



Chillagoe Zinc Project



MUNGANA
GOLDMINES

Investor Update
May 2015

ASX: MUX

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Competent Persons Statement: The information in this presentation that relates to Mineral Resources is based on information compiled by Mr Andrew Beaton, an employee of Mungana Goldmines Ltd, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Beaton has sufficient experience 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 Beaton consents to the inclusion in this presentation of the matters based on this information in the form and context in which it appears.

The information in this presentation that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Chris Newman, a full-time employee of Mungana Goldmines Ltd, who is a member of the Australian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG) and has sufficient experience 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 Newman consents to the inclusion in this presentation of the matters based on this information in the form and context in which it appears.

JORC – Exploration Targets: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information in this presentation relating to exploration targets should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource .

JORC – Production Targets: Production targets for the projects referenced in this presentation are based on a combination of measured, indicated and inferred resources, which have not yet been classified as reserves. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised .

A Ground-Floor Investment Opportunity



- Market cap: \$36M at 15c
- Flagship King Vol zinc project located near Cairns, North Queensland
- King Vol JORC resource¹ 3Mt @ 12% zinc, 0.8% copper, 30g/t silver
- Key drilling for resource upgrade to commence
- Feasibility set for completion in March 2016, approvals to be completed in parallel
- First production targeted for end of 2016 at throughput rate of 350,000tpa for 40,000tpa zinc in concentrate
- Estimated capex less than \$40M due to key infrastructure and plant components already in place
- Extensive exploration upside: Red Cap combined JORC resource² 3.8Mt @ 4.8% zinc, 0.7% copper plus strong additional potential at King Vol, Red Cap, Mungana area and Griffiths Hill
- High grade review underway of existing resources
- New management team in place led by highly experienced mining executive Tony James

“We have the perfect recipe for a high-grade, high-margin, project which can be brought into production quickly and at a relatively small development cost” – Tony James

Corporate Snapshot



Capital Structure

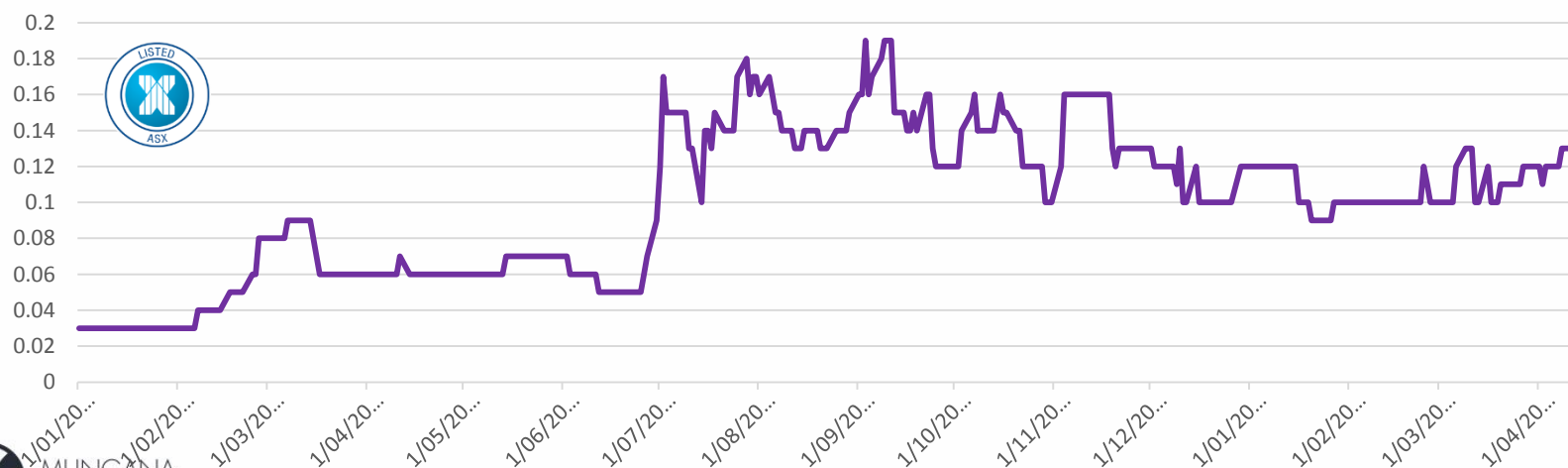
ASX Code	MUX
Shares on Issue	240.9 million
Share Price	15 cents
Market Cap	~\$36 million
Cash	~\$2.4 million

Major Shareholders

Kagara (In Liquidation)	72%
GHG	10%
Prosperity Steel	6%

Board

Chairman	John Fitzgerald
Director	Rick Yeates
Director	Justin Jian Yi Wu
Managing Director	Anthony (Tony) James



Background

- Mungana Goldmines Ltd ASX listed June 2010, spin-off of Kagara Ltd gold assets in North Queensland
 - Kagara became a primary shareholder as a result of the transaction
- Kagara entered voluntary administration in April 2012
- In December 2013, Mungana announce HOA to acquire Chillagoe assets from Kagara (in Liquidation) for \$15M, payment by 2 equal secured convertible notes (SCN).
 - Tranche A Note has been converted, taking Kagara to 72% (November 2014)
 - Unsecured Tranche B note for \$7.5m convertible at 20 cents a share and expires in July 2019. Mungana have the option to prepay the note.
- Company announces North Queensland Zinc strategy July 2014
- New management team appointed in February 2015
 - Revised strategy for the exploration and development of Chillagoe Zinc Project
- Auctus takeover cash bid for Mungana at 13.5cents per share (ASX: 29 April 2015)

Corporate Strategy

1. Establish new board and management team built on industry experience, reputation and performance.
2. Launch a new Australian Resources company based on Chillagoe assets, specifically the high grade King Vol zinc resource and the well established infrastructure
3. Optimise assets and develop a detailed working plan for next 12 months (April 2015 to March 2016)
 - a) Bring King Vol into production as base case
 - b) Consolidate the production base case with additional resource conversion including known deposits in the Red Cap and Mungana areas
 - c) Grow the business beyond the base case and consolidation phases through ongoing exploration and corporate opportunities

1. New Board and Management Team

Board of Directors

John Fitzgerald – Chairman

- 20 years resource and project finance, commodity risk management and advisory
- Previous non executive chairman of Integra Mining
- Current non executive director Northern Star Resources and South Boulder Mines
- Senior positions with HSBC, Commonwealth Bank, Investec, NM Rothchilds
- ACA, Fellow FINSIA, GAICD



Tony James – Managing Director

- 25 years mining operations and project experience
- Managing Director Mutiny Gold -value merger with Doray Minerals
- Senior positions with Alacer Gold Corp & Avoca Resources
- Mine Management Black Swan, Kanowna Belle, Lennard Shelf, Telfer
- WASM Graduate, Mining Engineer, Fellow AUSIMM



Rick Yeates – Non Executive Director

- 30 years mining, geology and management experience
- Previous co founder Resource Service Group (RSG Global) and work with BHP, Amax and Newmont.
- Current MD of Middle Island Resources and Non Executive of Western Areas NL.
- UNE Graduate, Geology, Member AUSIMM, GAICD



Justin Jian Yi Wu – Non Executive Director

- 15 years investment, marketing and international trade experience
- Senior position Shengtuo Metals Pty Ltd
- MBA in International Trade



