



26 June 2015

Market Announcements Office  
ASX Ltd  
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Sydney NSW 2000

## **Update: Auctus off-market takeover bid for Mungana Goldmines Limited (ASX: MUX)**

In reference to the announcement today from Mungana Goldmines Limited (**Mungana**), Auctus Chillagoe Pty Limited (**Auctus**) makes the following comments:

- Auctus has stated (see Third Supplementary Bidder's Statement dated 25 June 2015), that if it obtains a relevant interest in 70% or more of the Mungana shares which are subject to Auctus' offer (**Offer**), it will declare the Offer unconditional (save for prescribed occurrences).
- The liquidators of Kagara Limited (in liquidation) (**Kagara**) and Mungana Pty Limited (in liquidation) (**MPL**) (**Liquidators**) therefore could accept the Offer knowing that the existing minimum acceptance condition of the offer will be waived by Auctus.
- Auctus has attempted to engage with the Liquidators from FTI Consulting Limited and their financial advisers, Argonaut Limited, with a view to demonstrating the benefits of Auctus' 100% cash offer for the creditors of Kagara and MPL, who include the Commonwealth Government as a priority creditor for an amount of approximately AUD\$10 million.
- Auctus has extended the closing date of the Offer, as detailed in the Third Supplementary Bidder's Statement, to 7:00pm AEST 13 July 2015.
- Auctus continues to believe that Mungana's shareholders should **ACCEPT** the Offer for the following reasons:

1. **The Offer constitutes full cash consideration, which delivers certain value for your Mungana Shares.**
2. **The Offer represents an attractive premium to the trading prices of Mungana Shares pre Offer.**
3. **Accepting the Offer removes risks associated with maintaining an investment in Mungana Shares. The future price of Mungana Shares is uncertain and may fall if the Offer is not successful. Auctus believes:**
  - A. **Mungana has overstated its aspirational production rate based upon its public disclosure; and**



- B. Mungana has vastly understated its capital requirements to bring the King Vol project into positive cash flow.**
- 4. No superior proposal or alternative offer has emerged.**

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