

7 November 2014

Company Announcement Office
Australian Stock Exchange Ltd
4th Floor, 20 Bridge Street, Sydney NSW

Conversion of Tranche A Convertible Notes

Mungana Goldmines Ltd (ASX: MUX) ("the Company") today issued 76,283,233 ordinary shares on conversion of the tranche A convertible notes which were issued to Kagara Ltd (In Liquidation) ("KZL") and Mungana Pty Ltd (In Liquidation) ("MPL") as part of the consideration of the assets acquired by the Company from KZL and MPL ("the Notes"). The issues of the Notes were approved by members at the extraordinary general meeting held on 24 July 2014.

In accordance with the asset sale agreement and associated documents, the Notes automatically converted today at a conversion price of \$0.10 per share. As noted above, the Company has issued the following ordinary shares:

- 27,130,000 shares on conversion of Notes held by KZL;
- 47,870,000 shares on conversion of Notes held by MPL;
- 464,188 shares in satisfaction of accrued interest on Notes held by KZL; and
- 819,045 shares in satisfaction of accrued interest on Notes held by MPL,

(together the "New Shares").

The New Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth).

In accordance with the requirements of, and pursuant to section 708A(5)(e) of the Corporations Act, the Company gives notice and confirms that:

- the New Shares are part of the class of ordinary shares quoted on the ASX;
- as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company and section 674 of the Corporations Act; and
- it is not aware of any excluded information within the meaning of sections 708A(7) and 708A(8) of the Corporations Act.

An Appendix 3B in relation to the issue of the New Shares was released to the market today.

For further information please contact Joe Treacy on 0428 600 121.