intersections** obtained including:

4m @ 0.35g/t (DDH SC05) between 175m and 179m, including 1m @ 0.6g/t

0.75m @3.55g/t (PDH SC05) between 210.8m and 211.55m

2m @ 0.47g/t (DDH SC06) between 163m and 165m

- **Encouraging copper intersections** obtained including:

3m @ 0.56% (DDH SC05) between 179 and 182m, including 1m @ 0.72%

8m @ 0.18% (DDH SC06) between 162 and 170m, including 1m @ 0.40%

- **An anomalous silver intersection** obtained:

10m @ 6.6g/t between 162 and 172m in DDH SC06, including 1m @ 20.5g/t

- Drilling intersected multi-element mineralisation at Smiths Creek
- Partial testing of a significant magnetic anomaly has discovered a new zone of tin mineralisation which will be followed up with further drilling to test its extent
- Excellent scope for the discovery of high grade mineralisation which will be followed up in the next drilling program

INTERSECTION DETAILS:

MGT has received assay results for all samples submitted to ALS from the completed drilling program. The assay results are encouraging and warrant follow up exploration (see Table 1).

TABLE 1 - NYMBOOL - 2012 DRILL INTERSECTIONS

Hole No.	From (m)	To (m)	Interval (m)	Sample Type	Sn (ppm)	Au (ppm)	Cu (ppm)	Ag (ppm)	W (ppm)	Bi (ppm)	Co (ppm)	As (ppm)	Fe %	Note
SC05	174	175	1.0	½ - Core	1,120	<0.01	18	<0.2	1,250	56	19	6	12.25	- mine void (fill)
SC05	175	176	1.0	½ - Core	2,020	0.25	12	0.4	820	854	13	<2	7.97	
SC05	176	177.25	1.25	½ - Core	3,250	0.21	8	0.3	60	228	19	95	10.65	
SC05	177.25	178	0.75	½ - Core	7,620	0.60	120	2.3	30	3,200	72	150	23.80	
SC05	178	179	1.0	½ - Core	4,250	0.14	37	0.8	330	1,565	61	85	22.40	
SC05	179	180	1.0	½ - Core	2,500	0.02	6,270	3.6	60	1,755	69	15	24.30	
SC05	180	181	1.0	½ - Core	4,730	0.01	7,190	3.4	500	933	58	12	23.80	
SC05	181	182	1.0	½ - Core	6,130	0.10	3,240	2.5	90	1,420	58	30	25.00	
SC05	182	183	1.0	½ - Core	5,980	0.01	340	0.1	80	1,125	38	11	22.90	
SC05	183	183.5	0.5	½ - Core	1,120	0.02	88	<0.2	60	186	33	8	20.60	
SC05	183.5	186.5	3.0	½ - Core	1,790	0.02	181	0.2	400	353	28	18	19.00	
SC05	186.5	187.2	0.7	½ - Core	159	0.02	71	<0.2	10	65	7	3	4.65	
SC05	187.2	188.4	1.2	½ - Core	82	0.02	12	<0.2	<10	102	4	<2	3.39	
SC05	188.4	189.2	0.8	½ - Core	282	<0.01	13	<0.2	60	118	17	6	10.50	
SC05	189.2	190.22	1.02	½ - Core	120	0.02	20	<0.2	10	22	6	22	5.85	
SC05	208	209.2	1.2	½ - Core	580	0.03	7	0.5	10	34	6	196	4.42	
SC05	209.2	209.78	0.58	½ - Core	214	0.02	35	1.3	420	83	10	95	7.47	
SC05	209.78	210.8	1.02	½ - Core	304	0.10	40	0.6	30	170	81	68	26.60	
SC05	210.8	211.55	0.75	½ - Core	500	3.55	73	2.5	3,230	4,500	82	77	26.80	
SC05	211.55	212.6	1.05	½ - Core	398	0.09	21	0.4	30	1,095	14	54	12.30	
SC05	212.6	213.1	0.5	½ - Core	62	0.02	66	0.2	<10	16	5	58	5.06	
SC05	282.36	282.88	0.52	½ - Core	181	0.24	1,850	3.1	160	387	8	4	8.13	
SC06	161	162	1.0	½ - Core	84	0.01	4	<0.2	<10	19	1	9	2.24	
SC06	162	163	1.0	½ - Core	69	0.03	1,325	3.2	<10	379	10	231	3.71	
SC06	163	164	1.0	½ - Core	84	0.18	1,310	4.6	10	1,295	401	>10,000	6.21	
SC06	164	165	1.0	½ - Core	54	0.75	4,010	20.5	30	6,280	7,300	>10,000	11.50	
SC06	165	166	1.0	½ - Core	59	0.03	2,280	2.2	<10	12	33	933	7.14	
SC06	166	167	1.0	½ - Core	62	0.05	1,460	2.3	10	173	228	7250	10.35	
SC06	167	168	1.0	½ - Core	46	0.08	1,250	6.5	10	905	726	>10,000	8.63	
SC06	168	169	1.0	½ - Core	45	0.07	908	4.2	20	2,150	71	2300	6.22	
SC06	169	170	1.0	½ - Core	81	0.25	2,030	11.2	40	4,100	3,420	>10,000	13.80	
SC06	170	171	1.0	½ - Core	78	0.27	668	5.5	30	4,080	2,810	>10,000	8.79	
SC06	171	172	1.0	½ - Core	203	0.04	823	5.3	10	571	212	3670	12.90	
SC06	172	173	1.0	½ - Core	211	0.01	456	0.9	10	1,455	303	3900	18.00	
SC12	27	30	3.0	Chip	787	0.02	9	<0.2	100	5	10	50	11.75	- mine void 32-33m - stope fill 35-36m
SC12	30	33	3.0	Chip	12,500	0.02	6	<0.2	150	7	8	64	15.70	
SC12	33	36	3.0	Chip	9,060	<0.01	39	<0.2	210	5	9	28	20.20	
SC12	36	39	3.0	Chip	6,060	<0.01	41	<0.2	570	15	7	13	21.40	
SC12	39	42	3.0	Chip	4,320	0.01	641	1	640	25	9	23	14.40	
SC12	42	45	3.0	Chip	198	<0.01	11	0.3	20	6	5	7	5.12	
SC12	45	47	2.0	Chip	124	<0.01	8	<0.2	20	8	8	5	6.66	
SC12	47	49	2.0	Chip	96	0.01	6	0.4	20	9	5	7	6.18	

