

Recommissioning in the Murchison Goldfields

Investor Presentation
July 2011



Mount Magnet South NL

ASX:MUM

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Company Highlights

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▣ **Kirkalocka Gold Project**

- JORC Resource of 360,000oz Au
- All infrastructure in place including refurbished 1.2Mtpa CIP/CIL processing plant
- Feasibility Study nearly complete
- Minimal working capital requirement
- Production in early 2012 at target rate of 40,000oz per annum

▣ **Strong Board & Management**

- Board with proven talent for developing listed resource companies
- Very experienced project and corporate management team

▣ **Strong Gold Market Fundamentals**

- Robust fundamentals in a bullish gold market
- Equigold NL ceased mining in October 2005 at a gold price of US\$420 per ounce versus the current price of +US\$1,550 per ounce

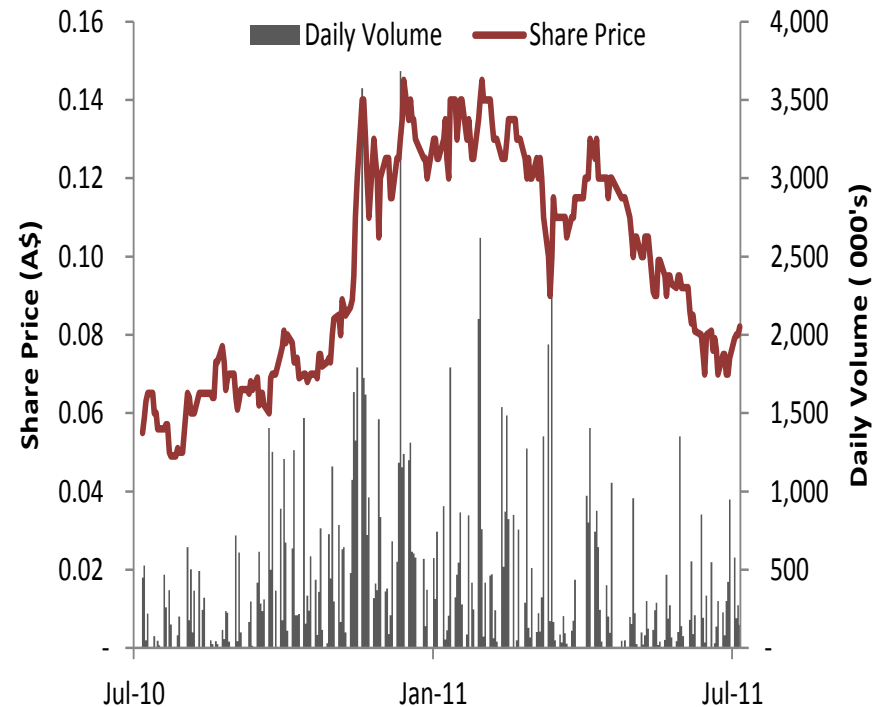


Corporate Information

Capital Structure

Fully Paid Ordinary Shares	238,869,001
Total Options on Issue	9,750,000
Director & Management Performance Shares	13,499,998
Convertible Notes on Issue A\$0.10 expiring 27 November 2012	10,000,000
Fully Diluted Shares	270,619,001
Top 40 Holding	53.8%
Share Price (as at 15 July 2011)	A\$0.083
Fully Diluted Market Capitalisation	A\$22.5M
Cash @ 30 June 2011	A\$750k

Share Price Performance



Management

Proven development experience in the resource sector

Matt
Shackleton
Managing
Director

- Chartered Accountant 17 years experience in finance, corporate and general management
- Oversaw acquisitions of the Kirkalocka Gold Project and Processing Plant
- Led development of the Kirkalocka Gold Project and recommissioning of the Processing Plant