Management Team

Chris Newman – Geology Manager

- 25 years mining operations and exploration experience
- Senior positions Alacer Gold Corp and Avoca Resources
- Higginsville Operations 1 Moz gold discovery
- Senior geology and management BHP Billiton, WMC
- ANU Graduate, Geology, Fellow AUSIMM



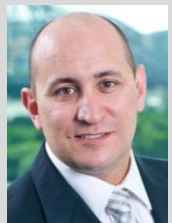
Andrew Beaton – Project Manager, North Queensland

- 20 Years mining operations, geology and resource estimation experience
- Senior roles Thalanga Copper Mines, MMG Ltd and Kagara Ltd
- Chillagoe Project experience and management
- La Trobe graduate, geology, Member AUSIMM



Ben-Louis Ludik – Company Secretary

- 20 Years finance and auditing experience including 12 years in resources
- Senior positions with BAT, Magellan and STAXS
- Graduate Diploma of Applied Corporate Governance
- CA, FGIA, MComm (Audit) HPhill (Logistics)



2. New Resources Company



Mungana Goldmines Ltd

ASX: MUX

w: munganagoldmines.com.au

Atherton Resources Ltd (reserved)

ASX: ATE (reserved)

w: athertonresources.com.au (reserved)

Mungana board has approved name change and finalisation remains subject to shareholder approval

3. Working Plan – 12 months

- a) Base case start up King Vol to +300ktpa zinc mine
 - i. King Vol resource GAP analysis & resource conversion drilling
 - ii. King Vol Feasibility and development approvals

Description	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Step 1 - King Vol													
King Vol resource GAP & upgrade			Drilling	Drilling	Drilling								
King Vol FS & Approvals													

- b) Consolidate production base to achieve plant name plate 600ktpa throughput
 - i. King Vol, Red Cap and Mungana existing resources and extensions
 - ii. King Vol and Red Cap IP testing

Description	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Step 2 - Consolidation													
King Vol IP targets						Drilling	Drilling						
Red Cap resources													
Red Cap IP targets						Drilling	Drilling						

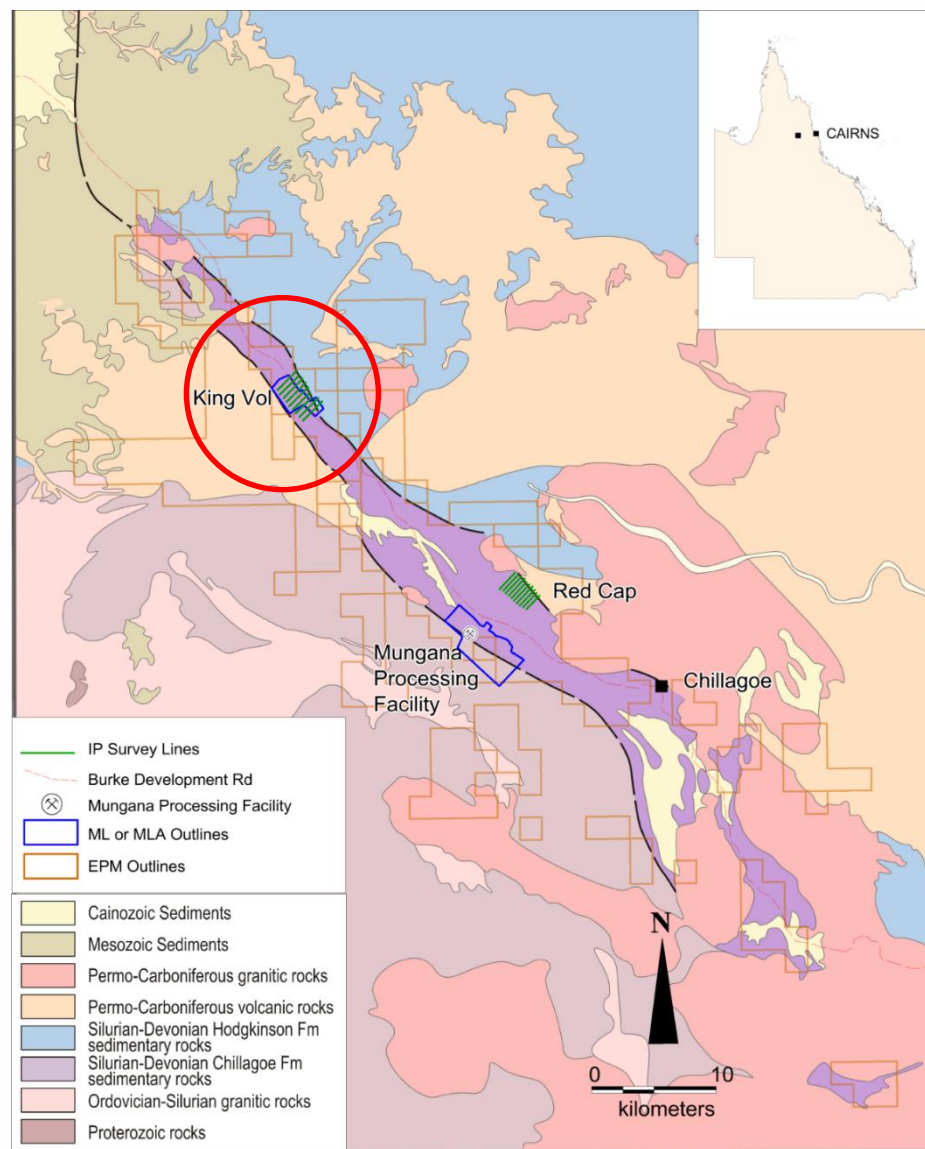
- c) Growth beyond 600ktpa throughput (value equivalent)
 - i. Exploration zinc and base metal high grade skarns 40+ known targets
 - ii. Strategic review and plan for large low grade copper-gold porphyry systems

Description	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Step 3 - Growth								Drilling					

