



MARCH 2015 QUARTERLY REPORT

Mungana Goldmines Limited (ASX: MUX)

Highlights

- New company management team established with the appointment of Anthony (Tony) James as Managing Director and Christopher (Chris) Newman as Geology Manager.
- King Vol mineral resource updated to JORC 2012 compliance outlining 3.0 million tonnes at 11.9% zinc, 0.8% copper, 0.6% lead and 29.9 g/t silver. This high grade zinc resource has 356,000 tonnes of contained zinc. (ASX: 28 Jan 2015)
- Red Cap mineral resource updated to JORC 2012 compliance for the Penzance, Queenslander and Morrisons deposits. Combined resource for these deposits total 3.8 million tonnes at 4.8% zinc, 0.7% copper, 0.2% lead, and 19 g/t silver. (ASX: 16 Apr 2015)
- Completion of King Vol and Red Cap Induced Polarisation (IP) surveys and seen as an effective exploration tool with the identification of several follow up drill targets.
- Commencement of a strategic review by the new management team of the company's ongoing operating and exploration plans.
- Company has \$2.37M in cash and no debt at 31 March 2015.

Management appointments

On the 23 February 2015 the company announced a new management team with the appointments of experienced Australian mining executives Mr Anthony (Tony) James as Managing Director and Mr Christopher (Chris) Newman as Geology Manager.

Mr James was, until recently, Managing Director of Mutiny Gold (ASX: MYG), where he led the implementation of a revised development strategy for the Deflector copper-gold deposit in WA. This culminated in the recent successful merger of Mutiny Gold and Doray Minerals (ASX: DRM), crystallising significant value for shareholders.

Prior to that, Mr James held a number of senior positions with international gold producer Alacer Gold Corporation including President of its Australian Operations following the merger between Anatolia Minerals (TSX:ANO) and Avoca Resources (ASX:AVO) in 2011. Initially employed by Avoca, he played a key role in the

company's growth and success, leading the feasibility and development of the Higginsville Gold Operation in Western Australia.

Before joining Avoca, he held a number of key senior operational and executive positions across the Australian mining industry including as General Manager – Mining for the successful diversified nickel and gold miner LionOre Mining International, General Manager of the Black Swan nickel mine for MPI Mines, Mining Manager at the Kanowna Belle gold mine for Delta Gold, Mining Manager at the Lennard Shelf zinc operations and Underground Manager for Newcrest's Telfer gold mine.

Mr Newman also held a senior position with Alacer Gold as Executive Vice President/Chief Exploration and Geology Officer. Prior to this, he was Manager Geology for Avoca Resources and was credited with the discovery and growth of the Trident ore body at Higginsville. Mr Newman and Mr James worked closely together in the development and establishment of the Higginsville Gold Operation. Prior to joining Avoca, Mr Newman worked in a number of senior geological and management roles at WMC and BHP Billiton.

Resource Updates – King Vol and Red Cap

During the quarter, International Resource Solutions (IRS) completed a JORC 2012 compliant Mineral Resource Estimate at King Vol (ASX, "King Vol Zinc Deposit Resource Update" 28/01/2015).

| King Vol Mineral Resource – January 2015 | | | | | | | | | |
|--|-------------|-------------|------------|------------|-------------|-----------------|-----------|-----------|-------------|
| | Tonnes (Mt) | Grade | | | | Contained Metal | | | |
| | | Zn% | Cu% | Pb% | Ag g/t | Zn (kt) | Cu (kt) | Pb (kt) | Ag (Moz) |
| Indicated | 1.05 | 14.7 | 0.9 | 0.7 | 36.5 | 154 | 9 | 7 | 1.23 |
| Inferred | 1.94 | 10.4 | 0.7 | 0.5 | 26.4 | 202 | 13 | 10 | 1.65 |
| Total | 2.99 | 11.9 | 0.8 | 0.6 | 29.9 | 356 | 22 | 17 | 2.88 |

Table 1: King Vol Mineral Resource estimate

An update of the Red Cap project Mineral Resources at Penzance, Queenslander and Morrisons was also completed by Mungana Goldmines in order to bring them into line with the JORC Code 2012 (ASX, "Red Cap Project Resource Estimate Update" 16/04/2015)

