



KAGARA LTD

ASX Code: KZL

“A Growth Pipeline”

February 2010



Overview



- Diversified, low-cost production base:
 - *Zinc, Copper, Lead, Nickel*
- Rapidly expanding resource/reserve base across four key asset centres
- Strong organic growth pipeline
- Leveraging value of gold assets through IPO
- Zero corporate debt – strong platform for growth
- Strategic Alliance with strong Chinese partner
 - *Guangdong Foreign Trade Group (19.9%)*



Corporate Snapshot

Issued Capital

- 674.5M fully paid shares

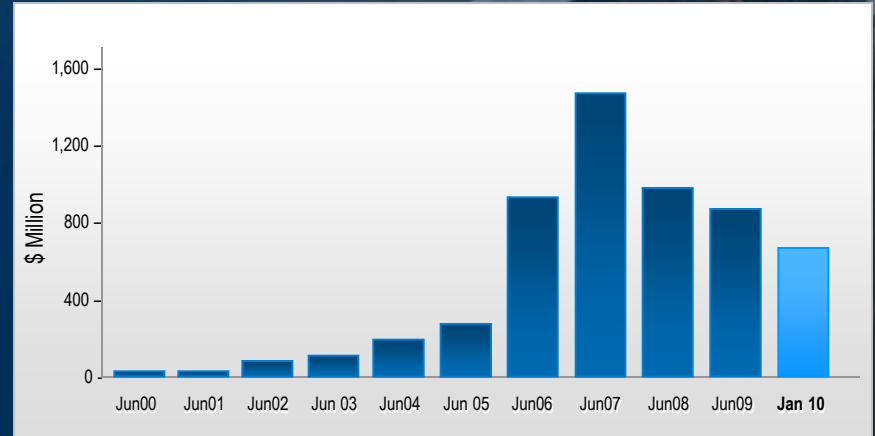
Market Capitalisation

- ~A\$600M (S&P ASX 200)

10 Largest Shareholders

Shareholders	No. Shares '000	% Capital
GFTG Shengtuo Metals Pty Ltd	133,777	19.8
Perennial Value Management	37,233	5.5
Strategic Investment Advisory Group	37,124	5.5
Korea Zinc Co Ltd	29,529	4.4
JP Morgan Asset Management	29,150	4.3
AusBil Dexia	27,557	4.1
Transaminvest	23,671	3.5
K & J Robinson	23,111	3.4
Aviva Investors	14,366	2.1
Dimensional Funds Advisors	13,554	2.0
Total	441,542	65.5

Market Capitalisation Summary



Board of Directors

- Kim Robinson (Executive Chairman)
- Joe Treacy (Executive Director)
- Mark Ashley (Non Executive Director)
- Ross Hutton (Non Executive Director)
- Shad Linley (Non Executive Director)
- Mark McConnell (Non Executive Director)

The Growth Drivers

North Queensland

- Multiple high-grade copper and zinc deposits in production
- Three treatment facilities: growing resource base

Mungana Goldmines

- Extensive gold assets to be housed in IPO: Kagara to retain controlling stake
- Resources: 1.85Moz gold, 180,000t copper, 13Moz silver

Admiral Bay

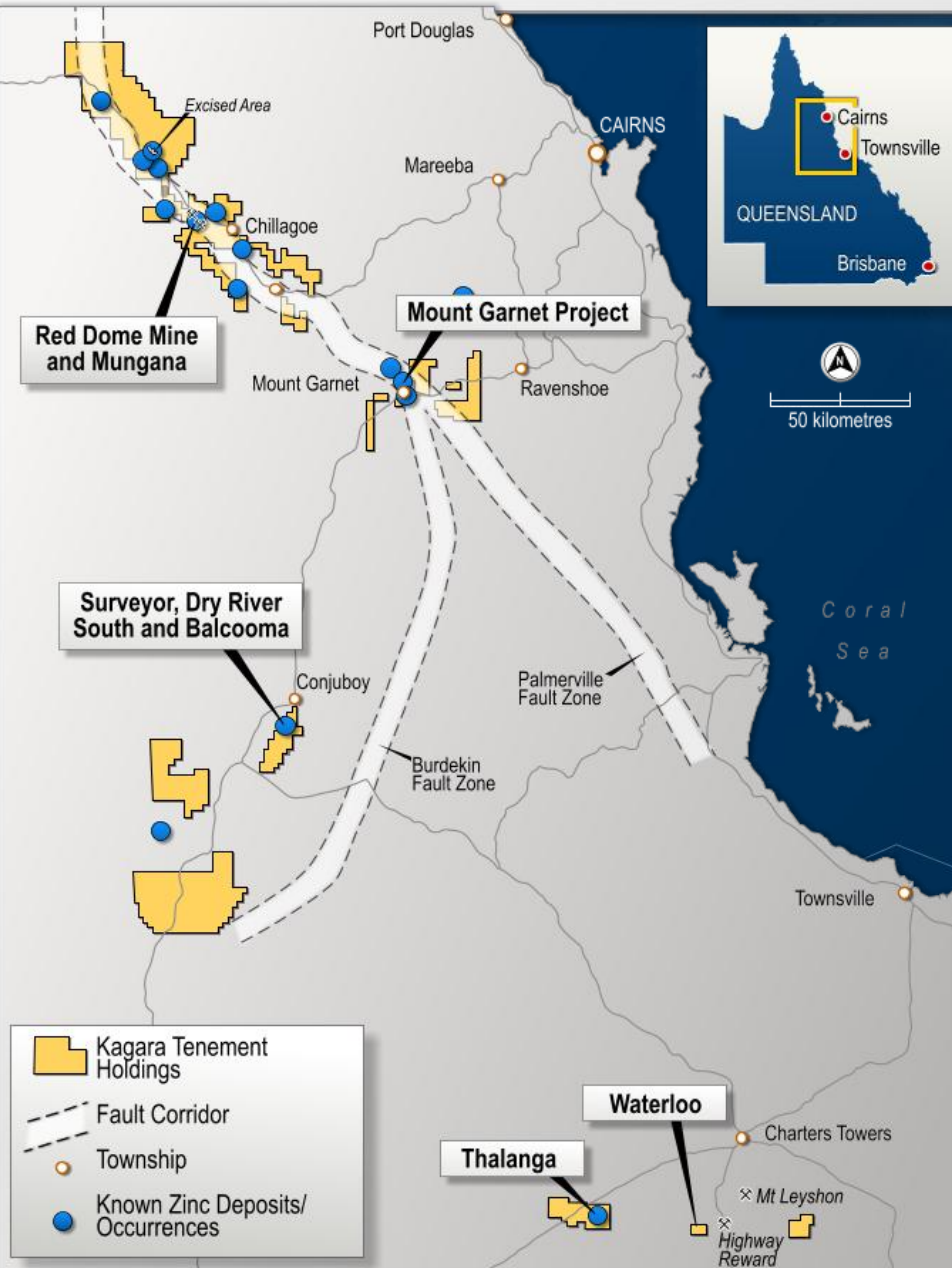
- World-class, Tier One zinc-lead project: Pre-Feasibility Study near completion

Lounge Lizard

- High-grade underground nickel mine: 50,000tpa of Ni ore production
- Mined under agreement with neighbouring Flying Fox Nickel Mine (Western Areas NL)