3(a) Base case start up King Vol zinc mine

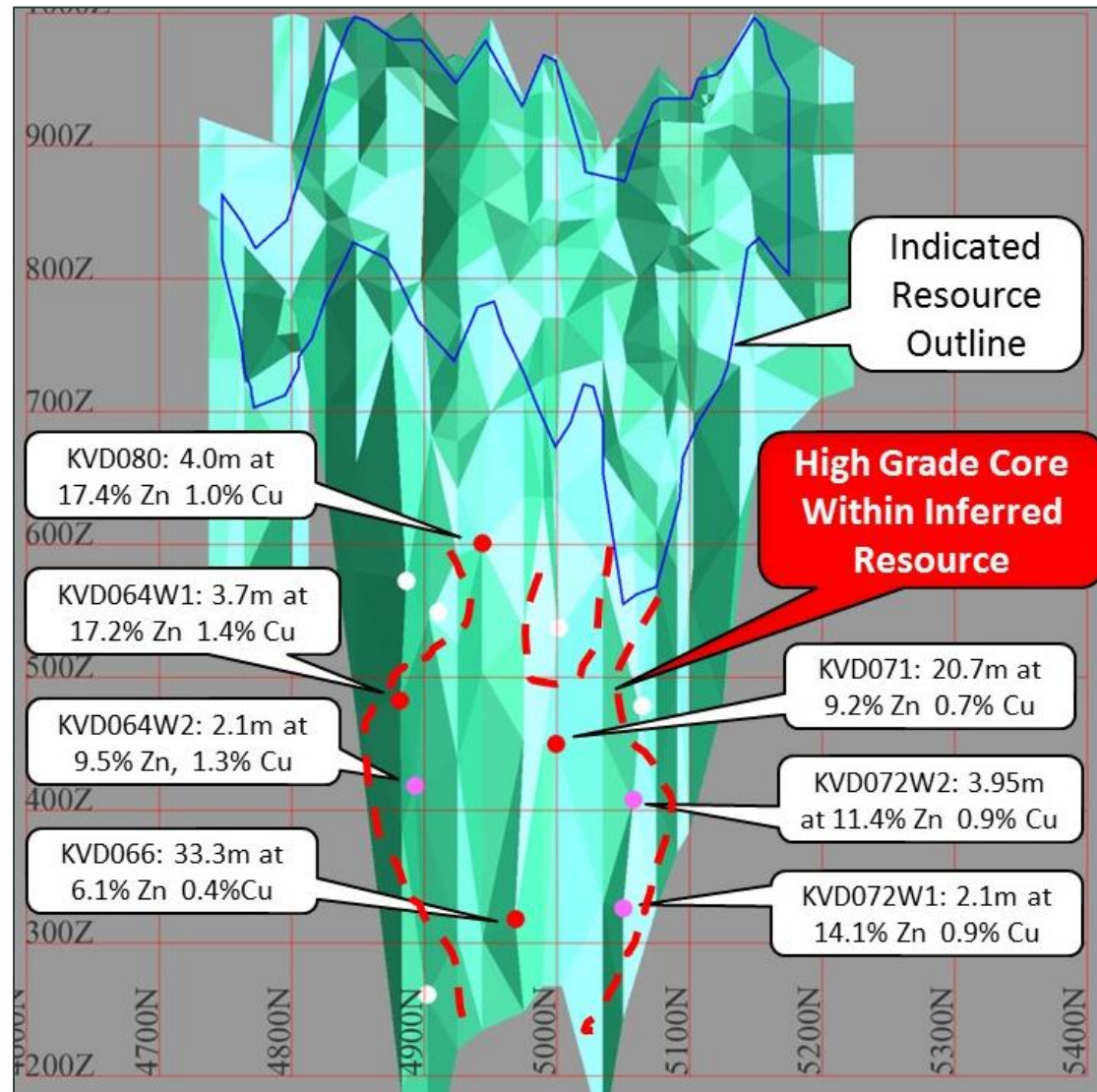
King Vol

- King Vol located 25km north of the Mungana Processing Facility
- Combined resource of 3.0Mt @ 11.9% Zn, 0.8% Cu, 0.6% Pb, 29.9g/t Ag (ASX: 28 Jan 2015)
- Partially built processing facility (zinc, copper, lead concentrator) -15km from Chillagoe at the Mungana site. Established access, power and tailings storage.



King Vol Resource

- Structurally controlled zinc-rich skarn mineralisation
- King Vol high grade resource (ASX: 28 Jan 2015)
 - Indicated 1.0Mt @ 14.7% Zn, 0.9% Cu, 0.7% Pb, 36.5g/t Ag
 - Inferred 1.9Mt @ 10.4%Zn, 0.7% Cu, 0.5% Pb, 26.4g/t Ag
- Diamond drilling to commence shortly:
 - Extend indicated resource boundary to 400m depth
 - Improve confidence in the high grade core below 400m depth



Mungana Base Metals Concentrator

- Partially built high quality base metals concentrator (name plate 600ktpa). ~ \$40M spent
- The processing plant presents low capital cost and quick start up to zinc production
- Key plant components purchased, installed or in storage
- Low cost grid power and water connected to site
- Existing TSF and RWS dams on site
- Significant infrastructure in place at Mungana site and nearby Chillagoe township



3(b) Chillagoe project consolidation

King Vol

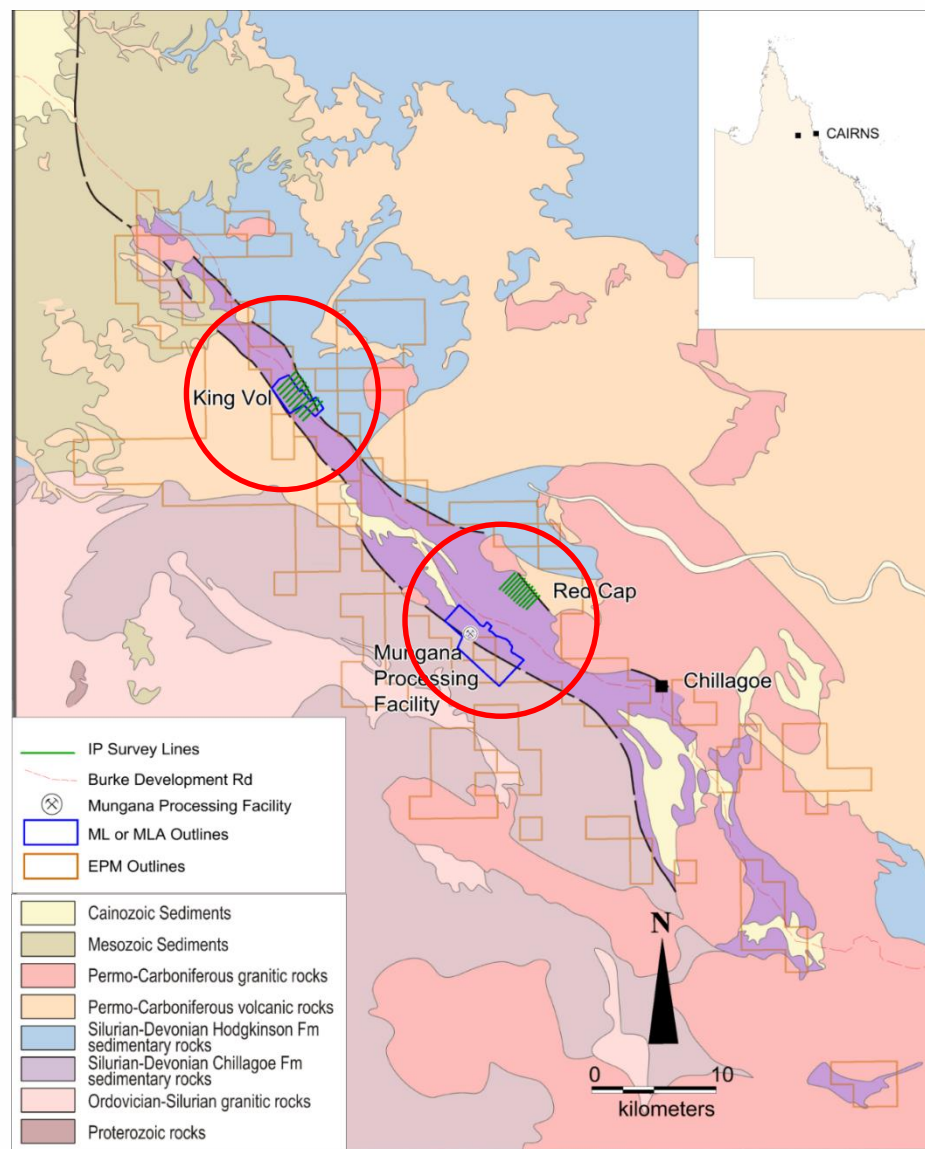
- Resource extension with adjacent IP targets to the south (including the Rusty File prospect).

