



Evolution
MINING

ABN: 74 084 669 036

Registered Office
Level 30
175 Liverpool Street
Sydney NSW 2022

P +61 2 9696 2900
F +61 2 9696 2901

www.evolutionmining.com.au

ASX Announcement

20 April 2015

EVOLUTION TO COMBINE WITH LA MANCHA AUSTRALIA TO FORM A LEADING GROWTH-FOCUSED AUSTRALIAN GOLD PRODUCER

Evolution Mining (ASX:EVN) ("Evolution") is pleased to announce that it has entered into a binding agreement with La Mancha Group International BV ("La Mancha") to acquire 100% of La Mancha's Australian operations ("La Mancha Australia"). Upon completion of the Transaction, La Mancha will be issued 322.024 million new fully-paid Evolution ordinary shares representing 31% of Evolution's enlarged share capital.

La Mancha Australia's operations include the high-grade Frog's Leg underground gold mine, the adjacent White Foil open-pit gold mine and the recently completed 1.5Mtpa Mungari CIL processing plant – all located in close proximity to Kalgoorlie in Western Australia. Combined annual production from La Mancha Australia's operations is in the range of 130,000 – 160,000 ounces of gold at an all-in sustaining cost (AISC)¹ of \$A950 – A\$1,000 per ounce.

Following completion of the Transaction, Evolution will have annual production of 530,000 – 600,000 ounces from six operations across Western Australia and Queensland, at a globally competitive AISC of \$A960 – A\$1,030 per ounce (US\$750 – US\$805/oz)².

The combination will result in La Mancha becoming Evolution's largest shareholder and long-term strategic partner. Both parties share a vision of working together to build on Evolution's track record of operational excellence and to create a globally-relevant Australian focused mid-tier gold producer. As a commitment to this strategic partnership, La Mancha has agreed to provide Evolution with an initial in-principle commitment of up to A\$100 million of additional capital to assist in funding further value accretive growth opportunities.

Transaction Highlights

- La Mancha Australia's high quality integrated operating assets provide a strong strategic fit with Evolution's long term objective of pursuing value accretive acquisition opportunities which improve the quality of the Group's asset portfolio
- La Mancha Australia's assets will contribute immediate production of 130,000 – 160,000 ounces per annum at an AISC of A\$950 – A\$1,000 per ounce³, generating strong cash margins with limited future capital expenditure requirements
- Significant enhancement to Evolution's existing production base and cash flow, increasing combined group production to 530,000 – 600,000 ounces per annum from six operations across Western Australia and Queensland at a globally competitive AISC of A\$960 – A\$1,030 per ounce (US\$750 – US\$805/oz).
- Ability to capture synergies and leverage Evolution's successful track record of optimising Australian operating assets through capital discipline, productivity improvements and cost reduction programmes
- Substantial exploration potential in La Mancha Australia's 340km² tenement package
- Formation of a long-term strategic partnership with La Mancha, as a significant shareholder, to support further value accretive growth initiatives

¹ AISC (All-in Sustaining Cost) includes C1 cash cost, plus royalty expense, sustaining capital expense, general corporate and administration. Calculated on a per ounce produced basis.

² Using a spot AUD:USD on 17 April 2015 exchange rate of US\$0.779

³ Estimated annual production and costs based on current Life of Mine plans

For personal use only

- Shared vision between Evolution and La Mancha to build an Australian mid-tier gold producer with the scale and quality sought by global investors
- Increased financial capacity to strategically participate in industry consolidation through La Mancha's in-principle commitment of up to \$A100 million of additional capital for Evolution to fund further growth opportunities at a time when traditional sources of capital for mining investment are scarce

Evolution's Executive Chairman, Jake Klein, commented:

"This transaction is a major step towards realising Evolution's long-standing goal of creating a globally relevant Australian-focused gold producer. The La Mancha Australia assets are an excellent addition to our existing portfolio, and exactly the type of high-quality, low-cost producing assets that we have been seeking to acquire. They are also located in a highly prospective and strategically important region of Australia that offers significant upside exploration potential.

This transaction not only delivers a high quality asset into our portfolio but also partners us with a long term strategic shareholder who shares our vision - there can be no better evidence of this than La Mancha's in-principle commitment to invest a further A\$100 million to support our future growth."

La Mancha Group CEO, Sebastien de Montessus, commented:

"La Mancha is excited to be entering into a long-term strategic partnership with Evolution. Given our successful track record and confidence in the Australian gold industry our objective was to maintain our exposure to our operations, diversify our portfolio and identify a management team that could help us expand our footprint in Australia. After a careful strategic review, we felt Evolution was best placed to fulfil this ambition and we look forward to supporting the combined entity through the next exciting phase of its development.

This transaction has been made possible thanks to the achievements of our team in Australia over the past few years which has seen us significantly expand and optimise our operations. I would like to thank them for their contribution.

The establishment of our new Australian partnership will allow us to independently focus on achieving our strategic objective of creating a mid-tier producer in Africa. This strategy revolves around the expansion of our existing mine in Ivory Coast as well as our continued search for regional growth opportunities, where we see attractive value in the current environment."

Overview of La Mancha Australia

La Mancha Australia's operations comprise the Frog's Leg underground gold mine, the White Foil open-pit gold mine, the newly constructed Mungari CIL processing plant and a 340km² regional exploration portfolio.

The high-grade Frog's Leg underground gold mine is a high quality, long-life asset which has seen substantial capital investment since underground mining commenced in 2008. Evolution has identified a number of areas with the potential for optimisation and further value enhancement. Frog's Leg is located 20km directly west of Kalgoorlie, Western Australia. The mine is expected to produce in excess of 90,000 ounces per annum. As at December 2014, Frog's Leg had Mineral Resources⁴ (including Reserves) of 3.76 million tonnes grading 6.37g/t gold for 770,000 ounces and Ore Reserves⁴ of 2.53 million tonnes grading 5.46g/t gold for 443,000 ounces.

The long-life White Foil open-pit gold mine is located 2km to the west of the Frog's Leg gold mine. This low-risk, complementary asset was restarted in mid-2014 following the completion of the Mungari processing plant. White Foil produced 21,542 ounces of gold in the second half of CY2014. Annual production is expected to be in excess of 40,000 ounces. At December 2014, White Foil had Mineral Resources⁴ (including Ore Reserves) of 35.95 million tonnes grading 1.62g/t gold for 1,867,677 ounces at 1.62g/t gold and Ore Reserves⁴ of 6.79 million tonnes grading 1.55g/t gold for 338,000 ounces.

⁴ Full details of La Mancha's Mineral Resource and Ore Reserve estimates are provided on pages 6 to 32 of this report

Ore from both the Frog's Leg and White Foil gold mines is processed at the Mungari CIL processing plant, located on-site. The mill was completed in May 2014 and is a highly strategic asset, located in an active region with a significant gold endowment. The mill is performing strongly, with its current throughput of 1.6Mtpa in excess of nameplate capacity (1.5Mtpa). A modular plant design allows for future expansions.

Combined annual production from the La Mancha Australia operations is in the range of 130,000 – 160,000 ounces of gold at an AISC of A\$950 – A\$1,000 per ounce.

In addition to its operating assets, La Mancha Australia owns a relatively under-explored regional tenement package covering an area of approximately 340km².

Under the terms of the agreement, La Mancha must ensure that as at the later of 30 June 2015 and completion of the Transaction, La Mancha Australia has outstanding borrowings under its existing debt facilities of no more than A\$124 million, and a minimum cash and equivalents balance of A\$10 million. As at 1 July 2015, La Mancha Australia will have hedges in place covering 245,985 ounces of future gold production at an average price A\$1,600/oz through to December 2017.

Strategic Partnership

La Mancha and Evolution have a shared vision of building a major regional gold miner with the scale, operating profile and cash flow generation sought by global investors. The two companies believe that the combined group will be very well positioned to take advantage of future growth opportunities, especially in the current market environment.

As a future long-term strategic partner, La Mancha intends to support Evolution in the development and execution of its growth strategy. Consistent with this vision, La Mancha has provided Evolution with an initial in-principle commitment of up to A\$100 million of additional capital to take advantage of any value accretive growth opportunities that may present themselves. This additional capital may take the form of a pro-rata contribution to any potential future equity raisings by Evolution, or any other form of funding support as may be agreed between the parties. In addition, La Mancha will provide Evolution with technical support around operational and exploration activities.

La Mancha has also agreed to an equity lock-up on the Evolution shares that are issued to it as part of the Transaction for a period of 24 months following completion of the Transaction (subject to a number of exceptions).

La Mancha also has the right to participate in any new issues of shares in Evolution (subject to a number of exceptions) on the same terms as other participants in that share issue, up to such additional number of equity securities as is sufficient to enable La Mancha to maintain its ownership percentage in Evolution (subject to compliance with any shareholder or regulatory approvals that may be required for any such issue).

La Mancha will have a right to nominate the appointment of two representatives to the Evolution Board of Directors following completion of the Transaction (provided its shareholding remains above 20%). If La Mancha's shareholding in Evolution falls below 20% (but remains above 10%) after the Transaction, it will be entitled to nominate one representative to the Evolution Board.

Combined Group Assets Post Completion of the Transaction

- Six operating assets with expected combined annual production of 530,000 – 600,000 ounces at an AISC of A\$960 – 1,030 per ounce
- Gold equivalent Ore Reserves⁴⁵ of 3.4 million ounces and Mineral Resources⁴⁵ of 8.4 million ounces
- Tenement package of 5,289 km² in highly prospective ground in Australia

⁵ Full details of Evolution's Mineral Resource and Ore Reserve estimates are provided in the report entitled "Annual Mineral Resources and Ore Reserve Statement 2013" released to ASX on 25 June 2014 and is available to view on www.evolutionmining.com.au. An extract of this is provided on pages 13 to 15 of this release

- For personal use only
- Total net debt position of A\$163.5 million⁶
 - Total forward sales of 552,805 ounces at an average price of A\$1,564 per ounce which equates to approximately 30% – 35% of production through to June 2018
 - A\$11.8 million of franking credits expected to be available

Timetable and Next Steps

The Transaction is subject to a number of conditions, including Evolution shareholder approval of the Transaction for the purpose of section 611 (item 7) of the Corporations Act 2001 (Cth) and approval by Australia's Foreign Investment Review Board. For a full list of the conditions, please see the agreement which will be released separately following this announcement.

Evolution shareholders will receive an Explanatory Memorandum including a Notice of Meeting and independent expert's report for an Extraordinary General Meeting of Evolution that is expected to be held in early July 2015.

The Explanatory Memorandum will contain details of the Transaction (including details of the issue of Evolution shares to La Mancha as consideration under the Transaction), which will be effected via the acquisition by Evolution of all of the shares in Toledo Holdings (Ausco) Pty Ltd, the holding company of La Mancha Australia, from La Mancha Group International BV (a wholly owned subsidiary of La Mancha).

The Evolution Board unanimously recommends that Evolution shareholders approve the Transaction, in the absence of a superior proposal and subject to the conclusion of the independent expert.

The Transaction is currently expected to complete in July 2015.

Advisers

Evolution is being advised by Herbert Smith Freehills.

La Mancha is being advised by Rothschild and Allens Linklaters.

Conference Call and Live Audio Stream

Evolution's Executive Chairman, Jake Klein, and La Mancha's Chief Executive Officer, Sebastien de Montessus, along with Evolution's Finance Director and Chief Financial Officer, Lawrie Conway and VP Business Development and Investor Relations, Aaron Colleran, will host a conference call to discuss this announcement at 11.00am (Sydney time) **today**. Access details are provided below.

Shareholders – Live Audio Stream

A live audio stream of the conference call will be available on Evolution's website www.evolutionmining.com.au. The audio stream is 'listen only'.

The audio stream will also be uploaded to the website shortly after the conclusion of the call and can be accessed at any time.

⁶ As at 30 June 2015 based on current projections

Analysts and Media – Conference Call Details

Conference call details for analysts and media includes Q & A participation. Please dial-in five minutes before the conference starts and provide your name and the Participant PIN Code.

Dial-in numbers:

- Australia: 1800 268 560
- International Toll: +61 2 8047 9300

Participant PIN Code: 974821#

For further information please contact:

Investor Enquiries

Bryan O'Hara
Investor Relations Manager
Evolution Mining Limited
Tel: +61 2 9696 2900

Media Enquiries

Michael Vaughan
Media Relations
Cannings Purple
Tel: +61 8 6314 6300

About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. The Company operates five wholly-owned mines – Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia.

Group production for FY14 totalled 427,703 ounces gold equivalent at an All-In Sustaining Cost of A\$1,083/oz.

FY15 production guidance from its five existing operating assets is 400,000 – 440,000 ounces gold equivalent at All-in Sustaining Cost in the range of A\$1,050 – A\$1,130/oz.