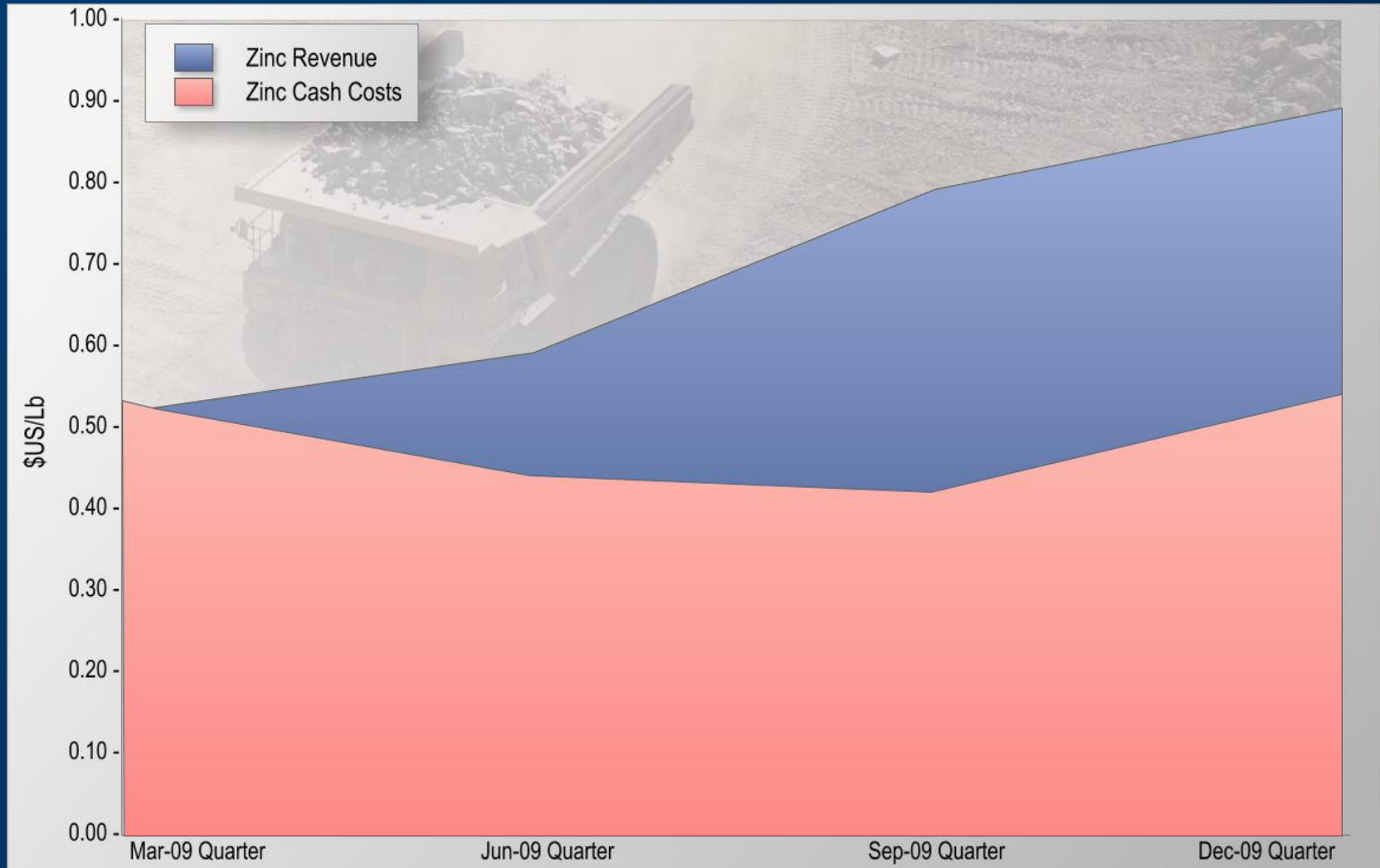


North Queensland Base Metals Operations

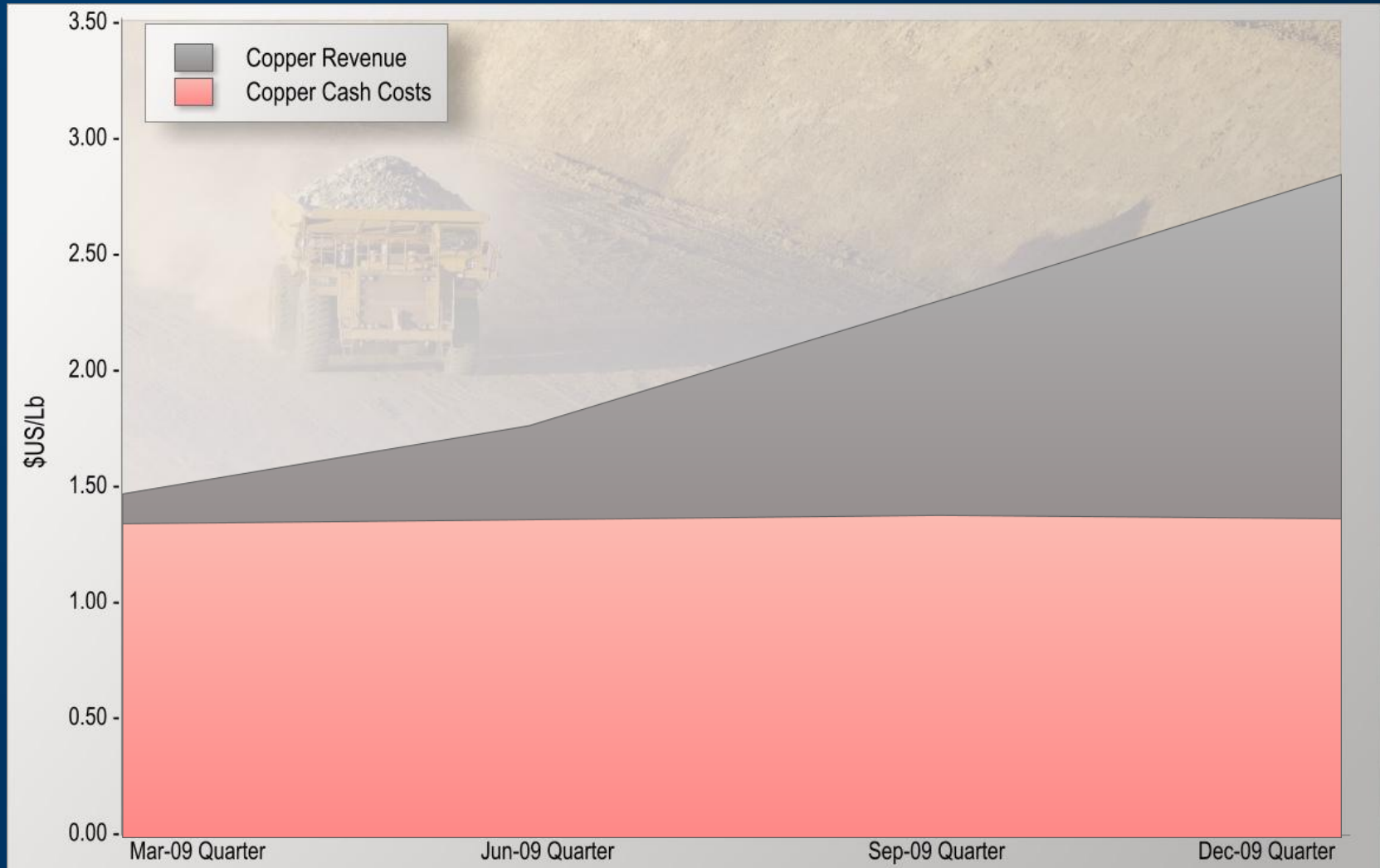


- Production on target for 23,000t of copper and 46,000t zinc: FY10
- Operations returned to profitability in December 2009 Quarter
- 3 operating treatment facilities
- Mines: Mt Garnet u-g, Balcooma u-g, Mungana u-g
- Exploration: Thalanga, Mt Garnet, Chillagoe region
- Increased copper resource at Balcooma
- Recent acquisition of Liontown polymetallic deposit at Waterloo

