02 July 2013 AIM:AMA / TSX:AMZ

Amara Mining plc
("Amara" or "the Company")

BAOMAHUN FEASIBILITY STUDY CONFIRMS ROBUST FINANCIAL RETURNS

Amara Mining plc, the dual AIM and TSX-listed West African focused gold mining company, is pleased to announce the results of its Feasibility Study ("FS") for its 100% owned Baomahun Gold Project in Sierra Leone ("Baomahun" or "the Project").

- The FS outlines a robust and economically viable project
- The Project is expected to generate a post-tax Internal Rate of Return ("IRR") of 22% and a post-tax NPV of US$127 million at a discount rate of 8% and a gold price of US$1,350/oz
- Life of mine ("LOM") average total cash costs of US$799 per ounce (inc. royalty and refining)
- Maiden Mineral Reserve defined for Baomahun of 1.21 million ounces (23.3Mt at 1.62g/t) at a gold price of US$1,100oz
- Amara intends to immediately investigate the recommendations generated by the FS to optimise capital intensity, initial capital outlay and payback period

The FS is based upon an open pit operation with a mine life of 11.5 years and a processing capacity of 2 million tonnes per annum ("Mtpa") through a conventional carbon-in-leach ("CIL") plant. Average production is expected to be 148,550 ounces per annum over the first six years at 2.53g/t head grade, with production of 203,970 ounces at 3.90g/t in the first year generating strong cash flow.

Peter Spivey, Chief Executive Officer of Amara, commented:

"The Feasibility Study has demonstrated the economic strength of the Baomahun Gold Project. We intend to maximise the opportunity for further upside through optimisation which, in light of the current poor equity valuation environment and uncertainty over the outlook for the gold price, is a prudent strategy and in keeping with our approach of lowering risk. This work will focus on opportunities highlighted by the FS including enhancing capital intensity, reducing initial capital outlay and shortening the payback period for Baomahun through exploring scenarios for a smaller plant and higher grade open pit, an earlier underground phase and hydro-electric power. We expect this to demonstrate an even more robust and deliverable project.

"Having proven the viability and value of Baomahun, we will now begin discussions with our partner, Samsung, and other interested parties with regards to funding the development in a non-dilutive fashion. The delivery of the Baomahun FS is an important step in demonstrating the intrinsic value in the Company's portfolio of assets."

HIGHLIGHTS OF THE FS:

Operational

- Average gold production of 148,550 ounces per annum over the first six years at an average grade of 2.53g/t, with production of 203,970 ounces in the first year at 3.90g/t
- Probable Reserves of 1.21 million ounces (23.3Mt at 1.62g/t) at a gold price of US$1,100 per ounce
- Average recovery of 93.4% through a 2 Mtpa processing plant incorporating single stage crushing, SAG milling and a CIL circuit
- The Project is fully permitted with a Mining Lease granted on 11 July 2008 for a period of 25 years and an Environmental Permit granted on 19 April 2012

Financial

- Post-tax IRR of 22% and NPV of US$127 million at an 8% discount rate and a US$1,350 per ounce gold price
- Total revenue of US$1.53 billion and post-tax cash flow of US$273 million based on an average gold price of US$1,350 per ounce
- LOM average total cash costs of US$799 per ounce (including royalties) using an owner-operator scenario, with year 1 total cash costs of US$582 per ounce
- Upfront capital cost of US$151 million and a rapid capital payback period of three years
- Strategic alliance with Samsung C&T Corporation ("Samsung") with the potential to provide cornerstone financing for Baomahun project, capable of satisfying a significant portion of the total Baomahun financing needs

Management Briefing and Conference Call

The Company will host a briefing for analysts today at 9:30am UK at the offices of Pelham Bell Pottinger, 5th Floor, Holborn Gate, London, WC1V 7QD. A conference call and webcast will be held simultaneously. Dial in details are as follows:

Telephone number (toll free from UK):	0800 368 0649
Other parts of the world:	+44 (0) 203 059 8125
Passcode:	Amara Mining

To log into the webcast please go to the homepage of the Company's website: www.amaramining.com. The webcast will subsequently be available for playback on this link.

