



North Queensland Zinc Strategy

Investor Roadshow
October 2014



MUNGANA
GOLDMINES

ASX: MUX

Disclaimer

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Corporate Snapshot

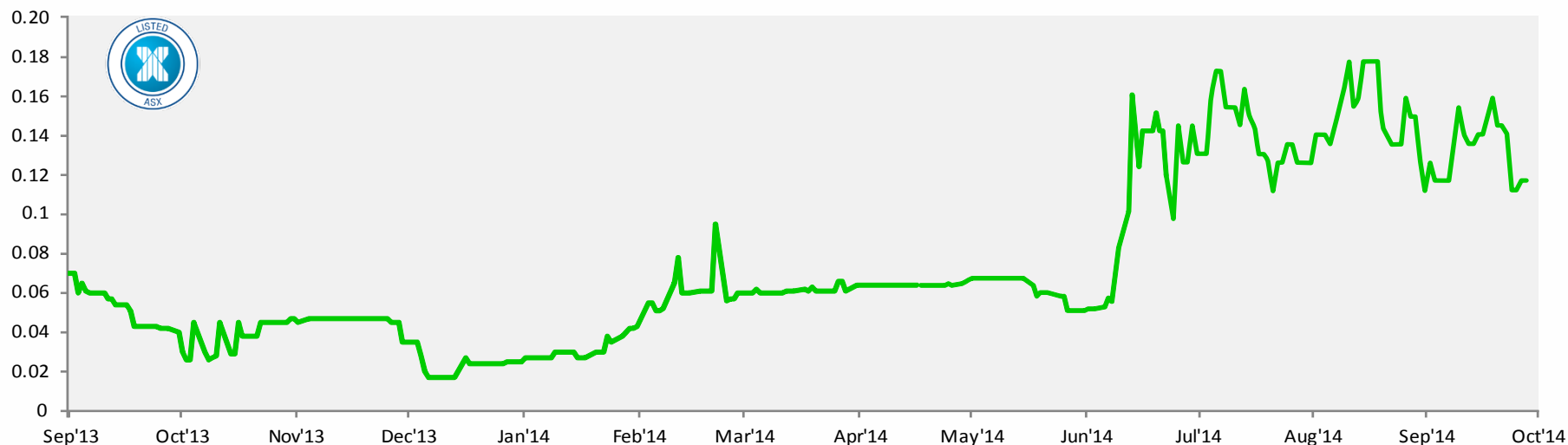


Capital Structure

ASX Code	MUX
Shares on Issue	164.6 million
Shares post Tranche A*	239.6 million
Share Price	12 cents
Diluted Market Cap	~\$29 million
Cash	~\$3.5 million

Major Shareholders

	Current	Post Tranche A*
Kagara	59%	72%
GHG	15%	10%
Prosperity Steel	8%	5%



* Tranche A Note expected to be converted to 75 million shares next month

Board and Management



BOARD

John Fitzgerald	Resource financier and experienced company Director Director of Northern Star and ex-Chairman of Integra Mining
Rick Yeates	Experienced geologist and mining company executive Director of Western Areas and founding principal of RSG Global
Joe Treacy	Founding Director with intimate knowledge of company assets
Justin Wu	Commercial background representing GGHG

MANAGEMENT

Andrew Beaton	Project Manager. Formerly resource development geologist for Kagara and Chief Mine Geologist at Century
Ben-Louis Ludik	CFO and Company Secretary

Developing a Board and team to grow the company

Kagara Shareholding



- 59% shareholding expected to increase to 72% next month with the conversion of the \$7.5 million Tranche A Note
- Unsecured Tranche B Note for \$7.5 million convertible at 20 cents a share and expires in July 2019. Mungana have the option to prepay the Note
- Mungana shareholding the key to providing an outcome for Kagara Creditors
- Kagara Liquidator has endorsed Mungana strategy and aligned with shareholders to build value