About La Mancha Group

La Mancha is a privately held international gold producer with operations in Australia, Côte d'Ivoire and, until recently, Sudan.

In addition to the La Mancha Australia operations, La Mancha also operates the Ity gold mine in Côte d'Ivoire (55% interest) and has recently sold its 44% interest in the Hassai open pit mine in Sudan.

La Mancha was privatised in 2012 by the Sawiris family, a prominent Egyptian family. Through the Orascom Group, the Sawiris family is active across various sectors and businesses, ranging from construction and fertilisers to real estate and telecommunications in addition to resources.

Under the Sawiris family ownership, La Mancha has expanded its operations in each key jurisdiction and is on track to achieve the group's target of +500,000 gold equivalent ounces of attributable production.

Competent Person statement – La Mancha

The information in this report that relates to White Foil and Frog's Leg Mineral Resources is based on information compiled by Mr James Potter, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, and is a full-time employee of La Mancha. Mr Potter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Potter consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to White Foil and Frog's Leg Ore Reserves is based on information compiled by Mr Matthew Varvari, a Competent Person who is a member of the Australian Institute of Mining and Metallurgy and is a full-time employee of La Mancha. Mr Varvari has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaken to qualify as a Competent Person as defined in the JORC Code 2012. Mr Varvari consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Competent Person statement – Evolution

The information in this announcement that relates to Evolution's Mineral Resources and Ore Reserves is extracted from the report entitled "Annual Mineral Resources and Ore Reserves Statement" created on 25 June 2014 and is available to view at www.evolutionmining.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

The Company is currently in the process of completing the estimation of its Mineral Resources and Ore Reserves as at December 2014 and expects to be able to release an updated MROR Statement in early May 2014.

Important notice

This announcement has been prepared by Evolution and La Mancha International BV (or "La Mancha"). However, no representation or warranty expressed or implied is made as to the fairness, accuracy, correctness, completeness or adequacy of any statements, estimates, opinions or other information contained in these materials. To the maximum extent permitted by law, Evolution and La Mancha, their directors, officers, employees and agents disclaim liability for any loss or damage which may be suffered by any person (including because of negligence or otherwise) through the use (directly or indirectly) or reliance on anything contained in or omitted from this announcement. Evolution is responsible for the information relating to Evolution and its assets and La Mancha is responsible for the information relating to La Mancha's Australian assets (or "La Mancha Australia").

This announcement may include forward looking statements about Evolution or La Mancha Australia. To the extent that this announcement contains forward looking information, the forward looking information is subject to a number of risk factors, including those generally associated with the gold industry. Any such forward looking statement also inherently involves known and unknown risks, uncertainties and other factors that may cause actual results, performance and achievements to be materially greater or less than estimated. These factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which Evolution and La Mancha Australia operate or may in the future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation. Any such forward looking statements are also based on current assumptions which may ultimately prove to be materially incorrect. Readers should not rely on this announcement as a forecast by Evolution or La Mancha.

Material Information Summaries

A Material Information Summary pursuant to ASX Listing Rules 5.8 and 5.9 is provided below for the Frog's Leg and White Foil deposits together with commentary on the December 2014 Mineral Resources and Ore Reserves statements. The Assessment and Reporting Criteria in accordance with JORC Code 2012 is presented in Appendix 1.

1.0 FROG'S LEG

The December 2014 Frog's Leg Mineral Resource estimate is 3.76Mt at 6.37g/t gold for 770koz ounces. This mineral resource estimate has not been previously reported to the ASX.

Frog's Leg Mineral Resources - December 2014												
Mineral Resource	Measured			Indicated			Inferred			Total Resource		
	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)
Frog's Leg	1,467	7.11	335	1,820	6.18	362	465	4.83	72	3752	6.37	769
Stockpiles	10	4.38	1	-	-	-	-	-	-	10	4.38	1
Total	1,477	7.08	336	1,820	6.19	362	465	4.82	72	3,762	6.37	770

Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
Frog's Leg Mineral Resources have been reported above an indicative cut-off grade of 2.5 g/t of gold
Mineral Resources are reported inclusive of Ore Reserves

The December 2014 Frog's Leg Ore Reserve estimate of 2.53Mt at 5.46g/t gold for 443koz. This ore reserve estimate has not been previously reported to the ASX.

Frog's Leg Ore Reserves - December 2014									
Ore Reserve	Proved			Probable			Total Reserve		
	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (kt)	Grade Au (g/t)	Cont. Metal Au (koz)
Frog's Leg	1795	5.53	319	720.5	5.30	123	2515.5	5.46	442
Stockpile	10	4.38	1				10	4.38	1
Total	1,805	5.51	320	721	5.30	123	2,526	5.46	443

Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
Ore Reserves are reported above an indicative cut-off grade of 3.0 g/t gold for stoping and 0.8g/t gold for development

1.1 Frog's Leg Mineral Resources

1.1.1 Geology and Geological Interpretation

The Frog's Leg deposit is located in the southern portion of the Kundana mining area, 30km west of Kalgoorlie, within the Achaean Norseman-Wiluna greenstone belt of the Eastern Goldfields Province. The Kundana gold deposits are structurally related to the Zuleika Shear Zone, a regional NNW-trending shear zone that juxtaposes the Ora Banda domain to the east and the Coolgardie domain to the west. The Frog's Leg deposit is located on the sheared contact between the porphyritic "cat rock" (regionally known as the Victorious Basalt) and volcanoclastic rocks of Black Flag Beds.

1.1.2 Sampling and Sub-sampling

Numerous sample types were collected at Frog's Leg and used in resource estimations. Predominately these were Diamond Drill Core, face samples (hammer collection of development face samples) and Reverse Circulation (RC).

Sample intervals for drill core and face samples were determined by visual logging of lithology type, veining style/intensity and alteration style/intensity to ensure a representative sample was taken. Sampling lengths ranged from a minimum of 0.3m to a maximum of 1.0m with sampling completed across the full width of mineralisation. Historical surface diamond holes pre-2007 was sampled on a 1m basis only however these comprise a small proportion of the dataset. RC samples were collected on 1m interval with some first pass 4m composites present in the dataset.

Surface and underground resource drill core was halved with a core saw, with one half dispatched for analysis and the other half retained. All underground grade control LTK48 (35.3mm) and BQTK (40.07mm) was whole core sampled. RC samples were collected with a cyclone and 12.5% split was taken at the drill rig using a riffle or cone splitter.

Whole/half core samples were crushed in a jaw crusher and was split with a riffle splitter to obtain a <3.5kg sample for pulverising. Core and RC samples were pulverised in a LM5 bowl with a target of 85% passing 75µm. From this material approximately 200g was cut using a spatula for further analysis and the remaining material re-bagged and disposed after 2 months. Sample preparation for rock chip face samples were processed in the same way as diamond core.

1.1.3 Sample Analysis Methods

Predominately the samples were analysed by 30g, 40g or 50g Fire Assay for gold with Atomic Absorption (AAS) finish. Some historical methods use bottle roll or LeachWELL and screen fire assay has been occasionally used to QAQC purposes.

1.1.4 Drilling Techniques

A combination of drilling techniques was used across the Frog's Leg lodes, including RC, Diamond HQ/NQ (triple tube and standard), LTK48 and BQTK drilling. Identified uncertainty in the input data was considered when assigning resource categories to the blocks these holes informed.

1.1.5 Estimation Methodology

Geology (lithology, alteration and vein percent) along with gold grade were the principle controls for domaining which strongly influenced estimation. As the mineralisation at Frog's Leg is hosted by discrete structures, mineralisation was domained and in some cases sub-domained into various lithology-grade domains, forming hard boundaries. These boundaries were used to constrain samples for estimation of blocks within these domains.

Ordinary Kriging (OK) was the preferred method of estimation used for Frog's Leg Mineral Resources. In some cases other estimation techniques such as Inverse Distance were used where there were insufficient samples for OK. Variograms were generated using the composited drill-hole data, and search ellipses were orientated with the grade continuity identified by the variography.

1.1.6 Resource Classification

Resource categorisation was based on the confidence of the model, dependent but not limited to complexities relating to vein geometry and continuity, faulting, assay variability, data quality and associated QAQC. Drilling density also factored in the resource classification, with spacing varied across separate lodes and related to these complexities.

1.1.7 Cut-off Grade

The indicative Mineral Resource cut-off grade for Frog's Leg is 2.5g/t, based on mining methods and associated mining and processing costs. For the 2014 Mineral Resource estimate, a gold price of A\$1,350/oz was utilised.

1.1.8 Mining and Metallurgical Methods and Parameters and other modifying factors considered to date

See section 1.2.3 and 1.2.4 below.

1.2 Frog's Leg Ore Reserve

1.2.1 Material Assumptions for Ore Reserves

The underground Ore Reserve is based on several assumptions which include:

- current minimum mining widths
- geotechnical similarities to current mining areas
- historical costs base for estimation of operating and capital costs
- historical metallurgical performance

1.2.2 Ore Reserve Classification

Measured Mineral Resources that are within designed mining blocks and are above cut-off grade, have been converted to Proved Ore Reserves.

Indicated Mineral Resources that are within designed mining blocks and are above cut-off grade, have been converted to Probable Ore Reserves.

No measured Mineral Resource blocks has been downgraded to Probable Ore Reserve. No inferred resource blocks have been included in the Ore Reserve estimate.

1.2.3 Mining Method

Mining of the Frog's Leg ore bodies commenced in 2007. The mine planning parameters applied for the Ore Reserve are as per the previous Ore Reserve and are aligned to the long hole open stoping (LHOS) method which has been in production since 2008 at Frog's Leg. The Frog's Leg deposit is amenable to this mining method.

1.2.4 Processing Method

The ore is to be processed and blended with other ore sources through a traditional CIP/ CIL process plant that has a current rate of approximately 1.6Mtpa, in excess of nameplate capacity (1.5Mtpa). The current and estimated future recoveries for gold are 93.0%. A 6 year operating history of Frog's Leg supports the metallurgical parameters used in the Ore Reserve estimation.

1.2.5 Cut-off Grade

The Ore Reserve is reported at the following cut-off grades (fully diluted):

- 3.0 g/t Au for stoping
- 0.8 g/t Au for development

The cut-off grades for estimation of the Ore Reserves are derived from the 2015 Budget unit costs, averaged over the next two years (2015-2016) and a metal selling price of A\$1,350 /oz.

1.2.6 Estimation Methodology

See section 1.1.5 above.

1.2.7 Material Modifying Factors

There are no concerning material modifying factors that need to be highlighted with the Ore Reserve. All regulatory leasing, approvals, licensing, agreements and current infrastructure are in place, which considers this estimation higher than that of a Feasibility Study.

2.0 WHITE FOIL

The December 2014 White Foil Mineral Resource estimate of 35.95Mt at 1.62g/t gold for 1,867koz. This mineral resource estimate has not been previously reported to the ASX.

White Foil Mineral Resources - December 2014												
Mineral Resource	Measured			Indicated			Inferred			Total Resource		
	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
Open-Pit												
White Foil	-	-	-	18.69	1.35	813	3.74	1.08	129	22.43	1.31	942
Underground												
White Foil	-	-	-	6.72	2.07	447	6.35	2.26	462	13.08	2.16	909
Stockpile	-	-	-	0.44	1.16	16				0.44	1.16	16
Total	-	-	-	25.85	1.54	1276	10.09	1.82	591	35.95	1.62	1,867

Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
 White Foil Mineral Resources have been reported above a cut-off grade of 0.5g/t gold and White Foil underground reported above 1.2/t gold
 White Foil open-pit was reported as a global estimate above a nominal RL to reflect open pit mining methods
 White Foil underground deposit is reported as a global estimate
 Mineral Resources are reported inclusive of Ore Reserves

The December 2014 White Foil Ore Reserve estimate of 6.79Mt at 1.55g/t gold for 338koz. This Ore Reserve estimate has not been previously reported to the ASX.

White Foil Ore Reserves - December 2014									
Ore Reserve	Proved			Probable			Total Reserve		
	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)	Tonnes (Mt)	Grade Au (g/t)	Cont. Metal Au (koz)
White Foil	-	-	-	6.35	1.58	322	6.35	1.58	322
Stockpile	-	-	-	0.44	1.16	16	0.44	1.16	16
Total	-	-	-	6.79	1.55	338	6.79	1.55	338

Notes:

Data is reported to significant figures and differences may occur due to rounding
 Ore Reserves are reported above a 0.75g/t gold cut-off
 Based on Feb 2015 Ore Reserve estimate, plus January 2015 and February 2015 mine production

2.1 White Foil Mineral Resources

2.1.1 Geology and Geological Interpretation

The White Foil deposit is located in the southern portion of the Kundana mining area, 30km west of Kalgoorlie, within the Achaean Norseman-Wiluna greenstone belt of the Eastern Goldfields Province. The Kundana gold deposits are structurally related to the Zuleika Shear Zone, a regional NNW-trending shear zone that juxtaposes the Ora Banda domain to the east and the Coolgardie domain to the west. The White Foil deposit is within the Coolgardie domain and is hosted within a quartz rich gabbro unit which is part of the Powder Sill intrusive complex.

