



ANNUAL INFORMATION FORM

For the 12 months ended June 30, 2011

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CGA MINING LIMITED

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Currency

Unless otherwise specified, all dollar references are to United States (US) dollars. On June 30, 2011, one (1) US dollar was worth approximately CAD\$0.9640 based on rates provided by currency site oanda.com.

Forward Looking Statements

This Annual Information Form ("AIF") includes certain "forward-looking statements" within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding the reserves and resources at the Masbate Gold Project and other milestones related to the Masbate Gold Project and other projects, production estimates and CGA's future operating or financial performance, are forward-looking statements. Information concerning mineral reserve and resource estimates including statements regarding the conversion of inferred resources to reserves also may be deemed to be forward-looking statements in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. 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 CGA's expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of CGA's mineral projects; the need to obtain additional financing to develop CGA's mineral projects; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for CGA's mineral projects.

All forward-looking statements are based on the Company's current beliefs as well as assumptions made by and information currently available to the Company and relate to, among other things, anticipated financial performance, business prospects, strategies, regulatory developments, market forces and commitments.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this AIF. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this AIF, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



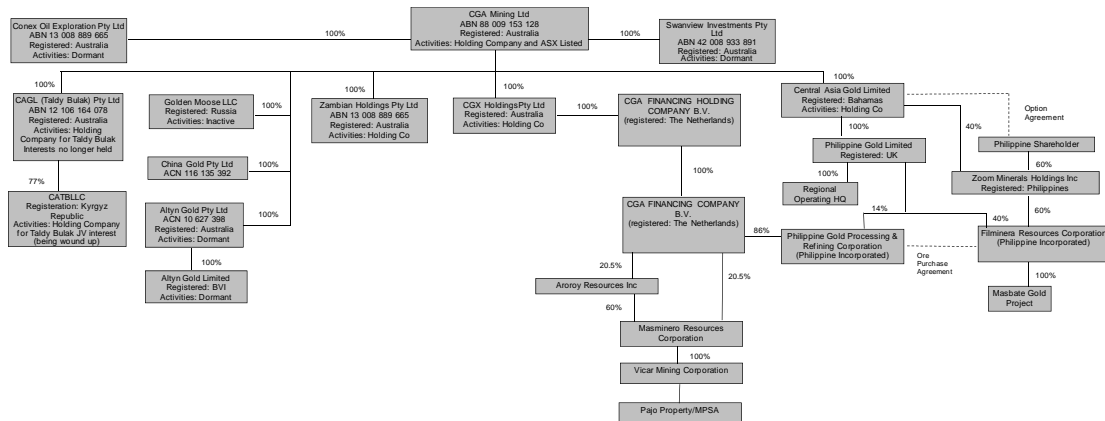
1. Corporate Structure

Name, Address and Incorporation

CGA Mining Limited (“CGA”, or the “Company”) was incorporated on October 16, 1985 pursuant to the Australian Corporations Act originally under the name Conex Australia NL. The Company changed its name to Sapphire Mines NL in August 1989, and then on January 18, 2002 changed the company type from no liability company to company limited by shares. At this time the name changed to Sapphire Mines Limited. On November 27, 2002 the Company changed its name to Central Asia Gold Limited. On November 22, 2006 the Company changed its name to CGA Mining Limited.

The Company’s corporate head office and registered office is located at Level 5, The BGC Centre, 28 The Esplanade, Perth, Western Australia. The Company has a regional office in Manila.

CGA Mining Group Structure at June 30, 2011



2. General Development of the Business

Three Year History

CGA is incorporated and domiciled in Australia. The Company has been listed on the Australian Stock Exchange (“ASX”) since April 1991 and on the Toronto Stock Exchange (“TSX”) since February 2005.

During the 2007 year, the Company entered into agreements to acquire interests in a number of new resource projects: a gold project in the Philippines, the Masbate Gold Project, a copper project in Zambia, the Mkushi Copper Project, and the Segilola Gold Project in Nigeria.

The Company executed a joint venture agreement on May 30, 2007 between Seringa Mining Limited (“SML”), a then wholly owned subsidiary of the Company, African Eagle Resources plc (“AFE”) and Katanga Resources Limited (“Katanga”), a wholly owned subsidiary of AFE whereby CGA acquired a 51% interest in the Mkushi Copper Project in Zambia, with AFE retaining a 49% interest.

On May 27, 2007, the Company through its then wholly owned subsidiary, Segilola Gold Limited (“SGL”), entered into a joint venture agreement (“the JV Agreement”) with Tropical Mines Limited (“TML”), to earn a 51% interest in the Segilola Gold Project in Nigeria, considered to be the most advanced gold exploration project in the country. TML is a Nigerian company owned in joint venture by local investors and the Government.

On January 31, 2007, the Company entered into a Sale and Purchase Agreement (“SPA”) for the acquisition of 100% of Thistle Mining Inc’s interest in the Masbate Gold Project located in the Republic of the Philippines. The agreed purchase consideration was \$51M, and the transaction was completed on March 19, 2007 through an issue of 40,985,538 shares and cash payments of \$25M.

During the 2008 financial year, the Company’s activities were focused on the Masbate Gold Project development in the Philippines. During the December 2007 quarter, the Company secured the necessary equity funding to enable a commitment to development of the Masbate Gold Project and construction was commenced. A private placement of 48,200,000 ordinary shares in the capital of the Company and 25,000 units, for a total capital raising of approximately \$65M was closed on November 22, 2007. Each unit comprised of one 12% senior unsecured promissory note with a par value of US\$1,000 issued by CGA Financing Holding Company B.V., a wholly owned subsidiary of the Company, and 250 transferable share purchase warrants issued by the Company.

The Company completed an additional private placement on June 12, 2008, of 21,212,000 ordinary shares in the capital of the Company. The shares were sold at C\$1.65 per share, raising C\$35M. The proceeds, in combination with existing cash reserves, an \$80.3M senior debt facility arranged by BNP Paribas (discussed below), and the \$10M loan facility with Meridian Capital CIS Fund (“Meridian”) and Casten Holdings Limited (“Casten”) drawn down during the 2009 year, were used to fund construction of the Masbate Gold Mine in the Philippines, including the construction of a power plant. Both private placements made during the 2008 fiscal year were marketed on a best efforts basis by way of a brokered private placement with Haywood Securities Inc. as agent.

On May 26, 2008, the Company announced that the \$80.3M project finance facility documentation had been signed with BNP Paribas and Standard Chartered Bank. Subsequently, two additional banks joined the syndicate, West LB and DZ Bank who are now also parties to the facility documentation. The funds available under the BNP Paribas arranged facility were applied to the development of the Masbate Gold Project in the Philippines with repayment over a 4.5 year term to 31 December 2013.

The Company completed a private placement, which closed on February 9, 2009, of 20M ordinary shares in the capital of the Company at C\$1.25 per share for a total capital raising of C\$25M. On June 12, 2009, the Company closed an additional private placement of 14,815,000 ordinary shares in the capital of the Company. The shares were sold at C\$1.35 per share, raising C\$20,000,250. The proceeds, in combination with existing cash reserves, were utilised to supplement working capital during the initial months of production at the Masbate Gold Mine.

During the 2009 year, the Company’s focus continued to be the development and commissioning of the Masbate Gold Project with the construction of the processing plant

completed in the 2009 March quarter and the power plant in the 2009 June quarter. The Masbate Gold Project achieved its first gold pour on 12 May 2009. Prior to commencement of commercial production, most costs were capitalised as development costs.

On October 30, 2009 the Company completed a private placement of 14,705,000 ordinary shares in the capital of the Company at C\$1.70 per share for a total capital raising of C\$24,998,500. The net proceeds, after costs of the issue, in combination with existing cash reserves, were utilised to fund further enhancements in the plant and exploration activities at the Masbate Gold Mine.

A further private placement was completed on February 5, 2010 on a bought deal basis, of 39.1M ordinary shares in the capital of the Company at C\$2.20 per share for total gross proceeds of C\$86M. The net proceeds from the sale of the shares were used to repay indebtedness, including the early repayment of the loan facility with Meridian and Casten, the \$25M Senior Promissory Notes, to increase exploration activity at the Masbate Gold Project and for general corporate purposes.

In 2010, the Company incorporated a new entity, Ratel Gold Limited ("Ratel") which acquired the Company's African assets. During the June 2010 quarter, the Company announced a proposed spin-off of Ratel from the Company, with Ratel undertaking an initial public offering of common shares (the "Offering") in Ratel. The Offering closed successfully on 6 August 2010, with Ratel issuing 70M common shares at a price of C\$0.20 per common share, for aggregate gross proceeds of C\$14M. The Offering, along with a subsequent issue of 2.5M shares by Ratel, diluted the Company's holding in Ratel to 19.4%. Accordingly the African assets, being the Segilola Gold Project and the Mkushi Copper Project, are no longer controlled by the Company or consolidated into its financial statements.

During the 2010 fiscal year, the Company's activities were focused on the Masbate Gold Project and the operation achieving a steady state level of production. A trial of lead nitrate addition to the leach circuit commenced in mid-March to test laboratory scale test work which indicated 5-7% higher and faster recovery of gold could be achieved for a given ore blend and throughput rate with the majority of this recovery coming from the first third of the leach train. As throughput rates in the plant are increased, this improvement in leach kinetics has been used to maintain high gold recovery as residence time in the leach circuit reduces. Following the success of the trial, lead nitrate has consistently been used in operations and has successfully improved recoveries by approximately 4 - 5%.

