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Market Announcements Office
ASX Limited
4th Floor, 20 Bridge Street, Sydney NSW

ASX code: MUX

Independent Expert says Auctus takeover offer is ‘not fair and not reasonable’ to Mungana shareholders

Offer price of 13.5c is well below Independent Expert’s valuation range of 24-31c a share

Mungana Goldmines (ASX: MUX) advises that the unsolicited takeover offer for the Company from Auctus Chillagoe Pty Ltd has been assessed by the Independent Expert’s Report (IER) to be not fair and not reasonable to Mungana shareholders.

The IER was undertaken by Grant Thornton Corporate Finance. The Independent Expert has assessed the fair market value for Mungana shares as being between 24.19 cents and 31.69c. This compares with Auctus’ offer of 13.5c a share.

Mungana’s Board has recommended shareholders reject the offer of 13.5c-a-share because the Directors believe it is opportunistic and materially undervalues the Company, its North Queensland mineral assets and their outstanding potential to generate strong growth for Mungana shareholders (see ASX release dated May 11, 2015).

“The offer price is at a discount between 44.2 per cent and 57.4 per cent compared with the low end and high end of our valuation range of MUX on a 100 per cent and control basis,” the Independent Expert said. “MUX shareholders accepting the takeover offer will forgo the opportunity to participate in the potential near-term growth prospects of the Company and they will receive less than fair market value for their shares.”

A full copy of the Independent Expert’s Report is contained in the Target’s Statement released to the ASX today.

ENDS

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