Red Cap

- Red Cap high-grade (>8% Zn or >3% Cu) resource investigation and extension
 - Penzance, Queenslander and Morrisons resources open in all directions – 4km from the Mungana Processing Facility.
 - Victoria resource to be estimated
 - Historic production (pre 1930) 300t Cu, 525t Pb, 24koz Ag

Mungana/Red Dome

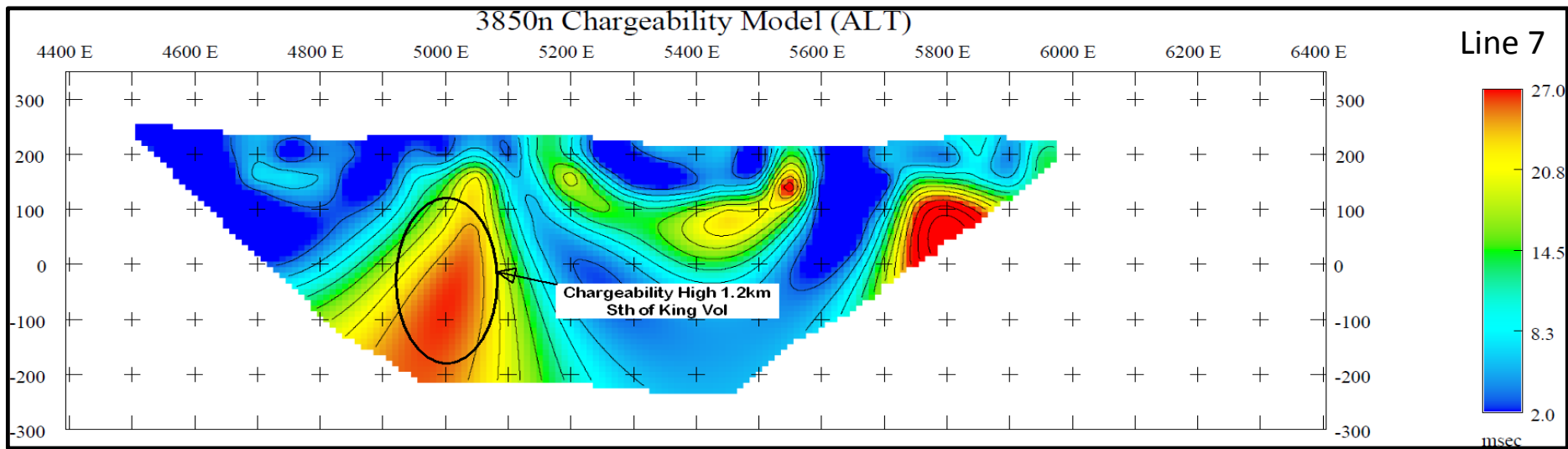
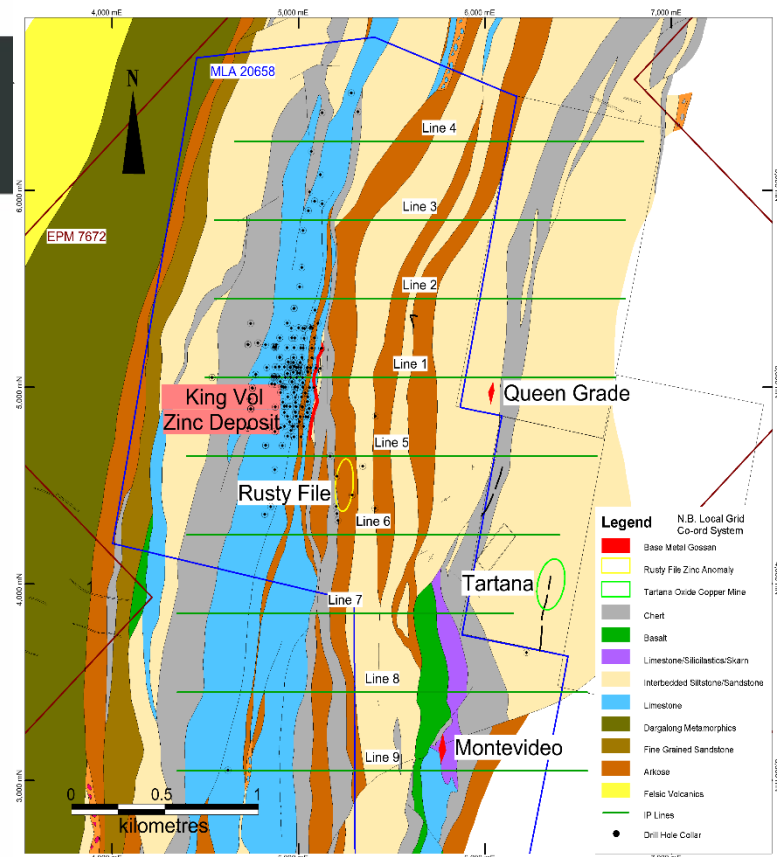
- Mungana base metal mine depth extensions
 - Past production (2008 – 2012) - 0.7Mt @ 11.1%Zn, 1.8% Cu, 1.0% Pb, 1.0g/t Au, 80g/t Ag
- Griffiths Hill copper skarn resource to be estimated
- Mungana and Red Dome high-grade (>3g/t) gold investigation
- Historic Base Metals Production
 - Lady Jane & Girofla (1896 – 1926) - 0.3Mt @ 3.5% Cu, 14% Pb, 250g/t Ag



King Vol IP survey

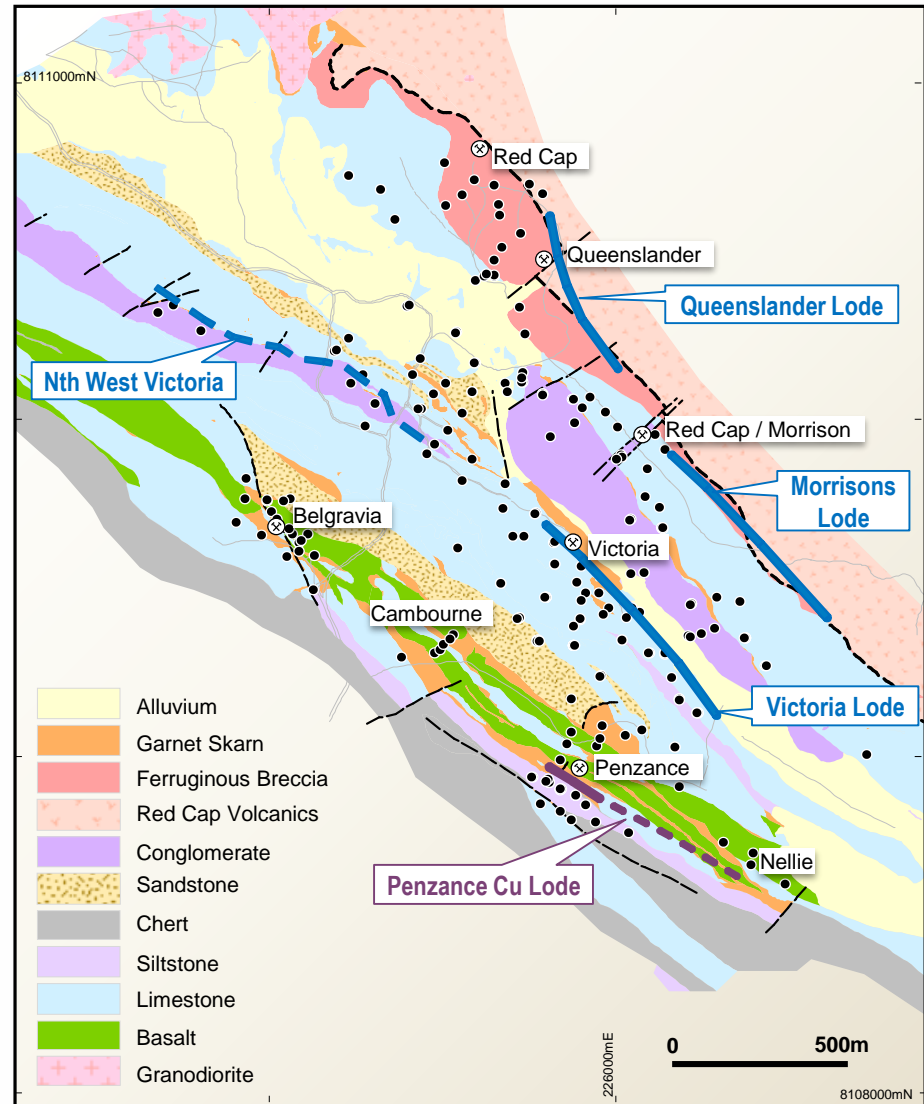
- King Vol high grade zinc dominant skarn seen as low chargeability and high resistivity
- Anomalies have been identified 1.2km south of King Vol and adjacent to Rusty File
- Southern anomaly is located on limestone –chert contact seen at King Vol