A second conference call will be hosted at 9:30am EDT/2:30pm UK time for North American analysts. Dial-in details are as follows:

Canada:	1866 404 5783

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Feasibility Study Overview

A NI 43-101 compliant technical report summarises the FS and gives a Mineral Reserve statement for Baomahun. The FS was completed with the input of several major consultants, namely SENET (Pty) Ltd in South Africa ("SENET") who assumed overall responsibility for the report's compilation including processing and infrastructure disciplines. The Mineral Resources were reported by SRK Consulting (UK) Ltd ("SRK") and the Reserve Study was compiled by Bruce van Brunt, General Manager of Technical Services and Business Development for Amara. AMEC Earth & Environmental (UK) Limited ("AMEC"), in conjunction with CEMMATS Group Ltd ("CEMMATS"), a Sierra Leonean company, was responsible for the social and environmental aspects of the project, as well as the tailings management facility ("TMF") and water storage design. Predominantly the FS has been completed to within a ±10% cost accuracy based on firm tenders received from suppliers and contractors.

The FS incorporates the geology, Mineral Resources, Mineral Reserves, mining and mine production schedule, metallurgy, process plant design, infrastructure design, including waste tailings and water management, capital and operating cost estimates, financial modeling and permitting for the Project.

Mineral Reserve Statement

Baomahun is associated with one of four Archaean greenstone belts in Sierra Leone. The deposit comprises a series of steeply dipping zones of sulphide mineralisation in the form of pods and lenses. The mineralised zones, which outcrop on the slopes of the hills in the area, pinch and swell over short distances (50 to 100m). The mineralisation is localised in metasediments and is seen to be associated with magnetite rich units that have been interpreted as Banded Iron Formation.

The Mineral Reserve estimate is based on the Mineral Resources defined in the NI 43-101 compliant technical report entitled "Technical Report, Mineral Resource Estimate for the Baomahun Gold Project, Sierra Leone" which was filed on SEDAR on 04 January 2013 and verified by SRK. The Mineral Reserves are the portion of the Mineral Resources that fall within an optimised whittle pit shell that assumes a gold price of US$1,100 per ounce and the mining and processing costs detailed in the section of this announcement entitled 'Total Cash Costs.'

The Mineral Reserves support an open pit operation with an average annual throughput of 2 Mtpa of ore over an 11.5 year production life. Gold production in the first year is 203,970 ounces at an average grade of 3.90g/t, generating strong cash flow through the mining of the orebody's high grade core. Average annual production over the first six years is expected to be 148,550 ounces at an average grade of 2.53g/t. All of the Mineral Reserves at Baomahun are located within 250 metres of surface and are extractable by open pit methods. The orebody remains open at depth.

The reported Mineral Reserve estimate is shown in the following table:

Reserve Classification	Tonnes (Mt)	Grade (g/t)	Content (Moz)
Probable	23.27	1.62	1.21
Total Proven and Probable	**23.27**	**1.62**	**1.21**

Notes

1. Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions were used for Mineral Reserves
2. The Mineral Reserve was estimated by construction of a block model within constraining wireframes and based on Indicated Resources
3. The Mineral Reserve is reported at a cut-off grade of 0.5 g/t Au at a gold price of US$1,100/oz
4. Mining dilution of 5% was added
5. The Mineral Reserves were estimated based on the NI 43-101 Mineral Resources, both effective as of 19 November 2012
6. A 93.4% metallurgical gold recovery was used

Mineral Resource Statement

As previously announced on 19 November 2012[i], the Mineral Resource estimate confirms the presence of a robust high grade core to the deposit and recognises the presence of a more substantial lower grade halo. The model confirmed the close relationship of gold mineralisation with various structural domains and mylonitised shear zones.

The reported Mineral Resource estimate is shown in the following table:

	Resource Classification	Tonnes (Mt)	Grade (g/t)	Gold (Moz)
Open Pit	Indicated	34.9	1.62	1.82
	Inferred	3.4	1.15	0.12
Underground	Indicated	3.5	3.80	0.43
	Inferred	3.2	3.95	0.41
Total	**Indicated**	**38.4**	**1.81**	**2.24**
	Inferred	**6.6**	**2.52**	**0.54**

Notes

1. CIM definitions were used for Mineral Resources
2. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability
3. A cut-off grade of 0.5g/t was applied within a US$1,600/oz open pit shell and a 2.0g/t cut-off for resources suitable for underground mining. The resources suitable for underground mining are not included in the FS.
4. The Mineral Resource is inclusive of the Mineral Reserve. The Mineral Reserve is based on a more constrained whittle pit of US$1,100
5. Due to rounding, some columns or rows may not add up exactly to the computed totals

Key Project Parameters

The key technical, operational and financial parameters of the FS are summarised in the following table:

Parameter	Unit	
Ore mined	Mt	23.3
Average head grade mined	g/t	1.62
Waste mined (including pre-strip)	Mt	192.0
Strip ratio	waste:ore	8.25:1
Contained gold	Moz	1.21
Average gold recovery rate	%	93.4
Annual production y1	ounces	203,970
Annual production y2-6	ounces	137,460
Annual production y1-6	ounces	148,550
Annual production over LOM	ounces	94,360
Open pit mine life	years	11.5
Upfront capital cost	US$ million	151
Capital payback period	years	3
Total cash costs (including royalties)	US$/oz	799

A full table of the parameters used to compile the FS is included in Appendix A.