| Red Cap Inferred Mineral Resource - March 2015 | | | | | | | | | | | |
|--|--------------|------------|------------|------------|------------|-----------|-----------------|-----------|----------|-------------|-------------|
| | Tonnes (Mt) | Grade | | | | | Contained Metal | | | | |
| | | Zn% | Cu% | Pb% | Au g/t | Ag g/t | Zn (kt) | Cu (kt) | Pb (kt) | Au (Koz) | Ag (Moz) |
| Penzance (Cu) | 0.228 | 1.3 | 3.2 | 0.0 | 0.2 | 58 | 3 | 7 | 0 | 1.5 | 0.43 |
| Penzance (Zn) | 0.085 | 6.2 | 0.7 | 0.2 | 0.1 | 19 | 5 | 1 | 0 | 0 | 0.05 |
| Queenslander | 1.570 | 4.4 | 0.5 | 0.2 | 0.0 | 12 | 69 | 8 | 3 | 0 | 0.61 |
| Morrisons | 1.930 | 5.4 | 0.6 | 0.3 | 0.1 | 21 | 104 | 11 | 6 | 62 | 1.65 |
| Total | 3.813 | 4.8 | 0.7 | 0.2 | 0.1 | 19 | 181 | 27 | 9 | 63.5 | 2.74 |

Table 2: Red Cap Project Area Mineral Resource estimate

Exploration

Induced Polarisation (IP) Surveys Completed

An Induced Polarisation (IP) geophysical survey has been completed and processed for both the King Vol and Red Cap prospects (Figure 1).

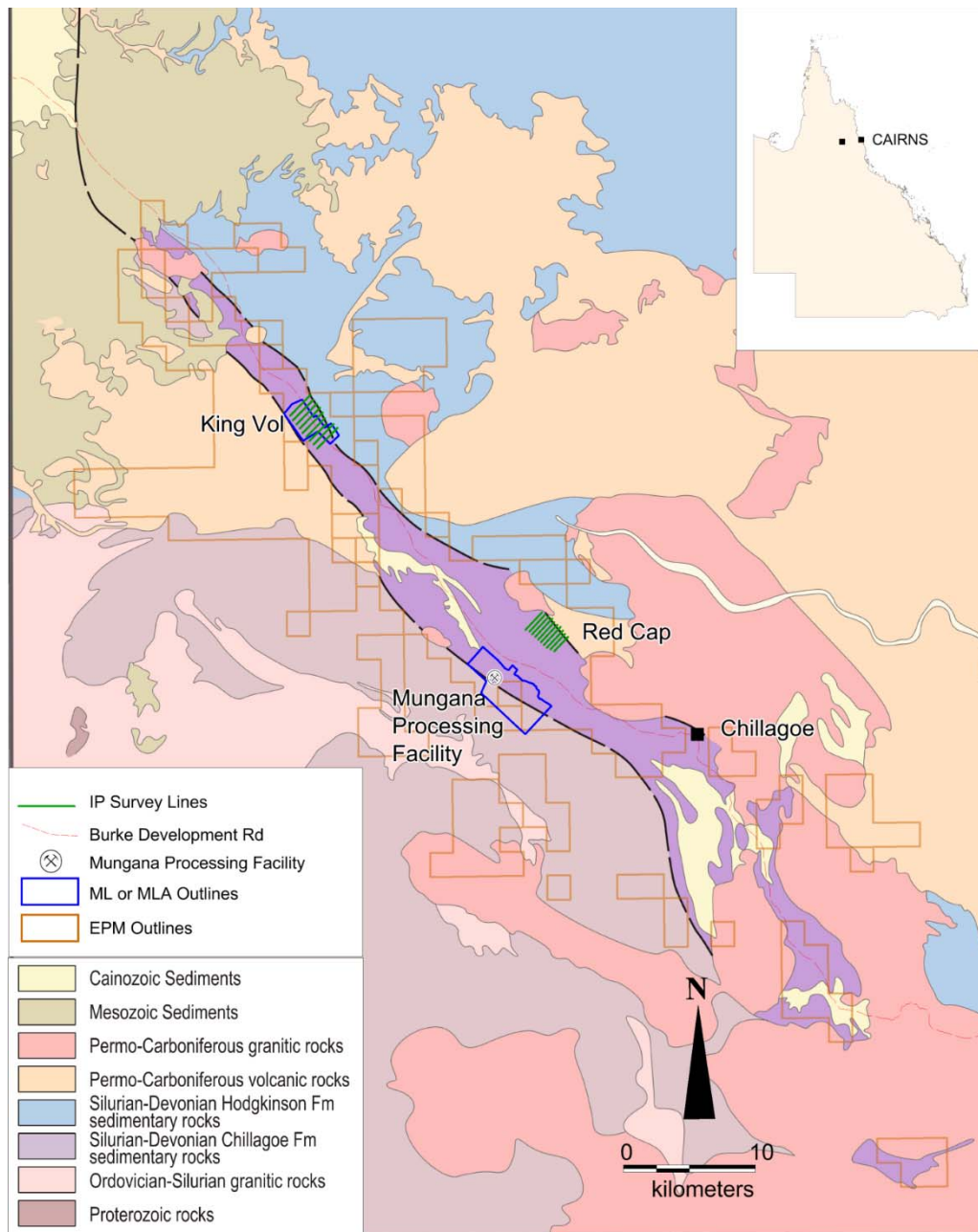


Figure 1: Location of IP survey areas at Red Cap and King Vol

The dipole – dipole survey was carried out by Search Exploration Services using a 50KV a transmitter and a 32 channel receiver. The survey data collected is of a very high quality and additional lines were added to the original scope of work for a total of 17.6 line kilometres at Red Cap (figure 2) and 19.1 line kilometres at King Vol (figure 3)