SMITHS CREEK MINE TARGET

Host rocks - Nymbool granite

Mineralisation – associated with calcite and quartz veining in zones of strongly chlorite and sericite altered granite as well as disseminated throughout the adjoining granite. Strongly chlorite-altered zones are reflected in unusually high iron values in Table 1.

Historical evidence suggests that mining was terminated due to a mining accident and not to exhaustion of the mineralisation. Literature indicates that this lode is a lenticular pipe aligned within a fault, with an almost vertical plunge, to at least 170m vertical depth. Deep diamond hole **SC05** was drilled across the strike of the known lode (see Figures 1 and 2). The drill hole lifted during drilling and old workings were entered at 183.5m, rather than going directly beneath them as was originally intended. Results, however, are positive, with significant tin values obtained from a highly chloritised mineralised zone with pyrite, chalcopyrite and cassiterite in the hanging wall just before the old workings were entered. The hole was continued in the footwall of the workings and intersected a narrow zone of high grade gold values between 210 and 212m, close to the postulated target depth of ~170m (see Figure 3). Strongly anomalous tungsten and bismuth, and weakly anomalous tin values accompany the gold mineralisation. Further drilling is essential to test the main target zone and the positive results from SC05 will help in the planning.

The second diamond hole **SC06** (see Figures 1 and 4) was drilled to test a shallow magnetic anomaly, and at a deeper level, projected extensions along strike of the known Smith's Creek ore bodies 1 and 2. An encouraging gold/copper/silver zone was intersected at a vertical depth of ~100m (162 – 171m downhole), and this mineralisation is accompanied by locally very anomalous cobalt, bismuth and arsenic values. The possible economic significance of the cobalt and bismuth is yet to be determined. Further drilling will be conducted to establish whether or not this is a third lens of mineralisation offset along the same fault zone and to determine its extent.