During the June 2010 quarter, the Company entered into a strategic alliance with Sierra Mining Limited ("Sierra"), which holds prospective gold exploration interests in the Philippines. Projects include the property immediately adjacent to Medusa Mining Limited's (TSX:MLL) rich Co-0 gold mine (December 2010 quarter – average grade 13.09g/t and cash costs of \$185/oz) and other properties to the south of the King-king gold and copper deposit. This will leverage CGA's exploration expenditure and further capitalise on the success to date in the Philippines. In November 2010, the Company purchased a further 4M shares in Sierra, increasing its holding at 31 March 2011, to 19.7M shares or approximately 9.5%.

In October 2010 the Company entered into a strategic alliance with Ratel Gold Limited ("Ratel"), now called St Augustine Gold and Copper Limited ("SAU") in connection with Ratel's agreement to acquire the interests held by Russell Mining & Minerals, Inc. and their subsidiaries (the "RMMI Group"), in the 20.7M equivalent gold ounce King-king Copper-Gold Project in the Philippines ("the King-king Interests"). Acquisition was conditional on the successful completion of a C\$25M capital raising at C\$0.30 ("the Ratel Placement") per share and securing all necessary shareholder and TSX approval for the acquisition,

share issue to the RMMI Group and the Ratel Placement. The Company subscribed to a total of 50M additional shares in the Ratel Placement, increasing its interest in Ratel Gold Limited to its current interest of 23%. The Ratel Placement along with the acquisition of the King-king interests was successfully closed on 7 January 2011.

During the December 2010 quarter the Company agreed to provide a loan facility to the RMMI Group to fund the initial settlement payments to Benguet Corporation (“Benguet”) and debt holders of Benguet, together with working capital, which was fully secured against the King-king Interests. The total amount loaned was \$14,489,202, which was fully repaid on 7 January 2011, along with interest of \$336,705.

With the closure of the Ratel Placement, Ratel completed a spin-off of its existing African assets, by way of an entitlement issue back to shareholders of shares in Ratel Group Limited (“Ratel Group”), a TSX-listed company trading under the symbol “RTG”. Under the terms of the reorganization, the Company was issued a further 9,722,222 Ratel Group shares. The Company also participated in a capital raising of Ratel Group, taking up 19M shares at C\$0.10 each. As a result the Company now holds a 19.1% interest in Ratel Group.

As part of the spin off transaction Ratel changed its name to St. Augustine Gold and Copper Limited on January 21, 2011.

During June 2011, the Company successfully achieved Project Completion for the project finance facility for the Masbate Gold Project. Having now satisfied Project Completion, the following additional benefits apply to the facility:

- the margin has reduced from LIBOR plus 3.65% to LIBOR plus 3.15%;
- any guarantees from CGA have been released and the project is non-recourse to CGA;
- the Project will be able to flow all excess funds (above and beyond the Debt Service Reserve Account) to any other entity within the CGA group, with any payment out of the security structure to be applied as to 25% to a further prepayment of the principal outstanding under the facility, subject to the satisfaction of normal financial ratios.

The Company is currently completing an expansion of the plant throughput at Masbate, with further capital expenditure of approximately \$2M to achieve a throughput rate of 6.5Mtpa. In addition, a new 52.3 square kilometre exploration permit was granted in the 2010 March quarter. The permit is contiguous to the tenements currently being mined by the Masbate Gold Project. An \$8M exploration program was undertaken to establish a strong database and overview of structural settings to develop high quality targets for the 2011-2012 exploration programme. We have committed a further US\$20M to the upcoming exploration programme.

During the financial year, 2,130,750 unlisted options were exercised and 1,050,000 unlisted options were issued. Subsequent to year end 50,000 options have been exercised. At 30 June 2011, the Company had 10,821,250 options on issue and the total issued capital was 333,425,726 fully paid ordinary shares.

Objectives and Strategy

The objective of CGA, having now developed and successfully operated the Masbate gold Mine in the Philippines is to further grow the reserve and resource base of the Company, capitalising on its existing assets in the Philippines and pursuing further growth opportunities to enhance shareholder value.

3. Description of the Business

Business of the CGA Group

CGA is primarily focussed on the Masbate Gold Project which is now the largest operating gold project in the Philippines. It was successfully developed by the Company in less than 2 years since acquisition, having first poured gold in May 2009.

The Company executed a 6 year mining alliance contract with Leighton for the Masbate Gold Project whereby Leighton provides the full mining fleet and associated equipment, manpower and maintenance for the project, operating under the direction of Filminera Resources Corporation (“FRC”) mining managers.

FRC holds the mineral tenements that include the Masbate gold deposit. The mining claims and applications cover an area of approximately 8,316 ha. Phil. Gold Processing and Refining Corp. (“PGPRC”) developed, owns and operates the process plant and is responsible for the sale of all gold. PGPRC and FRC have a contractual relationship, which includes PGPRC purchasing ore from FRC whilst maintaining joint financial and legal liability for the social and environmental obligations under Philippine law.

In the 2010 June quarter, CGA entered into a strategic alliance with Sierra which holds prospective gold exploration interests in the Philippines and CGA currently holds a 8.7% interest in Sierra.

On August 6, 2010, CGA completed a spin-out (the “Spin-out Transaction”) of the Segilola Gold Project and the Mkushi Copper Project (the “African Assets”) involving an initial public offering of a newly formed company, Ratel Gold Limited (“Ratel Gold”), a wholly owned subsidiary of the Company as at June 30, 2010. Ratel Gold then underwent a reverse takeover transaction (“RTO Transaction”) that was completed on January 7, 2011, was renamed St. Augustine Gold and Copper Limited (“SAU”) and the African Assets were spun-out for a second time to Ratel Group Limited (“Ratel Group”). As a result of the Spin-out Transaction and RTO Transaction, CGA holds a 23% interest in St. Augustine Gold and Copper Limited and a 19% interest in Ratel Group. Both SAU and Ratel Group are listed on the Toronto Stock Exchange.

The Spin-out Transaction was completed to allow CGA management to focus entirely on the development of the Masbate Gold Project, in addition to allowing CGA shareholders to have the opportunity to participate in the exploration and development of the properties located in Zambia and Nigeria. Pursuant to the Spin-out Transaction, a \$14 million offer of new shares in SAU was made to CGA shareholders (on a priority offer basis) and new institutional clients.

The Spin-out Transaction is described in detail in the long form prospectus of SAU dated June 29, 2010 and the RTO Transaction is described in detail in the information circular of SAU dated November 19, 2010, both of which are available at sedar.com.

The Company has a disciplined acquisition program focused on acquiring new gold projects with a substantial initial resource with the capacity to grow materially and where the development and operational experience of CGA can be applied to enhance shareholder value.

Project Financing

The Company secured an \$80.3M project finance facility arranged by BNP Paribas, which was fully drawn during the 2009 financial year to fund the development of the Masbate Gold Project. As at June 30, 2011, the Company had already repaid \$36.8M of the loan with an outstanding balance owing of \$43.5M.

The project finance facility required limited hedging which was executed prior to draw down. A hedging program of gold puts covering 46,079 ounces and gold forward sales covering 214,337 ounces were entered into during 2008 and at June 30, 2011 outstanding gold forwards were 137,339 ounces at an average price of US\$883. In March 2009, the Company also executed further hedging comprising fuel hedges and interest rate swaps.

As at June 30, 2011 the Group cash was US\$107.336M and FRC (which is not consolidated) also had a cash balance of US\$1.974M.

Details

As of June 30, 2011, the Group and FRC had 455.5 full time equivalent employees, 11.5 based in the Perth office, and 444 based in regional offices. Management considers the relationship between CGA, FRC and its employees as sound.

Risk Factors

As a mining company, the Company faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretation relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative and in evaluating the securities of the Company, the following factors, amongst other things, should be considered.

Fluctuation in Gold Prices

The profitability of CGA's operations will be significantly affected by changes in the market price of gold. Gold production from mining operations and the willingness of third parties, such as central banks, to sell or lease gold affects the gold supply. Demand for gold can be influenced by economic conditions, gold's attractiveness as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect CGA's financial performance and results of operations.

Fluctuation in Oil Prices

Because CGA uses diesel and heavy fuel oil to power its mining equipment and power stations to supply its mining operations, CGA's operating results and financial results may be adversely affected by rising petroleum prices. A portion of the costs until April 2012 are the subject of fuel hedges.

Exchange Rate Fluctuations

The operations of CGA in the Philippines are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of CGA. Gold is currently sold in US dollars and although the majority of the costs of CGA are also in US dollars, certain costs are incurred in other currencies. The appreciation of non-US dollar currencies against the US dollar can increase the cost of exploration and production in US dollar terms, which could materially and adversely affect CGA's profitability, results of operations and financial condition.

Access to Capital Markets

To fund its growth, CGA is often dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in CGA's projects.