The gabbro is differentiated broadly into a quartz-rich phase in the west which hosts the White Foil deposit and a melanocratic phase in the east. The White Foil deposit is bounded to the west by hangingwall volcanoclastic rocks. These consist of fine to coarse grained, volcanoclastic and minor epiclastic rocks. Mineralisation is controlled by sheeted systems of stockwork veining, which has imparted strong alteration and sulphidation to the quartz gabbro. Individual quartz veins (rarely larger than 2 cm in thickness) cause the alteration and mineralisation; when their frequency is high and alteration haloes overlap, the zones of mineralisation become wide and with elevated grade. Late deformation of the White Foil deposit includes a large sinistral fault that bounds the main zone to the south and coincides with the change in contact orientation.

2.1.2 Sampling and Sub-Sampling

RC and diamond core was sampled. Diamond core recoveries have been logged recorded with an average of over 99%. Diamond core is reconstituted into continuous runs for orientation marking and recovery estimations. Core loss (if any) is recorded. RC drill sample recoveries were not routinely recorded. Historically RC samples were collected at 1m intervals in individually marked calico bags through a three tier riffle or cone splitter. The 1m bags were collected depending on results from a 4m composite spear sample.

Geological logging has been carried out for each drill hole. This includes lithology grain size, mineralisation, alteration, sulphides and oxidation. Core was cut in half and sampled on 1m intervals.

RC drilling was completed over several generations. Sampling consisted of three tier riffle splitters or cone splitters. The sample preparation technique for RC and diamond is considered to be of standard practice within the industry and deemed appropriate.

Pre-2007 data was utilised on the basis of existing documented historic quality control practices. Later stage drilling follows La Mancha internal quality control practice which includes a review of laboratory supplied blanks and standards as well as La Mancha supplied blanks and standards.

2.1.3 Sample Analysis Methods

Sample analysis has been carried out at various commercial laboratories in Kalgoorlie and Perth over the history of the deposit. RC and diamond samples were either sampled using either, fire assay with a 30-50g charge, screen fire assay, or Bottle roll / LeachWELL techniques.

2.1.4 Drilling Techniques

White Foil has an extensive history of generations of drilling over the life of the region. The White Foil resource is estimated from the data of 451 RC, 126 RC with diamond tails and 72 diamond holes (over 100,000 metres) since the late 1990's.

2.1.5 Estimation Methodology

Gold mineralisation at White Foil is associated with narrow high grade quartz stockworks with low grade gold disseminated within the alteration zones surrounding the stockworks. The alteration can persist several meters from the quartz vein however it is typically less than 1m. The ore deposit has been divided into a number of domains based on geology, structure and alteration. While samples size is not consistent between diamond core and RC sampling compositing was not necessary due to the vast majority of the samples being 1m in length. Drill samples were flagged as within or outside the domain wire frames. The estimation technique known as Multiple Indicator Kriging (MIK) has been used for White Foil Open deposit, while Ordinary Kriging or Inverse distance was used for domains without enough data for MIK.

2.1.6 Resource Classification

The resource estimate within each panel has been classified according to distribution of sampling in the kriging neighbourhood and then a classification wireframe has been created to ensure consistency. The result has been reviewed qualitatively to ensure it appears realistic and has been downgraded if it appeared optimistic. Indicatively, areas with a drill density of less than 45m by 45m spacing have been classified as indicated.

2.1.7 Cut-off Grade

The cut-off grade used to report the Mineral Resources at White Foil open pit resource is 0.5g/t gold. The cut-off grade used for reporting the White Foil Underground Mineral Resource is 1.2g/t gold.

2.1.8 Mining and Metallurgical methods, parameters and other modifying factors considered to date

See sections 2.2.3 and 2.2.4 below.

2.2 White Foil Ore Reserves

2.2.1 Material Assumptions for Ore Reserves

The White Foil open pit Ore Reserve estimate is formulated by applying the Whittle Lerchs-Grossman algorithms to the Mineral Resource model using current and forecasted cost structures, revenue, recovery and geotechnical parameters. A detailed pit design derived from the selected optimum shell limits is used to estimate the Ore Reserve estimate and mining depletion as at 28 February is subtracted, with mine production from January and February added to make the effective date 31 December 2014. The open pit Ore Reserves are defined using a block grade cut-off approach. The current strategy at White Foil involves open pit mining of the main pit in four stages by conventional drill and blast, excavator and truck activities.

2.2.2 Ore Reserve Classification

All of the Ore Reserves are currently derived from Indicated Resources, this includes both in-situ material and existing stockpiles.

2.2.3 Mining Method

Current mining activities at White Foil are undertaken via a conventional drill and blast, truck and excavator open pit operation with 10m high blasting benches mined in four 2.5m. The White Foil pit will be developed in four stages, the initial stage 1 pit and a southern and two northern cutbacks. The White Foil reserve estimate includes factors for ore loss and dilution. Waste material is classified as material less than the marginal cut-off grade (0.5g/t Au) and will either be transported to the waste storage facility. Mineralised waste between 0.5 and 0.75g/t gold is stockpiled separately any may be processed pending economic evaluation. Ore is classified as material greater than the marginal cut-off grade (0.75g/t Au) and depending on the scheduled stockpiling strategy will be taken to the Run of Mine (ROM) pad for immediate processing or low grade stockpile for future processing.

The current operations demonstrate the appropriateness of this mining method as the basis of the Ore Reserve estimate.

2.2.4 Processing method

The White Foil ore is processed through a conventional crush, grind, carbon in leach (CIL) circuit which has a nameplate capacity of 1.5Mtpa and is achieving 1.6Mtpa. Gold doré is produced at the final stage of the process.

A metallurgical recovery rate of 93.0% has been applied in the Ore Reserve estimate which is supported from historical recovery information.

No assumptions or allowances have been made for deleterious elements as these elements are not anticipated to impact the process or value of the ore.

2.2.5 Cut-off Grade

The marginal cut-off grade used to report the Ore Reserves is derived from the cost of processing ore (including site general and administration costs), additional incremental ore mining costs, metallurgical recoveries, royalties and gold price. A cut-off grade of 0.75g/t gold has been used for the Ore Reserve estimate.

2.2.6 Estimation Methodology

See section 2.1.5 above.

2.2.7 Material Modifying Factors

There are no concerning material modifying factors that need to be highlighted with the Ore Reserve. All regulatory leasing, approvals, licensing, agreements and current infrastructure are in place, which considers this estimation higher than that of a feasibility study.

La Mancha December 2014 Group Ore Reserve Statement

		Proved			Probable			Total Reserve		
Project	Type	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
White Foil	Open-pit	-	-	-	6.35	1.58	322	6.35	1.58	322
	Stockpile	-	-	-	0.44	1.16	16	0.44	1.16	16
Frog's Leg	Underground	1.80	5.53	319	0.72	5.3	123	2.52	5.46	442
	Stockpile	0.01	4.38	1				0.01	4.38	1
Total		1.81	5.52	320	7.51	1.91	461	9.32	2.61	781

Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

White Foil Ore Reserve is reported above a 0.75g/t gold cut-off

White Foil is based on Feb 2015 ore reserve estimate, plus January 2015 and February 2015 mine production

Frog's Leg Ore Reserve is reported above an indicative cut-off grade of 3.0 g/t gold for stoping and 0.8g/t gold for development

La Mancha December 2014 Group Mineral Resources Statement

		Measured			Indicated			Inferred			Total Resource		
Project	Type	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
White Foil	Open-Pit	-	-	-	18.69	1.35	813	3.74	1.08	129	22.43	1.31	942
	Underground	-	-	-	6.72	2.07	447	6.35	2.26	462	13.08	2.16	909
	Stockpile	-	-	-	0.44	1.16	16				0.44	1.16	16
Frog's Leg	Underground	1.47	7.11	335	1.82	6.18	362	0.47	4.83	72	3.75	6.37	769
	Stockpile	0.01	4.38	1	-	-	-	-	-	-	0.01	4.38	1
Total		1.48	7.09	336	27.67	1.8	1,638	10.6	2.0	663	39.71	2.1	2,637

Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

White Foil Mineral Resources have been reported above a cut-off grade of 0.5g/t gold and White Foil underground reported above 1.2/t gold. Mineral Resources are reported in two tables according to elevation. Above 80m RL lower a cut-off grade is reported corresponding to possible open pit mining method. Below 80m RL the resources are reported at a higher cut-off grade corresponding to possible underground potential

White Foil open-pit was reported as a global estimate above a nominal RL to reflect open pit mining methods. White Foil underground deposit is reported as a global estimate

White Foil open pit Mineral Resources are not constrained by an A\$1,800/oz shell, and reported resources are based on the 2013 Mineral Resource model depleted to 31 December 2014

Frog's Leg Mineral Resources have been reported above an indicative cut-off grade of 2.5 g/t of gold

Evolution December 2013 Group Ore Reserve Statement

Gold			Proved			Probable			Total Reserve		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cracow ¹	Underground	3.5	0.18	7.1	40	0.60	6.0	114	0.77	6.2	155
Pajingo ¹	Underground	3.3	0.36	7.3	83	1.00	5.5	176	1.36	5.9	260
Edna May ¹	Open-Pit	0.5	-	-	-	11.35	1.1	402	11.35	1.1	402
Mt Carlton	Open-Pit	0.9	0.19	1.6	10	7.11	3.0	695	7.30	3.0	705
Mt Rawdon ¹	Open-Pit	0.3	0.76	0.5	12	29.80	0.9	850	30.56	0.9	862
Total			1.48	3.1	146	49.86	1.4	2,237	51.34	1.5	2,383

Silver			Proved			Probable			Total Reserve		
Project	Type	Cut-Off	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)
Mt Carlton ¹	Open-Pit	*	0.45	50	722	7.52	37	8,841	7.97	38	9,563
Total			0.45	50	722	7.52	37	8,841	7.97	38	9,563

Copper			Proved			Probable			Total Reserve		
Project	Type	Cut-Off	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)
Mt Carlton ¹	Open-Pit	*	0.45	0.3	1.6	7.52	0.28	21.3	7.97	0.30	23
Total			0.45	0.3	1.6	7.52	0.28	21.3	7.97	0.30	23

Gold Equivalence	Tonnes (Mt)	Gold Equiv. Grade (g/t)	Gold Grade (g/t)	Silver Grade (g/t)	Copper Grade (%)	Gold Equiv. Metal (koz)	Gold Metal (koz)	Silver Metal (koz)	Copper Metal (kt)
Proved	1.76	2.83	2.57	10.71	0.07	163	146	722	2
Probable	50.31	1.49	1.38	5.47	0.04	2,462	2,237	8,841	21
Total	52.07	1.57	1.42	5.64	0.04	2,625	2,383	9,563	23

General Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding

Mineral Resources are reported inclusive of Ore Reserves

¹ Includes stockpiles

* Combined figure for V2 using 0.90g/t Au cut-off and A39 using 53 g/t Ag cut-off

Notes relevant to the gold equivalence calculation for silver and copper in the Mt Carlton Ore Reserve:

The calculation is based on commodity prices of A\$1350/oz for gold, A\$22.00/oz for silver and A\$3.00/lb for copper

The calculation uses metallurgical recovery to concentrate of 89.0% for gold, 91.0% for silver and 91.0% for copper at V2 and 88.0% for silver and 92.0% for copper at A39 – based on recent plant performance

AuEq for Silver = ((Price Ag per oz x Ag Recovery)/(Price Au per oz)) x Ag Grade

AuEq for Copper = ((Price Cu per lb x 2204.623) x (Cu Recovery)) / ((Price Au per oz / 31.1034768) x (Cu Grade / 100)). Using a conversion factor of 1 Troy Ounce = 31.1034768 grams

All the elements included in the gold equivalent calculation (i.e. silver and copper) have been recovered and sold and there is a reasonable potential that this will continue to be the case.