Infrastructure and Capital Costs

The upfront capital cost for the Project is US$151 million, with a further US$86 million for the mining fleet and power generation plant, which could be deferred by leasing these items. The total pre-production capital cost is US$253 million including contingency, and the payback period for this amount is three years. A breakdown is set out in the table below.

The capital costs have been prepared to an overall estimating accuracy allowance of within ±10% based on predominantly firm tenders.

Capital Costs	US$m
Processing plant	52.9
Infrastructure	17.0

Tailings Management Facility	8.1
Mining pre-production costs	30.3
EPCM and construction labour	34.0
Owners costs	8.9
Upfront Capital Costs	**151.2**
Mining fleet[1]	74.7
Power Station[1]	11.3
Capital Costs excluding contingency	**237.2**
Contingency[2]	15.9
Total Pre-Production Capital Costs	**253.1**

Notes

1. Assumes items are bought not leased
2. A range of percentages were used to calculate contingency depending on the confidence of the estimate of each contributing item

The FS has been completed on the basis that mining operations will be undertaken on an owner-operator basis, although the Company is exploring opportunities to reduce upfront capital outlay through contractor mining. Amara also expects that further savings on capex and opex will be possible due to the significant fall in the gold price in recent months. Input costs from suppliers and contractors have not yet responded to this weakness, but in time the Company anticipates that in the absence of a sustained recovery, a number of key input costs would decrease. Amara will also continue to negotiate with its main suppliers.

Sustaining and Deferred Capital Costs	
Processing plant	15.2
Tailings Management Facility	8.4
Closure costs	9.7
Total Sustaining Capital	**33.3**

Sustaining capital includes the mine closure costs and the development of the TMF. The mine closure costs cover environmental aspects at the mine and process plant sites.

Total Cash Costs

The FS has demonstrated total cash costs of US$799/oz, including royalties. The financial model, which includes all of the capital and operating costs, has been prepared based on cost estimates and production schedules provided by and endorsed by competent persons. A breakdown of costs on a per tonne

basis is included in Appendix A.

Category	US$/oz produced
Mining	401
Processing	274
General and Administration	77
Operating Cash Costs	**752**
Freight and refining	6
Royalties	41
Total Cash Costs	**799**

Economic Sensitivity Analysis

The economic analysis utilises an average gold price of US$1,350 per ounce over the 11.5 year life. This data is presented with a sensitivity analysis which examines the project economics at different gold prices.

Discount rate and gold price sensitivity

	US$1,200	US$1,350	US$1,500
Post-tax NPV			
5% discount	75.0	172.4	258.2
8% discount	41.2	**127.0**	201.6
10% discount	22.2	101.3	169.8
Post-tax IRR	13%	**22%**	29%

Please see Appendix B for more detailed sensitivity analysis.

Amara owns 100% of the Project. Discussions are on-going with the Government of Sierra Leone in respect of the fiscal regime which will apply to the Project. The Project will be a significant contributor to the tax base of the Sierra Leone economy. Both parties are committed to working together to achieve a fair outcome for all stakeholders, which will allow the Project to be developed. The FS is based on a corporation tax rate of 25% and a sliding scale royalty ranging from 3% to 5% with no tax holiday. However no particular royalty or tax rate has been agreed with the government and negotiations are focused on a tax regime that ensures an adequate post-tax internal rate of return for the Project.

Mining Plan

Baomahun will comprise an open pit mining operation extracting ore at a nominal rate of 2 Mtpa with an operating life of 11.5 years. The open pit will comprise two adjacent and interconnecting pits. Owner-operator mining using a conventional truck and shovel method is assumed.

The mine design aspects were completed by Onno ten Brinke, a consultant to Amara, and comprised pit optimisation using Whittle-4X based on the Indicated

Resources. A staged mining sequence was developed for production scheduling.