Uncertainty of Reserve and Resource Estimates

The figures for reserves and resources presented are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;
- increases in operating mining costs and processing costs could adversely affect reserves;
- the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the reserves; and
- declines in the market price of gold may render the mining of some or all of the reserves uneconomic.

Any of these factors may require CGA to reduce its reserves estimates or increase its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair CGA's profitability. Should the market price of gold fall, CGA could be required to materially write down its investment in mining properties or delay or discontinue production or the development of any new projects.

Production

No assurance can be given that the intended or expected production schedules or the estimated direct operating cash costs will be achieved in respect of the operating gold mine in which CGA has an interest. Many factors may cause delays or cost increases, including, without limitation, labour issues, disruptions in power, transportation or supplies, and mechanical failure. The revenues of CGA from the operating gold mine will depend on the extent to which expected operating costs in respect thereof are achieved. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to

be unprofitable in any particular period.

Nature of Mineral Exploration and Mining

CGA's profitability is significantly affected by CGA's exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace reserves by drilling, and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on CGA's exploration properties will result in profitable commercial mining operations.

CGA's operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. CGA's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which CGA has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While CGA may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which CGA cannot insure or against which it may elect not to insure. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting CGA's earnings and competitive position in the future and, potentially, its financial position and results of operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may result in CGA not receiving an adequate return on invested capital.

Depletion of the Company's Mineral Reserves

CGA must continually replace mining reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals is highly speculative in nature and involves many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral reserves, open new pits and construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and the availability of financing. In addition, assuming discovery of an economic mine or pit, depending on the type of mining operation involved, many years may elapse before commercial operations commence. Accordingly, there can be no assurances that CGA's current programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

Licences and Permits

CGA requires licences and permits from various governmental authorities. CGA believes that it holds all necessary licences and permits under applicable laws and regulations in respect of its properties and that it is presently complying in all material respects with the terms of such licences and permits. Such licences and permits, however, are subject to change in various circumstances and regularly expire and need to be renewed. There can be no guarantee that CGA will be able to obtain or maintain all necessary licences and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Competition

The mineral exploration and mining business is competitive in all of its phases. CGA competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than CGA, in the search for and the acquisition of attractive mineral properties and, increasingly, human resources. There is no assurance that CGA will continue to be able to compete successfully with its competitors in acquiring properties or prospects and in attracting and retaining human resources.

Cash Cost of Gold Production

CGA's cash operating cost to produce an ounce of gold is dependent on a number of factors, including the grade of reserves, recovery and plant throughput. In the future, the actual performance of CGA may differ from the estimated performance. As these factors are beyond CGA's control, there can be no assurance that CGA's cash operating cost will continue at historical levels or perform as forecast.

Title Matters

While CGA has no reason to believe that the existence and extent of any mining property in which it has a participating interest is in doubt, title to mining properties is subject to potential claims by third parties. The failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are held by CGA.

Outside Contractor Risk

The mining and exploration activities are conducted by outside contractors. As a result, CGA's operations at these sites will be subject to a number of risks, some of which will be outside CGA's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with CGA;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and

- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, CGA may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on CGA's business, results of operations and financial condition.

Safety and Other Hazards

The mining industry is characterised by significant safety risks. To minimize these risks, the Company has established an Occupational Health Safety & Environment Management Plan ("OHS&E"). The Company provides OHS&E training and awareness programs to its employees and contractors to continuously improve work practices and the work environment however there are no guarantees that this will prevent safety issues, accidents or other hazards.

Political Risks

CGA currently holds interests in gold projects in the Republic of the Philippines, which may be considered to have high political and sovereign risk. The Company also has its head office operations located in Australia. Any material adverse changes in government policies or legislation of Australia, Nigeria, the Republic of Zambia (given the investment in Ratel Group) or the Republic of the Philippines or any other country that the Company has economic interests in that affect mineral exploration activities, may affect the viability and profitability of the Company.

While the government in the Philippines has historically supported the development of its natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or interpretations respecting foreign ownership of mineral resources, royalties rates, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital or the obligations of CGA under its respective mining codes. The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, may have a material adverse effect on CGA. Political risk also includes the possibility of civil disturbances and political instability.

Environmental Risks and Hazards

All phases of CGA's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to CGA at present and which have been caused by previous or existing owners or operations of the properties may exist on CGA's properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions there under and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect CGA's operations or result in substantial costs and liabilities to CGA in the future.

Production at CGA's mine involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, CGA may become subject to liability for clean up work that may not be insured. While all

steps have been taken to prevent discharges of pollutants into ground water and the environment, CGA may become subject to liability for hazards that it may not be insured against.

Hedging Risk

The Group is exposed to movements in the gold price, other commodities and interest rates. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (such as gold forward sales contracts and gold put options) is used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the hedging programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but in any event, by limiting hedging commitments to no more than 50% of the group gold reserves. The Group has also entered into a number of other derivative instruments including interest rate swaps and fuel hedging contracts. In the event that the Group cannot deliver into these contracts due to insufficient gold production at the Masbate Gold Project, an early repayment of the loans or reduced fuel needs, the Group could be exposed to material mark to market adjustments which could cause material liquidity requirements which may not be able to be funded from the cashflow from operations.

Small Scale Miners

Small scale miners have been operating in Aroroy, Masbate since the time Atlas operated in the area. While their processing operations are not on FRC's property, there has been evidence of contamination from tailing and effluent discharges within the Company's boundary. Although FRC is not liable for their contamination, the Company has been diligent in attempting to limit the activities of these miners and informing the public about the risk of contamination. In line with attempts to limit and control their activities the Company, in coordination with local and National government, is endeavouring to enter into agreements with small scale miners. The agreements will form local cooperatives to legally work on some areas of the Company's mineral tenements outside of its operations that are not suitable for large scale mining. There is also a natural conflict in objectives between small scale miners and the Company and FRC, as the small scale miners have no legal rights to mine and are keen to access as much ore as possible. In contrast, the Company and FRC have a stated position of allowing some level of activity however they, require it to be contained to nominated areas only. Accordingly, there are risks that conflict can arise which could materially adversely affect the operations of CGA and/or FRC .

Dependence on Key Management Personnel and Executives

The Company will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel and there can be no assurances that the Company will be able to attract and retain personnel.

Land Holdings

In general, Filminera has valid title to or preferential rights to use and possess the parcels of land needed for its mining operations at the Masbate Gold Project. The following are outstanding issues:

- (i) three titles in the name of previous owners are undergoing the process of being transferred to FRC;
- (ii) cancellation of encumbrances on one issued title which has been registered in FRC's name;
- (iii) titles to three parcels of land are being judicially confirmed by applying for registration under the Land Registration Act; and
- (iv) three claimants have filed an action contesting the title of FRC to three parcels of land.

While FRC anticipates that these land issues will be resolved, no assurance can be given that the matters will be resolved in FRC's favour in a timely manner, or at all.

Community Relations

At the Masbate Gold Project, community support is critical to the continued successful operation of the project, including equitable and sensible co-operation with local small scale mining activities. The Philippines operates on a relatively decentralised system and accordingly, all constituents potentially have an impact on the operations of the project and may have interests that conflict with those of the project, which may have a material adverse effect on the project and the Company.

Banking Covenants

Construction of the Masbate Project has in part been financed by project finance from commercial banks which have representations, financial commitments, banking ratios and other covenants which must be satisfied at all times. Given the risks to operating cashflow as described above, the Company is exposed to potential Events of Default which could make all amounts due and payable immediately or expose the group to working capital needs which may not be able to be funded by proceeds from operations. Such exposures can also cause cross-defaults on other debt facilities, making those due and payable immediately which may not be able to be funded from cash reserves.

Concentration of Share Ownership

Majority or significant shareholders may be able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions and such parties may not act in the best interests of the Company.

Thistle, PGO Loan and Inter-Company Loans

Some of the Philippine Gold Limited ("PGO") (which was acquired from Thistle) loans and inter-company loans have been in place for a number of years. In 2005 and 2006, PGO, FRC and PGPRC undertook a restructuring of the inter-company loans acting on the advice of its tax consultants. Some inter-company loans were converted into interest-bearing loans, and a portion of the inter-company loans were converted into "additional paid-in capital".

There is a risk that the past and current structure of the inter-company loans may have adverse tax consequences.

Regulations in the Philippines

The Philippines Constitution provides that all natural resources are owned by the State which may enter into a co-production, joint venture or production sharing agreement with

citizens of the Philippines or corporations or associations at least 60% of whose capital is owned by Philippine citizens.

Commonwealth Act No. 108, as amended (otherwise known as the “Anti-Dummy” Act), provides penalties for, amongst others: (a) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations, and (b) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided (a) no Filipino can do such technical work, and (b) it is with express authority from the Secretary of Justice. The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or the governing bodies of corporations or association engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities. Although we have advice our structure complies with all Philippine regulations, there is a risk that it could be questioned or challenged given limited precedents to date in country.

