



Australian Government

Takeovers Panel

MEDIA RELEASE

No: TP15/29

Tuesday, 2 June 2015

Mungana Goldmines Limited – Panel Receives Application

The Panel has received an application from Auctus Chillagoe Pty Ltd in relation to the affairs of Mungana Goldmines Limited. Mungana is currently the subject of an off-market takeover bid from Auctus.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 29 April 2015, Auctus made an off-market takeover bid for Mungana at \$0.135 cash per share.

On 26 May 2015, Mungana released an investor presentation to ASX¹ disclosing that it is aiming for:

- in relation to its King Vol asset,² *“first production by the end of 2016 at an annualised throughput rate of 350,000tpa for 35,000-40,000tpa zinc in concentrate and additional bi-product credits”* and
- *“estimated pre-production capex of less than \$40M due to key infrastructure and plant components already in place”*.

On 28 May 2015, Mungana announced it had secured commitments from investors to raise approximately \$5m through a share placement at \$0.14 per share, subject to shareholder approval.

On 29 May 2015, Mungana released its target’s statements to ASX.

¹ updating and superseding an investor update issued on 11 May 2015

² near Cairns, North Queensland

Auctus submits (among other things) that:

- the investor presentation is misleading because it overstates the production target and understates the estimated capital expenditure figures and
- the target's statement omitted information to correct the misleading statements made in the investor presentation.

Auctus seeks final orders including (among other things) that Mungana:

- issue a supplementary target's statement correcting the misleading production target and estimated capital expenditure figures and
- release an ASX announcement retracting the production target and estimated capital expenditure figures previously released to the market.

Allan Bulman
Director, Takeovers Panel
Level 10, 63 Exhibition Street
Melbourne VIC 3000
Ph: +61 3 9655 3597
allan.bulman@takeovers.gov.au