MAGNETIC ANOMALIES

Three RC percussion holes, SC10, SC11 and SC12 were drilled to test two magnetic anomalies of interest to the northeast of the Smiths Creek Mine. **Hole SC12** (see figure 5) intersected a zone of significant mineralisation (12m @ 0.8% tin excluding old mine voids) at shallow depth (30-42m). It is considered that as the mine workings are likely to have extracted high-grade tin ore, the overall tin tenor of this 12m zone of mineralisation would have originally been significantly higher. Anomalous tungsten is also present in this zone, and once again, the high iron values reflect strong chlorite alteration of the granite. Follow up drilling will be undertaken to determine the strike extent of the tin mineralised zone.

QUEEN MAGNETIC ANOMALY

Hole Q04 was drilled to test a magnetic anomaly immediately to the south of the old Queen workings (see Figure 6). No significant tin values were obtained.

ADELAIDE BLOCK WORKINGS

Four holes (SC07, 08, 09, 13) were drilled to test beneath identified old workings ~150m to the north of the Smiths Creek workings and a coincident weak magnetic anomaly in the case of SC08 and SC09. These did not return significant values and the area may be considered sufficiently tested.

MAGNETIC SUSCEPTIBILITY LOGGING

MGT are currently systematically logging the magnetic susceptibility of the drill core and bulk drill chip samples, to obtain detailed data. This information will be plotted on sections, to determine whether or not the magnetic targets have been adequately tested.

FUTURE EXPLORATION

- Further analysis of structural data gathered from diamond drilling
- Second drilling program including further deep diamond holes beneath the Smiths Creek Mine workings and into the northwestern target identified by hole SC06
- RC percussion drilling program to determine the extent of the high grade tin zone identified in hole SC12
- Follow up of gold anomalies from early stream sediment sampling to identify new targets
- Further geological mapping of old workings and new target areas