Current Projects

The Masbate Gold Project

On January 31, 2007 the Company entered into a SPA for the acquisition of 100% of Thistle’s interest in the Masbate Gold Project located in the Republic of the Philippines. The agreed purchase consideration was \$51 million and the transaction was completed on March 19, 2007, with the Company paying cash totalling \$24.5M (\$0.5M had already been paid as a deposit) and issuing 40,985,538 shares to a wholly owned subsidiary of Thistle, Toowong Mining BV. Also under the SPA, CGA reimbursed Thistle for operating and capital costs incurred up to completion, totalling \$4.4M (\$2.9M for the purchase of a SAG mill and two ball mills and the balance for working capital up to completion). The balance of \$5M was reduced to \$4.5M and repaid in February 2009.

As a result of the transaction, CGA indirectly owned through its 100% ownership of PGO, 40% of FRC and 100% of PGPRC. Subsequent to acquisition of the project, CGA established a Netherlands chain of ownership for the project and PGO’s interest has now been diluted, although the CGA Group still owns 100% of PGPRC. The remaining 60% of FRC is owned by a Philippine registered company, Zoom Mineral Holdings Inc, in which CGA has a 40% interest. CGA also has an option to acquire the remaining 60% of Zoom Mineral Holdings Inc, in accordance with Philippine law.

FRC holds the mineral tenements that include the Masbate gold deposit. The mining claims and applications cover an area of approximately 8,316 ha.

PGPRC has developed and owns the process plant and is responsible for the sale of all gold. PGPRC and FRC have a contractual relationship, which includes PGPRC purchasing ore from FRC whilst maintaining joint financial and legal liability for the social and environmental obligations under Philippine law.

Except as otherwise disclosed below, the scientific and technical information in this section is based upon the May 20, 2008 Technical Report entitled "Technical Report on the Mineral Resources of the Masbate Deposit, Masbate Province, Republic of the Philippines" (the "Masbate Resource Report") prepared by Andrew James Vigar of Mining Associates Pty Ltd, a qualified person under NI 43-101. A NI 43-101 compliant report has been lodged on sedar.com verifying and supporting the new reserve statement made for the Masbate Project. Mr Daniel Tuffin of Lower Quartile Solution Pty Ltd ("LQS"), a qualified person, has verified the reserve statement for the Masbate Project as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Project Description and Location

The Masbate Gold Project is located near the northern tip of the island of Masbate, 360 km south-east of the country's capital of Manila, and is centred at latitude 120 28' N and longitude 12 24' E.

FRC holds the mineral tenements that include the Masbate gold deposit. The mining claims and applications cover an area of approximately 8,316 ha. Subsequent to 30 June 2011, the Company announced that it has agreed to acquire 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit which covers an area of 786ha. Exploration activities have already commenced on the MPSA with the first hole drilled, returning 85m @ 0.85g/t Au including 14m @ 1.26g/t Au from surface. The assays were conducted by SGS at their onsite laboratory using Fire Assay techniques with a 50g charge.

PGPRC has developed and owns the process plant and is responsible for the sale of all gold. PGPRC and FRC have a contractual relationship, which includes PGPRC purchasing ore from FRC whilst maintaining joint financial and legal liability for the social and environmental obligations under Philippine law.

Environmental

The Department of Environment and Natural Resources ("DENR") requires an Environmental Clearance Certificate for any mining activity except when an exploration permit has been issued or during the exploration period of an MPSA. The Company has obtained Environmental Compliance Certificate ("ECC") 9804-003-120C. The ECC obliges the Company to submit and implement an Environmental Protection and Enhancement Program for the life of the mine. This program has been submitted and approved by the DENR, with an annual commitment of updates.

The Masbate Gold Project remains in compliance with all material environmental laws and regulations. During the 2010 year the Company has continued to undertake monitoring activities in association with the Department of Environment and Natural Resources, biannual site reviews by the Multipartite Monitoring Team and internal environmental monitoring to measure compliance with the statutory requirements. Continuous monitoring and proper implementation of environmental programs has been established at the operation of the Masbate Gold Project to seek to maintain compliance with all environmental laws and regulations including the Environmental Clearance Certificate granted for the project development, however no assurances can be given that this will preclude environmental issues, and such matters may have a material adverse effect on the project and/or CGA.

Permits

FRC has obtained and was granted the key agreements, permits, licences and certificates key in its mining operations. These include the Mineral Production Sharing Agreement (“MPSA”) 095-97-V and the ECC. Other appropriate permits were obtained before construction commenced and further permits have been obtained relating to operations. Some of the key permits are as follows:

- Mining covenants pertaining directly to the day to day mining operation. They include the MPSA’s of the claims, mineral processing permit, explosive storage and handling permits, and safety permits.
- Ore Transport and Export Permits and Commodity Clearance to allow for the transport of the gold dore out of the Philippines.
- Electrical and Mechanical permits.
- Additional Environmental permits including, a Waste Water Discharge Permit to discharge waste water into the tailings impounding facility and various facility pollution permits, including the Power Plant Emissions Permit.
- Administrative permits cover areas such as the hospital, aerodrome, port, mayor’s/business permit and radio transmissions. An important item is the right to water from the Guinobatan, Lanang and Bangon rivers.
- Real Estate permits cover right-of-way agreements with local parties.

The Philippines is a highly regulated environment and there are a significant number of permits required. These permits are issued for varying periods and need to be regularly renewed. Although we have a dedicated permitting team that constantly monitors progress, we are also reliant on the various regulatory bodies issuing the required permits.

Set out below is a diagram showing the location of all known mineralized zones, mineral resources, mineral reserves and mine working, tailings ponds, waste deposits and important natural features and improvements.

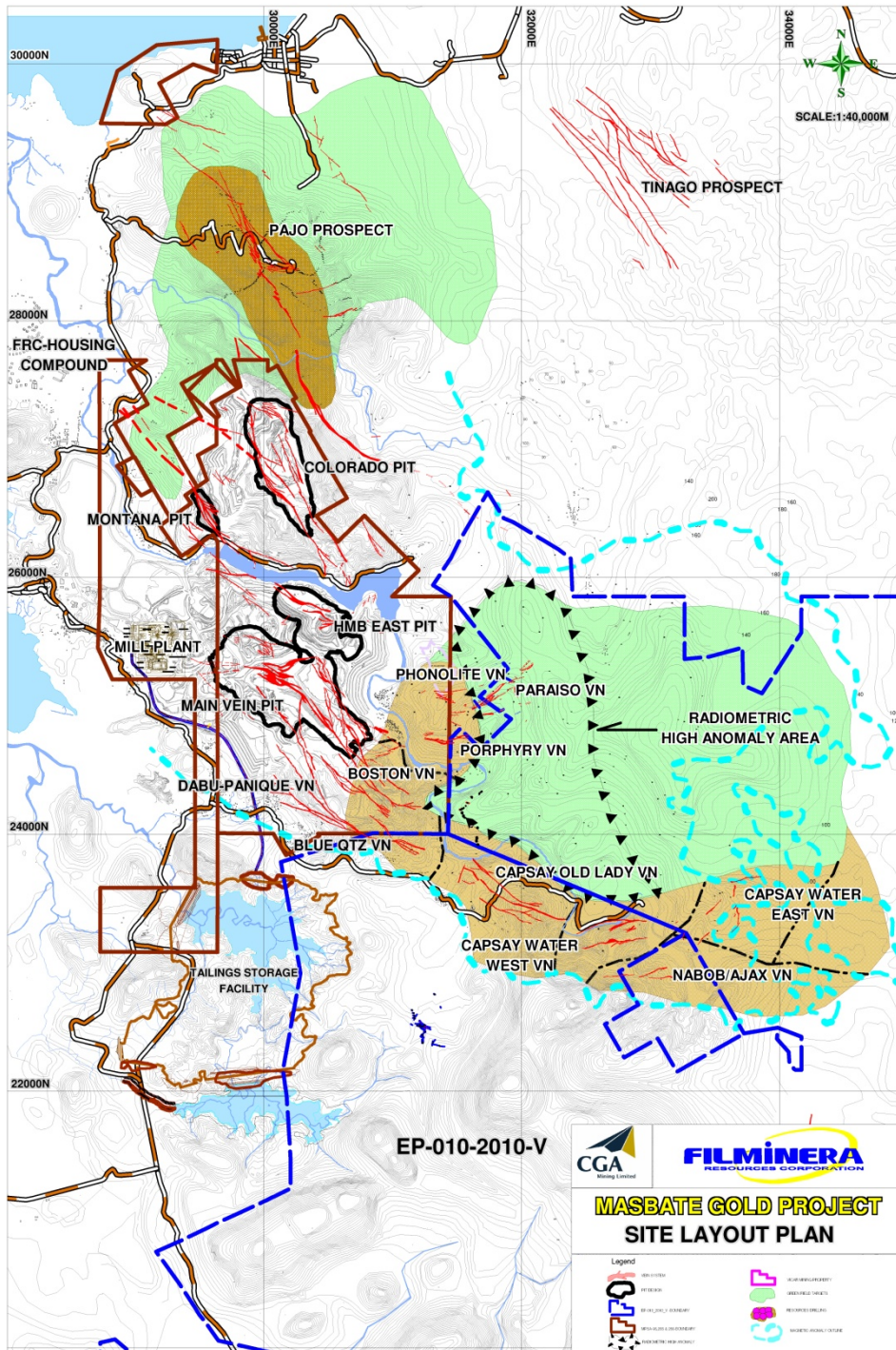


Figure 1
Site Layout

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation and Vegetation

The topography of the north-western part of Masbate Island is strongly influenced by the presence of Late Miocene to Pliocene igneous intrusives. All the highest peaks, culminating in Conical Peak at 705m are composed of intrusive rocks. The topography is moderately rugged and very few roads traverse the elevated areas. Areas of high relief commonly coincide with areas of more intense silicification, which is typical of the principal mineralised vein systems.