Introduction: A New Chapter Begins

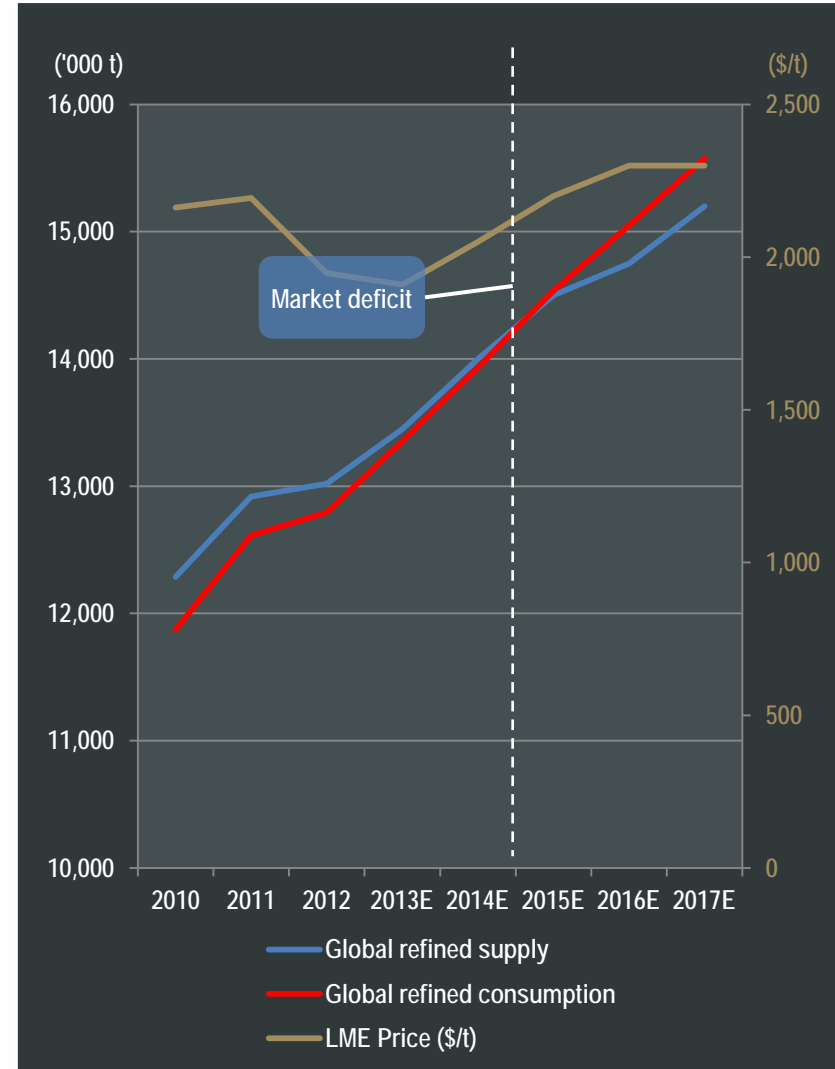


- Rejuvenated growth strategy as a Queensland-focused base metals exploration and development company
- \$15M acquisition of Chillagoe base metal assets from Kagara Ltd (in liquidation) completed
- Cornerstone asset is the high-grade King Vol zinc deposit, located close to a partially-completed 600ktpa base metal treatment facility
- Focused exploration and development strategy centred around King Vol which presents a rare medium-term development opportunity in the zinc sector
 - *Potential to take advantage of looming supply shortfall in zinc*
- Significant potential to expand resource base around a central processing hub with a polymetallic production profile from nearby deposits (zinc + copper + lead + gold)
- Multiple brownfields base metal targets identified and significant porphyry copper-gold potential

Vision is to become a significant Australian zinc producer.

Zinc: The Next Metal Boom?

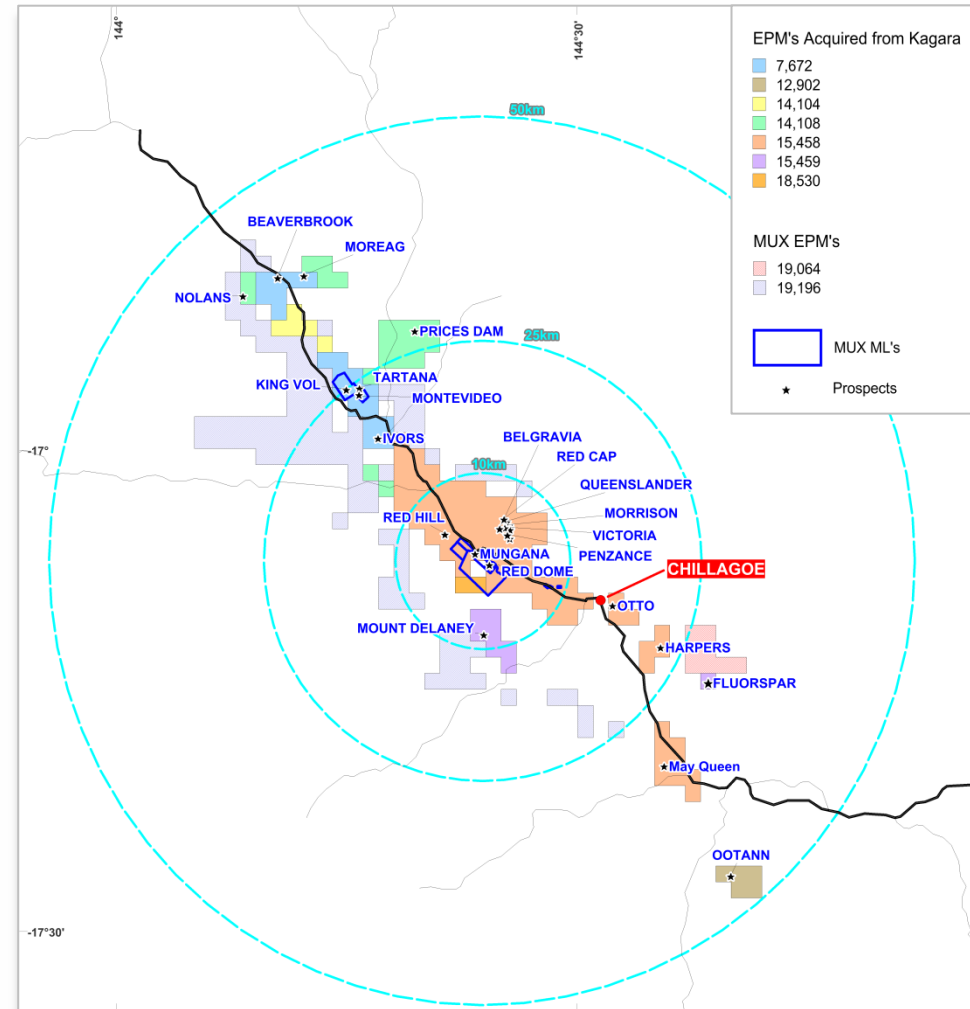
- Zinc market now in deficit – LME stocks down 40% in the past 18 months and prices up ~20% this year to ~US\$2,300/tonne
- Wood Mackenzie forecasting market deficits of 150-250ktpa to 2018
- Numerous mines – representing 11% of current global production – closed or closing due to completion of mining:
 - *Brunswick 175ktpa (closed 2013), Perseverance 145ktpa (closed 2013), Lisheen 170ktpa (closing 2014), Century 500ktpa (closing 2015), Paragashu 45ktpa (closing 2015) and Skorpion 160ktpa (closing 2016)*
- Scotiabank forecast zinc price could rise to US\$1.50/lb in 2016-17 from current prices of US\$1.03/lb
- Very few Australian zinc-focused investments available on the ASX due to takeovers



Source: Wood Mackenzie, CRU, Goldman Sachs Global Investment Research, Petra Capital.