The mining schedule sees the operation produce a total of 23.3Mt of ore grading 1.62g/t with an associated 192.0Mt of waste. The average LOM stripping ratio is 8.25:1 over a mine schedule of 11.5 years. During the first six years, mining takes place with higher grade material sent to the processing plant and lower grade material stockpiled. From year seven onwards, mining will cease but production will continue as the lower grade material from the stockpile is processed.

The pit optimisations were undertaken at US$1,100/oz gold and a metallurgical recovery of 93.4% was employed. A steady state mining rate is planned after the initial period of waste pre-stripping at an annualised plant feed rate of 2 Mtpa. The average waste mining rate is 30.9Mt over the first six years, during which mining takes place.

The FS assumes that all earthmoving activities and mining operations will be conducted on an owner-operator basis using a conventional truck and shovel method, although contractor mining is being considered in order to reduce initial capital outlay.

General Infrastructure Layout

The Project includes a process plant, offices, workshops, generator power plant, housing and warehouses, mining camp, a TMF, rock dumps, explosives bay and various ore stockpiles.

The TMF and water management design was undertaken by AMEC. The TMF covers an estimated footprint of 120 hectares and is located in a valley approximately 8km to the northeast of the processing plant. The TMF will be raised in stages with the initial dam providing for approximately two years of tailings.

Metallurgy Testing

A broad range of metallurgical tests have been conducted on Baomahun ore over several campaigns. The ore has demonstrated attractive free milling characteristics and the inclusion of a gravity circuit has been proven to enhance the overall recovery rate. Therefore, a typical gravity/CIL process design is considered optimal for Baomahun with 93.4% expected recoveries.

Plant Process Design

The proposed Baomahun process plant design is based on well-known and established CIL technology, which consists of crushing, milling, leach and adsorption, elution and gold smelting and tailings management. Services to the process plant will include reagent mixing, storage and distribution, water, air supplies and infrastructure.

The mined ore will be crushed through a primary jaw crusher and stockpiled prior to milling. Milling will consist of a single stage SAG mill operated in closed circuit with a hydro-cyclone cluster. The discharge from the mill will be pumped to the cyclone cluster for classification.

A proportion of the cyclone underflow will be bled to the gravity circuit for recovery of gravity gold. Gold will be recovered from the concentrates through a combination of intensive cyanidation and electrowinning facilities.

The overflow from the cyclone cluster will gravitate to the leach/CIL circuit where gold will be dissolved and adsorbed onto carbon. The resultant CIL tailings slurry will be pumped to the tailings disposal facility.

Loaded carbon from CIL will be acid washed prior to elution, followed by re-activation of the eluted carbon. The solution from the elution circuit will be subjected to electrowinning, where gold will be deposited onto cathodes as sludge. Periodically the sludge will be washed off the cathodes, filtered and dried. The dried gold sludge will then be smelted to produce gold bullion, which will be shipped to the refinery.

The process flow sheet is well-known in the gold mining industry. It is considered to be low risk and historically has proven a successful processing route for orebodies in Africa.

Permitting

Baomahun is fully permitted. The Project comprises the Baomahun Mining Lease (MD31/94), which covers an area of 23.09 square miles (59.85km^2). The Company also holds the adjoining Victoria and Makong South exploration licences, which further enhance the Company's opportunity for expansion.

The Baomahun Mining Lease was granted to Baomahun Gold Limited, a 100% subsidiary of the Company, on 11 July 2008 and extends for a period of 25 years. Amara received the Environmental Permit for the project on 19 April 2012. Baomahun's Environmental Impact Study ("EIS") is a comprehensive document that incorporates environmental and social baseline studies and also contains environmental and social impact assessments for appropriate specialist disciplines, which incorporate feedback received from regular consultations with relevant stakeholders and affected communities. The EIS relates to the proposed development of an open pit gold mining project and associated infrastructure. Due to the sparsely populated nature of the Baomahun licence area, there were very limited relocation requirements. The EIS and associated Environmental Impact Assessment were prepared and undertaken by AMEC and CEMMATS.