Full details of Evolution's Mineral Resources and Ore Reserves is extracted from the report entitled "Annual Mineral Resources and Ore Reserves Statement" created on 25 June 2014 and is available to view at www.evolutionmining.com.au

Evolution December 2013 Group Mineral Resource Statement

Gold			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Cracow ¹	Total	2.8	0.33	9.6	103	1.09	7.6	265	2.01	5.5	356	3.43	6.6	724
Pajingo	Open-Pit	0.5	-	-	-	-	-	-	0.32	1.2	12	0.32	1.2	12
Pajingo ¹	Underground	2.5	0.11	13.1	46	2.68	6.6	564	1.74	5.4	301	4.51	6.3	911
Pajingo	Total		0.11	13.1	46	2.68	6.6	564	2.06	4.7	313	4.84	5.8	923
Edna May ¹	Open-Pit	0.4	-	-	-	26.80	1.0	834	2.90	0.9	84	29.70	1.0	919
Edna May	Underground	3.0	-	-	-	-	-	-	1.30	5.4	226	1.30	5.4	226
Edna May	Total		-	-	-	26.80	1.0	834	4.24	2.3	310	31.00	1.1	1,145
Mt Carlton	Open-Pit	0.35	-	-	-	10.4	2.4	807	-	-	-	10.40	2.4	807
Mt Carlton	Underground	2.5	-	-	-	-	-	-	0.77	4.7	115	0.77	4.7	115
Mt Carlton	Stockpile		0.19	1.6	9.69	-	-	-	-	-	-	0.19	1.6	10
Mt Carlton	Total		0.19	1.6	9.69	10.40	2.4	807	0.77	4.7	115	11.36	2.5	932
Mt Rawdon¹	Total	0.23	0.76	0.5	12	42.40	0.8	1,060	7.94	0.6	162	51.10	0.8	1,234
Twin Hills ⁺	Open-Pit	0.5	-	-	-	-	-	-	3.06	2.1	204	3.06	2.1	204
Twin Hills ⁺	Underground	2.3	-	-	-	-	-	-	1.56	3.9	194	1.56	3.9	194
Twin Hills⁺	Total		-	-	-	-	-	-	4.62	2.7	399	4.62	2.7	399
Total			1.19	4.5	171	83.36	1.3	3,530	21.60	2.4	1,655	106.35	1.6	5,356

Silver			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)	Tonnes (Mt)	Silver Grade (g/t)	Silver Metal (koz)
Mt Carlton	Open-Pit V2	0.35	-	-	-	10.40	23	7,690	-	-	-	10.40	23.0	7,690
Mt Carlton	Underground V2	2.5	-	-	-	-	-	-	0.77	15	371	0.77	15.0	371
Mt Carlton	Open-Pit A39	53 *	-	-	-	0.55	260	4,598	-	-	-	0.55	260	4,598
Mt Carlton	Stockpile		0.45	50	722	-	-	-	-	-	-	0.45	72	722
Total			0.45	50	722	10.95	35	12,288	0.77	15	371	12.3	34	13,381

Copper			Measured			Indicated			Inferred			Total Resource		
Project	Type	Cut-Off	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)	Tonnes (Mt)	Copper Grade (%)	Copper Metal (kt)
Mt Carlton	Open-Pit V2	0.35	-	-	-	10.40	0.3	28	-	-	-	10.40	0.3	28
Mt Carlton	Underground V2	2.5	-	-	-	-	-	-	0.77	0.3	3	0.77	0.3	3
Mt Carlton	Open-Pit A39	53 *	-	-	-	0.55	0.26	1	-	-	-	0.55	0.26	1
Mt Carlton	Stockpile		0.45	0.3	1.6	-	-	-	-	-	-	0.45	0.3	2
Total			0.45	0.3	1.6	10.95	0.3	29	0.77	0.3	3	12.3	0.28	34

Gold Equivalence	Tonnes (Mt)	Gold Equiv. Grade (g/t)	Gold Grade (g/t)	Silver Grade (g/t)	Copper Grade (%)	Gold Equiv. Metal (koz)	Gold Metal (koz)	Silver Metal (koz)	Copper Metal (kt)
Measured	1.45	3.97	3.66	13.00	0.09	185	171	722	2
Indicated	83.91	1.40	1.31	4.55	0.04	3,843	3,530	12,288	29
Inferred	21.60	2.41	2.38	0.53	0.01	1,672	1,655	371	3
Total	106.96	1.66	1.56	3.86	0.03	5,700	5,356	13,381	35

General Notes:

Data is reported to significant figures to reflect appropriate precision and may not sum precisely due to rounding
Mineral Resources are reported inclusive of Ore Reserves

¹ Includes stockpiles

* Ag cut-off for A39

+ Twin Hills has not changed as it is being reported as 2004 JORC Code

Notes relevant to the gold equivalence calculation for silver and copper in the Mt Carlton Mineral Resource:

The calculation is based on commodity prices of A\$1350/oz for gold, A\$22.00/oz for silver and A\$3.00/lb for copper
The calculation uses metallurgical recovery to concentrate of 89.0% for gold, 91.0% for silver and 91.0% for copper at V2 and 88.0% for silver and 92.0% for copper at A39 – based on recent plant performance

AuEq for Silver = ((Price Ag per oz x Ag Recovery)/(Price Au per oz)) x Ag Grade

AuEq for Copper = ((Price Cu per lb x 2204.623) x (Cu Recovery)) / ((Price Au per oz / 31.1034768) x (Cu Grade / 100)). Using a conversion factor of 1 Troy Ounce = 31.1034768 grams

All the elements included in the gold equivalent calculation (i.e. silver and copper) have been recovered and sold and there is a reasonable potential that this will continue to be the case

Full details of Evolution's Mineral Resources and Ore Reserves is extracted from the report entitled "Annual Mineral Resources and Ore Reserves Statement" created on 25 June 2014 and is available to view at www.evolutionmining.com.au

Appendix 1

JORC Code, 2012 Edition – Table 1 White Foil Gold Deposit

Mineral Resource Estimate December 2014

Section 1 Sampling Techniques and Data

Criteria	Commentary
----------	------------

Sampling techniques

The White Foil deposit was sampled using Reverse Circulation (RC) and Diamond drilling from surface or within the open pit.

The vast majority (>98%) of drilling within the White Foil deposit has been sampled on 1 metre intervals. Sampling to geological contacts in this deposit was not possible due to the presence of very narrow (1-2cm) gold bearing quartz veins.

RC samples (mostly pre-2007) were composited to 4m and if >0.2g/t Au were resampled in 1m intervals from a primary split off the rig at the time of drilling (3 tier riffle splitter). The ~2-3kg samples are subsampled to produce a 50g sample submitted for fire assay or a 500g sample submitted for LeachWELL or bottle roll analysis when higher grades were identified (typically >0.5g/t Au). RC samples are constrained to the upper 200m of the resource. Post 2007 RC and diamond holes were assayed with fire assay and submitted to Genalysis laboratory Perth, WA.

Drilling Type	Number	Min Length	Max Length	Mean Length	No of Diamond Samples	No of RC Samples	Total Samples
RC	451	10	303	106.3	-	20,870	20,870
Diamond	72	53.9	789	350.1	17,565	-	17,565
RC with Diamond tail	126	100	762	270.8	19,830	6,320	26,150
Total	649	10	789	165.3	37,395	27,190	64,585

Drilling techniques

White Foil has been drilled via several RC and Diamond drilling campaigns since 1997, the most recent being 21,980 metre Diamond drilling program carried out during 2011-2013. Prior to 2010 RC precollars were drilled to an average of 100 m, and continued with Diamond coring (suffixed with 'D' in the hole ID, except for 45 holes drilled during the 2011/2013 program, with a (MWDD prefix).

RC sampling was completed using a 4.5" to 5.5" diameter face sampling hammer. Diamond coring utilised wireline technique and was predominately NQ2 (50.5mm) with a small number diamond holes HQ (63.5mm).

Core was routinely orientated using the spear method in the older holes but using the reflex (act II or ez-ori) for holes in 2010 onwards.

Surface RC holes were typically gyroscopically surveyed at 5m intervals. Single shot (Eastman for pre 2007 and Reflex digital multi shot) were used in a small number of the holes. The 2010-2013 campaign utilised gyroscopic surveying methodology. Spurious or magnetically influenced surveys were removed.

Surface holes were typically RC pre-collared to fresh rock (~100m) and often HQ was utilised down to 150m for deeper holes with exception of the 2010-2013 campaign which was diamond drilled from surface to ensure hole deviation was managed.

Drill sample recovery

Diamond core was orientated (most holes) and measured during processing and the recovery recorded. Inconsistencies between logging and drillers core blocks were investigated. Core recovery was excellent (>99%) in the fresh rock as the White Foil deposit is hosted within a very competent rock formation.

There does not appear to be a bias between the RC and diamond holes and no other systematic bias was identified. This is validated through mining reconciliation.

Logging

All holes are geologically logged and photographs are available for the majority of the core and some RC chip trays. Logging was qualitative in nature.

Geotechnical logging is routinely completed on all core drilling and structural information is available because the majority of the holes were orientated.

Criteria**Commentary****Sub-sampling techniques and sample preparation**

Assays from surface and resource diamond core are half core samples and the remaining half is retained. Quarter core is taken on rare occasions and analysed for quality control purposes. Only identified mineralised intervals of the core is sampled but extra samples are taken allowing for internal waste. The remaining core is retained at the Frog's Leg core storage area ~3km from Frog's Leg.

All RC samples were split by a cone or a riffle splitter and collected into a sequenced calico bag. Any wet samples that could not be riffle split (for historic data) were dried then scoop or riffle split. First pass composite (<4m) sampling utilised a spear sample collected from the bulk sample; however these samples are not included in the resource estimate.

The sample preparation has been conducted by commercial laboratories. Samples are oven dried (between 85°C and 105°C), jaw crushed to nominal <10mm, riffle split to a maximum of 3.5kg as required, pulverized in a one stage process to >85% passing 75µm. Approximately 200g of the bulk pulverised sample extracted by spatula to a numbered paper pulp bag that is used for the 30g or 50g fire assay charge. The pulp is retained and the bulk residue is disposed of after two months.

It is considered that all sub-sampling and lab preparations are consistent with other laboratories in Australia and are satisfactory for the intended purpose.

RC and Diamond core samples submitted to the laboratory are sorted and reconciled against the submission documents. Routine CRM (standards and blanks) are inserted into the sampling sequence at a rate of 1:20 for standards and 1:75 for blanks or in specific zones at the geologist's discretion. The commercial laboratories complete their own QC check.

Coarse blank material is routinely submitted for assay.

RC field duplicate data was collected routinely, and for selected intervals. Field duplicate samples were taken at the time of cone/riffle splitting the bulk sample to maintain sample support. The field duplicates are submitted for analysis using the same process mentioned above. The laboratory is unaware of the status of the sample. Some historic diamond core duplicates were taken by re-sampling quarter of the remaining half core.

The sample and size (2.5kg to 4kg) relative to the particle size (>85% passing 75µm) of the material sampled is a commonly utilised practice for gold deposits within the Eastern Goldfields of Western Australia for effective sample representivity.

Quality of assay data and laboratory tests

Throughout the history of the project a number of different laboratories have been used however the process remained similar except for the LeachWELL and bottle roll samples which utilised a larger sample size (200-500g)

Fire assay is designed to measure the total gold within a sample is identified as suitable in this type of mineralisation and has been extensively used throughout the Goldfields region.

The technique involved using a 30g, 40g or 50g sample charge with a lead flux, which is decomposed in a furnace, with the prill being totally digested by 2 acids (HCl and HNO₃) before measurement of the gold content by an AAS machine.

No geophysical tools or other remote sensing instruments were utilised for reporting or interpretation of gold mineralisation.

QC samples were routinely inserted into the sampling sequence and also submitted around expected zones of mineralisation. Standard procedures are to examine any erroneous QC result (a result outside of expected statistically derived tolerance limits) and validate if required; establishing acceptable levels of accuracy and precision for all stages of the sampling and analytical process.

Verification of sampling and assaying

Independent internal or external verification of significant intercepts is not routinely completed. The quality assurance (QA) / quality control (QC) process ensures the intercepts are as representative as can be expected in a nuggety gold deposit. Resource core and sample pulps are retained on site if further verification is required.

Detailed and regular reconciliation is conducted during mining and milling. Observed variations are consistent with mineralisation of this type.

Routine twin holes are not completed at White Foil. Drill hole and grade control data together with mill reconciliation data is of sufficient density to validate neighbouring samples. Data which is inconsistent with the known geology undergoes further validation to ensure its quality.

No adjustments or calibrations have been made to any of the assay data used in the estimation.

All sample and assay information is stored in acQuire database software. Data undergoes QA/QC validation prior to being accepted into the database. Assay results are merged when received electronically from the laboratory. The geologist reviews the database to ensure that it is correct, has merged correctly and that all data has been received and entered. Any adjustments to this data are recorded permanently in the database.

Historical paper records are retained in the exploration and mining offices.