Zinc Revenue and Cash Costs



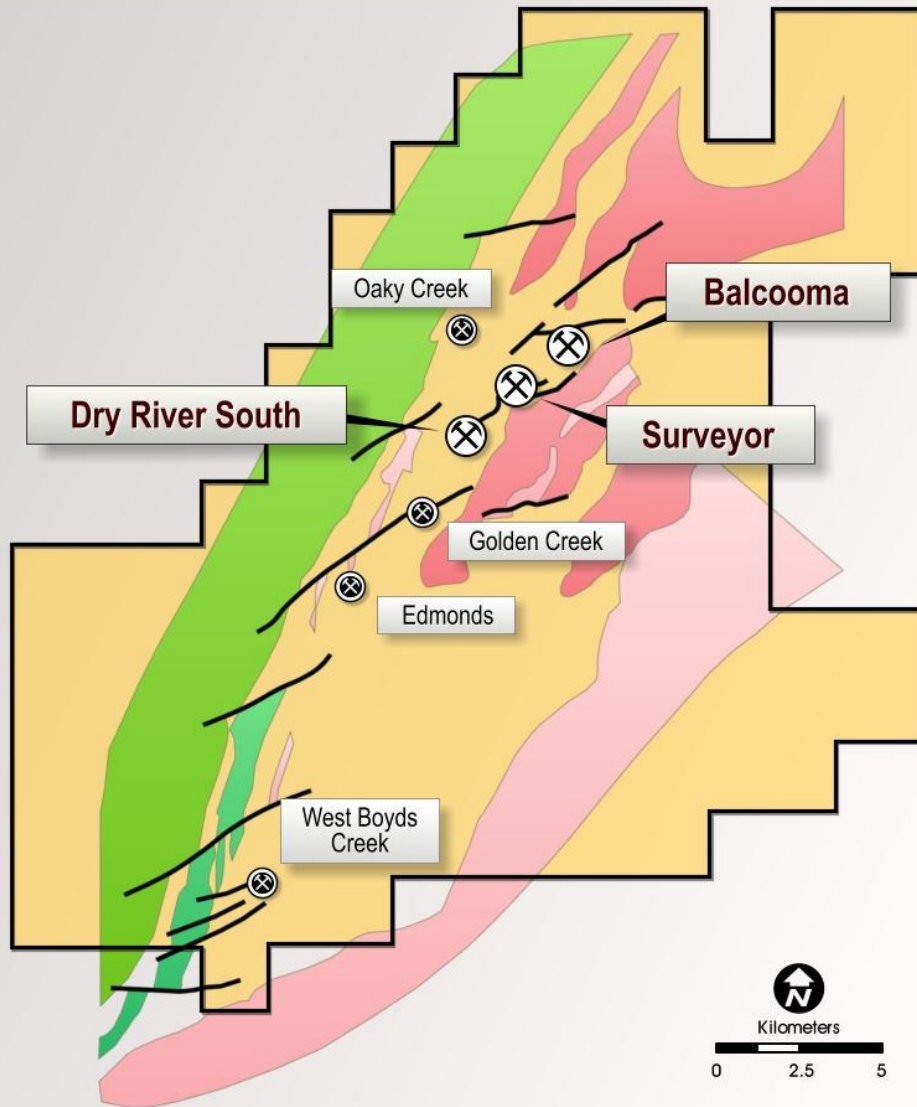
Copper Revenue and Cash Costs



Balcooma Copper Deposit



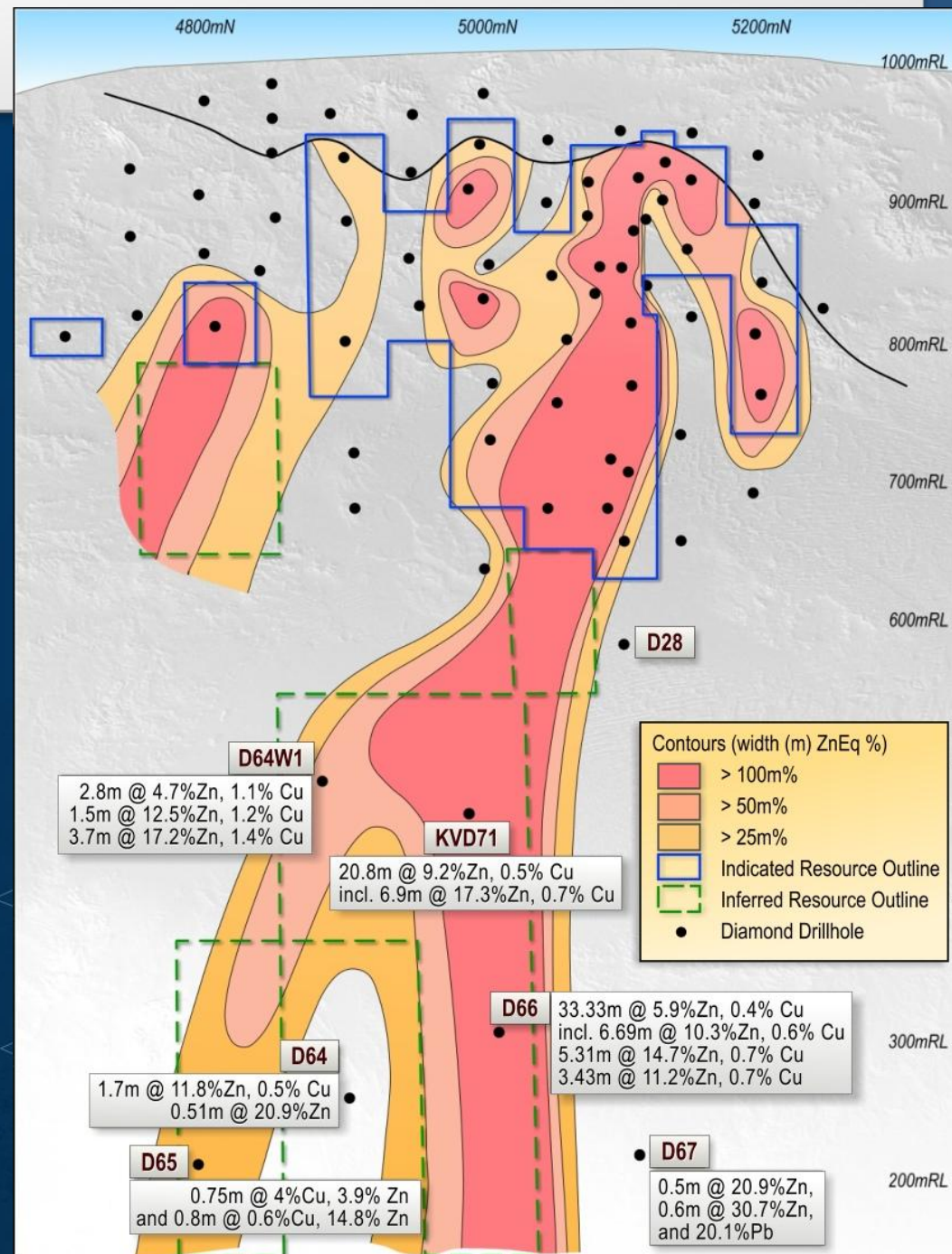
Balcooma Copper Deposit



- 22% increase in Main Copper Lens resource to 1.87Mt @ 3.0% copper
- 350% increase in Upper Lens Polymetallic resource to 671,000t @ 4.0% Zn, 1.6% Cu, 1.1% Pb, 18g/t Ag
- Excellent potential for substantial further increase in resources