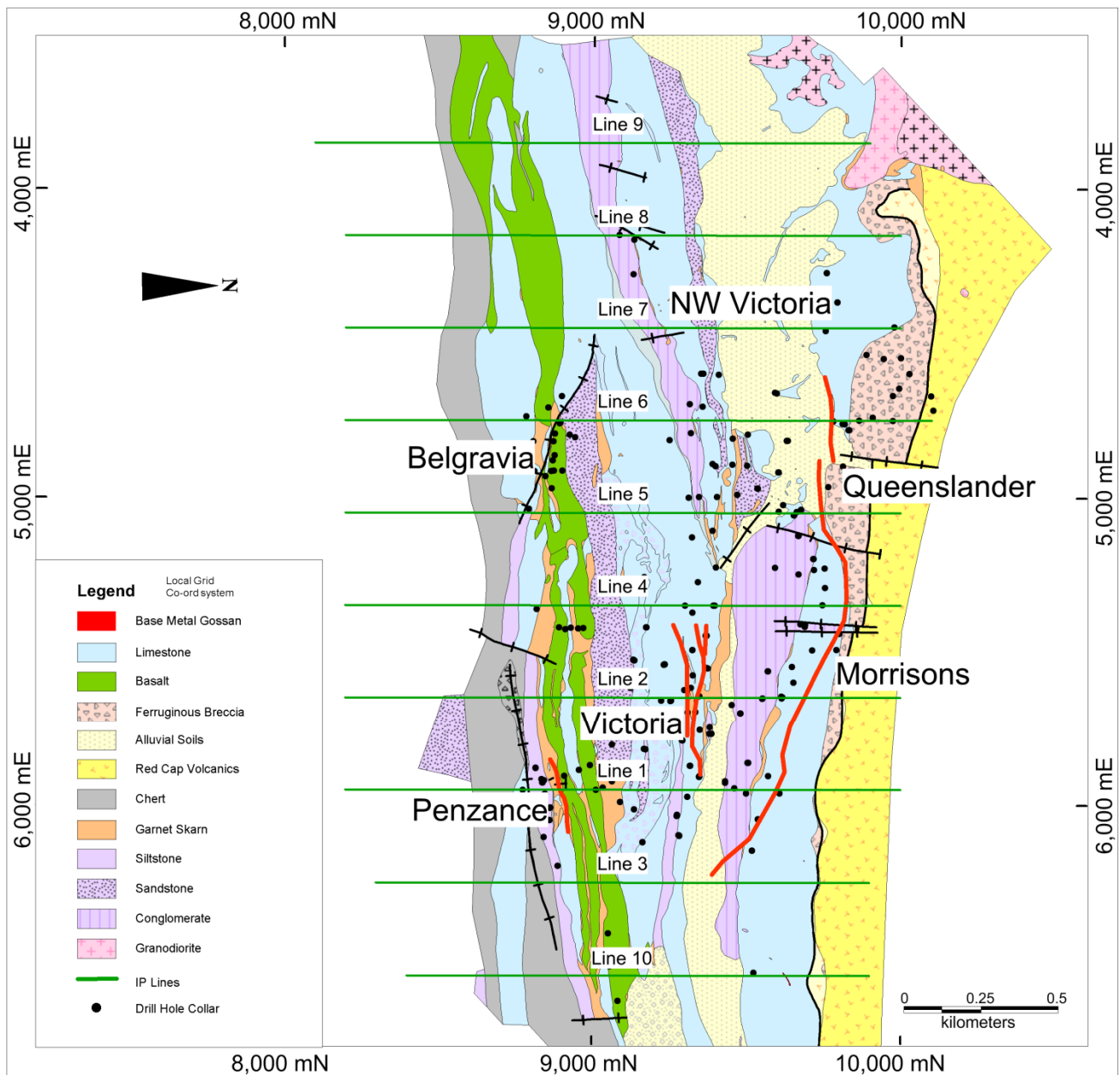


Figure 2: Location of IP survey lines at Red Cap

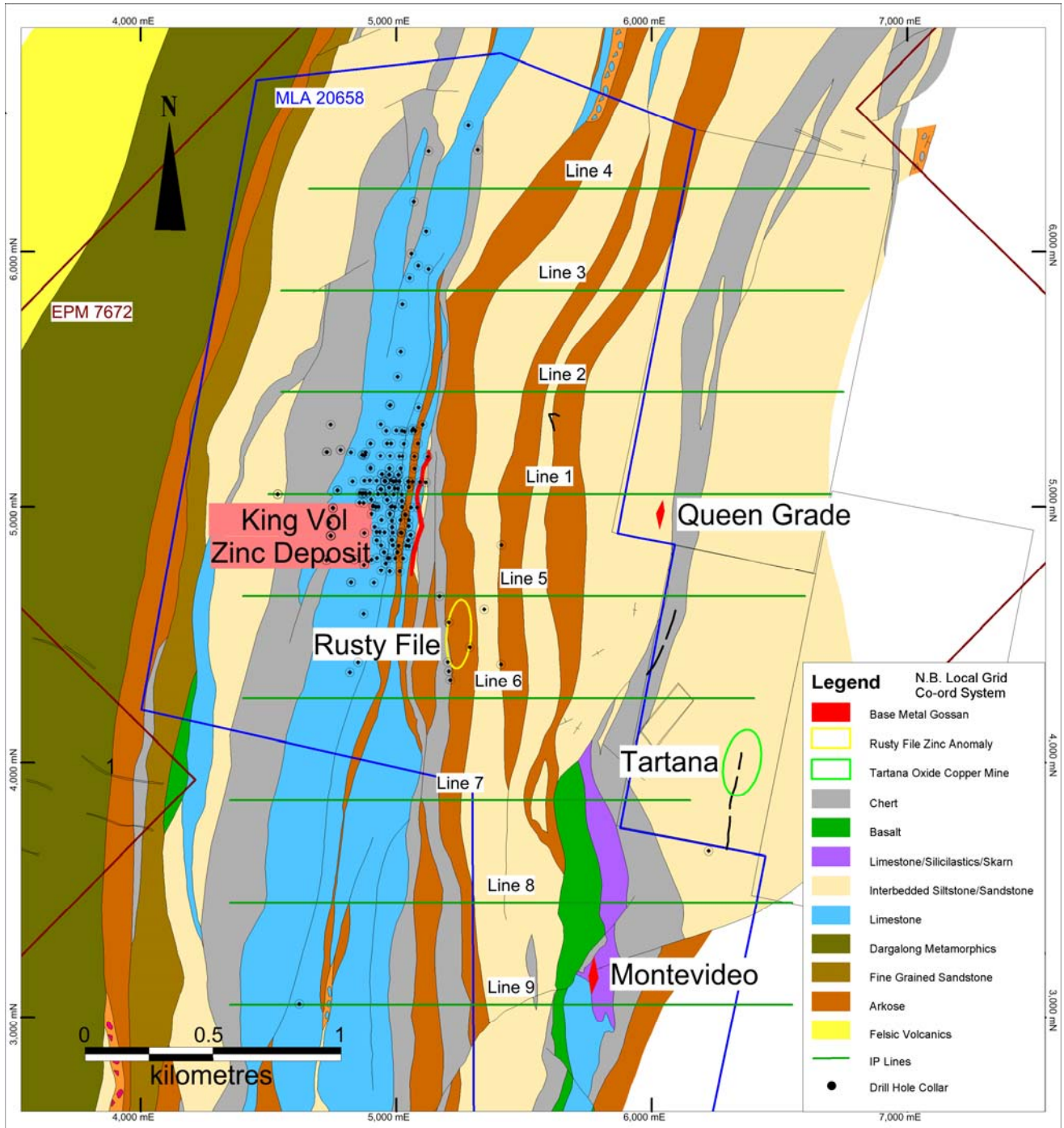


Figure 3: Location of IP survey lines at King Vol

The chargeability and resistivity data and three dimensional models generated have provided strong confidence in the IP geophysical techniques as an effective exploration tool following strong correlation with known mineralisation within the project areas. Several targets have been identified for follow up drill testing which is currently being considered as part of the exploration review by the management team.

Red Cap IP Survey

At Red Cap, iron-zinc skarns from the Victoria and Queenslander/Morrison's deposits are observed as having very strong chargeability and low resistivity characteristics, whereas moderate chargeability characteristics are observed to be associated with the copper-rich skarn as seen at the nearby Penzance mineralisation. Figure 4 below shows a cross section of the anomalies identified at Red Cap and their strong association with known mineralised skarns. Multiple anomalies along strike from these mineralised positions in the Red Cap area have been identified as having similar IP characteristics to those associated with these skarns. These anomalies have seen limited drill testing and require follow up work.