Location of data

All surface drill holes used in the resource estimation have been surveyed for easting, northing and reduced level. Recent data is collected in MGA 94 Zone 51 and AHD. Data pre-2007 is collected in AMG 84 Zone 51 and

Criteria	Commentary
points	<p>AHD. White Foil does not use a local grid.</p> <p>Drill hole collar positions are surveyed by the site-based survey department or contractor surveyors (utilising a differential GPS or conventional surveying techniques, with reference to a known base station) with a precision of less than 0.2m.</p> <p>The bulk of the drilling was downhole surveyed using a north seeking gyroscopic tool. Occasionally surveys consist of regular spaced Eastman single or mutli-shot borehole camera, and digital electronic multi-shot surveys (generally <30m apart down hole) Drilling in 2010-2013 was generally utilised gyroscopic surveys every 5m increments. Data from the single and multi-shop tool were reviewed and any surveys which were adversely effected by magnetic influence were removed.</p> <p>Topographic control was generated from detailed Lidar surveys to 0.2m accuracy. Topography was further validated buy Leica Total Station DGPS by on site and contract surveyors.</p>
Data spacing and distribution	<p>The drill spacing is variable throughout the deposit. The nominal drill spacing is 20m x 20m closer to the surface, with many areas of the deposit at 45m x 45m and expands to 80m x 80m at the extremities. This spacing includes data that has been verified from previous exploration activities on the project.</p> <p>The holes were drilled from a variety of directions but the majority are -60 degrees towards 135 degrees. Other holes were drilled -60 towards 090 or -60 towards 315 degrees.</p> <p>Data spacing and distribution is considered sufficient for establishing geological continuity and grade variability appropriate for classifying a Mineral Resource of this type.</p> <p>Sample compositing was not applied as the bulk of the intervals were 1m within the resource.</p>
Orientation of data in relation to geological structure	<p>Mineralisation is hosted within a brittle quartz gabbro unit. The gold is associated with quartz stockworks. Structural studies confirms the presence of two main vein sets at White Foil with a dominant moderately NNW dipping set (51°/346° dip and dip direction) and a secondary SSE dipping set (56°/174° dip and dip direction).</p> <p>The vein orientation makes the selection of an ideal drilling direction very difficult hence the variable drill directions. The main orientation is towards 135 but there are some holes towards 315 and 090. An identifiable systematic bias associated with drilling direction has not been established.</p> <p>The gold is contained mainly within 1-5cm wide quartz veins and the associated alteration which rarely extends more than a few metres from the veins (typically 50-100cm).</p> <p>The main strike to the gabbro unit is NNW-SSE and it plunges steeply towards the NNE. This is why the predominant drill direction was to the SE.</p>
Sample security	<p>Normal sample security precautions were followed. Prior to submission samples were retained on site with restricted access. Collected samples are dropped off at the respective commercial laboratories in Kalgoorlie where they were in a secured fenced compound security with restricted entry and tracked under supervision of the laboratory staff. Some periods samples were collected from site by the commercial laboratory. While various laboratories have been used the sample security methodology has remained similar.</p>
Audits or reviews	<p>Internal reviews are regularly conducted as part of La Mancha's process.</p> <p>A number of external reviews of the data have been conducted recently through a number of commercial banking firms as part of their due diligence.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<p>The White Foil resource is situated on M15/830 a mining lease wholly owned by La Mancha Resources Australia Pty Ltd.</p> <p>Lease is granted and live. Expiry is due for 14/03/2020</p> <p>A mortgage and absolute caveat is currently registered over the entire lease by Macquarie Bank Ltd.</p>
Exploration done by other parties	<p>The initial anomaly was identified by Afmeco who found the Kopai trend which eventually included White Foil. The discovery was eventually made in 1996 by Mines and Resources Australia who was a precursor company to La Mancha Resources Australia Pty Ltd. Placer Dome Ltd was a 49% joint venture partner during the first mining campaign in 2002-2003.</p>
Geology	<p>Adjacent to the White Foil gold deposit, is a thin veneer of clayey sand covers a variably truncated saprolitic profile. Mottled zone clay, saprolitic clay and saprock all unconformably underlie the Quaternary sediments in various locations, while the weathering profile generally deepens to the west away from the gabbro ridge and</p>

Criteria**Commentary**

low lying outcrops. The weathering is at its deepest - up to 50 m of saprolite - at the contact between volcaniclastic rocks and the gabbro, or within the volcaniclastic sequence.

The gabbro is differentiated broadly into a quartz-rich phase in the west which hosts the White Foil deposit and a melanocratic phase in the east. Numerous grain size changes from medium to coarse occur, and are related to original crystal size variation and metamorphic effects. The top of the gabbro unit (the western margin), is a quartz dolerite-gabbro. This quartz gabbro unit is the most hydrothermally altered unit and contains the bulk of the gold mineralisation.

The White Foil deposit is bounded to the west by hangingwall volcaniclastic rocks. These consist of fine to coarse grained, volcaniclastic and minor epiclastic rocks. The volcaniclastic sequence limits mineralisation to the west, due to its unfavourable physical and chemical characteristics. To the east mineralisation becomes irregular and uneconomic in the more melanocratic phase of gabbro. To the north and south of the White Foil deposit the quartz gabbro phase becomes disjointed, hence mineralisation also becomes more sporadic.

Mineralisation is controlled by sheeted systems of stockwork veining, which has imparted strong alteration and sulphidation to the quartz gabbro. Pyrrhotite is the dominant sulphide, which has an intimate association with mineralisation, while pyrite is commonly associated with mineralised and unmineralised rock. Pyrrhotite is rarely present in the volcaniclastic rocks and if so, occurs within mineralised vein quartz.. When pyrrhotite is seen in combination with alteration of the wallrock (strong wallrock bleaching including albite, quartz, biotite, and sericite) mineralisation is expected. Individual quartz veins (rarely larger than 2 cm in thickness) cause the alteration and mineralisation; when their frequency is high and alteration haloes overlap, the zones of mineralisation become wide and with elevated grade.

Late deformation of the White Foil deposit includes a large sinistral fault that bounds the main zone to the south and coincides with the change in contact orientation. Other structural elements include numerous northeast and northwest trending faults/shears. These may have been active during or before mineralisation due to their highly silicified and often ductile nature when viewed in drill core. The structures may have also been reactivated at the onset of brittle conditions to displace mineralisation and the contact between gabbro and volcaniclastics rocks. Displacement of the contact does not always coincide with displacement of the mineralisation indicating that many of the structural elements are not directly related to mineralisation and in fact, mineralisation may be late in the deformation history (i.e. brittle conditions). This explains the brittle nature of mineralised quartz veins but the ductile nature of earlier shear veins and minor silicified shears.

Drill hole Information

No exploration results have been reported in this release, therefore, there is no drill hole information to report. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Comments relating to drill hole information relevant to the Mineral Resource estimate can be found in Section 1 – “Sampling techniques” and “Drill sample recovery”.

Data aggregation methods

No exploration results have been reported in this release, therefore, there are no drill hole intercepts to report. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Comments relating to data aggregation methods relevant to the Mineral Resource estimate can be found in Section 1 – “Sampling techniques” and “Drill sample recovery”. No reporting of gold equivalent is used.

Relationship between mineralisation widths and intercept lengths

No exploration results have been reported in this release, therefore, there are no relationships between mineralisation widths and intercept lengths to report. This is not relevant to this report on Mineral Resources and Ore Reserves.

Diagrams

No exploration results have been reported in this release, therefore, no exploration diagrams have been produced. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Balanced reporting

No exploration results have been reported in this release, therefore, there are no results to report. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Other substantive exploration data

No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Further work

No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
Database integrity	Drilling data is stored within an acQuire database which is a leading industry data management system. It contains extensive internal validation to ensure the data integrity is maintained.
Site visits	The Competent Person is an employee of La Mancha Resources Australia and is a rostered staff member on-site
Geological interpretation	<p>There is a high degree of confidence in the geological interpretation as extensive geological and structural mapping and knowledge has been gathered since commencement discovery of the deposit. Controls on mineralisation are generally well understood and areas of geological uncertainty are reflected in the resource classification in that area of the resource model.</p> <p>Geological surfaces were interpreted using a combination of drill hole and pit mapping. Three dimensional surfaces were created using Vulcan mining software.</p> <p>No alternative interpretation of the mineralisation style or geometry was considered for White Foil.</p> <p>Geological continuity was used to define each of the domains and grade was used to determine the boundaries.</p> <p>White Foil geological interpretation has been updated on a number of occasions since the deposit has been in production. Production initially began in 2002-2003 but was suspended due to an inability to dispose of the water. A short campaign was completed in 2010 and the operations began again recently in 2014. Given the complexity of the quartz veins and the nuggetty nature of the deposit the localised grade distribution is erratic but the global interpretation is validated through grade control drilling and in pit mapping.</p>
Dimensions	The quartz gabbro is a large body up to 60m wide in places and while the unit continues for over 20km the mineralised zone extends for some 750m. The mineralisation within the unit is variable and much of it is either weakly mineralised or barren. The veins generally have limited strike length however mapping the majority of these is difficult.
Estimation and modelling techniques	<p>Mineral Resource estimation was completed using Vulcan specialist mining software and the geostatistical analysis was performed in Snowden's Supervisor software.</p> <p>The database was flagged and a Multiple Indicator Kriged (MIK) estimate performed. Where there was insufficient data, an Ordinary Kriged (OK) or inverse distance (ID) estimate was used. Variograms were generated using drill hole data. Search ellipses were orientated with the grade continuity as defined by the variography. Where there was insufficient data to generate robust variograms, an ID estimate was used. The search ellipse varied depending on the domain and the pass used.</p> <p>High grades have been cut according to domain. Top cut analysis was carried out by examining the change in cumulative CV at the top end of the grade distribution. This involves sorting the top 1-5% based on gold grade, smallest to largest, and then calculating the cumulative CV.</p> <p>No by products were estimated. Silver is present in the deposit; however the amount is not material.</p> <p>No non-grade variables are estimated. Rock classification for potential acid mine drainage is not required due to low sulphide levels in the waste.</p> <p>Parent block dimensions are 20m X x20m Y x 5m Z with sub celling down to 5m Xx5m Yx1.25m Z to reflect the current mining method.</p> <p>The model was validated by comparing statistics of the estimated block grade against the composited sample data and visual inspection in Vulcan of block grades to drill hole grades in plan and section.</p> <p>Comparisons between reconciled mine production and previous models are completed monthly. Due to negative reconciliation in the two years prior a slight change was made to place tighter constraints on the high grade material utilising high yield limits. Before 2012 reconciliation was generally positive (more ounces than the resource estimate predicted). The conservative estimate reduced the contained metal by approximately 7% year on year, to align with reconciliation data.</p> <p>Detailed validation is used to review the estimate and compare that to the raw sample grades as well as OK and ID estimates.</p>
Moisture	Tonnages are quoted on a dry tonnage basis.
Cut-off parameters	<p>Top cuts were applied to the data to control the influence of high grades Au values, interpreted to be not representative of the mineralisation. A combination of Log probability plots and the coefficient of variation were used to determine top cut values. Top cuts have not changed significantly from year to year.</p> <p>The lower cut-off grade for reporting the Mineral Resource was determined using economic parameters identified during the Ore Reserve estimation.</p>
Mining factors or	White Foil is a large bulk tonnage deposit and the estimation takes this into consideration. The upper part of

Criteria	Commentary
assumptions	<p>the resource is amenable to open pit mining where there is limited selectivity.</p> <p>The lower part of the resource is thought to have potential for a large tonnage underground operation. The model reflects this. This model is not designed for a narrow selective underground mining method. A new estimate would be required if an alternative mining method is considered.</p>
Metallurgical factors or assumptions	<p>Ore is processed through a conventional 1.5Mtpa CIL gold processing plant which incorporates a gravity circuit (currently achieving 1.7Mtpa). The current and estimated future gold recovery is 93%. A production history supports the metallurgical parameters used as well as metallurgical test work. No assumptions or allowances have been made for deleterious elements as these elements are not anticipated to impact the process or value of the ore.</p>
Environmental factors or assumptions	<p>The White Foil operation is has a stop start mining history since 2002 with a number of relatively short mining campaigns, however, with the exception of water disposal there have been no other environmental issues. The initial pit was halted because there was no disposal point for the water inflows encountered. This issue has since been rectified and the pit was successfully dewatered prior to the 2010 mining campaign.</p> <p>All required studies, permits and approvals are in place to continue mining and disposing of mine waste rock out to the end of the project's life.</p>
Bulk density	<p>Bulk density determinations were done using the water immersion method. Approximately 2,000 samples across the resource were taken. A value of 2.8(t/m³) was used in the fresh mineralised zone (bulk of the resource).</p> <p>The density assigned to the ore takes into account the limited porosity. This information reconciles well through the processing facility. There had been little variation over time in the bulk density measurements outside expected variability.</p>
Classification	<p>Classification criteria are based on a combination of sample density and geological understanding.</p> <p>Measured Resources: No material within this estimate has been classified as measured due to the short range variability of the gold distribution.</p> <p>Indicated Resources: The block model has been classified as Indicated where drilling has been completed to an average grid spacing of 40m x 40m, which roughly correlates with the resource drilling program spacing. Generally for Indicated blocks must have an average distance to samples of less than 30 m and have been estimated from at least 2 drill holes.</p> <p>Inferred Resources: The block model has been classified as Inferred where drill spacing is greater than 40m x 40m and/or where the geology and continuity is less well understood. Inferred blocks have an average sample distance of over 30m.</p> <p>The Competent Person considers the applied resource classifications to be appropriate.</p>
Audits or reviews	<p>A number of audits and reviews have been completed in the past few years. To date nothing material was identified which would be a cause for re-estimation.</p>
Discussion of relative accuracy/confidence	<p>Given the operating history, available reconciliation information and grade variability (due to small high grade quartz veins). The Competent Person has a reasonable degree of confidence in this estimate and the approach used. The estimate reconciles with past production reasonably well, however, there is a high degree of variation between mining benches common for this type of estimation. Due to the limited spatial extent of many of the quartz veins the local grade estimation is poor, however from a global perspective the estimation is reasonable.</p> <p>The estimate is a global estimate for the White Foil deposit and economic constraints have taken into consideration the mining methodology assumed for this style of deposit. This estimation is not suitable for use for narrow vein mining methodologies. The open pit resource is constrained by RL based on the depth that a reasonable open pit could extend (inflated current gold price). The underground resource considers a potential large tonnage extraction method at an inflated gold price.</p>