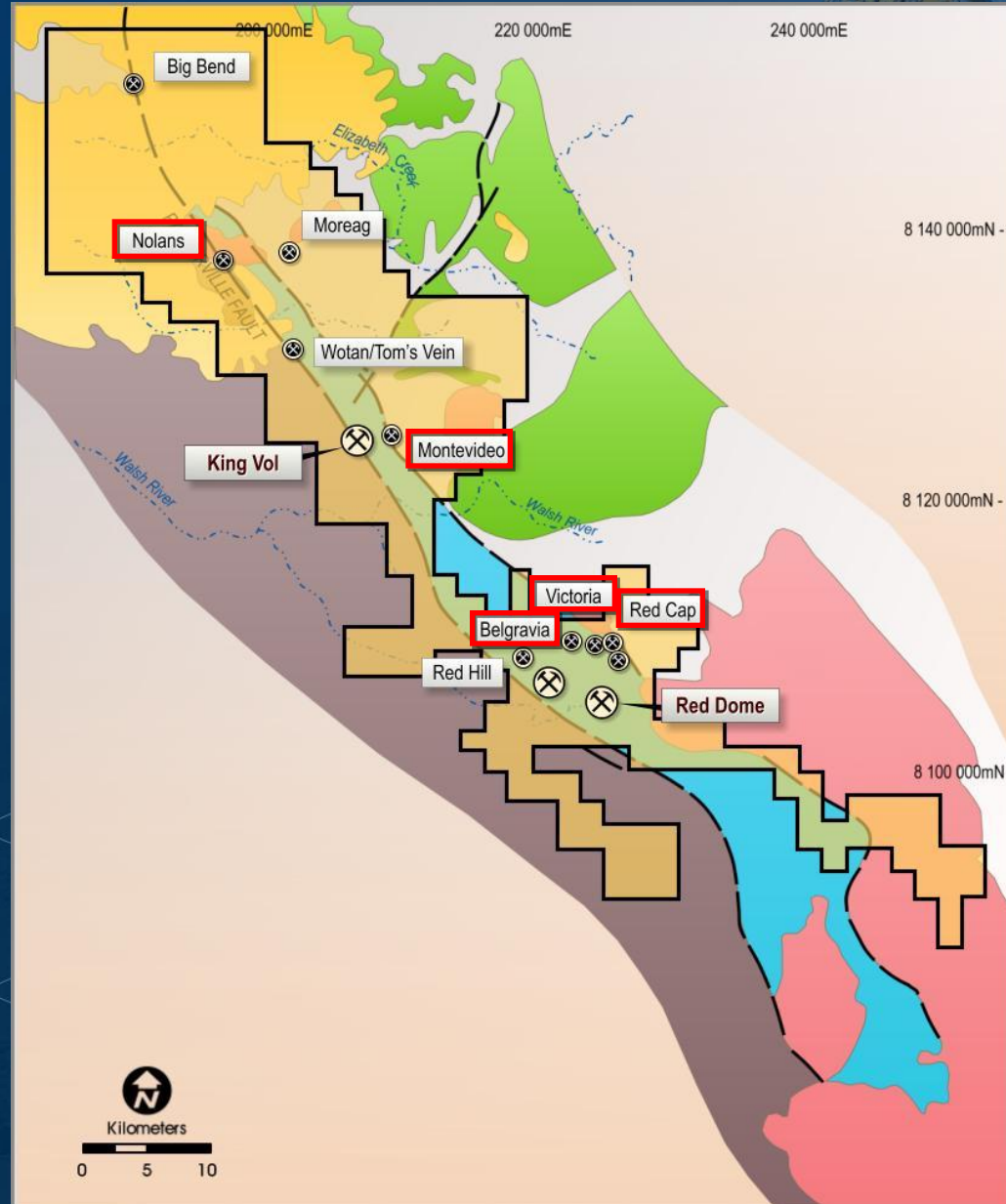
King Vol

- Reserve of 1.3Mt @ 11.2% Zn & 0.7% Cu
- Additional resource of 2.0Mt @ 14.0% Zn and 0.8% Cu
- Deposit remains open at depth
- Significant addition to resource inventory in the Chillagoe region

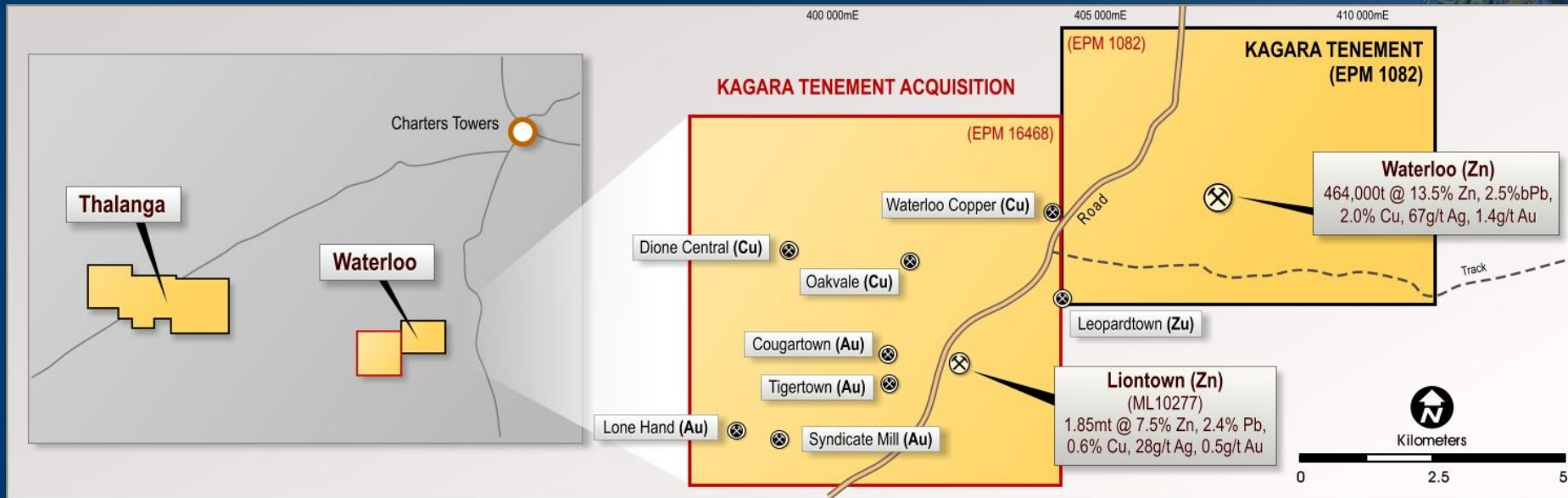


Chillagoe: The Exploration Pipeline

- Victoria
*Current Inferred Resource 3.44Mt
@ 5.1%Zn, 1.0% Cu*
- Montevideo
*Current Inferred Resource 720,000
tonnes @ 7.7% Zn, 0.5% Cu*
- Red Cap
*3.2m @ 6.7% Zn, 1.0% Pb, 92m @
0.7% Zn, 0.8% Pb*
- Nolans
30m @ 1.3% Zn
- Belgravia
*4.0m @ 7.0% Zn, 1.5% Cu and
102g/t Ag*