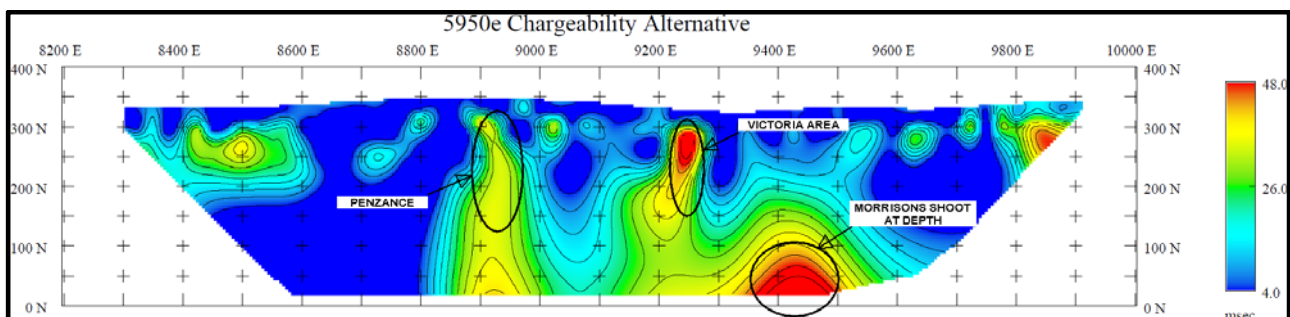


Figure 4: Section 5950E at Red Cap. Observed are high chargeability anomalies associated with Iron-Zinc skarn at Victoria and Morrison's and the moderate chargeability anomaly associated with Copper skarn mineralisation at Penzance.

King Vol IP Survey

The high grade zinc-dominant skarns at King Vol are observed are characterised by low level chargeability anomalies and resistivity highs. Several additional low to moderate chargeability highs and resistivity highs have been identified to the south of the King Vol resource and adjacent to the Rusty File mineralisation in the IP survey modelling. These anomalies remain untested by drilling. Figure 5 below shows a cross section of the IP chargeability with a large anomaly identified 1.2km along strike from King Vol on the identical limestone-chert contact. These anomalies represent high priority exploration targets and require follow up work.

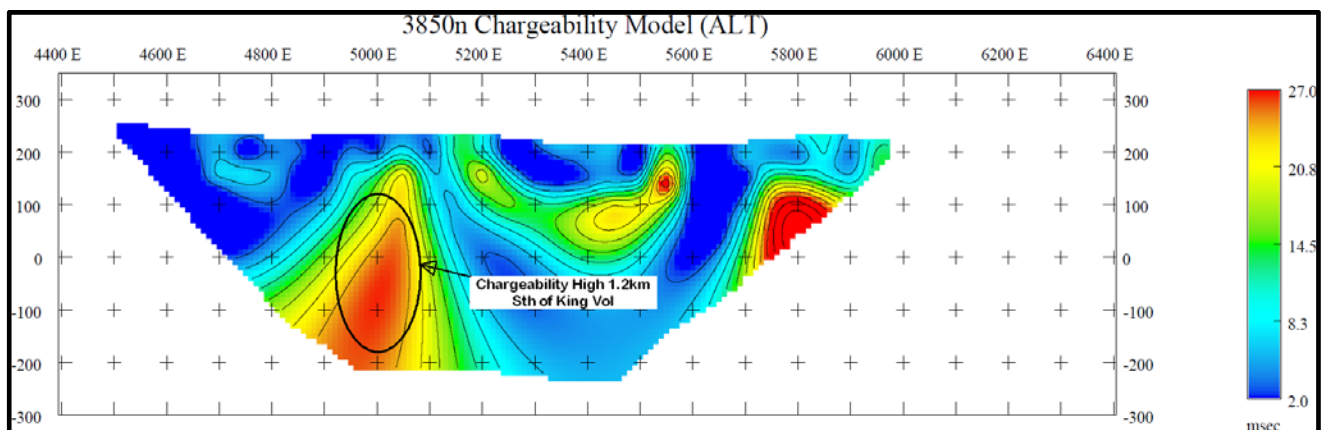


Figure 5: Section 3850N at King Vol. A moderate chargeability anomaly is identified 1.2km south of King Vol. This anomaly remains untested by drilling.

Strategic Review

Under the leadership of the new management team, the company has commenced a strategic review of its operational and exploration programs centred on the North Queensland zinc strategy following the acquisition of the Chillagoe project assets in August 2014 which were previously held by Kagara Ltd (In Liquidation)(ASX:KZL). The review is focussing on the practical execution of the project, based on key initial observations including:

1. A well advanced high grade (11.9%) zinc resource at the King Vol deposit with 356,000t of contained zinc. Appropriate feasibility studies are yet to be completed, however the mining lease application is well advanced and the permitting process is underway. The landholder compensation agreement has also been finalised.
2. The company has a largely completed (see photograph on page 1) zinc, copper, and lead processing facility (concentrator) located at the fully permitted Mungana mine site which is 15km northwest of the Chillagoe Township. The King Vol resource is located 25km northwest of this processing facility within easy trucking distance.
3. The company has significant infrastructure in place both at the Mungana concentrator site (including access, grid power, tailings and raw water storage) and in Chillagoe Township (including accommodation and offices) to support a lower capital spend and shorter lead time to zinc concentrate production status.
4. The recent induced polarisation (IP) geophysical surveys have confirmed and identified several significant drilling targets reflecting potential additional high grade base metal skarn deposits.
5. The Company also has a significant large, low grade gold resource base associated with the Red Dome and Mungana gold-copper Porphyry systems and significant additional gold-copper porphyry potential.