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
<i>Mineral Resource estimate for conversion to Ore Reserves</i>	<p>The Ore Reserve estimate is based on the current Mineral Resource estimate as described in Section 3.</p> <p>The Mineral Resource is reported as wholly inclusive of the Ore Reserve</p>
<i>Site visits</i>	<p>The Competent Person is a full-time employee of La Mancha Resources Australia based on site.</p>
<i>Study status</i>	<p>This Ore Reserve estimate is based on the current Mineral Resource estimate as described in Section 3.</p> <p>The White Foil Mine re-commenced production in June 2014, following completion of a feasibility study (Mungari Gold Project) in 2012. The study formed the basis for construction of the Mungari Gold Plant and re-commencement of the White Foil open pit.</p> <p>White Foil originally commenced mining in 2002 but was placed on care and maintenance in 2003 due to lack of available processing capacity and a lack of permitting to discharge groundwater. The pit was flooded and then dewatered in 2007, after which a six month mining campaign was conducted in 2010.</p> <p>Staged pit designs have been completed in accordance with La Mancha's mine planning processes, from which there has been no material change from the 2012 Mungari Gold Project feasibility study.</p> <p>The Ore Reserve only includes material classified as Indicated Mineral Resource (resource does not contain any Measured resource category).</p>
<i>Cut-off parameters</i>	<p>The Ore Reserve is reported at a cut-off grade of 0.75 g/t Au (in-situ, without dilution). This cut-off grade has increased from the 0.65 g/t cut-off used in the 2012 Mungari DFS based on operating experience in the mine (increased dilution) and processing (higher crushing costs for White Foil ore).</p> <p>The cut-off grades for estimation of the Ore Reserves are derived from unit costs in the 2015 Budget averaged over the next two years (2015-2016), and a metal selling price of A\$1,350 /oz.</p>
<i>Mining factors or assumptions</i>	<p>The mine planning parameters applied for the Ore Reserve are as per the Mungari DFS (Dec 2012) and are aligned to the conventional drill/blast/load/haul method implemented at White Foil in 2014. Some changes have been made to the mining dilution and ore recovery factors.</p> <p>The White Foil Ore Reserve has been estimated by the following process:</p> <ul style="list-style-type: none"> - Pit optimisation shells generated for the Mungari DFS (2012) using the Geovia Whittle software, were applied as there has been no material change from the resource model in 2012 to 2013 above 80 mRL; - Design of staged pits per geotechnical and operational parameters; - Evaluation of pit designs against current topography and resource model to provide in-situ tonnes, grade and resource classification for each ore stream; - Application of dilution and mining recovery factors to estimate diluted tonnes and grade. Dilution and recovery factors have been updated since the Mungari DFS (2012) and are based on a review of actual mining performance during Stage 1; - Reporting of Ore Reserve by classification. <p>Mining dilution and recovery factors were calculated based on comparison of the mineral resource to mill reconciliation (plus grade control for stockpiled material) for Stage 1 mining from the 270-210 mRL, conducted in 2010 and 2014/15.</p> <p>Mining dilution applied to ore mined on each bench is 11.7% at zero grade.</p> <p>Mining recovery of ore on each bench is applied as 99.7%.</p> <p>The resultant dilution and recovery factors for all ore in this Ore Reserve is 11.3% and 99.7% respectively, compared to 8.1% and 98.9% reported in the Mungari DFS.</p> <p>The dilution factor varies slightly to the applied factor as the lower mining benches, where orebody width is similar to pit width, do not contain sufficient waste material on the bench to fully dilute the modelled ore. In these cases, dilution is capped to the amount of ore available to dilute the ore material.</p> <p>No Inferred resource category has been included in the Ore Reserve.</p> <p>No material infrastructure additions are required for the White Foil mine to extract the Ore Reserve, other than progressive extension of the dewatering system, which is allowed for in the mine plan.</p>
<i>Metallurgical factors or assumptions</i>	<p>White Foil ore is currently treated at La Mancha's fully owned Mungari Processing Plant which was commissioned in April 2013. Mungari is located next to the White Foil mine.</p> <p>White Foil ore is conventional free-milling ore which is to be processed through a carbon-in-leach (CIL) gold</p>

Criteria

Commentary

Environmental

processing plant, such as Mungari.

Metal recoveries achieved to date at Mungari have been in the order of 91-93%.

White Foil ore has historically been treated at both Three Mile Hill (1200 ktpa CIL) and Greenfields (750 ktpa CIL). Approximately 1.5 Mt of White Foil ore was processed in these two plants since the commencement of mining in 2001. Typical metal recoveries achieved were in the order of 91-93%.

Based on prior operating history and results from test work, the average metal recovery assumed for White Foil ore at Mungari is 93.0%.

No deleterious elements have been identified for White Foil ore during test work or during historic, or recent, processing.

The Ore Reserve exists within the approved disturbance area of the White Foil mine.

All required studies, permits and approvals are in place to continue mining and disposing of mine waste rock out to the end of the project's life.

All required ongoing monitoring and reporting requirements for White Foil are included in management processes for the existing operation.

All required approvals and permits are currently in place for the operating Mungari Processing Plant.

Infrastructure

With the White Foil open pit mine in operation, all infrastructure required for extraction of the Ore Reserve is in place, including:

- Site access roads, waste and ore dumps;
- Offices and ablutions;
- Mobile equipment workshop;
- Communications network;
- Dewatering network; and
- Flood management.

Costs

No material capital expenditure is required to expand the existing mine.

Some operational costs will be amortised in line with accounting policies and these are accounted as sustaining capital in the operation's budget.

All cost estimates are done in Australian dollars, so no exchange rate assumptions are applicable.

All operating costs included in the mine plan (applied for cut-off grade calculation) are aligned to the 2015 mine operations and maintenance budget.

Ore treatment cost allowances in the plan are based on the 2015 processing budget, including crusher feed, plant operations, plant maintenance and tailings disposal.

The WA state gold royalty has been allowed at the current rate of 2.5% of net smelter revenue (NSR). No third party royalties are applicable.

Revenue factors

Metal production is based on the scheduled feed grade from the Ore Reserve, as described above.

For the estimation of the Ore Reserve, a flat gold price of A\$1,350 /oz was applied.

No revenue is allocated from any by-product or co-product sales.

Market assessment

Gold is sold at spot or a hedged gold price (AU\$1,600) and the Ore Reserve is updated annually.

Economic

The Ore Reserves have been economically evaluated through a standard financial model. All operating and capital costs and revenue factors were included in the financial model. This process has demonstrated that the Ore Reserves for the underground operation has a positive NPV.

Social

All required agreements are in place for the existing White Foil mine and are included in management processes for the existing operation, along with community engagement.

Other

No material risks with the potential to prevent the White Foil mine from continuing operations to extract the Ore Reserve have been identified.

Classification

There is no Measured category in the White Foil Mineral Resource so no Proved Ore Reserves have been reported.

Indicated Mineral Resources that are within designed pit stages and are above cut-off grade, have been converted to Probable Ore Reserves.

The Ore Reserve estimate appropriately reflects the view of the Competent Person

Audits or reviews

External audits or reviews have been undertaken for this Ore Reserve by the banking syndicate as part of the project finance. Additionally La Mancha has a standard process of internal peer review. Additional external reviews were completed on different prior iterations of the reserve when La Mancha when through a sale

For personal use only

Criteria	Commentary
<i>Discussion of relative accuracy/ confidence</i>	<p>process in 2012.</p> <p>The mine planning work carried out to develop this Ore Reserve update was part of the annual operations planning process of La Mancha Resources Australia.</p> <p>Whilst it has not been accompanied by a specific Feasibility Study, the White Foil mine was part of the Mungari Gold Project Feasibility Study completed in 2012, which formed the basis for the construction of the Mungari Processing Plant and recommencement of mining at White Foil in 2014.</p> <p>It is the opinion of the Competent Person that the confidence level for this Ore Reserve update is, as a minimum, equivalent to a dedicated Feasibility Study, because of the positive results of previous Feasibility Study.</p> <p>Inherent to any Ore Reserve estimate, this Ore Reserve does retain a level of uncertainty, particularly relating to the underlying Mineral Resource. Based on grade control and mine claim, the current Mineral Resource has underperformed on a contained metal basis, compared to actual mill reconciliations during 2014 and for all mining since 2010, overall metal content is down slightly (-2%), although there is still a large amount of stockpiled ore (0.5 Mt) which remains unprocessed.</p> <p>It is the opinion of the Competent Person that based on historical operating experience and with the changes made to the Ore Reserve estimation methodology regarding dilution (factors are now based in greater operating experience than previously), the confidence level for this Ore Reserve is similar to the Mungari DFS (2012).</p>

JORC Code, 2012 Edition – Table 1 Frog’s Leg Deposit

Mineral Resource and Ore Reserve Estimates December 2014

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	<p>The Frog’s Leg deposit was sampled using Diamond core (surface and underground), Reverse Circulation (RC) drilling chips and development face sampling.</p> <p>Sampling campaigns included:</p> <ul style="list-style-type: none">• 2007 to present - underground Diamond drilling and face samples.• 2000 to 2012 – surface drilling (RC and Diamond) <p>Pre-2007 surface holes were typically 1m samples (not to geological contacts) and assayed with LeachWELL digest or bottle roll. >3g/t results typically had a fire assay completed on the tail. These represent a very small proportion of the samples used in the estimate.</p> <p>Surface drilling completed pre-2007 (Mines and Resources Australia) was restricted to the upper portion of the resource estimate due to down hole survey inconsistencies especially in the deeper surface holes. These holes comprise only a small portion of the dataset used for the estimation.</p> <p>Underground Diamond core sample intervals were based on geology to ensure a representative sample and lengths ranged from 0.2m to 1.0m.</p> <p>Face sample intervals between 0.2m and 1.0m were marked and sampled according to lithology. Samples were taken 1.5m from the base of the drive using a painted line and sample marks. A geological hammer was used to break the sample across the face and a modified ring with a sample bag was held to collect the sample.</p> <p>RC samples (8.5% of samples all pre-2007) were composited to 4m and if >0.2g/t Au were resampled in 1m intervals from a primary split off the rig at the time of drilling (3 tier riffle splitter). The ~2-3kg samples are subsampled to produce a 50g sample submitted for fire assay or a 500g sample LeachWELL or bottle roll analysis. These comprise only a small portion of the resource predominantly in the mined out portion of the deposit.</p> <p>No instruments or tools requiring calibration were used as part of the sampling process.</p>
Drilling techniques	<p>RC sampling was completed using a 4.5” to 5.5” diameter face sampling hammer. Diamond resource holes from both surface and underground was predominantly wireline NQ2 (50.5mm) with a very small number of surface diamond holes HQ (63.5mm). Underground grade control utilised LTK48 (35.3mm), BQTK (40.07mm) and NQ by conventional and wireline drilling methods.</p> <p>Core from surface was routinely orientated using the spear method; however, underground core was rarely orientated. Some surface holes drilled post 2010 were orientated using the reflex (act II or ez-ori) tool.</p> <p>Surface holes were typically RC pre-collared to fresh rock (~50m) and often HQ was utilised down to 150m for deeper holes then finished with NQ.</p> <p>Underground holes were collared into fresh rock and no downsizing of the core was required.</p>
Drill sample recovery	<p>Where available diamond core was orientated and measured during processing and the recovery recorded. Inconsistencies between logging and drillers core blocks were investigated. Core recovery has generally been excellent as most holes drilled into fresh competent rock.</p> <p>As face samples represent a large proportion of the samples in the mineralised zone, work has been done to ensure these samples remain representative. The size of the sample is kept below 3kg and the proportion size is relevant to the interval. An identified bias in the face sample grade when compared to the diamond core is explained by the face of the ore development following the highest grade portion of the lode.</p> <p>Given the quality of the diamond samples and their even distribution throughout the deposit additional bias is unlikely. Further bias is validated through mining reconciliation and ongoing sampling.</p>
Logging	<p>All drill holes and faces were geologically logged and photographs are available for the majority of the core and faces. Logging was qualitative in nature.</p> <p>Basic geotechnical logging (fracture frequency) is routinely completed on all core drilling.</p>
Sub-sampling techniques and sample preparation	<p>Assays from surface and resource diamond core are half core sampled and the remaining half is retained. Quarter core is taken on rare occasions and analysed for quality control purposes. For grade control samples the whole core is submitted for analysis.</p> <p>All RC samples were split by a cone or a riffle splitter and collected into a sequenced calico bag. Any wet samples that could not be riffle split were dried then scoop sampled or riffle split. First pass composite (<4m)</p>

Criteria**Commentary**

sampling utilised a spear sample were collected from the bulk sample; however these samples are not included in the resource estimate.