The Chillagoe Assets

- Outstanding assets with potential to underpin a +10-year mine life with bottom quartile cash costs due to exceptional grade
- New discoveries identified but never developed by Kagara
- Chillagoe was a key driver of Kagara's plans to become a top-10 global zinc producer: never realised due to Kagara's collapse in 2012
- Acquisition includes a partially constructed 600ktpa base metal concentrator designed to produce zinc, copper and lead
- Significant polymetallic base metal deposits which could be processed through the centrally located treatment plant, plus considerable exploration upside



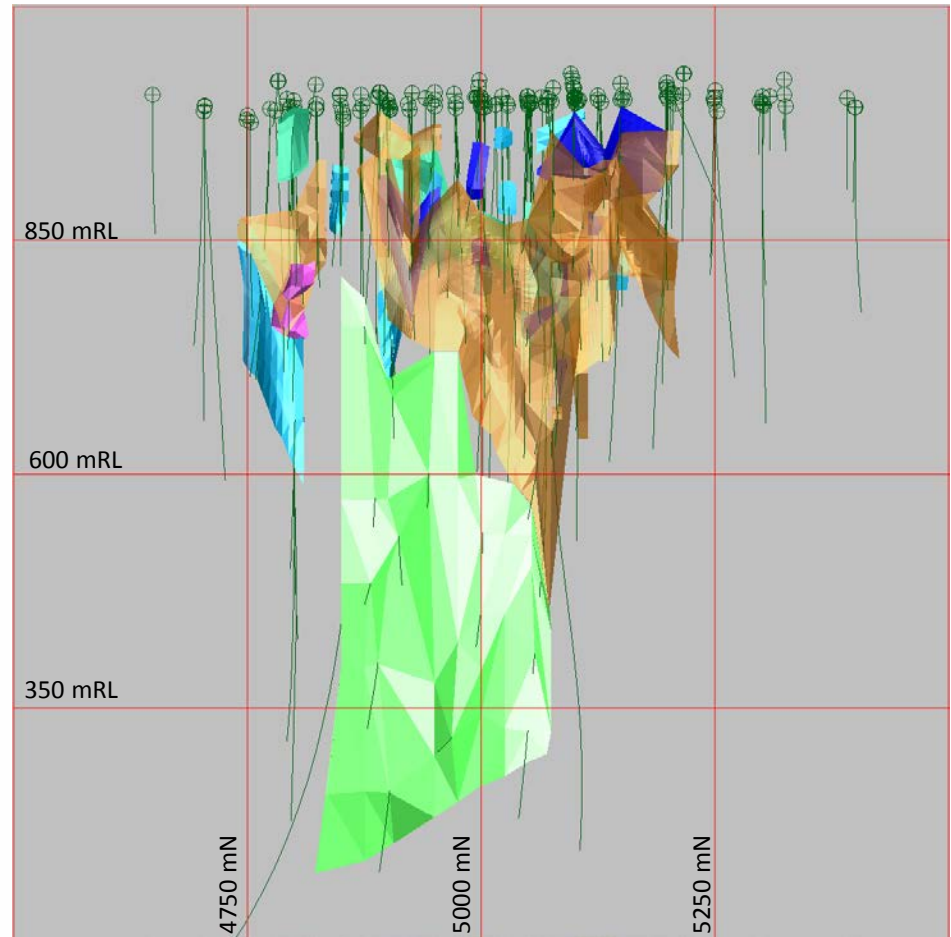
Chillagoe: Base Metals Concentrator

- Partially-completed 600ktpa base metals concentrator is on care and maintenance
- The plant represents a major competitive advantage as it provides near-term development optionality
- Key components purchased and installed
- Low cost grid power and water established
- Excellent road access and proximity to port and smelter



King Vol – The Centrepiece in the Chillagoe Crown

- Located proximal to a partially-completed 600ktpa base metals concentrator constructed by Kagara
- High grade skarn style mineralisation with well defined geology
- Initial focus to upgrade Mineral Resource to JORC 2012 standard and target potential extensions down-plunge and along strike



A high quality zinc asset, providing a rare exploration and medium-term development opportunity with the potential to meet the looming supply shortfall...

King Vol – Resource Upside

- Deposit is open along strike and at depth
- Initial diamond drilling will focus on the higher grade core of the Inferred Resource to increase confidence
- Grades of existing intersections up to 20% Zn

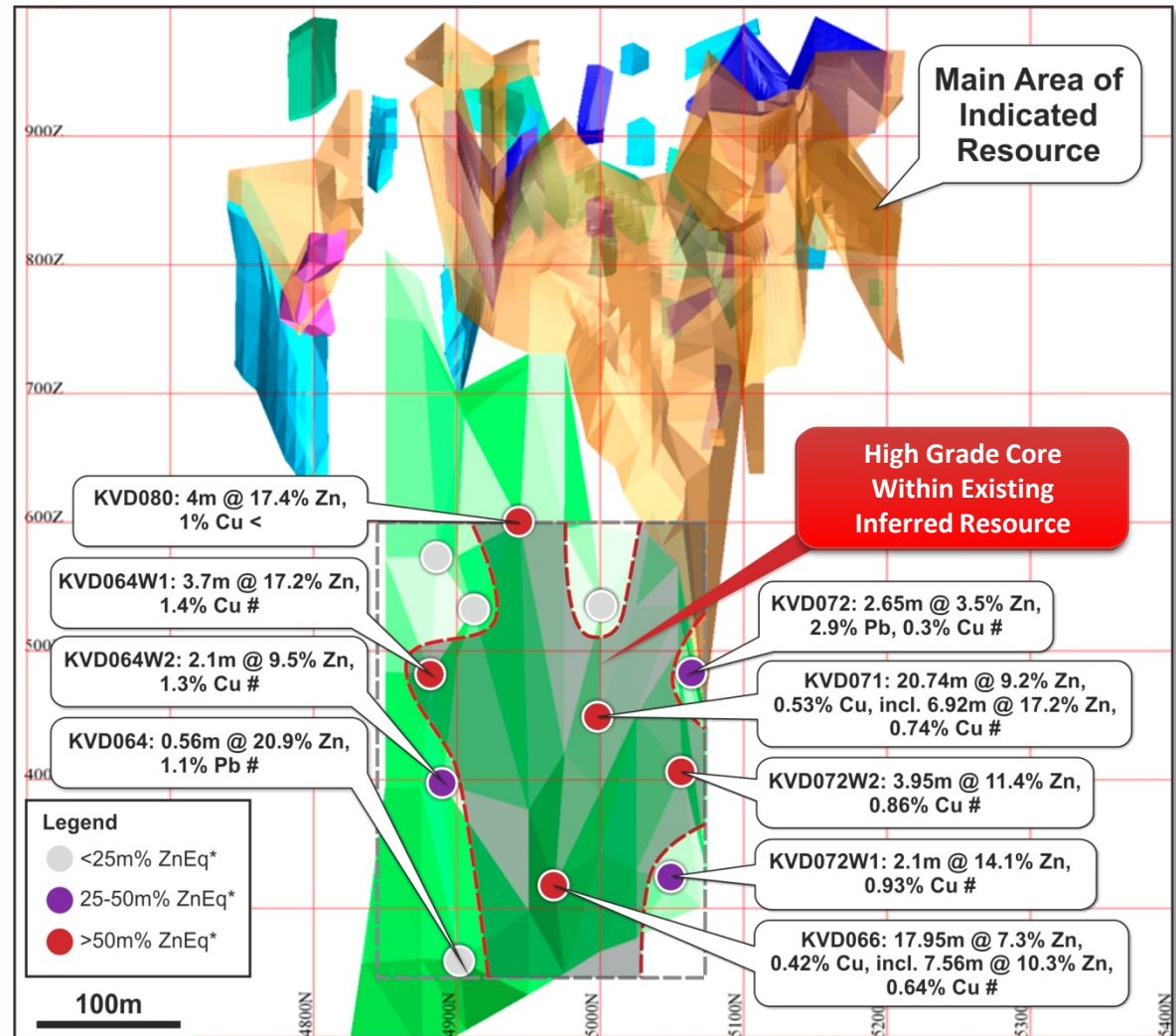
* $ZnEq = Zn + (Cu \times 2.77) + (Pb \times 0.58) + (Ag \times 0.022)$