Thalanga Operations



- Current production from tailings re-treatment
- Recent plant upgrade to process polymetallic ore
- Recent acquisition of Liontown Polymetallic deposit:
1.85Mt @ 7.5% Zn, 2.4% Pb, 0.6% Cu, 28g/t Ag, 0.5g/t Au
- Increases total zinc resources in Thalanga area to:
3.984Mt @ 8.0% Zn, 1.1% Cu, 2.3% Pb, 42g/t Ag, 0.59g/t Au
- Potential to grow production significantly in short and long term

Lounge Lizard Nickel Project

- High-grade nickel sulphide deposit in Western Australia
- Resource: 7.55Mt @ 1.37% Ni for 103,300t of contained nickel – including 1.15Mt @ 4.6% Ni
- Mining commenced December 2009 under agreement with neighbour Western Areas NL – adjoining Flying Fox Nickel Mine



Lounge Lizard – Production

- Production underway at initial rate of 50,000tpa
- Mining via existing Flying Fox decline
- WSA to manage operations with ore treated at its Cosmic Boy nickel concentrator
- Concentrate sold into WSA's existing nickel off-take agreements

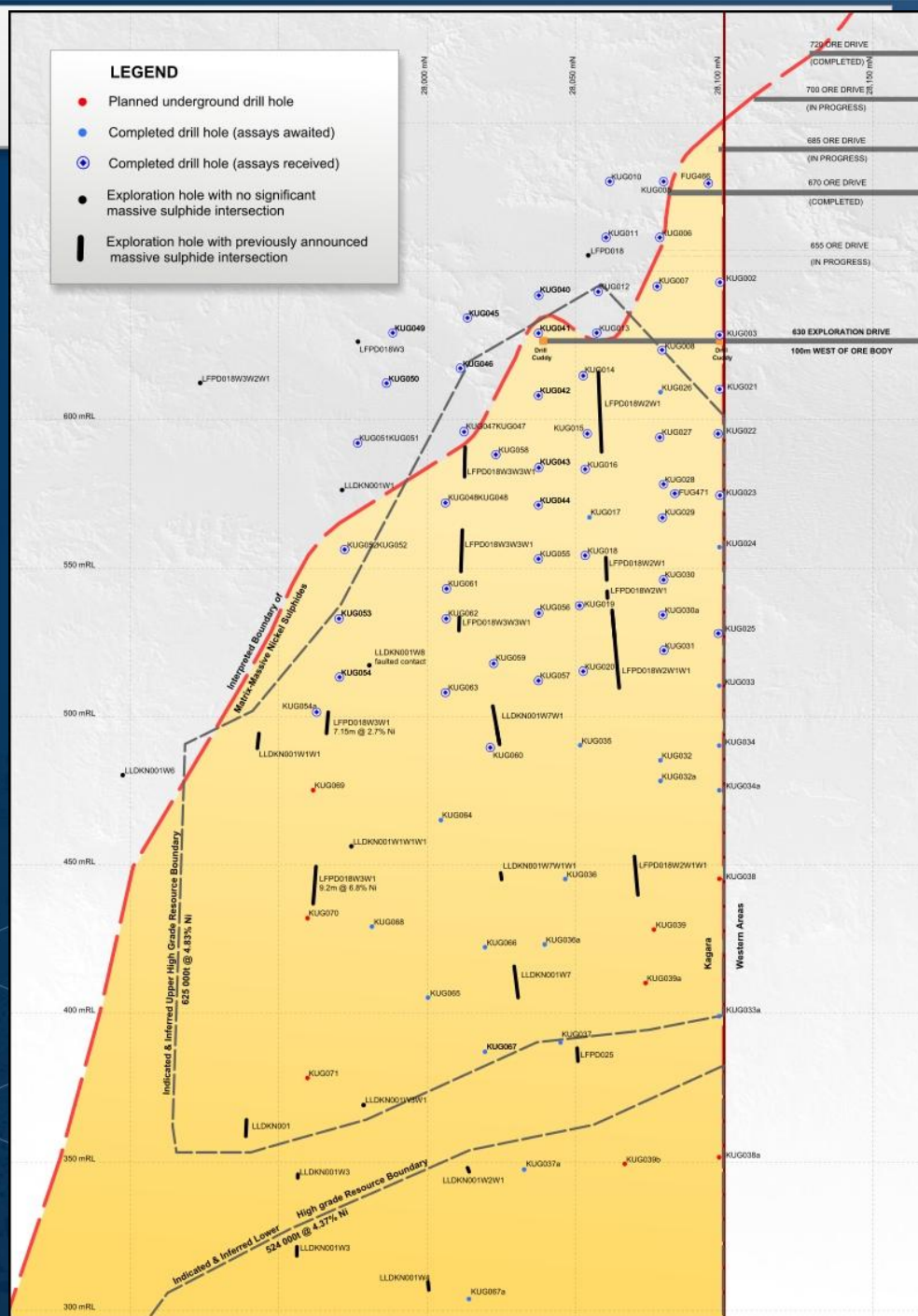


Lounge Lizard Project

- Lounge Lizard Resource remains open at depth, along strike
- In addition to Lounge Lizard, tenements cover down-plunge extensions of the Flying Fox deposit & Beautiful Sunday deposit
- Tenements cover more than 60% of potential western belt ultramafics below 500m



Lounge Lizard



Admiral Bay

- World-class project
- Pre-Feasibility Study nearing completion
- 18km strike length of zinc/lead/silver/barite mineralisation
- Only 2.1km of strike has been drill tested outlining:
 - *72 million tonnes at 3.1% zinc, 2.9% lead, 18 grams per tonne silver and 20% barite*