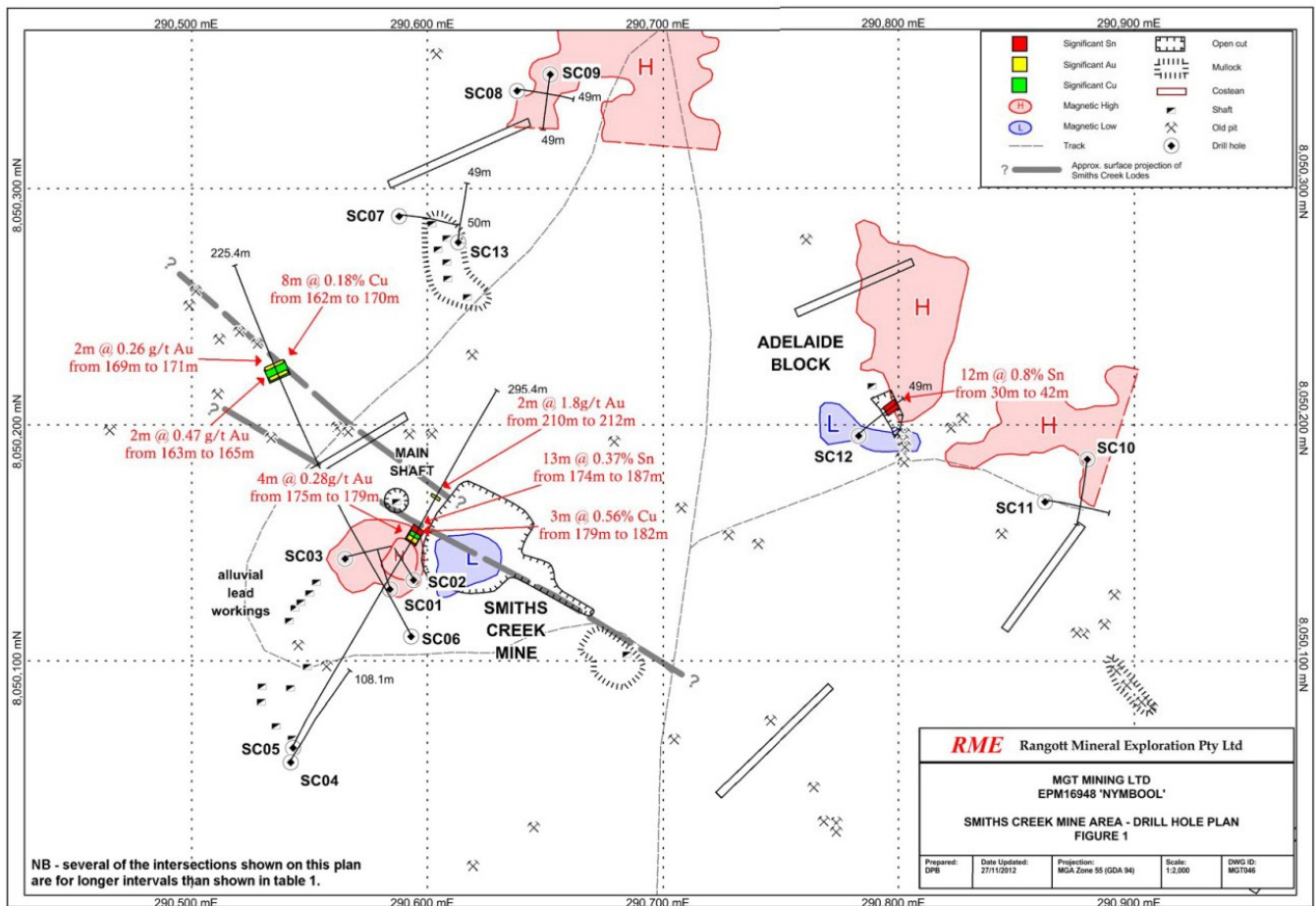


Figure 1: Plan of Smiths Creek and Adelaide Block drillholes showing tin values (only new holes are labelled).