(ASX: 20 April 2015, Quarterly activities report)



Red Cap Area

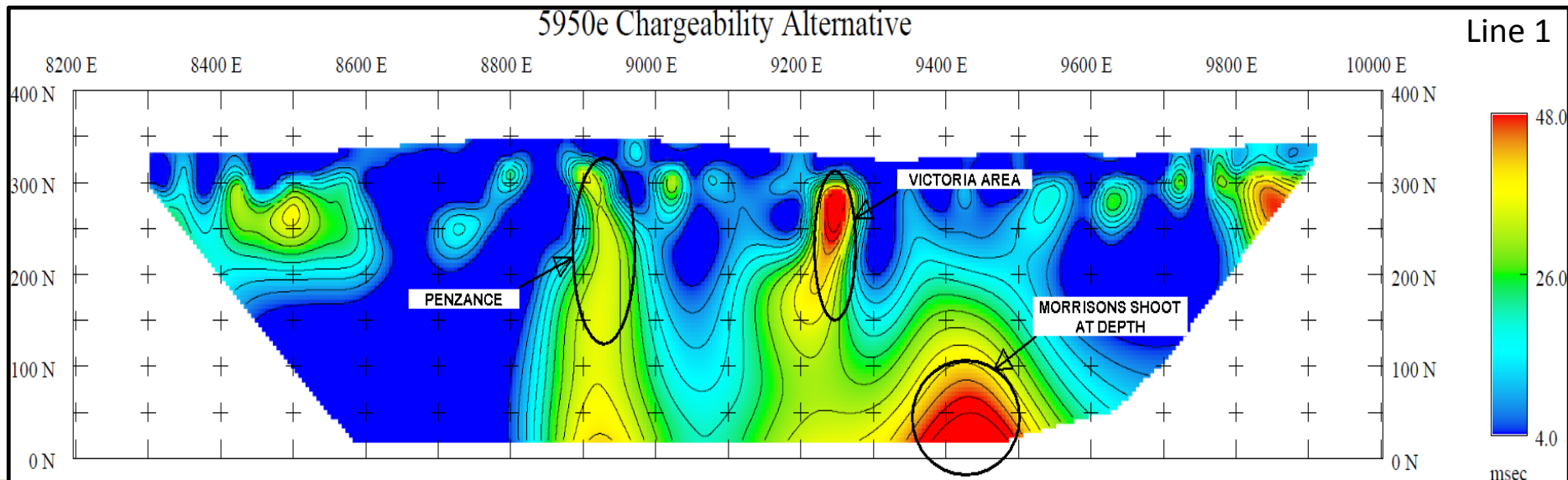
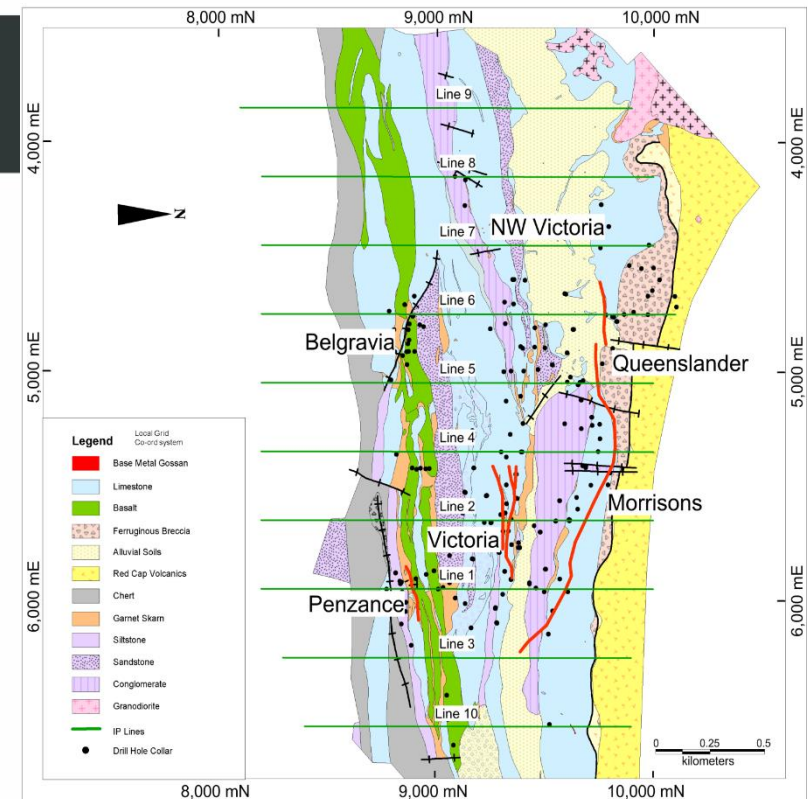
- Structure controlled zinc-rich and copper-rich polymetallic skarn mineralisation
- Red Cap high-grade (>8% Zn or >3% Cu) resource investigation
 - Penzance, Queenslander, and Morrisons resources combined total 3.8Mt @ 4.8%Zn, 0.7% Cu, 0.2% Pb, 0.1g/t Au and 19g/t Ag (ASX: 16 April 2015)
 - Victoria resource to be completed
- Red Cap resource extension
 - Existing Resources open in all directions
 - Anomalous drill intersections along Penzance trend and North West Victoria
 - IP surveys completed confirming deposit characteristics and identifying numerous targets (ASX: 20 April 2015)
 - Highly anomalous zinc-in-soils open to the northwest and southeast