Corporate

Financial

At the end of the March 2014 quarter, the Company was debt free and had A\$2.37M in cash and short term deposits.

Appendix 1 – Corporate Information

Board Members

| | |
|-----------------|------------------------|
| John Fitzgerald | Chairman |
| Anthony James | Managing Director |
| Justin Wu | Non-Executive Director |
| Rick Yeates | Non-Executive Director |

Secretary

| | |
|-----------------|-------------------|
| Ben-Louis Ludik | Company Secretary |
|-----------------|-------------------|

Registered & Principal Office

Mungana Goldmines Ltd
Unit 5 Level 3 St James Place
155 Denham Street
Townsville, QLD, 4810
Australia

Telephone: +61 7 4729 8400
Facsimile: +61 7 4772 7430
Email: info@mungana.com.au
Website: www.munganagoldmines.com.au

Stock Exchange Listings

Australian Securities Exchange: MUX

Shareholder Enquiries

Link Market Services
Level 15, 324 Queen St
Brisbane, QLD, 4000
Australia

Telephone: +61 2 8280 7454

Substantial Shareholders

| | |
|---------------------------------------|--------|
| Mungana Pty Ltd | 146.2m |
| Kagara Ltd | 27.6m |
| Guangdong Guangxin Holdings Group Ltd | 25.1m |
| Total Shares | 240.9m |
| Options | 0.25m |



Competent Person Statement

The information in this report that relates to Mineral Resources is based on information compiled by Mr Andrew Beaton. Mr Beaton is a member of the Australasian Institute of Mining and Metallurgy (AusIMM) 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 (the "JORC Code"). Mr Beaton is a full time employee of Mungana Goldmines Ltd and consents to the inclusion in this report of the Mineral Resources in the form and context in which they appear.

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr Chris Newman, a full-time employee of Mungana Goldmines. Chris Newman is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM) and a Member of 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 (the "JORC Code"). Mr Newman consents to the inclusion in this report of the Exploration Results in the form and context in which they appear.

Disclaimer

Forward-looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward-looking information due to the inherent uncertainty therein. Forward-looking information is made as at the date of the announcement and the Company disclaims any intent or obligation to update publicly such forward-looking information, whether as a result of new information, future events or results or otherwise.

Appendix A – JORC 2012 Edition Table 1

King Vol and Red Cap Induced Polarisation (IP) Survey

The following information follows the requirements of the JORC Code 2012 Table 1 Sections 1 and 2 as applicable to the results of the IP survey conducted over the King Vol and Red Cap prospect areas.

SECTION 1 SAMPLING TECHNIQUES AND DATA

| Criteria | JORC Code Explanation | Commentary |
|----------------------------|--|--|
| Sampling techniques | <p><i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems use.</i></p> <p><i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</i></p> | <p>Inline Dipole-Dipole Induced Polarisation (IP) geophysical survey carried out at the King Vol and Red Cap prospect areas by Search Exploration Services Pty Ltd and interpreted by Montana GIS Pty Ltd.</p> <p>The following equipment was utilised; WB50 - 50Kva Transmitter 32 Channel Receiver connected by multi core cables TQIPdb processing software</p> <p>The following configuration was utilised at King Vol; Tx dipole separation 200m, Rx dipole separation 100m Line spacing of 400m Station moves 100m and 200m</p> <p>The following configuration was utilised at Red Cap; Tx dipole separation 100m, Rx dipole separation 50m Line spacing of 300m Station moves 50m and 100m</p> <p>Station locations were recorded with handheld GPS units with an accuracy of +/-4m</p> |
| Drilling techniques | <p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p> | <p>Not applicable as no exploration drilling techniques have been utilised during the IP geophysical survey</p> |

| | | |
|---|---|---|
| Drill sample recovery | <p><i>Method of recording and assessing core and chip sample recoveries and results assessed</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples</i></p> <p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p> | <p>Not applicable as no exploration drilling techniques have been utilised during the IP geophysical survey</p> |
| Logging | <p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged</i></p> | <p>Not applicable as no exploration drilling techniques have been utilised during the IP geophysical survey</p> |
| Sub-sampling techniques and sample preparation | <p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p> | <p>Not applicable as no exploration drilling techniques have been utilised during the IP geophysical survey</p> |