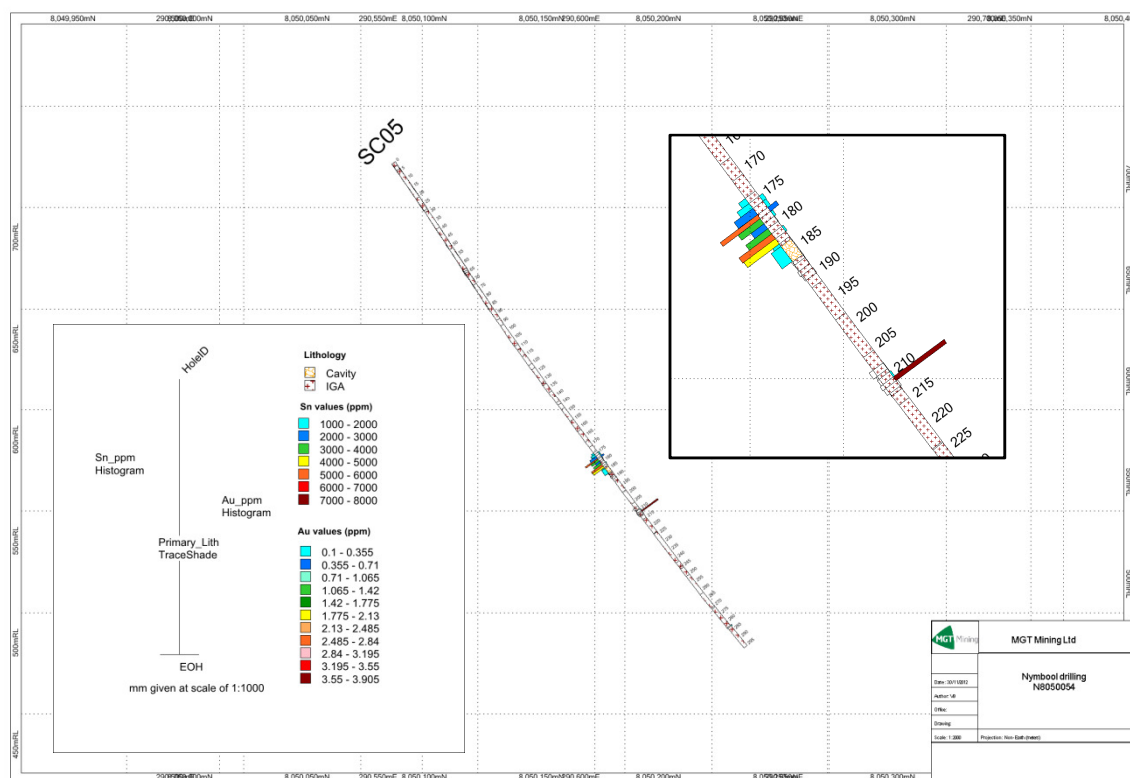


Figure 2: Drillhole section of SC05 showing primary lithology, tin and gold values. The inset shows the zoomed in area of interest between 165 and 220m.

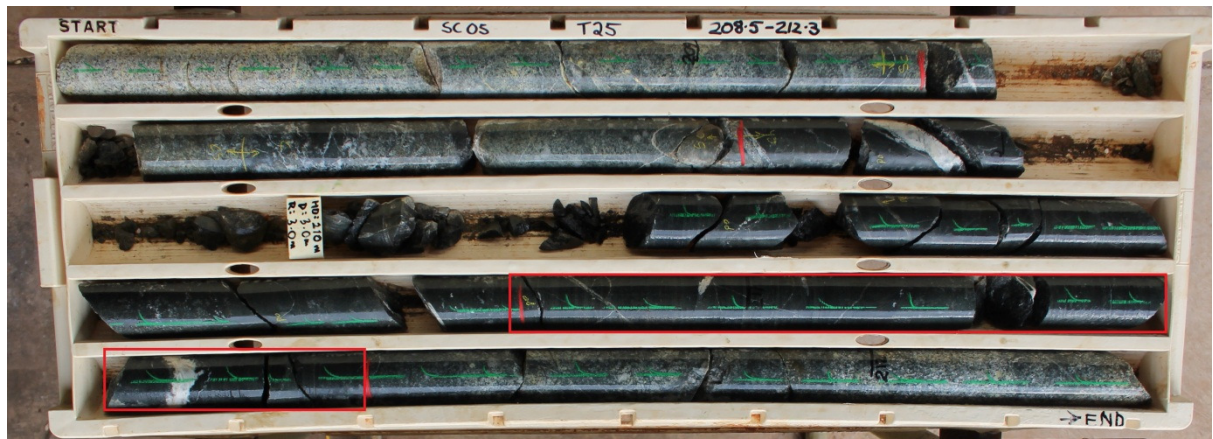


Figure 3: Outlined by red is the zone 210.8 to 211.6m in hole SC05 which assayed at 3.55g/t Au. The granite is strongly chloritised with abundant anastomosing calcite veins associated with blebby pyrite and pyrrhotite.