The sample preparation has been conducted by commercial laboratories. Samples are oven dried (between 85°C and 105°C), jaw crushed to nominal <10mm, riffle split to a maximum of 3.5kg as required, pulverized in a one stage process to >85% passing 75µm. Approximately 200g of the bulk pulverised sample extracted by spatula to a numbered paper pulp bag that is used for the 30g or 50g fire assay charge. The pulp is retained and the bulk residue is disposed of after two months.

It is considered that all sub-sampling and lab preparations are consistent with other laboratories in Australia and are satisfactory for the intended purpose.

RC and Diamond core samples submitted to the laboratory are sorted and reconciled against the submission documents. Routine CRM (standards and blanks) are inserted into the sampling sequence at a rate of 1:20 for standards and 1:75 for blanks or in specific zones at the geologist's discretion. The commercial laboratories complete their own QC check. From 2014, Diamond core and development face samples utilised unassayed barren quartz flushes between expected mineralised sample interval(s) when pulverising.

Coarse blank material is routinely submitted for assay and is inserted into mineralised zones.

RC field duplicate data was collected routinely, and for selected intervals. Field duplicate samples were taken at the time of cone/riffle splitting the bulk sample to maintain sample support. The field duplicates are submitted for analysis using the same process mentioned above. The laboratory is unaware of the status of the sample. Some historic diamond core duplicates were taken by re-sampling quarter of the remaining half core.

The sample and size (2.5kg to 4kg) relative to the particle size (>85% passing 75µm) of the material sampled is a commonly utilised practice for gold deposits within the Eastern Goldfields of Western Australia for effective sample representivity.

Throughout the history of the project a number of different laboratories have been used, however, the process remained similar with the exception of the LeachWELL / bottle roll samples which utilised a larger sample size (~2% of the total samples).

Fire assay is designed to measure the total gold within a sample is identified as suitable in this type of mineralisation and has been extensively used throughout the Goldfields region. Screen fire assay and LeachWELL / bottle roll analysis techniques have also been used to validate the fire assays.

The technique involved using a 30g, 40g or 50g sample charge with a lead flux, which is decomposed in a furnace, with the prill being totally digested by 2 acids (HCl and HNO₃) before measurement of the gold content by an AAS machine.

No geophysical tools or other remote sensing instruments were utilised for reporting or interpretation of gold mineralisation.

Quality control samples were routinely inserted into the sampling sequence and also submitted around expected zones of mineralisation. Standard procedures are to examine any erroneous results (a result outside of expected statistically derived tolerance limits) and validate if required; establishing acceptable levels of accuracy and precision for all stages of the sampling and analytical process. Typically batches which fail quality control checks are re-analysed.

Independent internal or external verification of significant intercepts is not routinely completed. The quality control / quality assurance (QAQC) process ensures the intercepts are as representative as can be expected in a nuggety gold deposit. Resource core and sample pulps are retained at Frog's Leg if further verification is required.

Detailed and regular reconciliation is conducted during mining and milling. Observed variations are consistent with mineralisation of this type.

Face sample and drilling data is regularly compared to ensure repeatability.

Routine twin holes are not completed at Frog's Leg. The face sample and drill hole data with the mill reconciliation data is of sufficient density to validate neighbouring samples. Data which is inconsistent with the known geology undergoes further validation to ensure its quality.

No adjustments or calibrations have been made to any of the assay data used in the estimation

All sample and assay information is stored in acQuire database software. Data undergoes QAQC validation prior to being accepted into the database. Assay results are merged when received electronically from the laboratory. The geologist reviews the database to ensure that it is correct, has merged correctly and that all data has been received and entered. Any adjustments to this data are recorded permanently in the database.

Historical paper records are retained in the exploration and mining offices.

All surface drill holes used in the resource estimation have been surveyed for easting, northing and reduced level. Recent data is collected and stored in MGA 94 Zone 51 and AHD. Data pre-2007 is collected and stored in

Quality of assay data and laboratory tests

Verification of sampling and assaying

Location of data points

Criteria	Commentary
	<p>AMG 84 Zone 51 and AHD. All data is converted to local mine grid for use.</p> <p>Drill hole collar positions are surveyed by the site-based survey department or contractor surveyors (utilising a differential GPS or conventional surveying techniques, with reference to a known base station) with a precision of less than 0.2m.</p> <p>Underground down hole surveys consist of regular spaced Eastman single or single-shot borehole camera shots (generally 30m apart down hole, and digital electronic multi-shot surveys (generally 3m apart down hole). Strong ground magnetics affect the result of the measured azimuth reading for these survey instruments at Frog's Leg and they are removed. The RC and surface drill hole survey data consists of surveys taken with north seeking gyro instruments. Gyro survey measurements are obtained every 5 to 10m down hole. A small proportion of these holes utilise single shot survey technique similar to that of the underground holes except the survey spacing is typically 25-50m apart.</p> <p>Topographic control was generated from detailed Lidar surveys to 0.2m accuracy and void estimates are completed using reconciled Cavity Monitoring System (CMS) of the stopes and detailed survey pickup of the development.</p> <p>Faces are located at time of sampling from known survey points underground. Headings are routinely picked up using a Leica Total Station and new survey points added as required. Faces are digitized and Northing and Easting's calculated. Face RLs are digitised at 1.5m above floor RL which is the standard sampling height. Faces are digitised with a dip of 0 and a mine grid azimuth based on the face orientation. Validation is done visually to ensure faces are correctly located before final face locations and survey information are loaded into the database for use.</p>
Data spacing and distribution	<p>The nominal drill spacing is 20m x 20m with some areas of the deposit at 40m x 40m and expands 40m x 80m. This spacing includes data that has been verified from previous exploration activities on the project.</p> <p>Data spacing and distribution is considered sufficient for establishing geological continuity and grade variability appropriate for classifying a Mineral Resource.</p> <p>Sample compositing was not applied due to the often narrow mineralised zones.</p>
Orientation of data in relation to geological structure	<p>Mineralisation is hosted within a number of steeply dipping NNW-SSE structures that are vertical or steeply (~80 degrees) to the west.</p> <p>Face sampling crosses the mineralised zones horizontally and there does not appear to be any sample orientation bias.</p> <p>Surface holes and underground resource holes typically intersect at an angle to the mineralisation and there is no observed bias associated with drilling orientation.</p> <p>On extreme edges of the deposit the drill angle is often sub parallel with the lodes and does not intersect the width of the mineralisation. Classification in these areas has been downgraded where this issue is observed.</p>
Sample security	<p>Normal sample security precautions were followed. Prior to submission samples were retained on site with restricted access. Collected samples are dropped off at the respective commercial laboratories in Kalgoorlie where they were in a secured fenced compound security with restricted entry and tracked under supervision of the laboratory staff. During some periods samples were collected from site by the commercial laboratory. While various laboratories have been used, the sample security methodology has remained similar.</p>
Audits or reviews	<p>Internal reviews are regularly conducted as part of La Mancha's process.</p> <p>A number of external reviews of the data have been conducted recently through a number of commercial banking firms as part of their due diligence.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	<p>Frog's Leg resource is situated on M15/688 a mining lease wholly owned by La Mancha Resources Australia Pty Ltd.</p> <p>The lease is granted and live. Expiry is due for 23/03/2036</p> <p>A mortgage and absolute caveat is currently registered over the entire lease by Macquarie Bank Ltd.</p>
Exploration done by other parties	<p>The initial discovery was made by Mines and Resources Australia Ltd who was a precursor company to La Mancha Resources Australia Pty Ltd. The deposit was discovered in 2000 as a result of following up on regional anomalism identified through rotary air blast (RAB) and aircore drilling.</p>

Criteria	Commentary
<i>Geology</i>	The Frog's Leg deposit is located in the southern portion of the Kundana mining area, within the Achaean Norseman-Wiluna greenstone belt of the Eastern Goldfields Province. The Kundana gold deposits are structurally related to the Zuleika Shear Zone, a regional NNW-trending shear zone that juxtaposes the Ora Banda domain to the east and the Coolgardie domain to the west. The Frog's Leg deposit is located on the sheared contact between the porphyritic "cat rock" (regionally known as the Victorious Basalt) and volcanoclastic rocks of Black Flag Beds
<i>Drill hole Information</i>	No exploration results have been reported in this release, therefore, there is no drill hole information to report. This section is not relevant to this report on Mineral Resources and Ore Reserves. Comments relating to drill hole information relevant to the Mineral Resource estimate can be found in Section 1 – "Sampling techniques" and "Drill sample recovery".
<i>Data aggregation methods</i>	No exploration results have been reported in this release, therefore, there are no drill hole intercepts to report. This section is not relevant to this report on Mineral Resources and Ore Reserves. Comments relating to data aggregation methods relevant to the Mineral Resource estimate can be found in Section 1 – "Sampling techniques" and "Drill sample recovery". No reporting of gold equivalent is used.
<i>Relationship between mineralisation widths and intercept lengths</i>	No exploration results have been reported in this release, therefore, there are no relationships between mineralisation widths and intercept lengths to report. This is not relevant to this report on Mineral Resources and Ore Reserves.
<i>Diagrams</i>	No exploration results have been reported in this release, therefore, no exploration diagrams have been produced. This section is not relevant to this report on Mineral Resources and Ore Reserves.
<i>Balanced reporting</i>	No exploration results have been reported in this release, therefore, there are no results to report. This section is not relevant to this report on Mineral Resources and Ore Reserves.
<i>Other substantive exploration data</i>	No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.
<i>Further work</i>	No exploration results have been reported in this release. This section is not relevant to this report on Mineral Resources and Ore Reserves.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	Commentary
<i>Database integrity</i>	Drilling data is stored within an acQuire database which is a leading industry data management system. It contains extensive internal validation to ensure the data integrity is maintained.
<i>Site visits</i>	The Competent Person is an employee of La Mancha Resources Australia and is a rostered staff member on-site
<i>Geological interpretation</i>	There is a high degree of confidence in the geological interpretation as extensive geological and structural mapping and knowledge has been gathered since commencement of mining. Controls on mineralisation are generally well understood and areas of geological uncertainty are reflected in the resource classification in that area of the resource model. Geological surfaces were interpreted using a combination of drill hole and face sampling data and underground mapping lines. Three dimensional surfaces were created using Vulcan mining software. No alternative interpretation of the mineralisation style or geometry was considered for Frog's Leg.
<i>Dimensions</i>	Lode widths vary between 30cm and 20m. The strike length of the deposit is approximately 1000m and currently extends to 750m below surface with potential for extension. The main contact lode extends the entire deposit. Smaller lodes extend down dip to around 150m and have shorter strike lengths.
<i>Estimation and modelling techniques</i>	Mineral Resource estimation was completed using Vulcan specialist mining software and the geostatistical analysis was performed in Snowden's Supervisor software. The database was flagged and composited to 1m intervals and an Ordinary Kriged (OK) estimate performed. Variograms were generated using composited drill hole data. Search ellipses were orientated in the direction of grade continuity as defined by the variography. Where there was insufficient data to generate robust variograms, an Inverse Distance estimate was used. The search ellipse varied depending on the domain and the pass used. High grades have been cut according to domain. The range is 25g/t to 250g/t Au. In addition high yield limits

Criteria

Commentary

were used in all passes to restrict the influence of the very high grades. The limits ranged from 15g/t to 75g/t Au.

No by products were estimated. Silver is present in the deposit; however the amount is not material to the economics of the project.