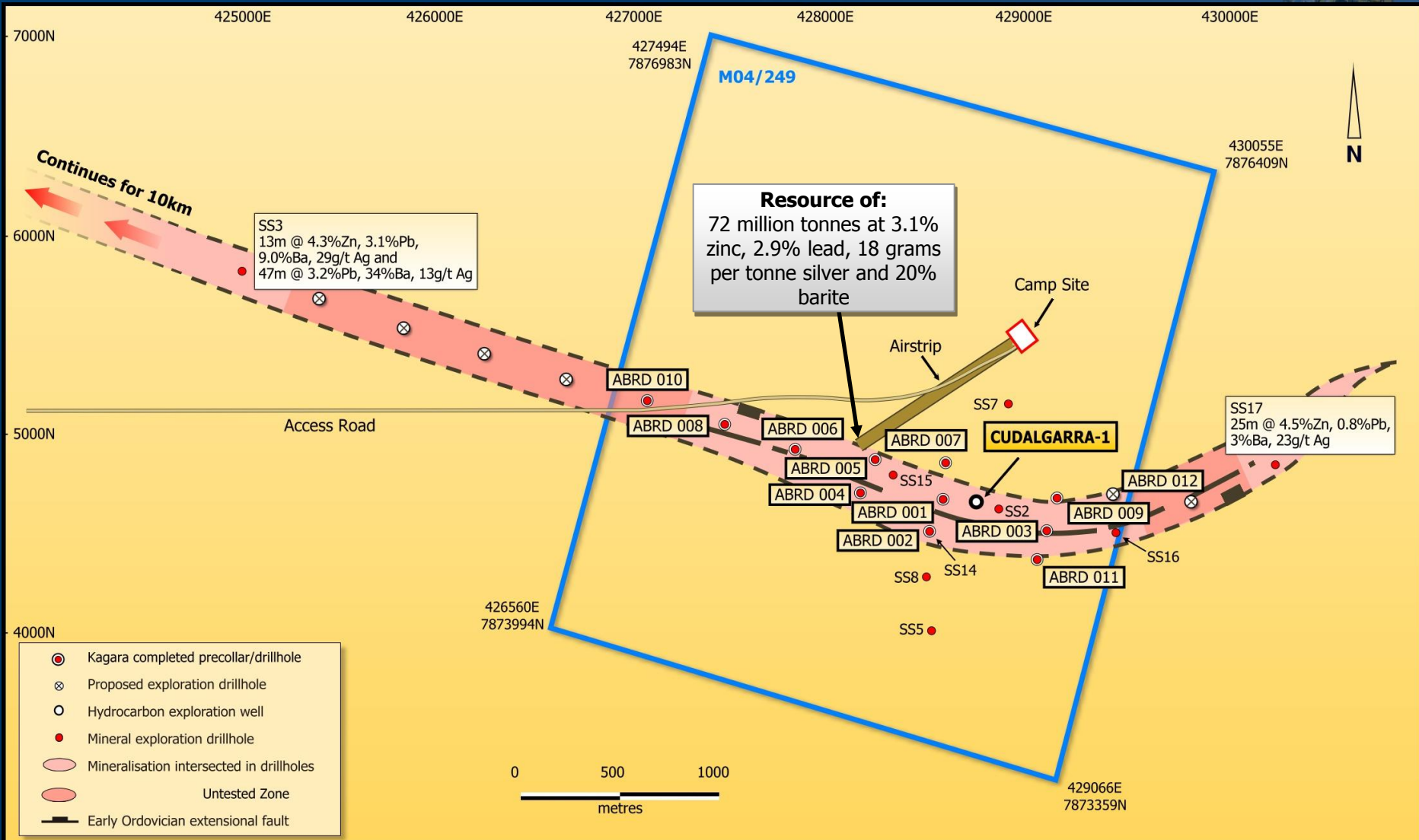


Admiral Bay

- Metallurgy completed demonstrating potential to produce premium, high quality coarse grained concentrates
- Geotech drilling completed
- Potential 3-10Mtpa operation producing up to 450,000tpa zinc, 350,000tpa lead, 7.5Mozpa silver and 500,000tpa barite
- Discussions to commence with potential Joint Venture partners



Admiral Bay





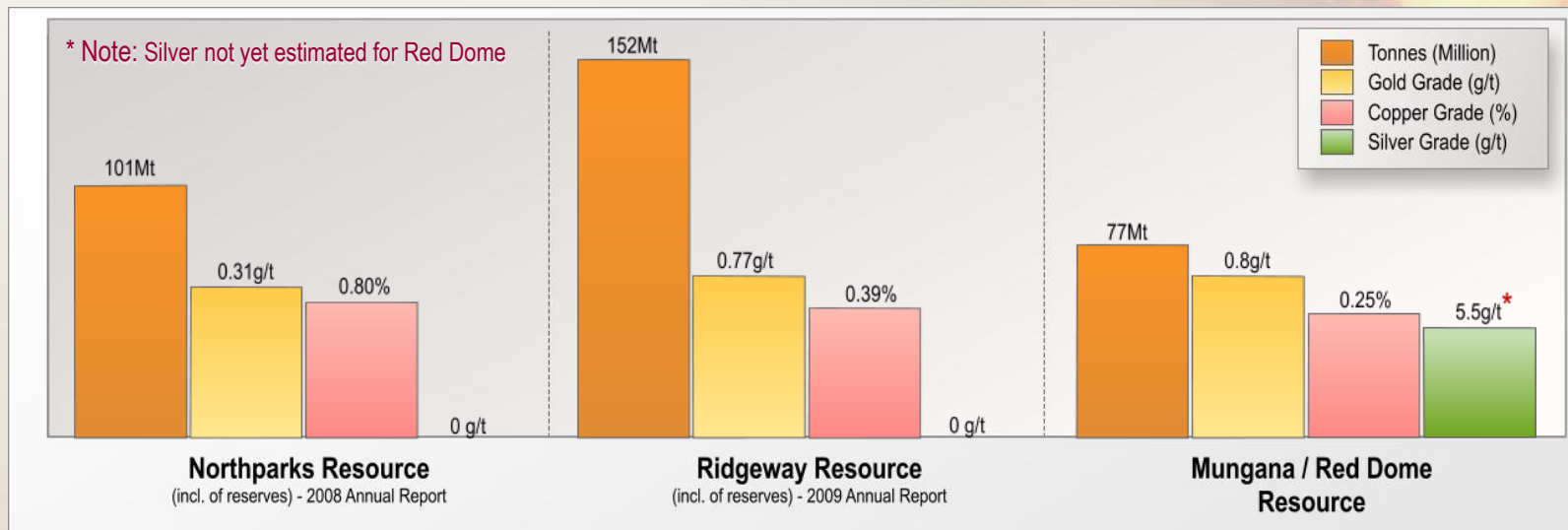
MUNGANA GOLDMINES

Unlocking the value of a world-class gold asset...



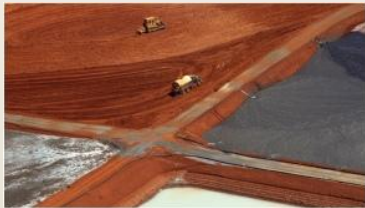
Unlocking the value...

- Gold assets intended to be transferred from Kagara into Mungana Goldmines Ltd (Mungana) prior to the IPO
- Kagara to retain a significant stake in Mungana
- Combined resources of 1.85Moz gold, 180,000t copper, 13Moz silver
- \$90M of decline and ancillary development already in place