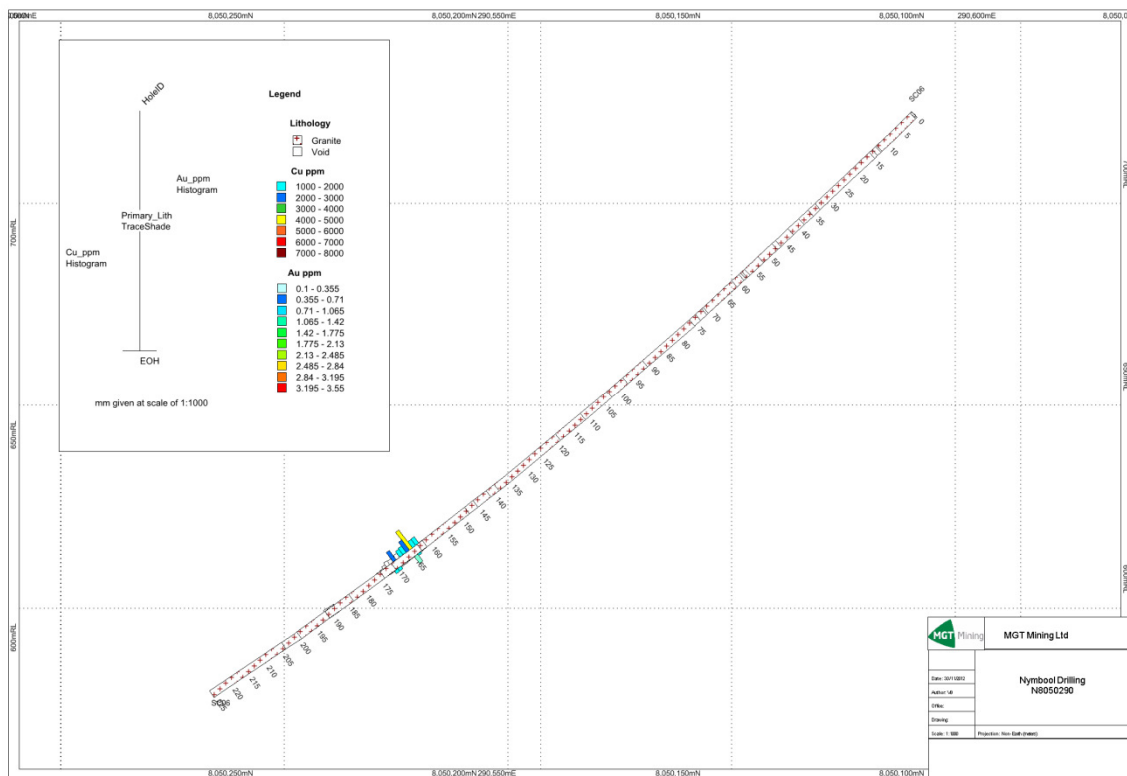


Figure 4: Drillhole section of SC06 showing primary lithology and copper and gold values. SC05 is also shown where it intersects the section envelope.