Graham
Howard
General
Manager
Projects

- Very experienced +20 years Project Geologist
- Former Director of Projects at Newcrest Mining Limited
- Led development of Newcrest Mining Limited's flagship project, the 770,000oz per annum Telfer Gold Mine
- Managed Boddington Gold Project's feasibility study for Newcrest (Australia's largest open cut gold mine with annual production of over 700,000oz)



Experienced Board Members

Proven board members with substantial experience

Reg Gillard
Non-Executive
Chairman

- Highly respected resource company executive with 30 years experience in corporate finance, management and governance
- Current Non-Executive Chairman of Perseus Mining Limited - a gold producer that has grown from a market cap. of A\$3.5M to A\$1.2B in 7 years
- Former Chairman of Moto Goldmines Limited - involved in the acquisition of Moto Gold deposits in the DRC, which now has over 20Moz Au. Moto taken over by Randgold Resources Limited and AngloGold Ashanti for C\$546M
- Former Chairman of Mt. Edon Gold Mines Pty Ltd prior to its joint takeover by Camelot Resources NL and Canada's Teck Corporation for A\$200M

Mark Pitt
Non-Executive
Director

- Experienced +40 years mining engineer has been involved in mine management, planning and permitting, financing and feasibility studies
- Former COO and Director for Dioro Exploration NL prior to takeover by Avoca Resources Ltd (Alacer Gold Corporation - market cap. of C\$2.3B)
- Former General Manager of Operations for Saracen Mineral Holdings (ASX gold producer with 100koz production per annum)



Experienced Board Members

Proven board members with substantial experience

Patrick Flint

Non-Executive
Director

- Experienced company director 17 years in project acquisitions, joint venture negotiations and management
- Former CFO for Moto Goldmines Limited - heavily involved in the acquisition and exploration of the Moto Gold deposits in the DRC
- Currently holds directorships in a number of ASX listed resource companies
- Instrumental in bringing Tiger Resources Ltd's DRC copper projects to production (current mkt. cap. A\$325M)

Colin Chenu

Non-Executive
Director

- Experienced 24 years corporate & contracts lawyer
- Partner in high profile Perth litigation practice, Bennett & Co.



Kirkalocka Project Fly Through

- Video available at mountmagnet.com.au

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Kirkalocka Gold Project Location & Overview

Kirkalocka Gold Project

- 600km north of Perth on sealed highway
- Tenements cover approximately 500km² in the Murchison Goldfields (Australia's 2nd richest gold producing region)
- All infrastructure in place including 1.2Mtpa CIP/CIL processing facility
- MMS acquired the Kirkalocka Gold Project from Equigold in April 2008