Access, Proximity to Population Centre and Transport

The Masbate Gold Project lies within the municipality of Aroroy, Masbate Province, Region V, Philippines. The project can be accessed by a commercial airline service which flies three times each week to Masbate city (population of 350,000) and a 70 kilometre drive on a partially sealed road to the project site. Alternate access to site from Masbate city is via a 1 hour boat ride. The site is equipped with a barge loading jetty where heavy equipment and consumables are delivered and offloaded.

Climate

The climate is tropical with a wet season and a hot, dry season. The wet season commences during June and lasts until February. Typhoons are frequent and commonly associated with heavy rainfall. Even during the dry season, the area experiences occasional typhoons. Average temperatures range from 28C to 33C during the wet season and 30C to 35C during the dry season.

Local Resources and Infrastructure

Limited resources and facilities are available in the nearby town of Aroroy and in Masbate City. Technical services and items of significance are available in either Cebu or Manila. Skilled and semi skilled labourers that previously worked on the Atlas operations that remain in the areas local to the Masbate Gold Project provide a mining work force the Company can recruit from.

A digital satellite communications package provides phone, email and facsimile coverage to the mine site.

The project area is well serviced by existing infrastructure. A 300 person camp is provided together with a staff housing compound for staff employees, with additional temporary/construction housing available locally for non-staff personnel. Water for processing and fresh drinking water is provided from the existing dam on the Guinobatan River and bores proximal to the dam.

There is a port and an airstrip at the site. Unsealed roads link the deposit to the provincial capital of Masbate City. A wharf is located at the end of the causeway at Port Barrera, adjacent to the staff housing compound. It is capable of loading 500t standard flat-bottom barges at high tide.

Other existing infrastructure facilities include:

- Access and haul roads.
- Site buildings, including workshop, warehouses, site offices, amenities building, gatehouse and control rooms.

- Electrical power control and distribution facilities including substations and motor control centres.
- A fuel and lube-oil storage facility.
- Waste-water collection, treatment and disposal facilities.

History

In 1936, the Masbate Consolidated Mining Company was formed, incorporating several of the smaller mines at the project. The company operated until 1941 but mining ceased during the war. There was no significant renewal of mining activity until 1979 when Atlas Consolidated Mining and Development Corporation (“Atlas”) formed Masbate Gold Operations (“MGO”), constructed a mill and associated infrastructure and commenced open pit and, later, underground mining.

Atlas mined the Masbate gold deposit between April 1980 and 1994, mining a total of 17.5 Mt at 2.1 g/t Au from open pit and underground mining operations. The bulk of the ore came from the Main Vein pit, but several satellite pits and underground operations also contributed mill feed. Mill throughput averaged 1.2 Mt / p.a. during the 14 years of operation over one million ounces of gold were produced, averaging 72,000 oz / p.a. In addition, a small contribution (49,200 oz) was from heap-leach operations carried out between 1984 and 1993.

In 1995 London Fiduciary Trust PLC, later renamed Philippine Gold PLC (“PGO”) agreed with Atlas to purchase 100 per cent of MGO, the mines, claims and facilities free of debts and obligations for US\$10M. The MGO claims and assets were then transferred to FRC. During 1997 and 1998, FRC conducted an extensive programme of diamond and reverse-circulation drilling with the intention of upgrading the Project’s gold resources to comply with the JORC Code standard for the reporting of ore resources and reserves and to complete a bankable feasibility study. FRC completed its first in-house feasibility study in December 1997.

During 1999 and 2000 a series of corporate transactions saw the eventual acquisition of PGO by Thistle. Late in 2000, PGO commenced a phase of development activities to increase the then current resource and reserve base of the project and to finalise a bankable feasibility study. In January 31, 2007, the Company acquired 100% of Thistle’s interest in the Masbate Gold Project for a consideration of \$51 million.

Geology

Regional Geology

The Philippine Archipelago forms part of the Western Circum-Pacific Rim, an island arc system lying at the junction of three crustal plates. It is a complex agglomeration of discrete terranes, ophiolitic slabs of oceanic origin and continental margin fragments, brought together by strike-slip fault displacement and by convergence and interaction of oceanic plates since late Mesozoic time (150 Ma). Accretion and coalescence of the various components has evolved something approaching a continental landmass. The archipelago forms a mobile belt between 300 km to 600 km wide; a broad zone of active deformation, seismicity and volcanism, framed by two opposing and convergent systems. To the east the Philippine Sea plate is being thrust westwards along the westerly dipping Philippine/East Luzon Trench subduction zone while to the west the South China Sea plate is being under-thrust eastwards along the easterly dipping Manila, Sulu-Negros and Cotabato trenches.

The Philippines has a long history of mining and metals production, principally copper and gold, with lesser nickel, chromite, molybdenum and silver. All the major deposits are found along mobile orogenic belts, commonly in clusters and are predominantly the products of epithermal mineralisation associated with episodic magmatism and intrusive rock emplacement, either into breccia or shear structures or in the form of porphyry deposits. The mineralising events have been dated from early Cretaceous (110 Ma) to Miocene (20 Ma).

Local Geology

The oldest rock units recognized in Masbate Island are the pre-Cretaceous Mt. Manapao Basalt and the Boracay formation, which represent deep marine volcanic flows and the corresponding pelagic capping of an ophiolitic basement, respectively. The Late Eocene-Oligocene Mandaon formation unconformably overlies this ophiolitic sequence and is intruded by the Middle Oligocene Aroroy Diorite. These rock units are, in turn, overlain by volcanic and clastic sequences of the Late Oligocene to Early Middle Miocene Sambulawan formation.

The Masbate Gold Project area is centred on a 5 km to 7 km wide mineralised volcanic block which is bounded by two north-west trending fault zones, the Pinanaan Fault to the east and the Malubi-Lanang-Balete Fault to the west. The volcanic belt occurs along the western flank of an earlier diorite intrusive of early to mid Tertiary age (20 Ma to 10 Ma) which is in turn part of a larger north-east trending high-potassium calc-alkaline island arc sequence. High potassium calc-alkaline intrusives are associated with epithermal gold deposits throughout the world and also around the Pacific Rim (Dinki-di, Luzon, Emperor, Fiji, Porgera and Lihir, PNG, Cripple Creek, Colorado).

Gold is associated with the volcanic rocks while copper is reported to occur within the diorite intrusive. The principal host rock to the gold mineralisation is a fractured andesitic-dacitic, tuffaceous agglomerate. Mineralisation occurs within quartz veins within the agglomerate, and also within associated altered wallrock, breccias and stockwork zones. Within the project area four major rock types are recognized:

- Mandaon formation meta-sediments and metavolcanic rocks form the basement rocks and although they may be mineralized, most outcrops are not. However, mineralized metasediments are seen as quartz vein breccia clasts.
- They are intruded by the Aroroy quartz diorite, a major intrusive complex that outcrops principally to the east of the Pinanaan Fault in the northeastern portion of Aroroy, Baleno, and Mobo but not in the project area.
- The meta-sediments are overlain by the Lanang Formation (also known as the Panique Volcanics), a series of andesitic and dacitic flows and agglomerates, the main mineralisation host lithologies.
- Overlying the agglomerates is a younger, lithic tuff horizon that appears less favourable for mineralisation.

Property Geology

The basement to the Aroroy area is the Aroroy Schist, of Jurassic age or older. It is a metaamphibolite and is generally un-mineralised. It is not seen within the project area. The basement sequence was intruded in the Palaeocene by the Aroroy Quartz Diorite, which outcrops principally to the east of the Pinanaan Fault. The meta-sediments are overlain by a series of andesitic and dacitic flows and agglomerates, the main host lithologies, assumed to be the volcanic equivalent of the Aroroy Quartz Diorite. Overlying the agglomerates is a younger, lithic tuff horizon, which appears less favourable for mineralisation due to its porosity. The sequence is intruded by late hornblende-augite,

porphyritic, andesite dykes and sills. These are mineralised also but due to their mineralogy and toughness they are generally weakly mineralised or altered in extreme proximity to small cross cutting quartz veins.

The known mineralisation and former operating mines of Atlas are concentrated within the northern portion of the project area over a 5 km strike length. The central portion of the project's claims area is largely covered by the younger, un-mineralised, lithic tuff sequence with limited exposures of the more prospective, underlying agglomerate horizon. In the southern part of the area, several mines and prospects occur, hosted by exposed, mineralised silicified agglomerate.

Exploration

In 2001 FRC undertook a significant validation exercise to review the entire project database resulting in corrections being made and some additional data discovered and added to the database. The excel spreadsheets were compiled into a single access database. The review included definition of areas mined by Atlas both by open pit and underground for use in modelling the remaining resource. Geological field mapping was conducted to verify vein extensions and to investigate geologically complex areas to guide drilling.