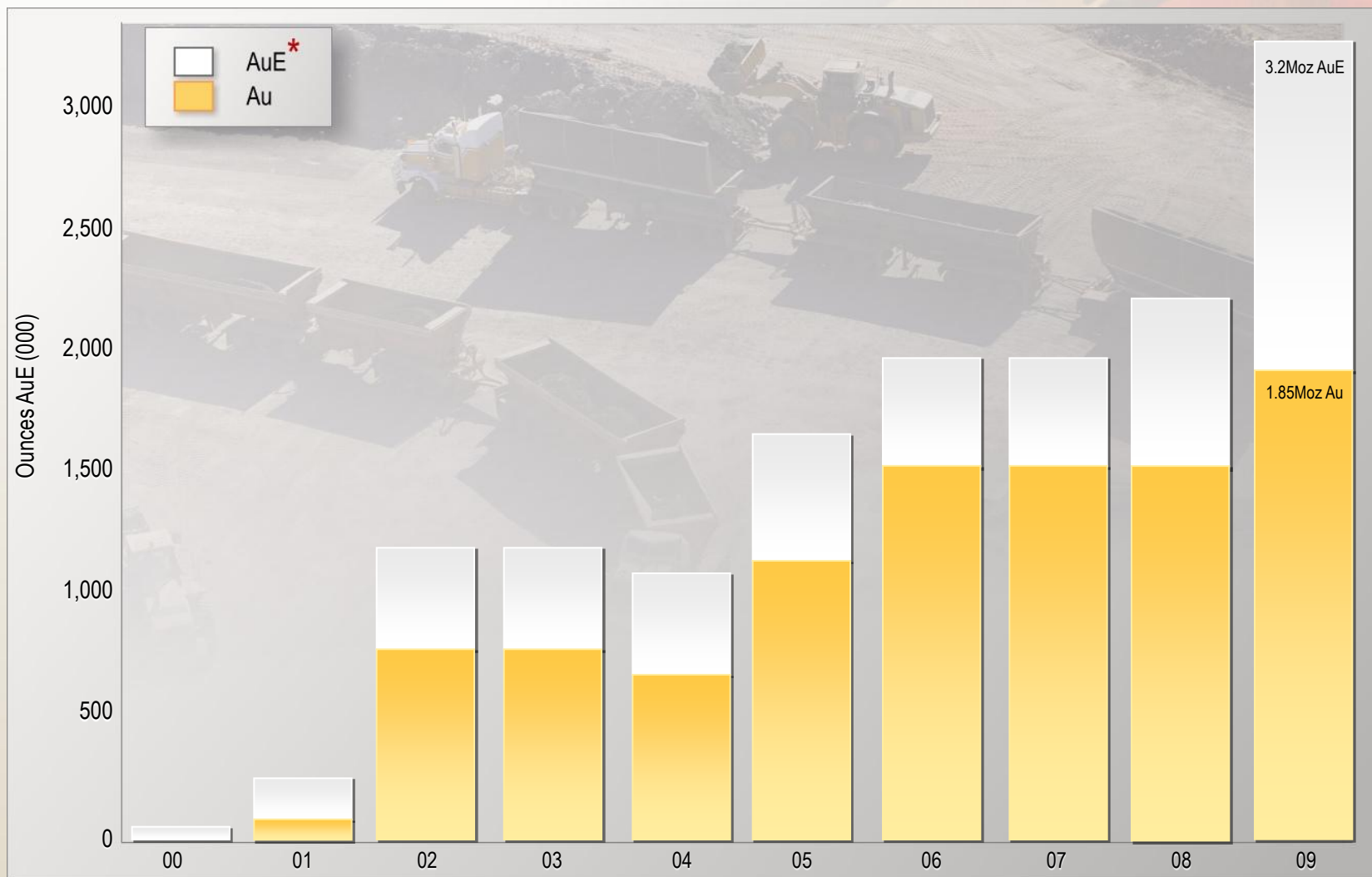
A Prospectus for the IPO of Mungana is expected to be lodged with the Australian Securities and Investments Commission (ASIC) in mid-March 2010. Investors wishing to acquire shares in Mungana Goldmines Ltd will need to complete the application form that will be in or will accompany the Prospectus. Any further information about the IPO will be contained in the Prospectus and a copy of that Prospectus may be obtained after it has been lodged. Applicants will need to consider the prospectus in deciding whether to acquire shares in Mungana Goldmines Ltd. Legal restrictions prevent us making any further announcements about the IPO until the Prospectus is lodged with ASIC.

Gold Assets



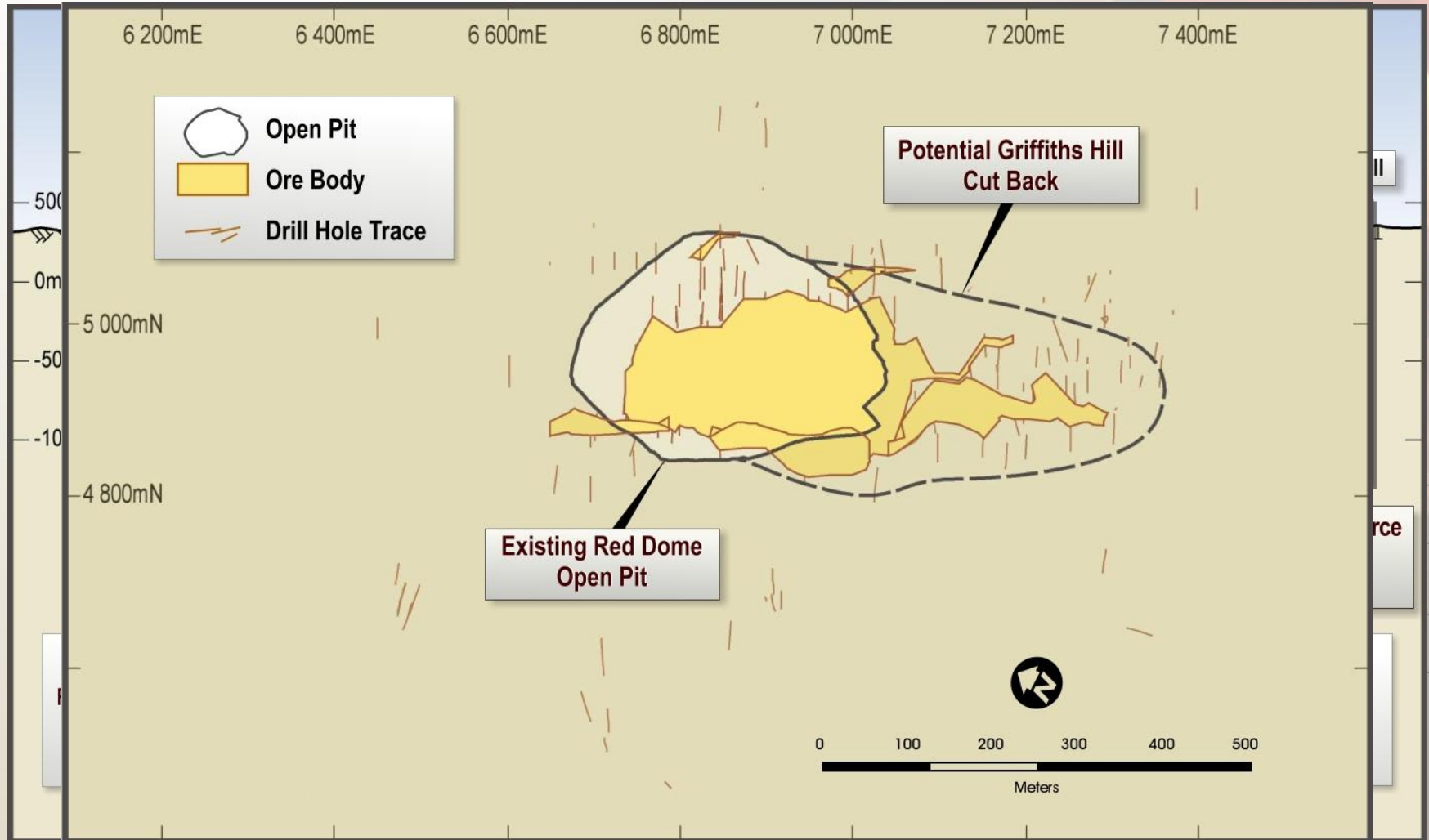
- Mungana – Red Dome – Victoria porphyry gold deposits
- Combined resources of 1.85Moz gold, 180,000t copper, 13Moz silver
- Gold Resources: 77Mt @ 0.8g/t Au, 0.25% Cu, 5.5g/t Ag
- Red Dome total Measured, Indicated and Inferred Resource of 40.1Mt @ 0.79g/t Au, 0.30% Cu
- Mungana Indicated and Inferred Resource of 32.2Mt @ 0.81g/t Au, 12g/t Ag, 0.19% Cu
- 26.0Mt of additional unclassified mineralisation across both deposits