Project History

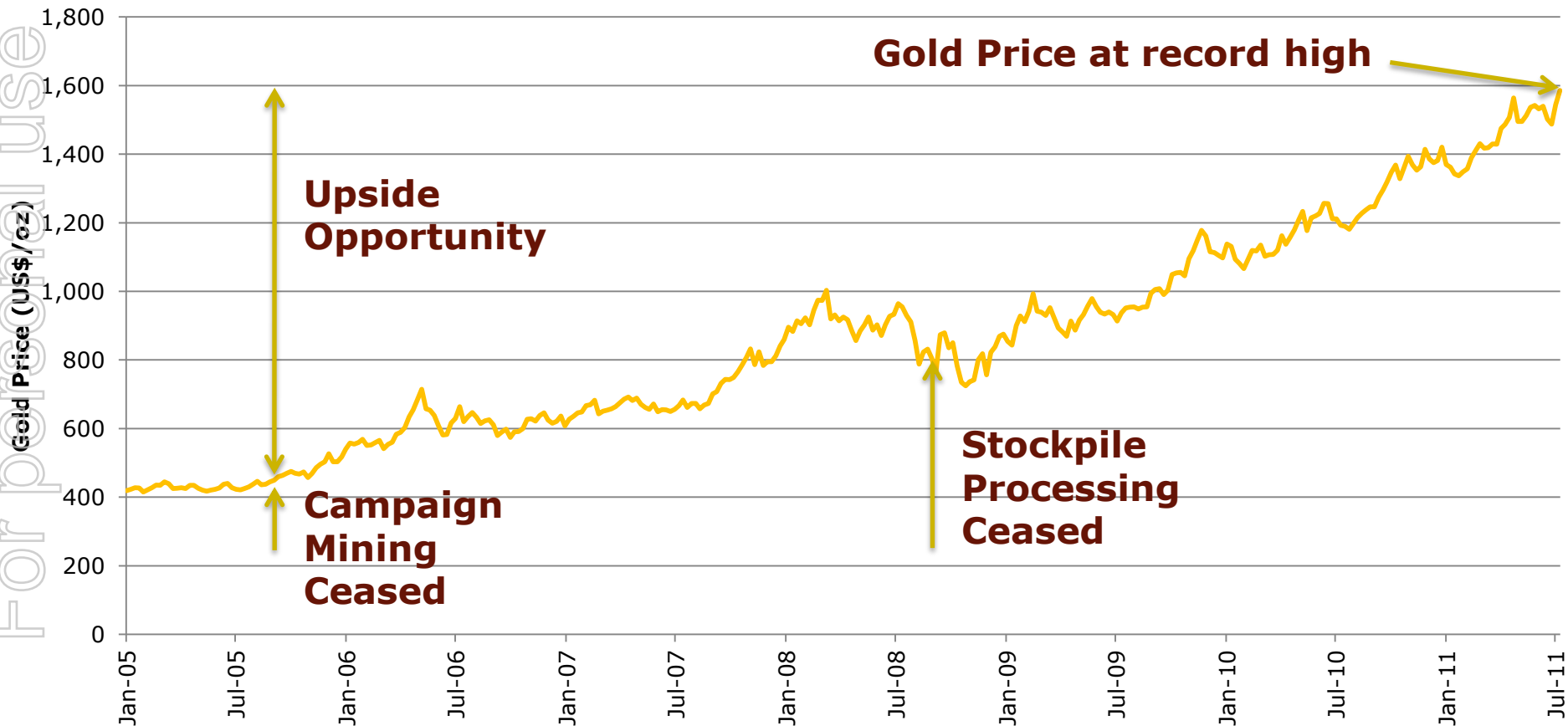
- ❑ Equigold NL campaign mined the Curara Well open pit from October 2002 until October 2005
- ❑ Equigold ceased stockpile processing August 2008
- ❑ Equigold's average grade was 1.46g/t Au with LOM cash costs of A\$380 per ounce
- ❑ MMS acquired the Project in April 2008 then the Plant in May 2009



Project History and Gold Price

Campaign mining ceased in October 2005 with gold trading at ~US\$420 per ounce – current price ~US\$1,585 per ounce

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Kirkalocka Processing Plant Recommissioning Project

Existing CIP/CIL processing facility, camp & airstrip

- ❑ On care and maintenance since August 2008
- ❑ Existing fully functional 2.6MW power station
- ❑ 1.2Mtpa nameplate capacity (@ 1.2 g/t Au equates to ~45k oz per annum)



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Kirkalocka Processing Plant Recommissioning Project

Recommissioning Project

✓ **Commenced in April 2011**

✓ **90% completed**

✓ **Minor installation and electrification work to complete**

✓ **1 month ramp-up period required to bring the plant to full capacity**

✓ **Fully commissioned by end of 2011**

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JORC Resource & Ore Reserve

New Resource of 360,000 oz (announced 27 June 2011)

Category	Tonnage (t)	Au Grade (g/t)	Contained Gold (Oz)
Indicated	7,100,000	1.2	270,000
Inferred	3,000,000	0.9	90,000
TOTAL	10,100,000	1.1	360,000

- ❑ Extensive drilling program planned to increase JORC Resource (PFS)
- ❑ Ore Reserve estimation underway – Expected to be released in September 2011 (PFS)