| | | |
|--|--|---|
| Quality of assay data and laboratory test | <p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></p> <p><i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <p><i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></p> | <p>Data acquired using Search Exploration 32 channel receiver with full time-series recording and a minimum of two readings per Tx setup.</p> <p>All data sent to Montana GIS Pty Ltd on a daily basis for checking by consultant geophysicist.</p> |
| Verification of sampling and assaying | <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p> <p><i>Discuss any adjustment to assay data.</i></p> | <p>All field data was imported and assessed in TQIPdb which is industry standard IP processing software. The acquired data is considered to be of high quality.</p> |
| Location of data points | <p><i>Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p> | <p>Station locations were planned using a combination of GIS software packages (Surpac and Mapinfo). The location of stations were established utilising handheld GPS units with an accuracy of +/-4m.</p> <p>Co-ordinate system used is Goeccentric Datum of Australia 1994 and the Map Grid of Australia Zone 55 projection. Transformation were carried out into local grids at King Vol and Red Cap in order for the lines to be perpendicular to the strike of stratigraphy.</p> |

| | | |
|--|---|---|
| Data spacing and distribution | <p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></p> <p><i>Whether sample compositing has been applied.</i></p> | <p>At least two readings were recorded at each station. Stations were spaced 50 or 100m along line at Red Cap and 100m or 200m along line at King Vol. The spacing was increased at both prospects once it was established that there was no detrimental effect on the modelling.</p> |
| Orientation of data in relation to geological structure | <p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></p> | <p>The survey lines were designed to be perpendicular to the known strike of the stratigraphy. In the case of Red Cap that meant local grid N-S lines (037deg mag) and in the case of King Vol that meant local grid E-W lines (038.5deg mag).</p> |
| Sample security | <p><i>The measures taken to ensure sample security.</i></p> | <p>Raw data was emailed each day to the consultant geophysicist from the Search Exploration crew leader.</p> |
| Audits or reviews | <p><i>The results of any audits or reviews of sampling techniques and data.</i></p> | <p>All data has been reviewed by the consultant geophysicist.</p> |

SECTION 2 REPORTING OF EXPLORATION RESULTS

| Criteria | JORC Code Explanation | Commentary |
|--|---|--|
| Mineral tenement and land tenure status | <p><i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></p> <p><i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></p> | <p>The survey was conducted on EPM7672 (King Vol) and EPM15458 (Red Cap). Both of these tenements are held 100% by Mungana Goldmines Ltd and form part of the companies Chillagoe Project.</p> <p>The tenements are in good standing and there are no existing impediments to the tenements.</p> |

| | | |
|---|---|--|
| <p>Exploration done by other parties</p> | <p><i>Acknowledgment and appraisal of exploration by other parties.</i></p> | <p>Mungana Goldmines Ltd secured 100% ownership of EPM7672 as part of the Chillagoe base metals acquisition from Kagara Ltd in July 2014.</p> <p>Kagara purchased the project in 2000 from Perilya Mines who had been exploring the region from 1992. Prior to Perilya Mines, Aztec Mining Co. Ltd held the lease.</p> <p>Mungana Goldmines Ltd secured 100% ownership of EPM15458 as part of the Chillagoe base metals acquisition from Kagara Ltd in July 2014.</p> <p>Kagara purchased the project in 2003 from Nuigini Mining Australia Pty Ltd as part of the Red Dome acquisition. EPM15458 was previously part of the larger EPM10387 held by Nuigini Mining.</p> <p>Work conducted by all previous explorers has contributed to the company's geological understanding of the tenements.</p> |
| <p>Geology</p> | <p><i>Deposit type, geological setting and style of mineralisation.</i></p> | <p>The style of mineralisation targeted by the survey is high grade base metal skarn at both King Vol and Red Cap.</p> <p>The regional geological setting is the Siluro-Devonian aged Chillagoe formation of the early to middle Hodgkinson Province. Massive sulphide bodies are hosted on the skarnified sheared contacts within the sediment sequence.</p> |

| | | |
|---|---|---|
| Drill hole information | <p><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i></p> <ul style="list-style-type: none"> • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. <p><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></p> | <p>Not applicable as no exploration drilling has been reported as part of the IP geophysical survey</p> |
| Data aggregation methods | <p><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></p> <p><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p> | <p>Not applicable as no exploration drilling has been reported as part of the IP geophysical survey</p> |
| Relationship between mineralisation widths and intercept lengths | <p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p> | <p>Not applicable as no exploration drilling has been reported as part of the IP geophysical survey</p> |

| | | |
|---|--|--|
| Diagrams | <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> | Refer to the diagrams that have been included in the body of the text. |
| Balanced reporting | <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> | Not applicable as no exploration drilling has been reported as part of the IP geophysical survey |
| Other substantive exploration data | <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> | The IP survey covered zones of known mineralisation at King Vol and Red Cap and both along strike and at depth. |
| Further work | <p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p> | The next phase of exploration will include prioritising the targets generated by the IP survey before drill testing. |