Metal prices in AUD at 18/02/14: Cu \$7,970, Zn \$2,450, Pb \$2410, Ag \$21.40

Metal recoveries based on flotation test work carried out by Optimet Laboratories. 93.6% for Zn, 63.7% for Pb, 62% for Cu and 85.3% for Ag

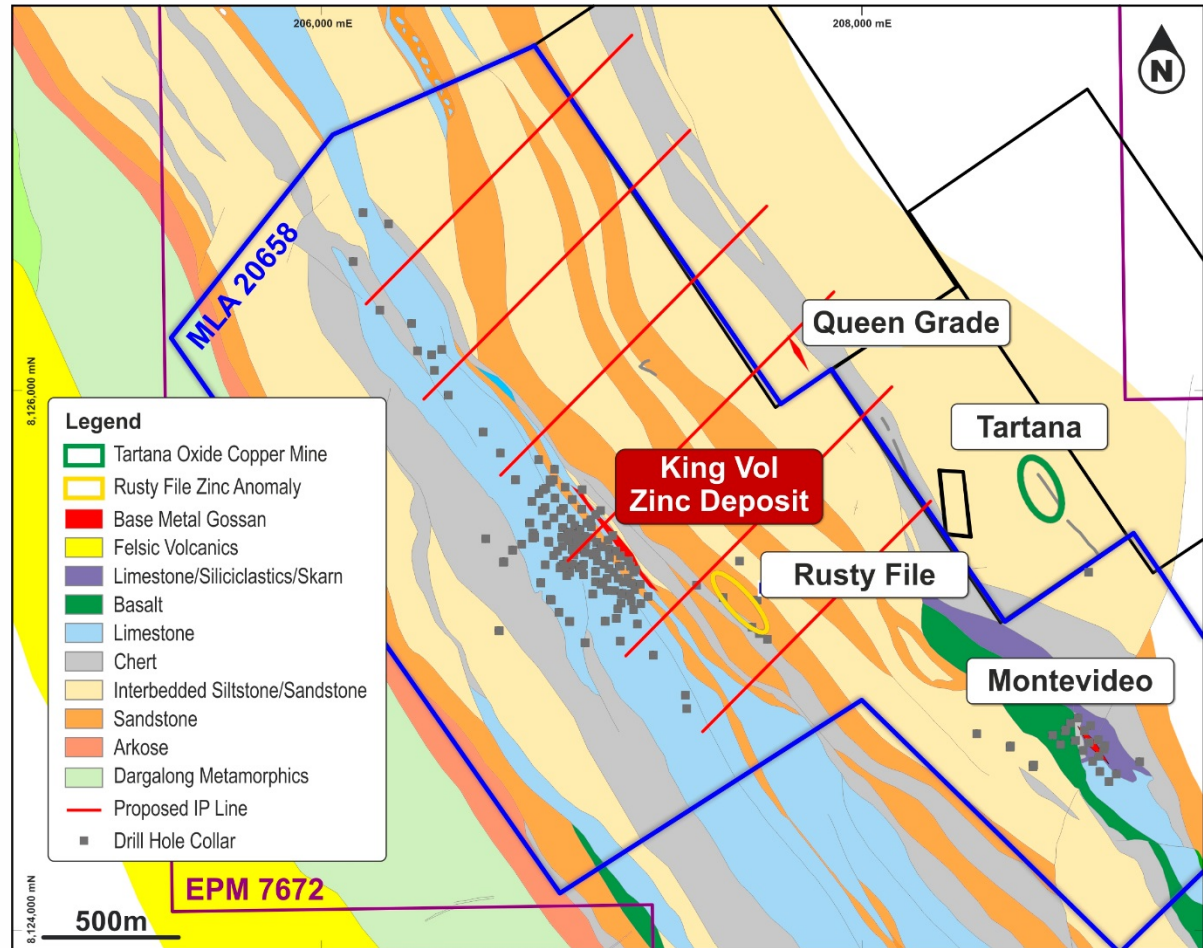
See Kagara Ltd ASX Announcement – June 2011 Quarterly Activity Report, 13/07/2011

< See Kagara Ltd ASX Announcement – December 2011 Quarterly Activity Report, 11/01/2012