Additional drilling to increase and upgrade the project resource carried on intermittently from 2003 to 2005 incorporating the dumps, mill sterilization, geotechnical, hydrogeological and metallurgical aspects into the drill program. Late in 2005, test pitting and manual auger drilling were undertaken to evaluate the resource potential of other deposits including eluvial deposits at Colorado and Binstar and extensions of the deposits known as Bostan, Panique and Libra.

Geological Mapping

During Atlas mining operations, some geological mapping and sampling of creeks and streams throughout the Atlas Masbate tenements was carried out. Since mid 2004, FRC geological staff have compiled the existing geological mapping and assaying data and have undertaken geological mapping to confirm and extend the Atlas work.

Extensive re-mapping over the feasibility study area together with grab, channel and trench sampling has been carried out. This has resulted in better definition of the mine geology in plan and has been checked during 3-D modelling of the drill results. This mapping carried on during and after the drilling program on new tracks and exposures.

After the drilling program a detailed program of mapping and soil auger sampling was carried out that identified a significant gold resource in spilled material within the area of the Atlas gold plant.

Topographic Surveys

FRC procured a full check of the surface topography and all key features of the surveying of the project area. This survey was then contoured at 2.5m intervals, with localized 1m intervals and supplied to MA to be used for the surface constrains for all geology and resource models. In October 2004 the Mines and Geosciences Bureau performed an independent survey which validated the accuracy of project surveying. FRC has carried out as part of the development program accurate surveys of the milling and tailings disposal sites and the route for the pipeline connecting the two.

The surface topography file was used to create a Digital Terrain Model (“DTM”) using the Surpac Vision geological and mining software package, a system widely used and accepted within the global mining industry. The topography file represents the current surface. This includes the current extent of openpit mining, the surface of waste dumps and eluvial deposits, and the surface of the lake that lies within the central portion of the deposit.

The topographic features hosting the Masbate resources are repeated along strike to the south east where artisanal miners are working the near surface material. These areas are contained within a 6,000 hectare (approximately 8 kilometres x 7 kilometres) Exploration Permit held by FRC.

Geophysical Survey

During the 2009 fiscal year, the results of the helicopter geophysical survey (magnetics and radiometrics) of the Masbate exploration tenements were received. The total survey length was 996.8 line km. In May 2009, additional processing, modelling and interpretation of the survey data was also undertaken.

The processing and modelling results show that the known Masbate mineralization (Main Vein, Colorado etc) has a direct radiometric (potassium) and magnetic response.

Using this signature a large 4km strike length potassium anomaly and associated magnetic vein response at Pinanaan, east of Main Vein was defined and shows the most potential for additional gold mineralization. In the south of the tenement additional targets occur at Bart AG, Balete, and David Sun.

Magnetic inversion models also inferred a porphyry centre in the east of the Masbate tenement, in an area where previous small scale copper mining has taken place, and represent a possible porphyry copper style exploration target.

Drilling

FRC (funded by Thistle) began a planned programme of 10,000m of drilling in 2002 aimed at further upgrading Inferred resources to Indicated status for the larger 1998 Base Metals pit designs. This was curtailed in 2002 due to funding issues and then recommenced in September 2003 with completion in December 2003.

The second phase of exploration in conjunction with an update of the in-house feasibility study was conducted in 2004, followed by further drilling in late March 2005 and completed September 2005. As well as infill drilling, additional hydrogeological test holes were installed, sterilization drilling and geotechnical site investigation was completed.

The 2005 drilling program filled in many of the sparsely drilled areas which required further resource definition drilling. A total of 114,000m of drilling had then been undertaken on the Masbate resource with Filminera contributing 26,000m.

The length sampled varied with the history of the project and the drilling method. The diamond drilling was generally sampled based on the geology at intervals of 1m or less. The RC drilling was generally sampled at 1m down-hole intervals. All samples were composited to 2m down-hole intervals for resource modelling. The relationship between the sample length and the true thickness of the mineralization is not applicable in this case as the zones are wide and covered by several samples, the domains were outlined as 3D wireframes and the grades estimated using geostatistics.

No drilling was undertaken during 2006; drilling recommenced in August 2007 prior to the construction phase of the project. Initially the work was focused on sterilization drilling in the area of the plant site and also that of the TSF. In the June 2009 quarter, 354 holes were drilled posting a total of 15,307 meters. Drilling was done in HMB East, Montana and Binstar, with the focus of the exploration team on grade control to assist in the operating phase of the project. For the majority of the 2010 fiscal year the focus has also been on reserve definition and grade control drilling to continuously seek to improve the grade of the ore being mined.

Recent Activity

FRC was granted a new 52.3km² exploration permit in 2010. The permit is contiguous to the tenements currently being mined by the Masbate Gold Project. An \$8M exploration program was undertaken to establish a strong database and overview of structural settings to develop high quality targets for the 2011-2012 exploration programme. We have committed a further US\$20M to the upcoming exploration programme. The expansion of the exploration program over the next 12 months will include additional diamond core and RC rigs being brought to site.

Results from recent drilling at key targets near the mine have resulted in some excellent intercepts. Drilling results from Blue Quartz continue to show wide intercepts of higher than average grades. The last hole received has also identified a second structure with a down hole width of **36m @ 7.74g/t Au from 126m**. Additional holes will be drilled to follow up this result.

Further wide zones of high grade mineralisation were also intercepted in the North West Extension of the HMB zone. Intercepts include **11m @ 3.25g/t Au from surface, 41m @ 4.76g/t Au from 116m and 10m @ 4.32g/t Au from 44m**.

Infill drilling in the Main Vein Pit continues to show wide intercepts of good grade further bolstering the confidence of inferred resource conversion.

Extension drilling of the Libra East deposit has returned consistent wide intercepts of high grade mineralisation. Intercepts include **38m @ 1.28g/t Au from 122m, 53m @ 1.09 from 60m, 50m @ 1.34g/t Au from 66m and 50m @ 1.30g/t Au from 38m**.

A table showing significant intercepts from recent drilling is shown below.

HOLE ID	Intercept width(m)	True width (m)	Grade (g/t Au)	Depth From(m)	Comments
BMVDH003	26.00	20.00	1.00	188.00	Main Vein Fault & Open Cut Vn
BMVDH005	19.00	17.00	2.57	Surface	Binstar F W Split
BMVDH009	15.00	11.00	1.00	122.00	Open Cut Vn
MV002	12.00	7.00	1.11	61.00	Main Vn North Split
MVRC065	30.00	12.00	1.41	73.00	Main Vn North Split
MVRC066	27.00	11.00	2.70	141.00	Main Vn North Split
MVRC067	13.00	4.00	2.55	48.00	Open Cut Vn
MVRC069	13.00	10.00	1.04	17.00	Open Cut Vn
MVRC070	42.00	18.00	1.59	99.00	Main Vn North Split
	20.00	9.00	1.23	149.00	Main Vn North Split
MVRC071	41.00	14.00	2.15	144.00	Main Vn North Split
MVRC074	70.00	40.00	1.20	117.00	Main Vein
MVRC077	25.00	9.00	1.70	120.00	Main Vein
MVRC079	43.00	31.00	1.64	Surface	Binstar Flat lying Vein
MVRC080	14.00	10.00	1.63	40.00	Main Vein
MVRC082	46.00	22.00	1.23	41.00	Main Vein
HMBNW010	11.00	6.00	3.25	Surface	West of HMB NW Vein
	41.00	16.00	4.76	116.00	HMB NW Vein
HMBNW014	38.00	16.00	1.25	161.00	HMB NW Vein
HMBNW023	10.00	5.00	4.32	44.00	West of HMB NW Vein
	29.00	14.00	2.37	64.00	HMB NW Vein
HMB003	33.00	20.00	3.13	surface	HMB East
	14.00	9.00	3.04	100.00	HMB East
LERC005	38.00	28.00	1.28	122.00	Libra East
LERC007	53.00	40.00	1.09	60.00	Libra East
	33.00	24.00	1.42	119.00	Libra East
LERC008	51.00	28.00	1.19	53.00	Libra East
LERC009	50.00	21.00	1.34	66.00	Libra East
LERC011	43.00	13.00	1.22	96.00	Libra East
LECR014	50.00	33.00	1.30	38.00	Libra East
	12.00	8.00	1.40	100.00	Libra East
COL004	34.00	3.00	1.07	13.00	Colorado Vn 5A
COL005	19.00	7.00	1.31	111.00	Colorado
BQRC013	19.00	10.00	1.46	66.00	Blue Quartz
BQRC017	41.00	21.00	1.09	50.00	Blue Quartz
	36.00	10.00	7.74	126.00	Blue Quartz to South
BQRC020	15.00	10.00	1.96	37.00	Blue Quartz
BQRC021	13.00	7.00	1.19	94.00	Blue Quartz