Project Optimisation

The FS generated three key recommendations for optimisation, which are expected to have a positive impact on capital intensity, initial capital outlay and the payback period for Baomahun. Amara believes that there is an opportunity to improve Baomahun's robust economics and work has already begun to explore these optimisation scenarios. The three key recommendations are as follows:

- Evaluate the impact of a smaller processing plant and open pit - Amara is exploring a scenario that would allow higher average grade ore to be processed through a smaller plant, which would still generate robust production. The results from the initial whittle shells suggest that this would constrain the strip ratio and have a lower capital requirement, which in turn is expected to reduce the payback period and increase the return on capital for shareholders

- Assess the economics of the underground opportunity - Snowden Mining Industry Consultants Pty Limited has been appointed to evaluate the merits of proceeding with a PEA on the known Baomahun resource outside of the current ultimate pit. A significant proportion of the Project's Mineral Resources are potentially amenable to underground mining techniques, so gaining a more thorough understanding of the underground opportunity is important to ensure the delivery of the full value of the asset

- Further develop the plans for a hydro-electric power scheme - Amara commissioned a FS for a 24 MW run-of-river HEP plant and discussions are ongoing with the Sierra Leone Government with regards to progressing its financing and development. The resulting power costs, estimated at

between US$0.05/kWh and US$0.10/kWh, would represent a significant reduction compared to the current cost of heavy fuel oil power generation estimated at US$0.23/kWh. Amara expects that this could reduce operating cash costs by approximately US$50 per ounce

Next Steps

Following the release of the FS, Amara will begin discussions with its strategic partner, Samsung, and other interested parties with regards to financing the development of the Project.

As stated in the Q1 2013 Results announcement on 22 May 2013, Amara is committed to minimising dilution to shareholders and thus has begun work exploring other financing options. Selling a small portion of the project equity to a third party or bringing in a joint venture partner for the Project could form the basis of a sustainable and non-dilutive financing strategy, with Yaoure continuing to provide a strong growth pipeline. Amara appointed debt advisors in H1 2012 to evaluate strategic options, without the need for gold hedging, and although the Company's alliance with Samsung has been an important step forwards in financially de-risking the Baomahun project, the Company remains focused on this goal.

Technical Report

Amara will file a NI 43-101 compliant technical report on Baomahun outlining the Mineral Resources and Reserves estimate and the results of the FS. The report will be available within 45 days at www.sedar.com and on the Company's corporate website at www.amaramining.com

Qualified Persons

Richard Quarmby is a "Qualified Person" within the definition of National Instrument 43-101 and has verified the data disclosed in this news release and reviewed and approved the information contained within this announcement. Mr Quarmby is the Company's Group Project Manager.

Neil Senior (Pr.Eng, MSc, FSAIMM) is a "Qualified Person" within the definition of National Instrument 43-101 and was responsible for compiling the FS. Mr Senior is Joint Managing Director of SENET, independent consultants to the Company. SENET assumed overall responsibility for the report's compilation including processing and infrastructure disciplines.

Ciaran Molloy (BSc Eng.) is a "Qualified Person" within the definition of National Instrument 43-101 and was responsible for the social and environmental aspects of the Project, including the TSF and water storage design. Mr Molloy is Associate Director - Engineering of AMEC, independent consultants to the Company, and a member of the Institute of Materials, Minerals and Mining.

The estimates of Mineral Resources were calculated in accordance with National Instrument 43-101 and carried out by Dr John Arthur (CGeol FGS; MIMMM CEng), Principal Consultant (Resource Geology) of SRK, independent consultants to the Company. Dr Arthur is a "Qualified Person" within the definition of National Instrument 43-101 has also reviewed and approved the Mineral Resource data in this news release.

The Reserve Study was prepared by Bruce van Brunt (MSc Mining Engineering, Fellow AusIMM). Mr van Brunt is a "Qualified Person" within the definition of National Instrument 43-101 and he has approved the Mineral Reserve data in this news release. Mr van Brunt is Amara's General Manager of Technical Services and Business Development.

Quality Assurance / Quality Control ("QA/QC")

Drill intersections from in-fill drill holes both in the Baomahun resource area were calculated using a minimum width of 2m, a cut-off of 0.5g/t and up to 2m of internal waste. Drill cores for assaying were taken at a maximum of one metre intervals and were cut with a diamond saw. One half of the core was placed in sealed bags and sent to the Company's sample preparation facility at Baomahun, Sierra Leone. The core samples were then crushed to minus 4mm and

split, with 1.0kg of sample pulverised down to 95% passing 106 microns. Approximately 120 grams of the pulverised sample were then shipped to a laboratory which is independent of the Company - the SGS Laboratory, Tarkwa, Ghana, where the samples were analysed for gold by fire assay using a 50g charge. As part of the Company's QA/QC procedures, internationally recognised standards, blanks and duplicate samples were inserted into the sample batches.

This report includes certain "forward-looking information" within the meaning of applicable Canadian securities legislation.