No non-grade variables are estimated. Rock classification for potential acid mine drainage is not required due to low sulphide levels in the waste and the low volume of waste produced from an underground mine.

Parent block dimensions are 2m Xx10m Yx10m Z with sub ceiling down to 0.1m Xx1m Yx1m Z to reflect the current mining method.

The model was validated by comparing statistics of the estimated block grade against the composited sample data and visual inspection of block grades to drill hole grades in plan and section.

Comparisons between reconciled mine production and previous models are completed monthly. Due to negative reconciliation in the two years prior, a slight change was made to place tighter constraints on the high grade material utilising high yield limits. Before 2012 reconciliation was generally positive (more ounces than the resource estimate predicted). The more conservative estimate reduced the contained metal by approximately 7% year on year, to align with reconciliation data.

Moisture

Tonnages are quoted on a dry tonnage basis.

Cut-off parameters

Top cuts were applied to the data to control the influence of high grades gold values, interpreted to be unrepresentative of the mineralisation. A combination of Log probability plots and the coefficient of variation were used to determine top cut values. Top cuts have not changed significantly from year to year.

The lower cut-off grade for reporting the Mineral Resource was determined using economic parameters identified during the Ore Reserve estimation. Year on year this cut-off has increased in response to economic changes.

Mining factors or assumptions

Frog's Leg is an underground mine which utilises a standard long hole stoping method with cemented paste back fill. This method has been in operation since underground mining began in 2008 with paste fill commencing in 2010. The estimation method is amenable to this type of mining and the estimation methodology takes into account the mining factors during the interpretation stage. This includes access to infrastructure, mining widths and cut off grades.

Metallurgical factors or assumptions

Ore is processed through a conventional 1.5Mtpa CIL gold processing plant which incorporates a gravity circuit (currently achieving 1.7Mtpa). The current and estimated future gold recovery is 93%. A nine year production history supports the metallurgical parameters used.

Environmental factors or assumptions

This operation has been running successfully and has had no environmental issues.

The limited waste rock that is removed from the mine is placed on an existing waste dump which has capacity to store waste for the duration of the current mine life.

Bulk density

Density was calculated using the water immersion method. While the samples weren't oven dried the moisture content had a negligible effect on the bulk density. This is supported from grab samples taken for bulk density and moisture from the ROM pad from 2008 to 2013 to assist with toll milling campaigns.

Bulk density was taken routinely throughout the exploration phase over 10 years ago. The density assigned to the ore takes into account the limited porosity. The density information reconciles well through the processing facility as well as the historical toll milling campaigns. While there is some natural variability there had been little variation over time in the bulk density measurements.

Classification

Measured Resources: The block model has been classified as Measured where ore drive development exists. In these areas face sampling occurs on 3.5m intervals along the strike of the ore drives and backs mapping provides for detailed understanding of the architecture of the ore zone. The density of data allows for a high level of confidence in the estimation and thus the Measured classification is deemed appropriate.

Indicated Resources: The block model has been classified as Indicated where drilling has been completed to an average grid spacing of 40m x 40m or less, which roughly correlates with the resource drilling program spacing. The internal waste domain has been classified as Indicated due to the density of drill data and the moderate level of confidence in grade continuity in this domain. Whilst some blocks in this domain were estimated on the first search pass, the geology is less well defined than the area with development and specific structures within this zone have not been particularly targeted due to their small size.

Inferred Resources: The block model has been classified as Inferred where drill spacing is greater than 40m x 40m and/or where the geology and continuity is less well understood.

The Competent Person considers the applied resource classifications to be appropriate for this style of mineralisation.

Criteria	Commentary
<i>Audits or reviews</i>	A number of audits and reviews have been completed throughout the life of the deposit. To date nothing material was identified which would be a cause for re-estimation.
<i>Discussion of relative accuracy/confidence</i>	In the opinion of the Competent Person, Given the operating history from this resource the Competent Person has a very high confidence in the estimation and the approach used. The estimate is a global estimate for the Frog's Leg deposit.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Ore Reserve estimate is based on the current Mineral Resource estimate as described in Section 3. The Mineral Resource is reported as wholly inclusive of the Ore Reserve.
Site visits	The Competent Person is a full-time employee of La Mancha Resources Australia based on site.
Study status	The Ore Reserve is the annual update for the Frog's Leg Mine which has been in continuous production since 2008 (six years), following completion of a feasibility study and commencement of mine development in 2007. An update for the Frog's Leg mine was included as part of the Mungari Gold Project Feasibility Study which was completed in 2012. This study formed the basis for construction of the Mungari Processing Plant and re-commencement of the White Foil open pit. Stope and Development designs have been completed in accordance with La Mancha's mine planning processes, from which there has been no material change from previous reserves (end-2012) and the 2012 Mungari Gold Project feasibility study. The Ore Reserve only includes material classified as Measured or Indicated Mineral Resource.
Cut-off parameters	The Ore Reserve is reported at the following cut-off grades (fully diluted): <ul style="list-style-type: none"> - 3.0 g/t Au for stoping; and - 0.8 g/t Au for development. The cut-off grades applied for reserve estimation have not changed from the previous Ore Reserve (as at end-Dec 2013). The cut-off grades for estimation of the Ore Reserves are derived from the 2015 Budget unit costs, averaged over the next two years (2015-2016) and a metal selling price of A\$1,350 /oz.
Mining factors or assumptions	The mine planning parameters applied for the Ore Reserve are as per the previous Ore Reserve (end-Dec 2012) and are aligned to the long hole open stoping (LHOS) mining method which has been in production since 2008 at Frog's Leg. The Frog's Leg Ore Reserve has been estimated by the following process: <ul style="list-style-type: none"> - Optimisation of the Mineral Resource block model using the Datamine Mineable Stope Optimiser (MSO) software; - Design of stopes (25m level spacing, on 5-10m sections, minimum design width 2.0m) and lateral development (on-grade), using the MSO shapes as guidance; - Evaluation of stope and development shapes against the resource model to provide in-situ tonnes, grade and resource classification for each mining block; - Application of dilution and mining recovery factors to estimate diluted tonnes and grade. Dilution and recovery factors have been updated since the previous Ore Reserve (end Dec-2013) and are based on a review of actual stoping performance of 46 stopes mined between Apr-2013 and Feb-2015; - Filtering of the remaining stope and development shapes to remove stopes or development with diluted grade below cut-off, or shapes not classified as containing measured or indicated Mineral Resource; - Adjustment of tonnes and grade for any stopes in production at the time of reporting; and - Reporting of Ore Reserve by classification. Mining dilution for stopes was applied as a fixed width of dilution based on the stope width, with factors derived from the review of stoping performance from Apr-2013 to Feb-2015. Dilution for closure pillars has been applied as a simple percentage. Factors applied for dilution and mining recovery for each stope category are shown in the following table:

Mining Factors for Stopes Applied to end-2014 Ore Reserve	Stope Design Width				Closure Pillars (all)
	0-4.0m	4.1-8.0m	8.1-12.0m	+12.1m	
Dilution Application Basis	Fixed Width	Fixed Width	Fixed Width	Fixed Width	Percentage
Dilution Applied	1.18 m	1.55 m	1.14 m	1.14 m	23.0%
Mining Recovery	98.7%	95.9%	97.3%	97.3%	84.7%

No dilution was applied for ore development, of which 100% was planned to be recovered.

The resultant dilution and recovery factors for all stopes in this Ore Reserve are 22.1% and 96.2% respectively, compared to 10.2% and 99.0% reported at end-Dec 2013.

The resultant dilution and recovery factors for full reported Ore Reserve are 20.8% and 96.4% respectively, compared to 9.4% and 99.1% reported at end-Dec 2013.

No material infrastructure additions are required for the Frog's Leg mine to extract the Ore Reserve, other than access development for the lower levels which is allowed for in the mine design.

Frog's Leg ore is currently treated at La Mancha's fully owned Mungari Processing Plant which was commissioned in April-2013. Mungari is located ~4km southwest of the Frog's Leg mine.

Frog's Leg ore is conventional free-milling ore which is to be processed through a traditional carbon-in-leach (CIL) gold processing plant.

Metal recoveries achieved to date at Mungari have been in the order of 93-95%.

Frog's Leg ore has historically been treated at both Jubilee (800 ktpa CIL) and Greenfields (750 ktpa CIL). Over 4.0 Mt of Frog's Leg ore has been processed in these two plants since the commencement of underground production in 2008. Typical metal recoveries achieved were in the order of 93-95%.

Based on prior operating history and results from test work, the average metal recovery assumed for Frog's Leg ore at Mungari is 93.0%.

No deleterious elements have been identified for Frog's Leg ore during test work or in historic processing.

All required studies, permits and approvals are in place to continue mining and disposing of mine waste rock out to the end of the project's life.

All required ongoing monitoring and reporting requirements for Frog's Leg are included in management processes for the existing operation.

All required approvals and permits are currently in place for the operating Mungari Processing Plant.

With the Frog's Leg underground mine operation, all infrastructure required for extraction of the Ore Reserve is in place, including:

- Site access roads, waste and ore dumps;
- Offices and ablutions;
- Mobile equipment workshop;
- Electrical power distribution;
- Communications network;
- Dewatering network;
- Flood management; and
- Paste backfill plant.

No material capital expenditure is required to expand the existing mine.

Some operational costs will be amortised in line with accounting policies and minor amounts of sustaining capital are included in the operation's budget.

All cost estimates are done in Australian dollars, so no exchange rate assumptions are applicable.

All operating costs included in the mine plan (applied for cut-off grade calculation) are aligned to the 2015 mine operations and maintenance budget. The budget is an accurate estimate of mining costs with 2013 actual spend being 95.4% of the 2013 budget amount.

Ore treatment cost allowances in the plan are based on the 2015 processing budget, including crusher feed, plant operations, plant maintenance and tailings disposal.

The WA state gold royalty has been allowed at the current rate of 2.5% of net smelter revenue (NSR). No third party royalties are applicable.

Metal production is based on the schedule feed grade from the Ore Reserve, as described above.

For the estimation of the Ore Reserve, a flat gold price of A\$ 1,350 /oz was applied.

**Metallurgical
factors or
assumptions**

Environmental

Infrastructure

Costs

Revenue factors

Criteria	Commentary
Market assessment	No revenue is allocated from any by-product or co-product sales. Gold is sold at spot or a hedged gold price (A\$1,600) and the Ore Reserve is updated annually.
Economic	The Ore Reserves have been economically evaluated through a standard financial model. All operating and capital costs and revenue factors were included in the financial model. This process has demonstrated that the Ore Reserves for the underground operation has a positive NPV.
Social	All required agreements are in place for the existing Frog's Leg mine and are included in management processes for the existing operation, along with community engagement.
Other	No material risks with the potential to prevent the Frog's Leg mine from continuing operations to extract the Ore reserve have been identified.
Classification	Measured Mineral Resources that are within designed mining blocks and are above cut-off grade, have been converted to Proved Ore Reserves. Indicated Mineral Resources that are within designed mining blocks and are above cut-off grade, have been converted to Probable Ore Reserves. No Measured Mineral Resources have been downgraded to Probable Ore Reserves. The Ore Reserve estimate appropriately reflects the view of the Competent Person
Audits or reviews	No external audits or reviews have been undertaken for this Ore Reserve, however, La Mancha has a standard process of internal peer review. Additionally previous Ore Reserves estimates have undergone review by several parties as part of due diligence undertaken to obtain project finance.
Discussion of relative accuracy/confidence	The mine planning work carried out to develop this Ore Reserve update was part of the annual operations planning process of La Mancha Resources Australia. Whilst it has not been accompanied by a specific Feasibility Study, the Frog's Leg mine had a Feasibility Study completed in 2007, which was then updated in 2012 and has been continuous production since 2008. It is the opinion of the Competent Person that the confidence level for this Ore Reserve update is, as a minimum, equivalent to a dedicated Feasibility Study, because of the positive results of previous Feasibility Studies, production experience since 2008 and detailed cost estimation and control derived from the mine's production experience. Inherent to any Ore Reserve estimate, this Ore Reserve does retain a level of uncertainty, particularly relating to the underlying Mineral Resource. The previous Mineral Resource (end-2013) underperformed on a contained metal basis, compared to actual mill reconciliations during 2014 (-7%), with a similar result in 2013 (-9%). Changes have been made to the estimation processes applied to generate the Mineral Resource estimate (refer to Mineral Resource statement for details), as well as the mining factors applied to generate the Ore Reserve (dilution higher, mining recovery lower), in order to improve the quality of the estimate but there is a retained accuracy risk. It is the opinion of the Competent Person that, based on historical operating experience and with the changes made to both the Mineral Resource and Ore Reserve estimation methodologies, the confidence level for this Ore Reserve is improved since the previous (end-Dec 2013) to +/- 3-5%.

For personal use only