HOLE ID	Intercept width(m)	True width (m)	Grade (g/t Au)	Depth From(m)	Comments
BMVDH003	26.00	20.00	1.00	188.00	Main Vein Fault & Open Cut Vn
BMVDH005	19.00	17.00	2.57	Surface	Binstar F W Split
BMVDH009	15.00	11.00	1.00	122.00	Open Cut Vn
MV002	12.00	7.00	1.11	61.00	Main Vn North Split
MVRC065	30.00	12.00	1.41	73.00	Main Vn North Split
MVRC066	27.00	11.00	2.70	141.00	Main Vn North Split
MVRC067	13.00	4.00	2.55	48.00	Open Cut Vn
MVRC069	13.00	10.00	1.04	17.00	Open Cut Vn
MVRC070	42.00	18.00	1.59	99.00	Main Vn North Split
	20.00	9.00	1.23	149.00	Main Vn North Split
MVRC071	41.00	14.00	2.15	144.00	Main Vn North Split
MVRC074	70.00	40.00	1.20	117.00	Main Vein
MVRC077	25.00	9.00	1.70	120.00	Main Vein
MVRC079	43.00	31.00	1.64	Surface	Binstar Flat lying Vein
MVRC080	14.00	10.00	1.63	40.00	Main Vein
MVRC082	46.00	22.00	1.23	41.00	Main Vein
HMBNW010	11.00	6.00	3.25	Surface	West of HMB NW Vein
	41.00	16.00	4.76	116.00	HMB NW Vein
HMBNW014	38.00	16.00	1.25	161.00	HMB NW Vein
HMBNW023	10.00	5.00	4.32	44.00	West of HMB NW Vein
	29.00	14.00	2.37	64.00	HMB NW Vein
HMB003	33.00	20.00	3.13	surface	HMB East
	14.00	9.00	3.04	100.00	HMB East
LERC005	38.00	28.00	1.28	122.00	Libra East
LERC007	53.00	40.00	1.09	60.00	Libra East
	33.00	24.00	1.42	119.00	Libra East
LERC008	51.00	28.00	1.19	53.00	Libra East
LERC009	50.00	21.00	1.34	66.00	Libra East
LERC011	43.00	13.00	1.22	96.00	Libra East
LECR014	50.00	33.00	1.30	38.00	Libra East
	12.00	8.00	1.40	100.00	Libra East
COL004	34.00	3.00	1.07	13.00	Colorado Vn 5A
COL005	19.00	7.00	1.31	111.00	Colorado
BQRC013	19.00	10.00	1.46	66.00	Blue Quartz
BQRC017	41.00	21.00	1.09	50.00	Blue Quartz
	36.00	10.00	7.74	126.00	Blue Quartz to South
BQRC020	15.00	10.00	1.96	37.00	Blue Quartz
BQRC021	13.00	7.00	1.19	94.00	Blue Quartz

Table 1.
Significant intercepts from recent drilling

Sampling and Analysis

(a) Grade Control Drilling

During the 2011 fiscal year 153,973 grade control samples were collected and submitted for analysis.

Grade control programmes throughout the period were conducted by dedicated RC drill rigs. Mineralisation at the Masbate Gold Project is dominated by vertical to steeply dipping structures and grade control drilling is inclined at 60° perpendicular to the mineralized dip direction. Grade control drilling is incorporated within the mining cycle and standardised to a consistent 6 m x 12 m drill pattern spacing and 10m vertical depth. Grade control drill samples are collected at 1 m down hole intervals using a rig mounted, Metzke cone splitter.

Grade control samples are analysed onsite at a purpose built laboratory operated by SGS since April 2009. Samples are dried, crushed to 75% passing 2 mm, split to 1 kg and pulverized to 85% passing 75 µm. Determination of Au content is then done using fire assay of a 50 gram charge with an AAS finish. The stated detection limit is 0.01 g/t Au.

Assay performance was monitored by the use of Certified Reference Material ("CRM") and blank material inserted as part of regular grade control sample submissions. In addition, the onsite laboratory regularly reports the results of independent SGS QAQC protocols. Pulverising efficiency is monitored by routine sieve analysis. The onsite laboratory is included within the monthly SGS inter laboratory round robin programme.

A small number of grade control samples were dispatched to McPhar Laboratories in Manila during a period where sample volumes exceeded the processing capacity of the onsite laboratory.

(b) Exploration samples

During the 2011 fiscal year, 31,819 RC and 8,872 Diamond Core exploration samples were collected and submitted for analysis.

Exploration programmes through the period were conducted by multi-purpose RC / coring drill rigs and primarily in-filled and extended results from previous campaigns of historically mined deposits. Holes varied in length up to a maximum of 200m RC and 535m HQ core. Regular surveys to measure drill hole azimuth and dip were completed on a down hole interval not greater than 50m. Water was encountered in the majority of exploration drill holes with a depth greater than 80m to 100m.

Exploration drill samples were collected at 1m intervals using a cyclone. Whole samples were collected in plastic bags and a subsequent 3kg split was taken using a Jones riffle splitter. Wet sample intervals were dried before splitting. Representative drill cuttings were washed, geologically logged and retained for future reference.

Exploration samples collected through the period July 1, 2010 to June 1 2011 were analysed at McPhar Laboratories in Manila. Sample preparation included drying at 105°C, jaw crushing to 2mm, pulverization of the entire sample to 90% passing - 200 mesh, mixing and serial splitting with a riffle splitter to a 250g pulp sample. 5% of the samples were rechecked for pulverised size and quartz flush was used to clean the pulveriser after each sample. Determination of Au content is then done using fire assay of a 50gram charge with an AAS finish. The stated detection limit was 0.01g/t Au.

From June 1 2011 on exploration drill samples were prepared in the on site SGS Sample Preparation Lab and 200g pulp samples from each meter were sent for assay at the SGS facility in Tianjin, China. Sample preparation included dry sample, crush to 75% passing 2mm, split to <1.5 kg, pulverise 1.5kg to 85% passing 75u. Every 50th sample is screened to confirm % passing 2mm & 75u. The crusher and pulveriser are cleaned with barren material at the start of every batch and after every 50th sample. Dust loss % is determined each week. Determination of Au content is then done using fire assay of a 50gram charge with an AAS finish. The stated detection limit was 0.01g/t Au.

Assay performance was monitored by the use of CRM, blank material and duplicate samples inserted as part of regular exploration sample submissions. In addition, both the McPhar and SGS Laboratories' regularly reports the results of independent QAQC protocols.

Security of Samples

All samples that were sent to McPhar Laboratories in Manila were placed inside large polyethylene bags properly labelled, weighed and inspected by independent regulatory officials onsite before shipment. Sample dispatches were transported to Manila in sealed containers to avoid chances of tampering.

Grade control samples are delivered to the onsite SGS laboratory located within the high security processing plant area with restricted access. Transport of samples from the field to the laboratory is completed by authorised personnel only and all security procedures are followed when these samples are in transit.

Mineral Resource and Mineral Reserve Estimates

As at 20 October 2008, total probable reserves have been estimated to contain 92.2Mt @ 1.0g/t resulting in 3.03 million ounces of gold.

Table 2 below summarises the results of the upgrade of probable reserves.

Area	Ore Tonnes	Grade	Ounces
Holy Moses Basalt	57,242,000	1.0	1,888,000
Main Vein	22,967,000	1.0	736,000
Colorado	11,398,000	1.0	374,000
Montana	629,000	1.7	34,000
Total	92,236,000	1.0	3,032,000

Table 2
Masbate Probable Reserve Estimate

The probable reserve is based on a gold price of US\$750 and also includes an additional mining recovery allowance of 95% (which is more conservative than the May 2006 mineral reserve estimation). The reserves will likely be sourced from 3 major independent pits and a number of smaller surrounding pits.

The detailed review of the geological model and subsequent analysis of current price and mining cost projections allowed for expansion of the previously defined pits. Estimation of the mineral reserve was completed in accordance with the Canadian Securities NI 43-101 by LQS. An economic cut-off grade of 0.4g/t, updated mining, processing and administration costs and the application of the results from recent metallurgical recovery test work were applied to the mineral resource.

A computer based open pit optimisation routine was used to determine the appropriate mining limits (area and depth), taking account of all environmental requirements in connection with open pit mining and waste disposal.

The Mineral Reserve statement is based on the December 5, 2008 technical report entitled “NI43-101 Technical Report, October 2008 Masbate Gold Project Masbate Island, Philippines” prepared by Daniel Tuffin, BEng, BSc, Dip.PM, MAusIMM and Anthony Keers, B.Eng (Mining,Hons), Dip. PM, both qualified persons for the purposes of NI 43-101.

Following an updated review of resources, as of May 16, 2008, total indicated and inferred resources were increased by 62% including a 79% increase in inferred resources and 52% in indicated resources from when the project was acquired from Thistle.

The updated computation adopts a more conservative geostatistical resource model based on ordinary kriging of all mineralisation styles rather than uniform conditioning of the stock-work mineralisation which was the basis for the initial resource estimate.

The updated resource estimate applies a cut off grade of 0.36g/t, based on a US\$750 gold price and the resultant resource block model has a parent block size of 20m(E) by 20m(N) by 10m(RL) and a sub-block size of 5m(E) by 5m(N) by 2.5m(RL).

Table 3 below summarises the results of the upgrade of resources.