All statements other than statements of historical fact included in this report, including, without limitation, the positioning of the Company for future success, statements regarding exploration, production estimates, future objectives of Amara and the results of the FS including the economic analysis are forward-looking information that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Amara's expectations include, among others, risks related to international operations, the actual results of current exploration and drilling activities, the assumptions and parameters used in the Baomahun FS, the results of the optimisation opportunities, changes in project parameters as plans continue to be refined as well as the future price of gold. Although Amara has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Amara does not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws.

Non IFRS Measures - cash cost per ounce is a financial measure used by many investors to compare mining companies on the basis of operating results, asset value and the ability to incur and service debt. Amara considers cash cost per ounce as a key measure in evaluating the Company's operating performance. However, it is not a measure of financial performance, nor does it have a standardized meaning prescribed by IFRS, and may not be comparable to similar measures presented by other companies. This measure has been described and presented in this document in order to provide shareholders and potential investors with additional information regarding the Company's operational performance, liquidity and its ability generate funds to finance its operations.

GLOSSARY

"Banded Iron Formations": distinctive units of sedimentary rock that are usually of Precambrian age. A typical BIF consists of repeated, thin layers (a few millimeters to a few centimeters in thickness) of silver to black iron oxides, either magnetite (Fe_3O_4) or hematite (Fe_2O_3), alternating with bands of iron-poor shales and cherts, often red in color, of similar thickness, and containing microbands (sub-millimeter) of iron oxides.

"Metasediments": A metasediment is a rock of sedimentary origin that has been subjected to metamorphism.

"Mineral Reserve": A mineral reserve is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"Mineral Resource": A mineral resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known,

estimated or interpreted from specific geological evidence and knowledge.

"Inferred Mineral Resource": is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"Indicated Mineral Resource": is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonable assumed.

"Measured Mineral Resource": is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"SAG mill": A semi-autogenous grinding mill, or SAG mill, is responsible for grinding materials from large chunks into small, usable pieces for processing. The SAG mill is usually part of the primary stage in the grinding process.

The above definitions of "mineral resource", "measured mineral resource", and "indicated mineral resource" conform to Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions as defined in the CIM Standards on Mineral Resources and Reserves - Definitions and Guidelines as required by National Instrument 43-101, Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators.

APPENDIX A - Key Parameters

Parameter	Unit	Year 1	Years 2-6	Life of Mine
Operations				
Sulphide ore mined	Mt	5.2	16.7	22.1
Oxide ore mined	Mt	0.6	0.4	1.2
Total ore mined	Mt	5.8	17.1	23.3
Average head grade mined	g/t	1.82	1.56	1.62
Waste mined	Mt	33.5	151.7	192.0
Pre-stripped waste (included in waste mined)	Mt	-	-	6.8
Average strip ratio	waste:ore	5.77	8.88	8.25
Total material mined	Mt	39.4	168.7	215.3
Contained gold	oz	218,183	736,560	1,212,847
Total ore processed	Mt	1.7	10.0	23.3

Average head grade processed	g/t	3.90	2.29	1.62
Average annual tonnes processed	Mt	1.7	2.0	1.9
Average gold recovery rate	%	93.5	93.3	93.4
Average annual gold production	oz	203,970	137,500	94,360
Costs				
Operating cash costs (ex. royalties)	US$/oz	535	775	752
Total cash costs	US$/oz	582	822	799
Mining cost	US$/t mined	1.92	2.13	2.18
Processing cost	US$/t processed	14.75	13.62	13.35
General and Administration (G&A) cost	US$/t processed	4.50	3.75	3.73

Assumptions		
Gold price	US$/oz	1,350
Discount rate	%	8
Corporate tax rate	%	25
Royalty rate	%	3
Outputs		
Capital payback period	years	3
Post-tax IRR	%	22
Post tax NPV	US$m	127
Gross Revenue	US$m	1,529
Post-tax cash flow	US$m	273

APPENDIX B - Post-Tax Sensitivities

Gold price and discount rate sensitivities

NPV	1,000	1,100	1,200	1,300	1,350	1,400	1,500	1,600	1,700	1,800	1,900	2,000
0%	(39)	67	150	232	273	314	384	465	547	613	694	775
5%	(73)	9	75	140	172	205	258	321	384	434	496	558
8%	(88)	(17)	41	99	**127**	155	202	256	310	354	408	462
10%	(97)	(32)	22	75	101	127	170	219	269	309	358	407
IRR	-4%	6%	13%	19%	**22%**	25%	29%	33%	38%	41%	45%	49%

[i] Please see press released entitled 'Mineral Resource update for Baomahun Gold Project', dated 19 November 2012