Red Cap IP survey

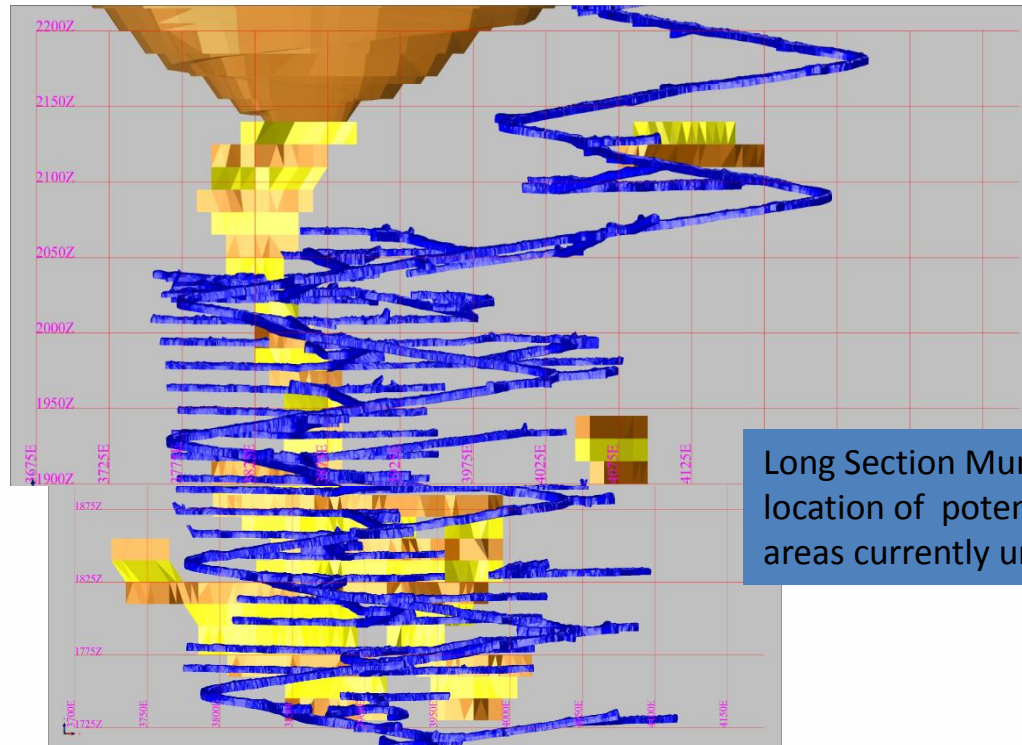
- Victoria, Queenslander/Morrison's iron-zinc skarns high chargeability and low resistivity characteristics
- Penzance copper rich skarn shows moderate chargeability
- Multiple anomalies identified requiring follow up drill testing in Red Cap area

(ASX: 20 April 2015, Quarterly activities report)



Mungana/ Red Dome investigation

- Global Combined low grade gold resource at Red Dome / Mungana of 131Mt @ 0.21% Cu, 0.65g/t Au, 8.1g/t Ag (ASX:Annual Report 29 Oct 2013). This resource was estimated from a geological interpretation at a 0.1g/t Au cut off grade.
- Potential high grade gold strategy within low grade resource to be investigated
- Low capital entry into higher grade Mungana gold resource from existing Mungana Base Metal mine development.



Long Section Mungana mine showing location of potential higher grade gold areas currently under investigation.

3(c) Company Growth

Highly prospective district

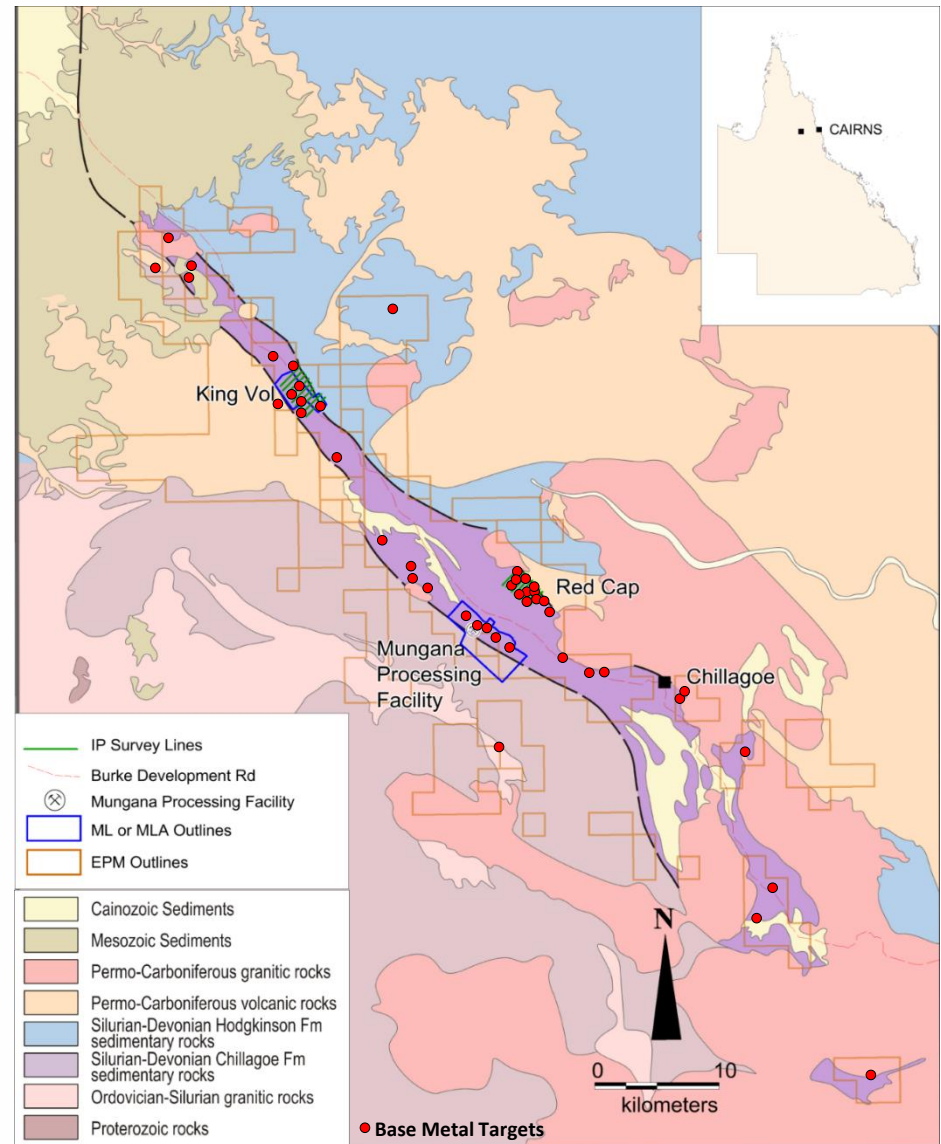
- > 100km of strike length of the highly prospective Chillagoe Formation
- Multiple high grade base metal potential
- Large low grade gold porphyry potential

Base Metals

- 40+ prospects and exploration targets requiring follow up
- Strong soil anomalism and IP surveys results

