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

ASX code: MUX

MUNGANA APPOINTS TONY JAMES AS MANAGING DIRECTOR AND CHRIS NEWMAN AS GEOLOGY MANAGER

Highly experienced Australian mining executives to spearhead the evaluation and development of Mungana's high-grade King Vol zinc deposit in Queensland

Mungana Goldmines Limited (ASX: MUX) is pleased to announce the appointment of experienced Australian mining executives Mr Anthony (Tony) James as Managing Director and Mr Chris Newman as Geology Manager to lead the Company's North Queensland zinc and base metals development strategy.

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 resulted in the recent successful merger of Mutiny Gold and Doray Minerals (ASX: DRM). The merger was completed by way of an off-market takeover by Doray, 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 Operations in Western Australia.

Before joining Avoca, Mr James 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 at 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 Operations.

Prior to joining Avoca, Mr Newman worked in a number of senior geological and management roles at WMC and BHP Billiton.

Mungana Goldmines Ltd

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In welcoming the appointments, Mungana's Chairman, John Fitzgerald, said the Company was delighted to have secured a strongly-credentialed executive team with the experience, hands-on capability, drive and enthusiasm to oversee the development of its North Queensland base metal assets.

"Tony has an outstanding track record which has seen him play an instrumental role in the growth and success of a number of junior and mid-tier miners, culminating recently in a brief but highly successful stint as Managing Director of Mutiny Gold until its recent takeover by Doray Minerals," Mr Fitzgerald said.

"Tony and Chris are the ideal team to drive our zinc assets in North Queensland, enabling Mungana to make the transition from explorer to producer in the near term while continuing exploration of the very prospective Chillagoe field," he said.

"These appointments complete the board and management renewal process at Mungana which began last year following our \$15 million acquisition of the Chillagoe base metal assets from the Liquidators of Kagara. This portfolio includes what we believe to be one of the best undeveloped high grade zinc projects in Australia in King Vol, which is located just 25km from a partially completed base metals concentrator.

"We look forward to advancing this asset, and our broader North Queensland base metals strategy, under Tony's stewardship and drawing on Chris's extensive geological expertise – putting us firmly on track to become a substantial player in the North Queensland zinc and base metals industry."

The material contractual terms of Mr James' appointment are set out below:

Term: 3 years

Total Fixed Remuneration (TFR): \$300,000 per annum plus statutory superannuation

Short Term Incentive: Maximum 50% of TFR

Long Term Incentive: Performance Rights subject to shareholder approval

Notice Period for Termination

By the Employee: 6 months

By the Company (Prior to production): 6 months

By the Company (Post production): 12 months

Maximum Termination Payment (Prior to production): 6 months TFR

Maximum Termination Payment (Post production) 12 months TFR

ENDS

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