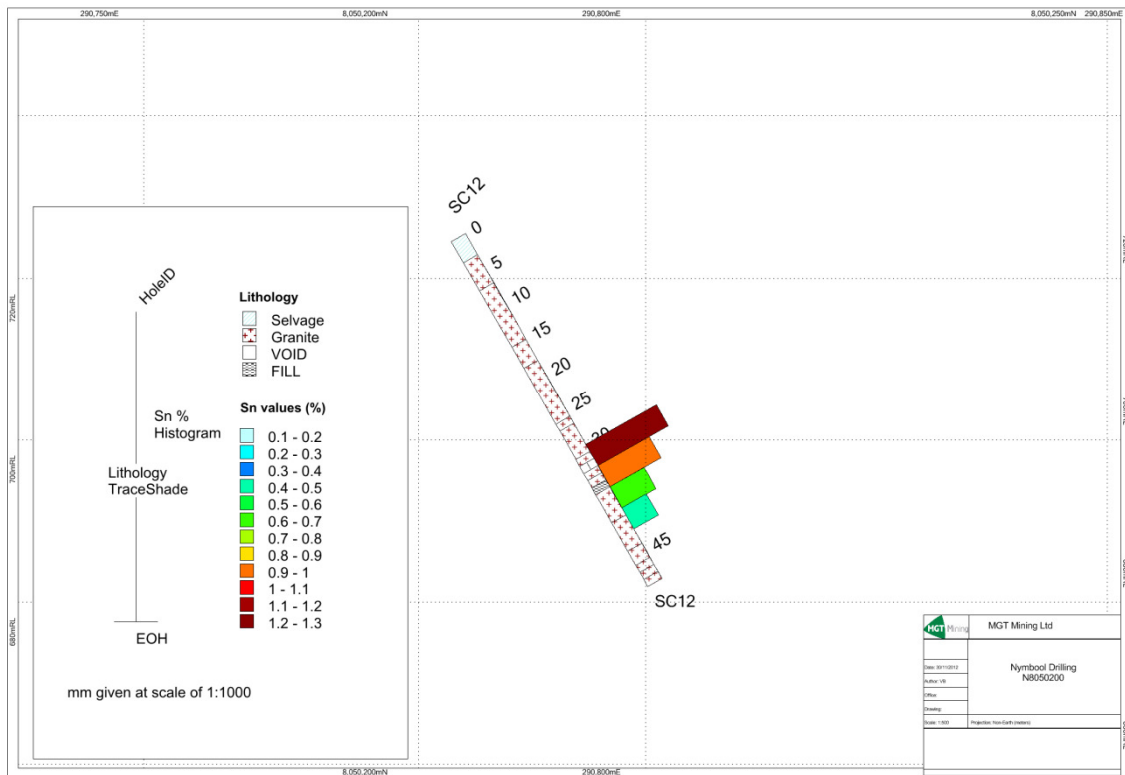


Figure 5: Drillhole section of SC12 showing primary lithology and tin values.

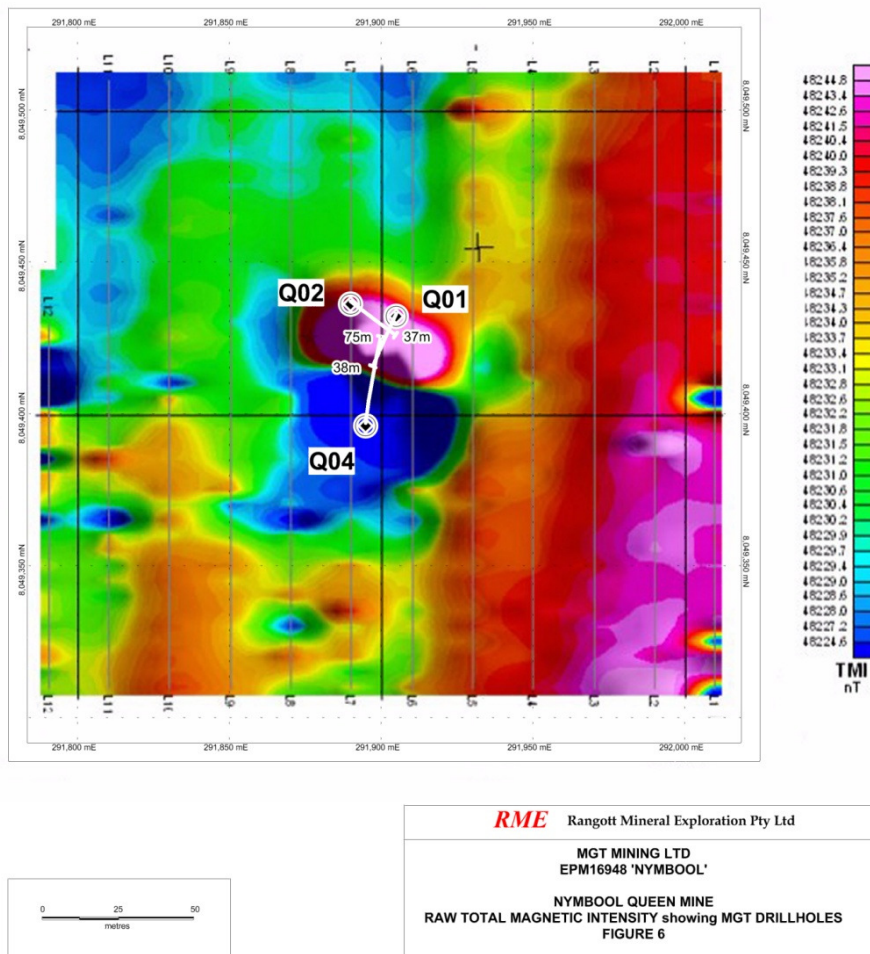


Figure 6: Location of drillhole Q04 and older holes in relation to the magnetic anomaly immediately to the south of old Queen workings.

Competent Persons Statement

Information in this report related to exploration results or mineral resources are based on information compiled by MGT technical staff and checked by Max Rangott of Rangott Mineral Exploration Pty Ltd, who 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals 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.