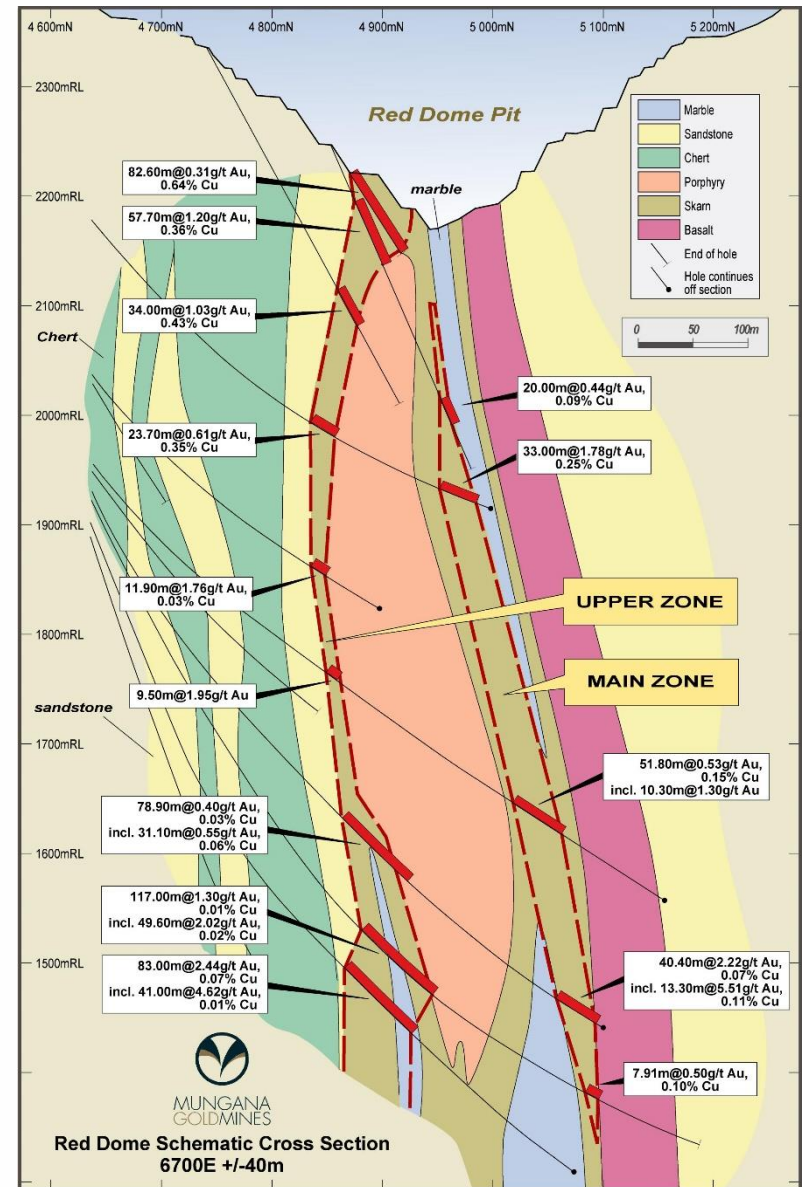
Gold

- Combined copper- gold Porphyry resource of 131Mt @ 0.21% Cu, 0.65 g/t Au, 8.1g/t Ag (ASX: Annual report 29 Oct 2013) at Mungana and Red Dome
- Multiple additional copper-gold porphyry targets



Growth, Large Gold Porphyry Potential

- Red Dome and Mungana deposits only 3km apart
- Granted mining leases
- Further copper-gold potential along Red Dome-Mungana trend at Red Hill
- Multiple additional copper-gold porphyry targets throughout 100%-owned Chillagoe tenements
- Historic production Red Dome (1986 – 1996) approx 15Mt @ 2.0g/t Au, 0.5% Cu, 15g/t Ag



Summary

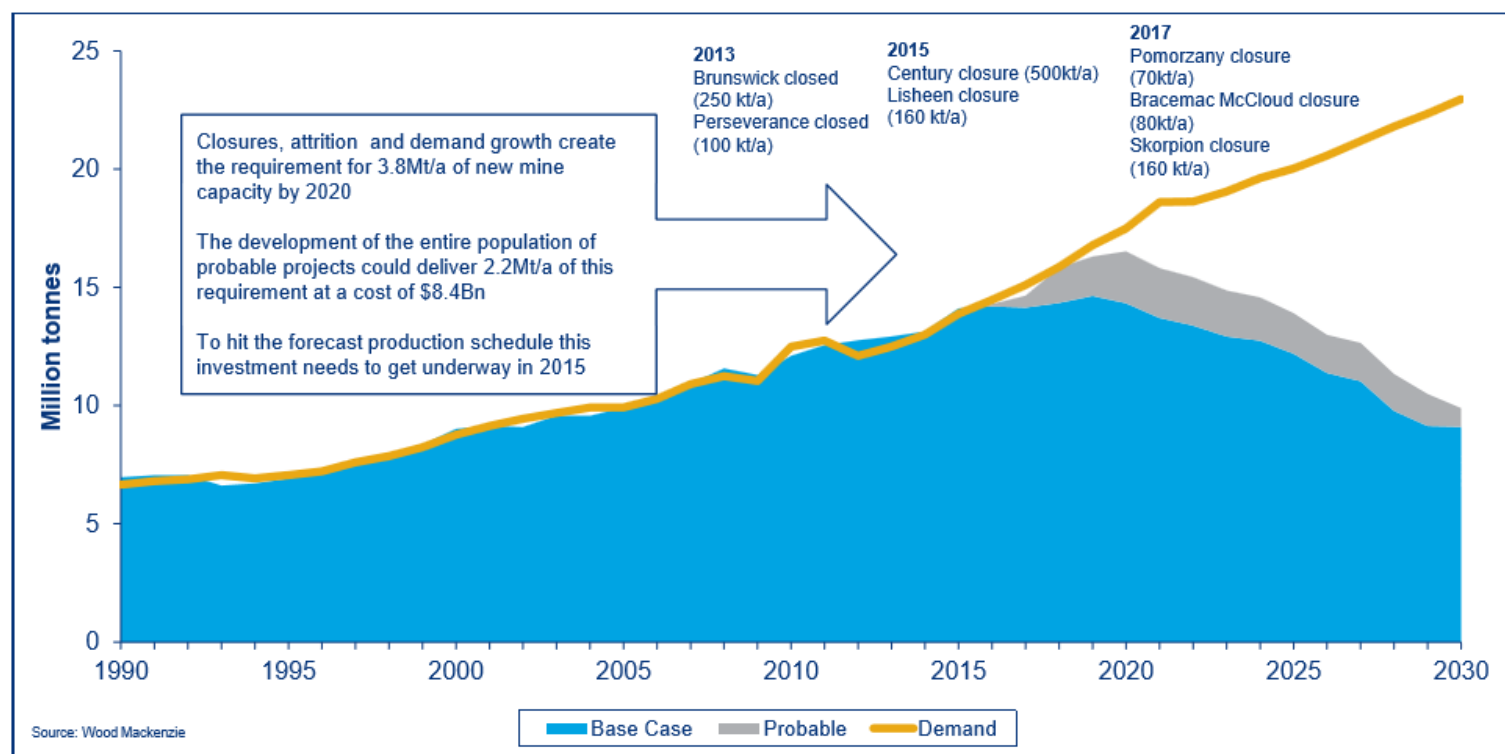
- Acquisition of the Chillagoe assets represents an outstanding opportunity for development of new Australian resource company with fast track to high grade zinc production
- 3 step plan consolidates current assets with exceptional growth opportunities to follow
 - King Vol high grade zinc resource and well advanced processing and civil infrastructure
 - Red Cap resources and lead indicators requiring immediate follow up
 - Regional tenure covering extraordinary multi metal geological field
- New Management team established covering geological, project and mining expertise
- An Australian zinc mining project ready to progress ... with a very positive zinc outlook

