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Company Announcement Office  
Australian Stock Exchange Ltd  
4th Floor, 20 Bridge Street, Sydney NSW

ASX code: MUX

## North Queensland Zinc Strategy Advances with Stamp Duty Payment and Formal Transfer of Assets

*Clears the way for exploration to commence at high-grade King Vol zinc deposit*

### Key Points

- **Final stamp duty assessment of \$631k paid** to the Queensland Office of State Revenue on Mungana's \$15 million acquisition of the Chillagoe base metal assets from Kagara Limited (in Liquidation).
- **\$7.5 million Tranche 'A' Convertible Notes** held by Kagara and its subsidiary Mungana Pty Ltd expected to convert to ordinary shares within 30 days.
- **Security held by Kagara over the Chillagoe assets** acquired from Kagara Limited (in Liquidation) was released today.
- **Transfer of assets clears the way for Mungana to negotiate access agreements** and commence ground-based exploration activities at the King Vol zinc deposit.

Mungana Goldmines Ltd (ASX: MUX – "Mungana" or "the Company") is pleased to announce that its North Queensland zinc strategy continues to advance with achievement of a number of important milestones this week.

The Company has received and paid the final stamp duty assessment of \$631k to the Queensland Office of State Revenue for its \$15 million acquisition of the portfolio of base metal and gold assets near Chillagoe from the Liquidators of Kagara Ltd.

Following this payment, the Company expects the \$7.5 million Tranche A Convertible Notes held by Kagara Limited (in Liquidation) and its subsidiary, Mungana Pty Ltd (in Liquidation) to convert to ordinary Mungana shares within the next 30 days.

Mungana understands that Kagara (in Liquidation) expects to complete a final regulatory step within that timeframe to finalise conversion. The Company will make a further announcement when the Tranche A notes are converted.

Also as a result of the stamp duty payment, the security held by Kagara over the Chillagoe region assets to secure the Convertible Notes was released today.

This will enable the formal transfer of the Chillagoe region assets to Mungana to be completed, allowing the Company's exploration team to negotiate access agreements and commence ground-based exploration activities at the King Vol zinc deposit.

Following completion of the transaction and the stamp duty payment, Mungana holds the Chillagoe assets unencumbered and has a strong balance sheet with approximately \$3.8 million in cash and no debt.

Commenting on the developments, Mungana's Chairman, Joe Treacy, said: "Our North Queensland zinc strategy continues to advance with the milestones achieved this week making another important step towards achieving the Company's objective of becoming a significant new player in the Australian zinc industry over the next few years.

"The high quality portfolio being acquired includes one of Australia's highest grade undeveloped zinc deposits, King Vol, and we are looking forward to getting on the ground and advancing exploration and feasibility activities at King Vol in the coming weeks," he said.

## **ENDS**

For further information, please contact:

### **Investors**

Joe Treacy, Chairman  
Mungana Goldmines  
Mobile: +61 428 600 121

### **Media**

Nicholas Read  
Read Corporate  
Tel: +61-8 9388 1474  
Mobile: +61 419 929 046

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