Project Feasibility Study (PFS)

Project Feasibility Study underway to achieve -

❑ Increased JORC Resource

- Further infill drilling and exploration of near mine targets (< 2kms from the Plant)

❑ Ore Reserve estimate

❑ Metallurgical testing to achieve optimum processing circuit configuration (historically >92% recovery)

- Gold beneficiation via CIP/CIL and gravity concentration
- Heap leaching option being investigated to treat low grade ore

❑ Optional Infrastructure Development

- Improve process flow at the mill to enhance recovery and reduce costs

MMS acquired 6 years of historical mining and production data in 2008 significantly reducing the technical risk in the PFS



Extensive Drilling Program

Resource growth targets

- ❑ **Stage 1 – *Nearing completion***
 - 2,700m RC/Diamond drilling program
- ❑ **Stage 2**
 - 4,000m infill RC drilling to increase Indicated Resources
- ❑ **Stage 3**
 - New exploration

Mine life is expected to increase with further delineation of resources and reserves



Licensing & Permitting

Low-permitting risk as Kirkalocka was producing gold only 3 years ago

□ Environmental Licensing

- License to operate currently in place
- Application to amend to be made on conclusion of PFS

□ Water Licensing

- License to draw water currently in place
- Application to amend to be made on conclusion of PFS

□ Mining Proposal and Project Management Plan

- Targeting submission < November 2011

Kirkalocka is expected to be fully permitted by 1Q 2012



Production Target*

Gold production expected to commence in early 2012

- ❑ A\$700 per ounce operating cash cost at project start up
- ❑ LOM operating cash costs of A\$850 – A\$950 per ounce
- ❑ Annual production of 40,000 ounces
- ❑ 3 – 5 year mine life
- ❑ Extensive drilling program provides significant upside potential
- ❑ Heap leaching option expected to further reduce operating cash costs