Zinc outlook

(Ref: Wood Mackenzie Jonathon Leng PDAC 1st March 2015)

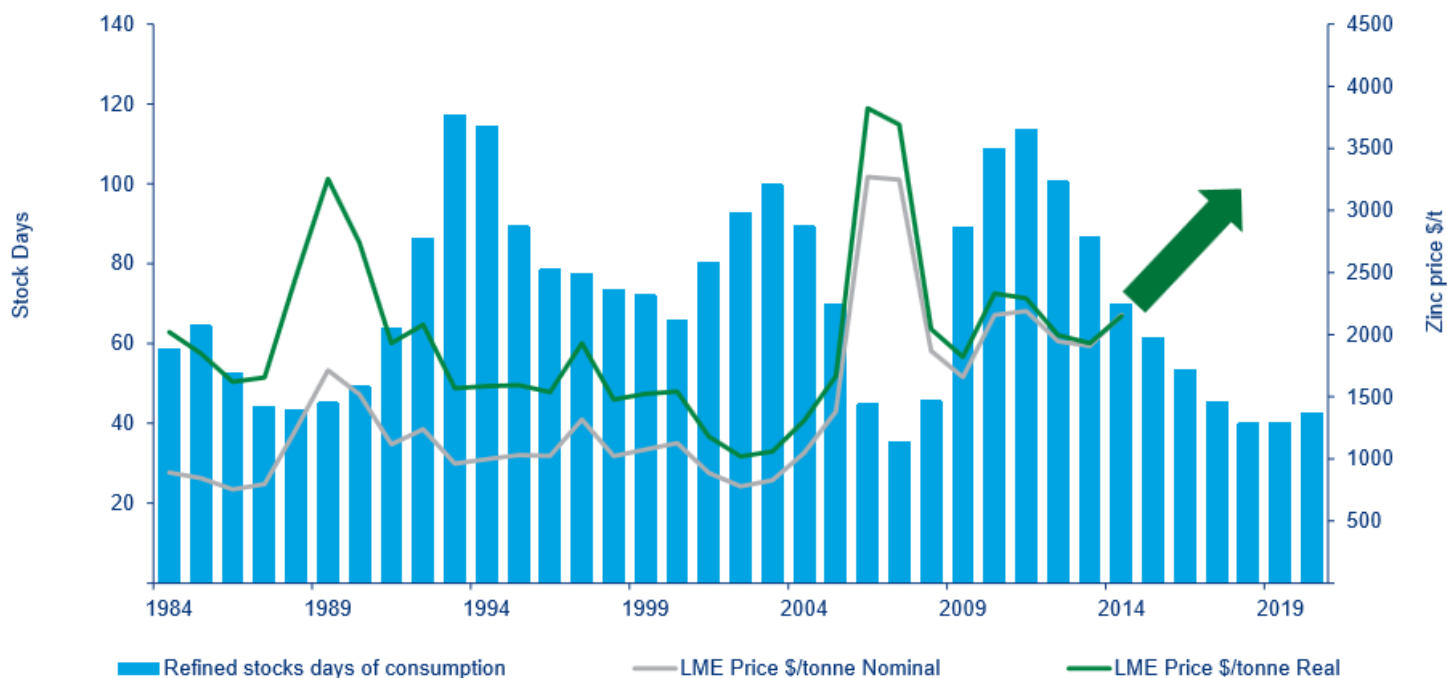
Closures, attrition and demand growth create requirement for 3.8Mt/a of new mine capacity by 2020

Refined zinc supply and demand



Zinc outlook (Ref: Wood Mackenzie Jonathon Leng PDAC 1st March 2015)

Strong demand growth, restricted supply, falling stocks point to bright outlook for the zinc price



Source: Wood Mackenzie

16 Trusted commercial intelligence
www.woodmac.com

 **Wood Mackenzie**

Resources

Zinc Resources

Deposit	Category	Tonnes	Zn%	Cu%	Pb%	Au g/t	Ag g/t
King Vol Area							
King Vol	Indicated	1,045,000	14.7	0.9	0.7	0.0	36.5
King Vol	Inferred	1,943,000	10.4	0.7	0.5	0.0	26.4
Montevideo	Resource requires upgrade to 2012 JORC compliance						
Total		2,988,000	11.9	0.8	0.6	0.0	29.9
Red Cap Area							
Penzance	Inferred	85,000	6.2	0.7	0.2	0.1	19.1
Queenslander	Inferred	1,570,000	4.4	0.5	0.2	0.0	11.6
Morrison's	Inferred	1,930,000	5.4	0.6	0.3	0.1	21.3
Victoria	Resource requires upgrade to 2012 JORC compliance						
Total		3,585,000	5.0	0.6	0.3	0.1	17.0
TOTAL		6,573,000	8.1	0.7	0.4	0.0	22.9

Copper Resources

Deposit	Category	Tonnes	Zn%	Cu%	Pb%	Au g/t	Ag g/t
Red Cap Area							
Penzance	Inferred	228,000	1.3	3.2	0.0	0.2	58
Mungana Area							
Griffiths Hill	Resource requires upgrade to 2012 JORC compliance						
Total		228,000	1.3	3.2	0.0	0.2	58

Gold Copper Resources

Deposit	Category	Tonnes	Zn%	Cu%	Pb%	Au g/t	Ag g/t
Mungana Area							
Red Dome/Mungana	Measured	41,000,000		0.29		0.79	11.6
	Indicated	49,800,000		0.18		0.58	6.7
	Inferred	40,200,000		0.15		0.58	6.2
TOTAL		131,000,000	0%	0.21	0%	0.65	8.1

The information in this presentation that relates to mineral resources is a compilation of previously published data for which Competent Persons consents were obtained. The consents remain in place for subsequent releases by Mungana Goldmines Ltd of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this announcement regarding Mungana Goldmines Copper and Zinc Resources has been extracted from the Mungana Goldmines ASX announcements dated 16 April 2015 and 28 January 2015. Kagara estimated Resources associated with Montevideo, Victoria and Griffiths Hill are not included as these resources require upgrading to 2012 JORC compliance. The information in this announcement regarding Mungana Goldmines Gold Copper Resources has been extracted from Mungana Goldmines ASX announcement dated 29 October 2013 (Annual Report). The Gold Copper Resources have not been updated to comply with the JORC code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this announcement regarding Mungana Goldmines exploration targets and exploration results has been extracted from the Mungana Goldmines ASX announcement dated 20 April 2015 (Quarterly Activities report)

All previous ASX announcements are available on the Mungana Goldmines web site at www.munganagoldmines.com.au or through the ASX website at www.asx.com.au (using ticker code "MUX"). Mungana confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in that market announcement continue to apply and have not materially changed. Mungana confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Note: Figures are nearest to 1,000 tonnes, 0.1% Zn, Cu, Pb and 0.1g/t Au, Ag. Rounding errors may occur.

Cautionary statement: there is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that any production targets will be realised.



Contact Details:

Level 3, St James Place 155-157 Denham Street, Townsville QLD 4810

T: +61 7 4729 8400

E: info@mungana.com.au

www.munganagoldmines.com.au



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