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Mungana Goldmines Ltd

ABN

15 136 606 338

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|--|----------------------------|---------------------------------------|
| 1.1 | Receipts from product sales and related debtors | | |
| 1.2 | Payments for (a) exploration & evaluation | (357) | (1,226) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (525) | (1,253) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 10 | 80 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | Net Operating Cash Flows | (872) | (2,399) |
| Cash flows related to investing activities | | | |
| 1.8 | Payment for purchases of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.9 | Proceeds from sale of: (a) prospects | - | - |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | 54 |
| 1.10 | Loans to other entities | - | - |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | Other (provide details if material) | - | (631) |
| | Net investing cash flows | - | (577) |
| 1.13 | Total operating and investing cash flows (carried forward) | (872) | (2,976) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,233) | (2,104) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| | Net financing cash flows | - | - |
| | Net increase (decrease) in cash held | (872) | (2,976) |
| 1.20 | Cash at beginning of quarter/year to date | 3,243 | 5,347 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 2,371 | 2,371 |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 90 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

1.12 Payment of Stamp Duty on Chillagoe transaction.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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|--|

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

| |
|--|
| |
|--|

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|---|------------|
| 4.1 Exploration and evaluation | 565 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 284 |
| 4.5 Other (Stamp duty on Chillagoe acquisition) | - |
| Total | 849 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | 1,652 | 2,564 |
| 5.2 Deposits at call | 549 | 509 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details)-security bonds | 170 | 170 |
| Total: cash at end of quarter (item 1.22) | 2,371 | 3,243 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | | | |
| 6.2 | Interests in mining tenements acquired or increased | See attachment A | | |

Note: Please see attachment A for the full MUX tenement listing

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

See attachments B and C.

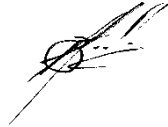
| | | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|------|--|--------------|---------------|---|--|
| 7.1 | Preference +securities (description) | | | | |
| 7.2 | Changes during quarter | | | | |
| | (a) Increases through issues | - | - | - | - |
| | (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 | +Ordinary securities | 240,907,171 | 240,907,171 | | |
| 7.4 | Changes during quarter | | | | |
| | (a) Increases through issues | - | - | - | - |
| | (b) Decreases through returns of capital, buy-backs | - | - | - | - |
| 7.5 | +Convertible debt securities (description) | | | | |
| 7.6 | Changes during quarter | | | | |
| | (a) Increases through issues | - | - | - | - |
| | (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 | Options (description and conversion factor) | 250,000 | | Exercise price \$ 2.00 | Expiry date 17-Nov-15 |
| | Issued during quarter | | | | |
| 7.9 | Exercised during quarter | | | | |
| 7.10 | Expired during quarter | | | | |
| 7.11 | Debentures (totals only) | | | | |
| 7.12 | Unsecured notes (totals only) | | | | |

Note: 7.10 refers to shares cancelled.

Compliance statement

+ See chapter 19 for defined terms.

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 17/04/2015
(Company secretary)

Print name: Ben-Louis Ludik

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities**
The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* applies to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

Tenement Schedule



Mungana Goldmines Ltd; ABN 15 136 606 338; Quarter ended 31 March 2015

| Live Tenements | | | | | | | |
|----------------|-----------|--------------------|-----------|------------------------------------|------------------------------|-------------|------------------|
| State | Region | Tenement Reference | Owned by: | % interest at beginning of quarter | % interest at end of quarter | Farm-in/out | Original stake % |
| QLD | Chillagoe | EPM12902 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM14104 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM14108 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM15458 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM15459 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM18530 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM19064 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM19196 | MUX | 100 | 100 | | |
| QLD | Chillagoe | EPM7672 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML20640 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4798 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4910 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4911 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4921 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4928 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML4977 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML5176 | MUX | 100 | 100 | | |
| QLD | Chillagoe | ML5319 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25132 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25133 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25134 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25135 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25148 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25270 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25271 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25437 | MUX | 100 | 100 | | |

| Pending Tenements | | | | | | | |
|-------------------|-----------|--------------------|-----------|------------------------------------|------------------------------|-------------|------------------|
| State | Region | Tenement Reference | Owned by: | % interest at beginning of quarter | % interest at end of quarter | Farm-in/out | Original stake % |
| QLD | Chillagoe | MLA20658 | MUX | 100 | 100 | | |
| QLD | Liontown | EPM25680 | MUX | 100 | 100 | | |