King Vol: Potential Satellite Targets

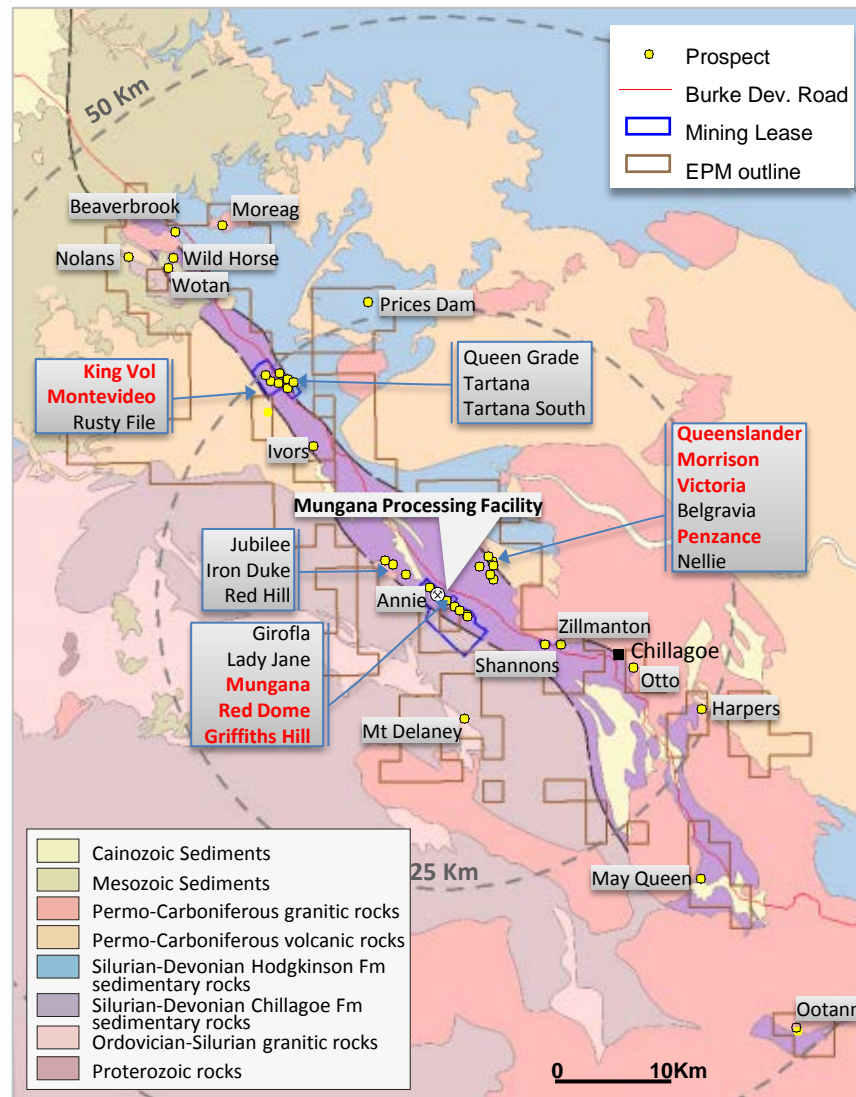
- Potential along strike to the NW and SE of King Vol
- Previous drilling at Rusty File indicates potential for zinc skarn at depth (only 500m from King Vol)
- Previous exploration focused on drilling known mineralisation and geochemical anomalies – MUX to explore for blind targets within 1km of King Vol
- Induced polarisation (IP) geophysical survey underway to investigate extensions and additional targets



Copper Potential

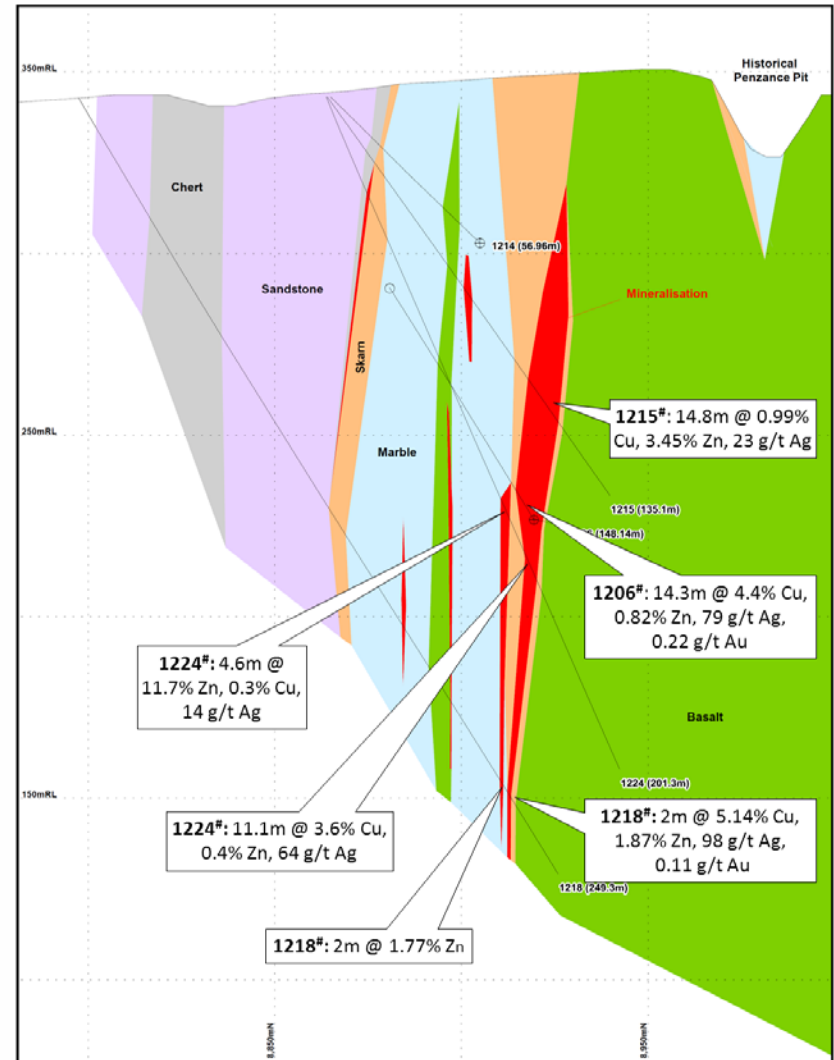
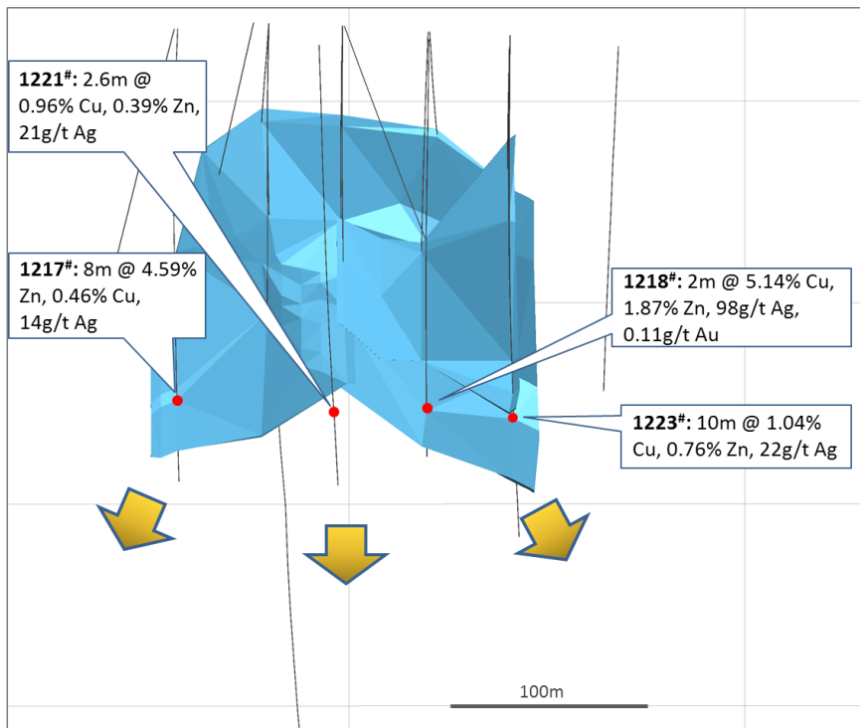
- Copper dominant mineralisation intersected at numerous localities within the Chillagoe tenements including:
 - *Penzance*
 - *Griffiths Hill*
 - *Harpers: HQ83-2 - 206.10m @ 0.5g/t Au, 0.3% Cu¹*
- Historical production of high-grade copper ore from:
 - *Lady Jane – historic production of 100,000t @ 5.8% Cu, 17% Pb, 250g/t Ag*
 - *Girofla – historic production of 224,000t @ 2.5% Cu, 13% Pb, 250g/t Ag*