Post PFS working capital of approximately A\$6M required to commence production

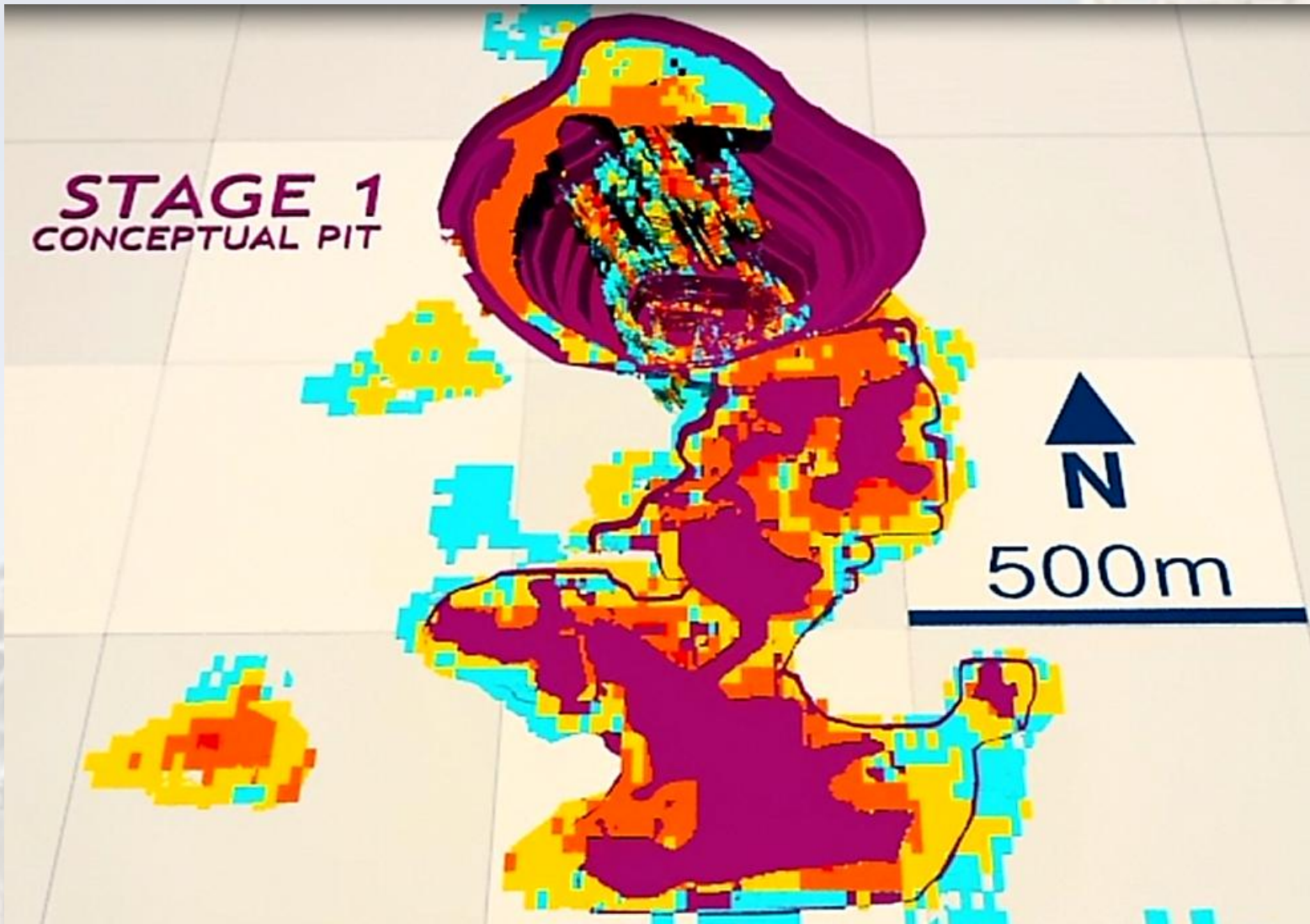
Approximately A\$9M if heap leaching is implemented