Precious Metal Inventory

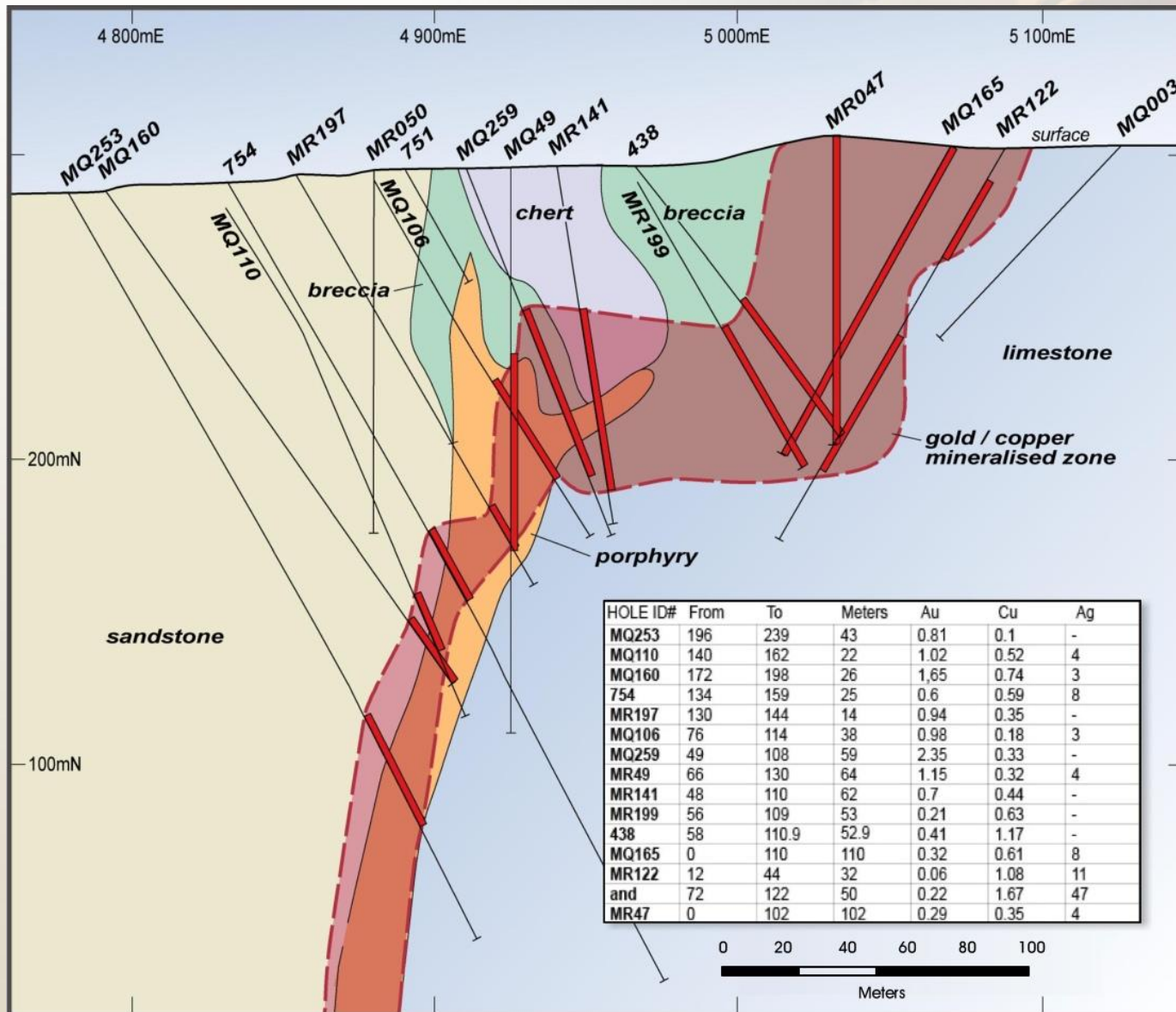


* Note: Gold equivalent (AuE) = $Au + (Cu \times 1.96) + (Ag \times 0.0158)$ where the grades are expressed as: AuEq – g/t, Au – g/t, Cu – %, Ag – ppm

Red Dome – Plan View and Schematic Section



Red Dome – Plan View and Schematic Section

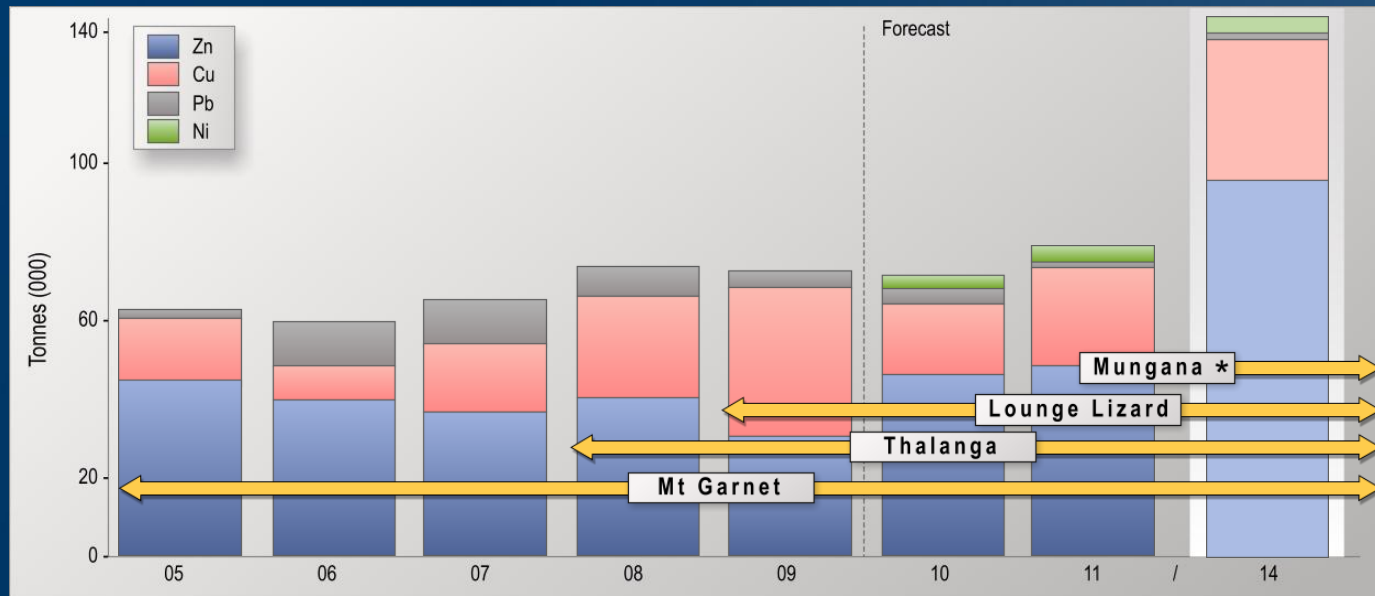


Base Metal Inventory



- A rapidly growing resource and reserve inventory...

Metal Production and Forecast



* Based on forecast US\$ 1.00 per lb zinc price and assumes 2nd base metal treatment facility in the Chillagoe region

- Potential to ramp up North Queensland base metal production as prices dictate
- Nickel production provides substantial source of additional cash flow and asset diversification
- Longer term growth options via Admiral Bay Zinc-Lead-Silver Project
- Kagara shareholders to receive priority entitlement to Mungana Goldmines IPO

Company Vision

- Kagara's vision is to build a diversified Australian resources group which is a leader in the low-cost production of copper, zinc, nickel and precious metals, delivering superior returns to shareholders...



Disclaimer

Competent Person's Statement

This report, so far as it pertains to ore and mineralisation, is based on information compiled by and as reported upon by Messrs Joe Treacy, Charlie Georgees, Brett Anderson, Scott Lindsay, Ian Morrison and Ian Hodgkinson, employees of Kagara Ltd who are members of the Australian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists and have over five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Messrs Treacy, Georgees, Anderson, Lindsay, Morrison and Hodgkinson consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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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.

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