1. See Mungana Goldmines Ltd Prospectus, 29/04/2010



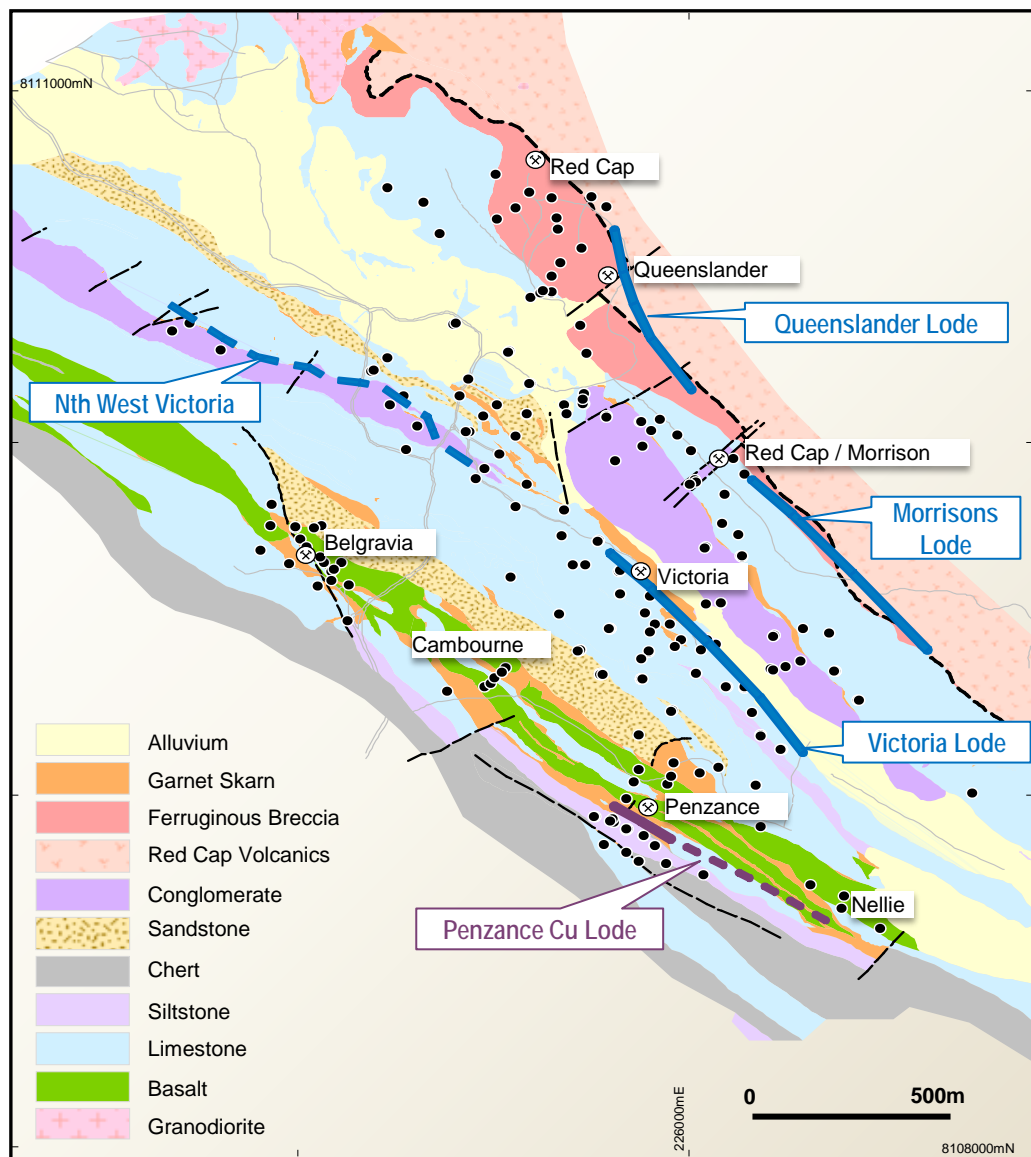
Penzance Prospect

- Discovered by Kagara shortly before it went into administration
- Mineralisation remains open down dip
- An example of the type of blind deposit that could be identified by an IP survey