*All production targets quoted are conceptual in nature



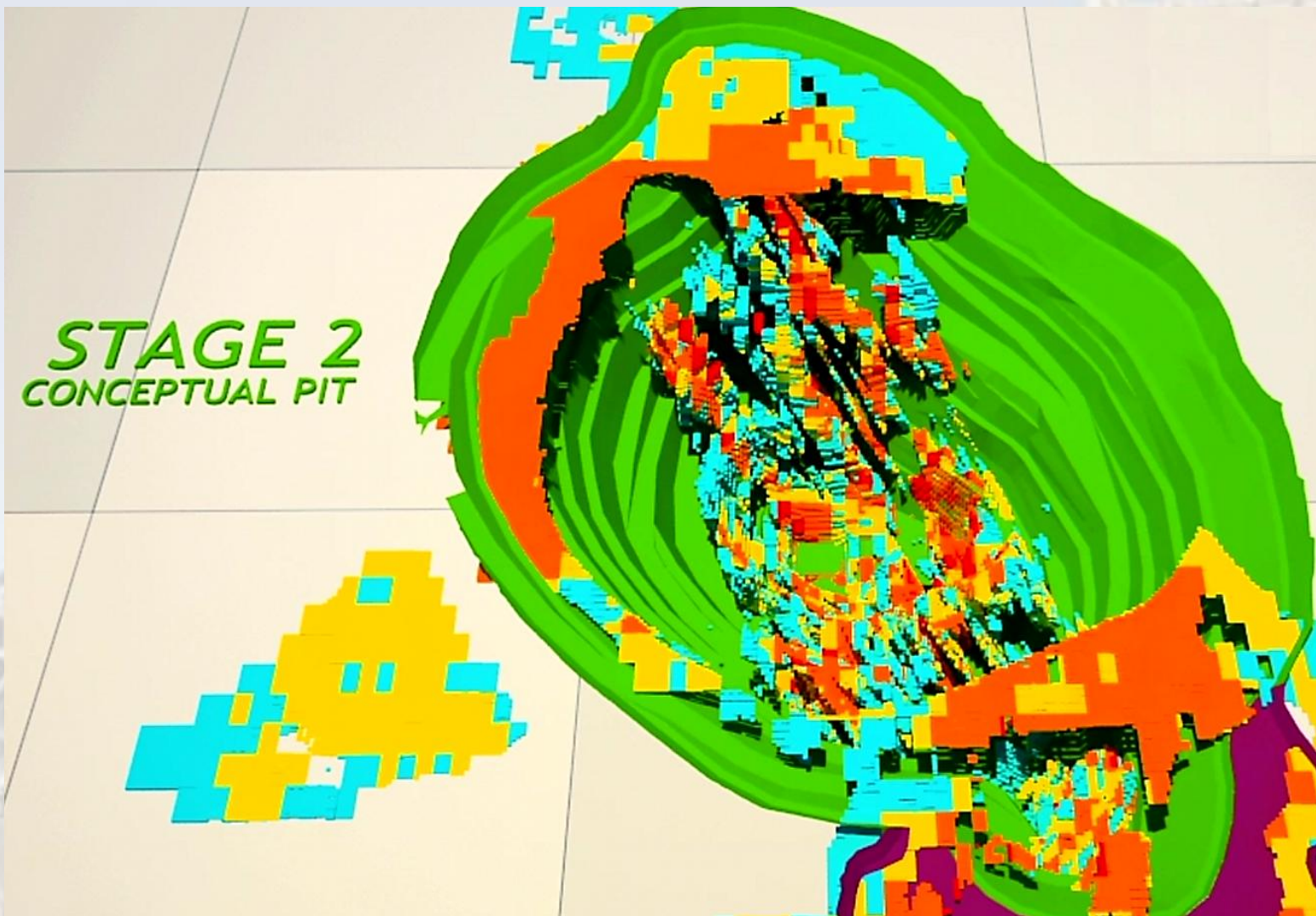
Conceptual Pits

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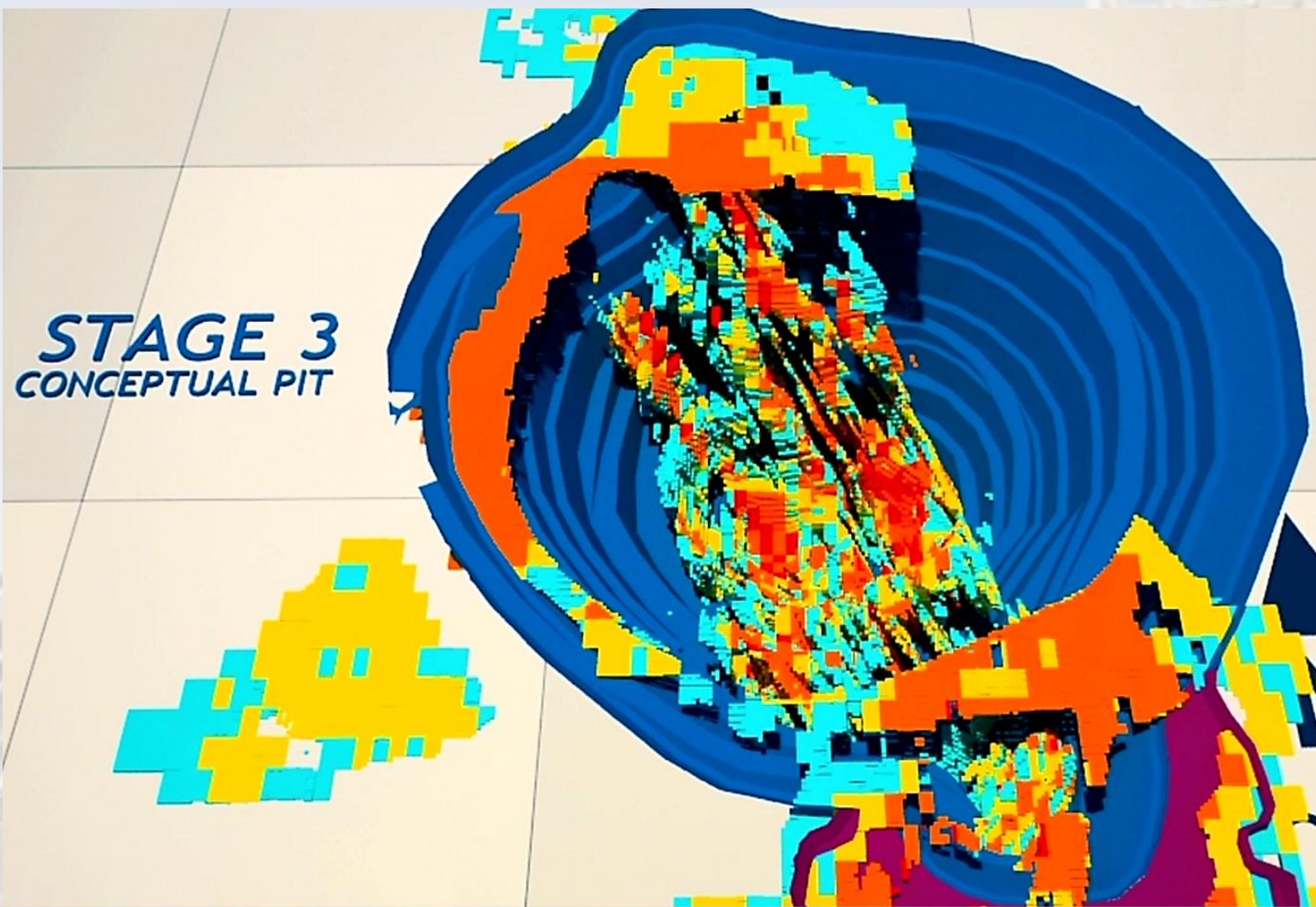
Conceptual Pits

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Conceptual Pits

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Kirkalocka Catalysts

Sep
2011

- Ore Reserve
- Metallurgical Testing

Oct
2011

- Completion of Feasibility Study

Nov
2011

- Submit Mining Proposal & Project Management Plan
- Submit Environmental and Water License Amendment Applications

Dec
2011

- Commission Kirkalocka Plant

Q1
2012

- Commence Production

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Concluding Remarks

- ❑ JORC Resource of 360,000oz with a high Resource-to-Reserve conversion expected
- ❑ Feasibility study nearing completion
- ❑ All required infrastructure available including
 - 1.2Mtpa CIP/CIL processing facility
 - Power house
 - Fully functional camp
 - Airstrip
- ❑ Approximately A\$6-9M CAPEX required to recommence production targeting 40,000oz per annum
- ❑ Drilling program targeting near surface high grade mineralisation to increase overall head grade, extend mine life and reduce operating cash cost