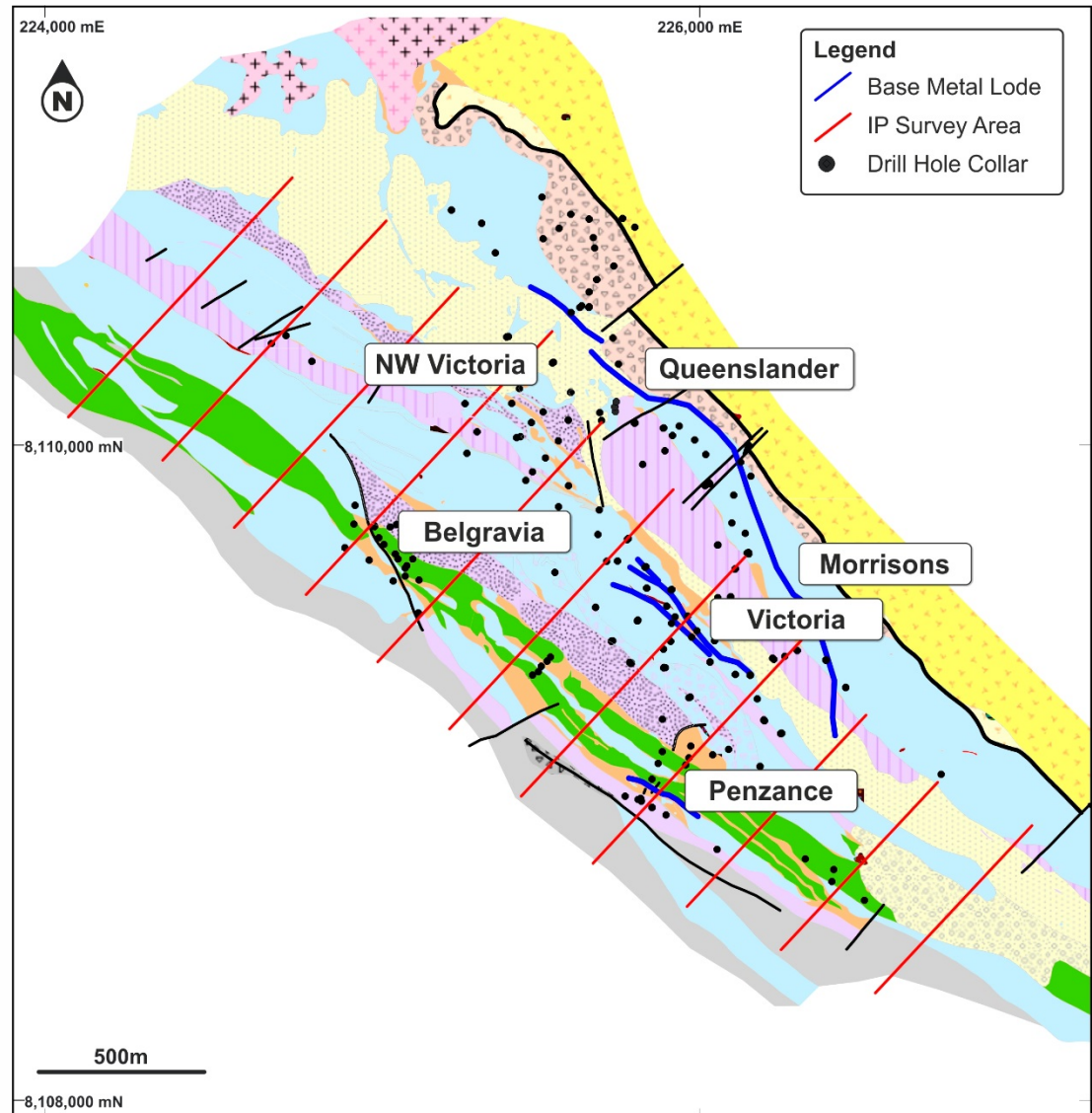
Red Cap Area

- Fault-related zinc-rich and copper-rich polymetallic skarn mineralisation
- Victoria, Queenslander, Morrisons and Penzance deposits all contained within the greater Red Cap project area
- Anomalous drill intersections along Penzance trend and NW Victoria still to be followed up
- Highly anomalous zinc-in-soils open to NW and SE
- Highest concentration of zinc mineralisation in the Chillagoe area



Red Cap – Proposed Work Program

- Highly prospective for base metal skarn mineralisation
- IP geophysical survey planned to identify key targets, followed by drilling if warranted
- Drilling to target mineralisation below the existing Penzance copper resource



Copper-Gold Porphyry Potential

- Best example is Red Dome open pit which produced 1Moz Au, 4.3Moz Ag, 35kt Cu from 1985 -1997
 - *Current Resource of 2.7Moz Au, 273kt Cu, 34Moz Ag¹*
- Red Dome and Mungana deposits only 3km apart
- Both on granted mining leases
- 100% ownership
- Further copper-gold potential along Red Dome-Mungana trend at Red Hill
- A multitude of additional high priority copper-gold porphyry targets throughout 100%-owned Chillagoe tenements

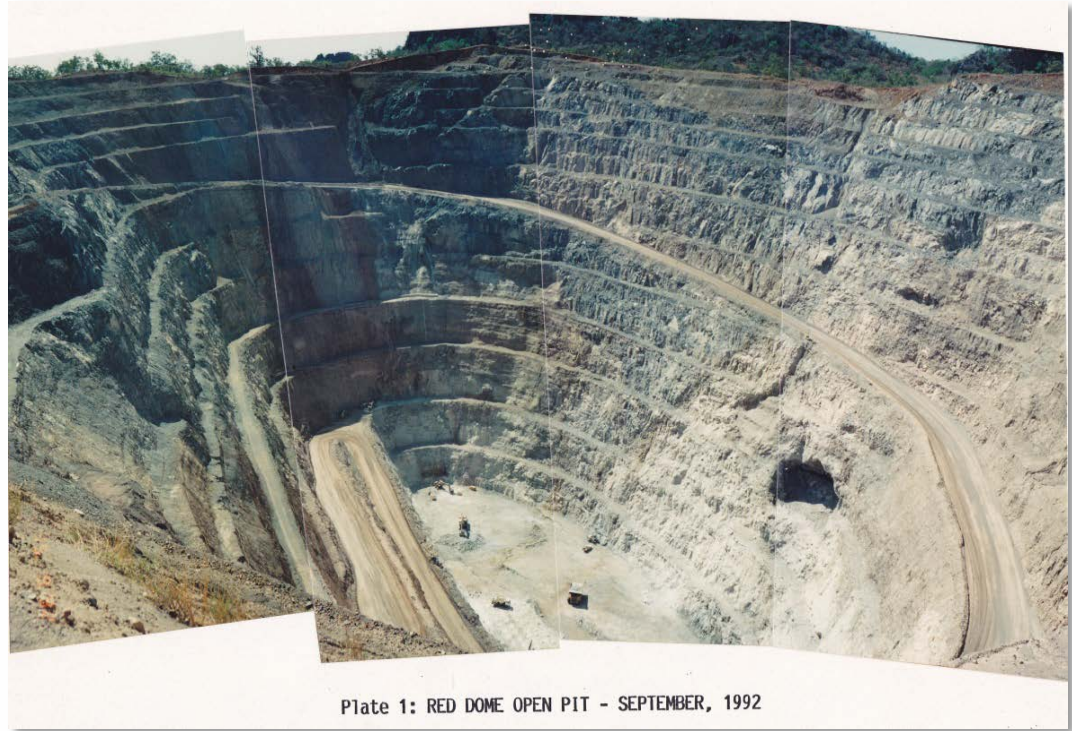
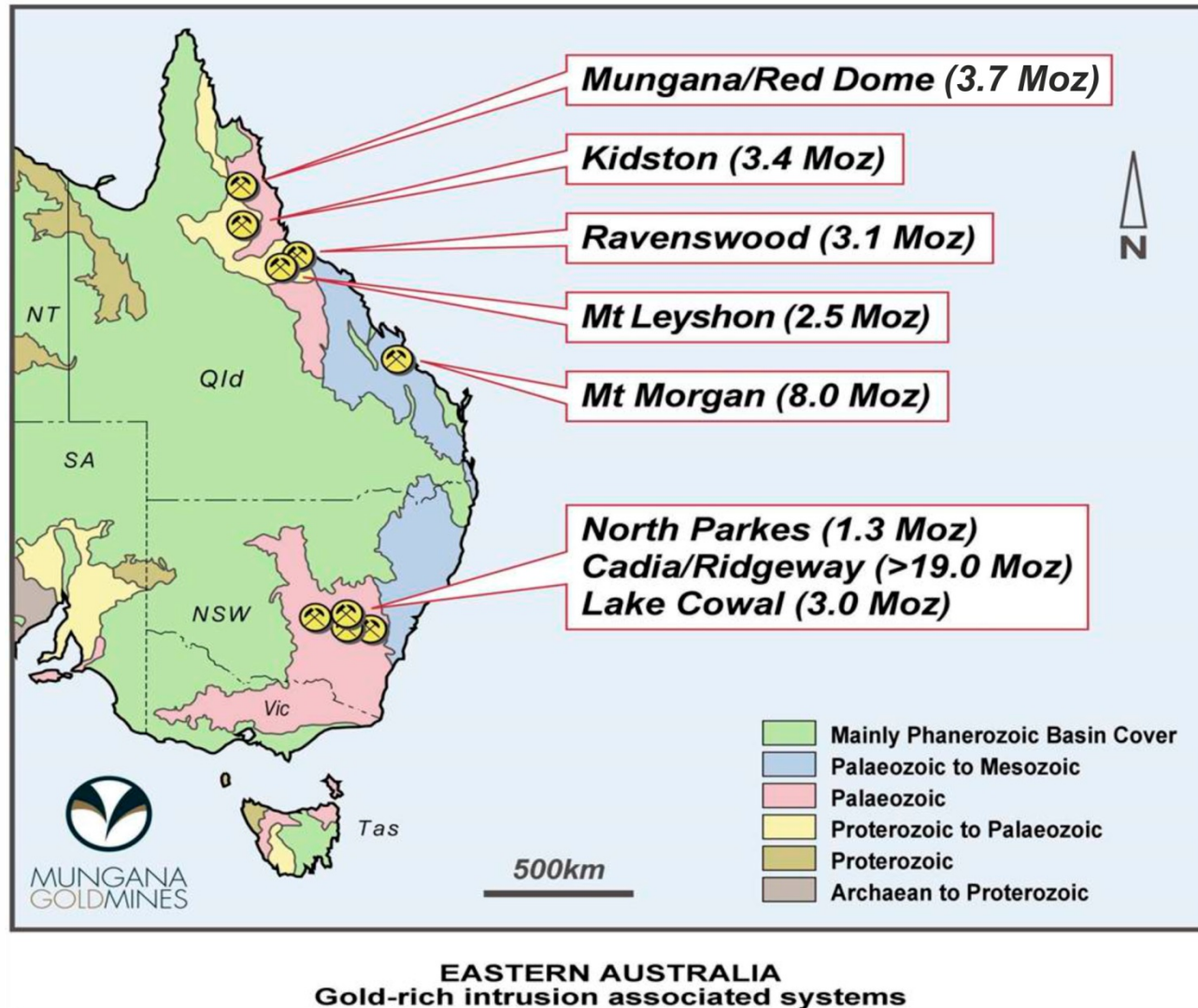


Plate 1: RED DOME OPEN PIT - SEPTEMBER, 1992

Comparable Gold Deposits



Work Program and Timeline



	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
King Vol IP													
Red Cap IP													
King Vol drilling													
Red Cap drilling													
Approvals													
Feasibility work													

Summary: An outstanding growth opportunity

- Acquisition of the Chillagoe assets represents an outstanding opportunity to capitalise on a looming deficit in the global zinc market
- King Vol is an advanced, high-grade zinc deposit proximal to a partially-complete 100% owned 600ktpa base metals concentrator
- Medium-term development horizon with a low-cost pathway to production
- Excellent regional exploration potential
- Growth pipeline – near-term polymetallic satellite deposits and longer term gold project
- Management has a strong understanding of the assets, providing an ability to hit the ground running
- Clear strategy to create shareholder value





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