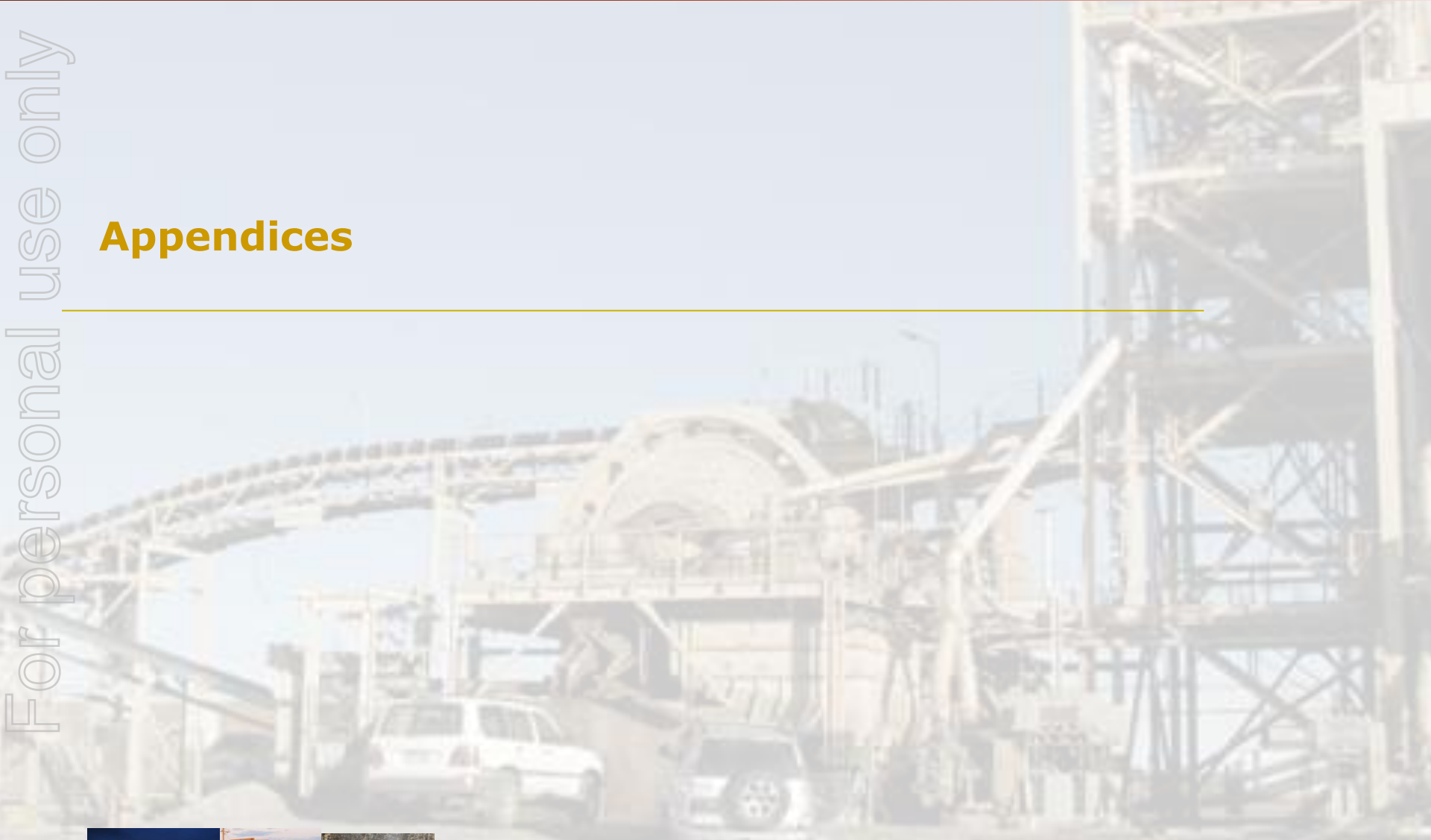
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Appendices



Existing Processing Facility

Crushing Circuit



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Existing Processing Facility

2.6MW Power House



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Existing Processing Facility

1.4MW SAG Mill



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Existing Processing Facility

Refurbished Leach Tanks



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Existing Infrastructure

80-man camp



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Existing Infrastructure

Airstrip & Tailings Storage Facility



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Competent Person Statement

The resource estimate was completed under the overall supervision and direction of Graham Howard, MAusIMM, who is a full time employee of Mount Magnet South NL. Graham Howard has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves (JORC, 2004). Graham Howard consents to the inclusion in this report of the matters based on the information in the form and context in which it appears. Mineral Resource estimate at the Kirkalocka Project's Curara Well deposit, which is reported in accordance with the JORC code.

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