MASBATE		CUT OFF GRADE															
		0.0	0.1	0.2	0.3	0.36	0.4	0.5	0.6	0.7	0.8	0.9	1.0	1.2	1.5	1.7	2.0
Indicated	Au g/T	0.59	0.60	0.68	0.83	0.92	0.97	1.07	1.25	1.50	1.75	1.89	1.98	2.11	2.37	2.59	2.93
	M Tonnes	294.65	287.28	246.77	182.93	153.41	141.81	118.72	88.33	62.01	46.65	40.42	36.93	32.19	23.82	18.67	12.78
	Au M oz	5.60	5.59	5.38	4.86	4.55	4.41	4.07	3.54	2.99	2.62	2.46	2.35	2.18	1.82	1.55	1.20
Inferred	Au g/T	0.40	0.42	0.48	0.63	0.79	0.88	1.06	1.29	1.62	1.94	2.14	2.30	2.52	2.88	3.13	3.50
	M Tonnes	420.46	401.67	328.83	196.33	127.15	103.69	73.80	50.40	33.50	24.60	20.77	18.31	15.43	11.86	9.91	7.72
	Au M oz	5.45	5.40	5.04	3.96	3.22	2.94	2.51	2.09	1.74	1.53	1.43	1.35	1.25	1.10	1.00	0.87

Table 3
Resource Estimate

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Mineral Resource statement is based on the technical report entitled Technical Report on the Mineral Resources of the Masbate Deposit, Masbate Province, Republic of the Philippines for CGA Mining Limited prepared by Mining Associates Pty Ltd and available on SEDAR at sedar.com, lodged 8 July 2008. Andrew James Vigar of Mining Associates Pty Ltd, a qualified person, has verified the resource statement for the Masbate Project as

disclosed in this AIF, including sampling, analytical and test data underlying the estimate. Verification of the data included numerous site visits, database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Mining Operations

The first gold pour from the Masbate Gold Project was made on May 12, 2009. Since this date the project has produced 353,151oz of gold up to 30 June 2011 at a cash operating cost of \$600/oz. Commercial production commenced on 1 July 2009 and prior to commencement of commercial production, most costs were capitalised.

Mine production was 8,681,373 BCM for the June 2011 year (2010: 7,563,312 BCM). Tonnes milled for the year ended 30 June 2011 were 6,152,561 tonnes producing 190,033 ounces of gold. Cash operating costs (before taxes) for the year ended June 30, 2011 were US\$638/oz sold. During the 2011 year, the Company successfully achieved Project Completion for the project finance facility for the Masbate Gold Project. The mining schedule for the completion test was adjusted to ensure that the reconciliation was conducted on the nominated sections of the ore body. This resulted in a deferral of mining in cutback areas during the test, which temporarily impacted the mine grades and impacted the ability to optimise grade delivered to the plant for the March and June quarters. Budgeting for the next financial year, forecast a return to the average achieved grade to date of approximately 1.2 g/t.

During the second half of the 2011 financial year, the Company has been focussed on finalising the 6.5Mtpa plant upgrade at the Masbate Gold Project, with commissioning of the supplementary crusher having already occurred in September 2011. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and continues to track well. The initial mine scheduling shows that mining can match the higher throughput with the new larger equipment and that the expansion can be supported, independent of exploration success. Sedgman Limited (WA) has finalised the study to identify equipment requirements and capital costs. The study is showing that an expansion of the crushing and grinding circuits can be achieved without interference to the existing operation and the final tie into the plant can occur with minimal down time.

	2010-11 Financial Year	2009-10 Financial Year
Milled (dmt)	6,152,561	4,486,407
Feed (g/t)	1.13	1.26
Recovery (%)	85.1	83.2
Availability (5)	89.3	88.9
Production (ozs)	190,033	150,143
Cost/t Milled	\$19.53	\$18.87
Cash operating costs before taxes	\$638	\$548

Table 4

Production Statistics as at 30 June 2011 and 2010

The Masbate Gold Project is an open pit mine. The ore is processed through a standard carbon in pulp cyanide leach circuit. The plant consists of a single toggle jaw crusher, a 6 MW SAG mill and two 3.6 MW ball mills. Tailings are disposed of in an engineered dam two kilometres from the processing plant. Gold is produced in dore bars and is then shipped to a refinery for sales. Gold produced from operations is sold at spot or under the Company's gold hedging contracts. As at June 30, 2011, the Company had gold forward

sales contracts covering 137,339 oz of gold for the period of July 2011 to December 2013 at an average price of US\$883. Gold sales are subject to a 2% excise tax and transactions with suppliers are subject to any applicable customs, duties and VAT. The environmental conditions of the project are covered under the ECC contract. PGPRC has been granted a minimum 6 year income tax holiday from the commencement of operations, with potential to extend by a further 2 years to a total income tax holiday of 8 years.

Exploration and Development

During the 2010 June quarter exploration activities commenced at the Masbate Gold Project and US\$8M was spent during the 2011 financial year. The program was driven by target generation. Historically there had been no modern day exploration techniques used and a more focussed approach was required. By end of the 2011 financial year a series of targets had been generated principally on these key areas:

- upgrading of inferred resources;
- resource drilling at Pajo Hill;
- close to mine targets outside current resources; and
- grass roots regional exploration.

Initially the exploration has been targeting both inferred extensions of the ore bodies and close to mine targets outside the current resource envelope. The results to date are considered to be very encouraging in that relatively wide intervals of mineralisation have been encountered in areas outside the current indicated resource envelope.

2010 – 2011 Exploration Highlights

In pit Resource infill and extension drilling is ongoing at Binstar, Main Vein, Main Vein North Split, Libra East, HMB East and Colorado/Syndicate areas. Exploration holes were completed at Blue Quartz, and Old Lady prospects.

At Blue Quartz prospect, recent drilling indicates good grades and wider intersections within a previously unknown vein sub parallel to the existing mineralization. RC Hole BQRC017 intersected this zone, returning 36m @ 7.74 g/t Au from 126m, incl. 1m @ 15.79 g/t Au, from 132m, and 15m @ 15.42g/t Au from 140m. Additional holes are being planned to delineate this zone.

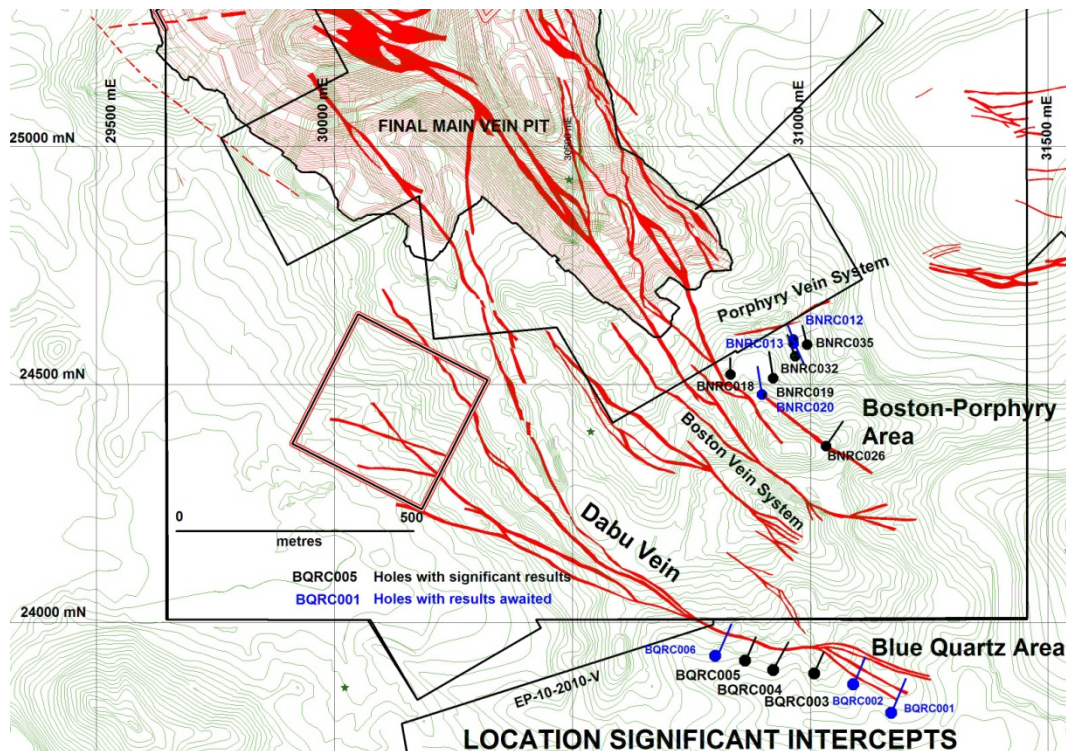


Figure 2
Boston Porphyry and Blue Quartz near mine zones

At Old Lady prospect, preliminary 3D modeling has revealed two major gold bearing quartz vein structures which contain most of the resources. These correspond to previously mapped quartz veins. In addition, there is another vein structure that is poorly tested by drilling, but which has significant gold associated with it. Further drilling is planned to enable calculation of an Indicated Resource.

The completed Geotech drilling program targeting the footwalls of the designed pit walls for Main Vein and Colorado Pits intersected varying widths of mineralisation indicating the potential for extension outside the final pit designs.

At the Pinanaan Radiometric anomaly, two diamond core holes for a total of 704.60m were completed. Hole PINDH01 cored in diorite to 96.55m. There are minor quartz carbonate veins and stockworks within the diorite with associated low level gold mineralization in the range 0.1 – 0.3 g/t Au. Hole PINDH02 intersected a wider zone of alteration and brecciation with late stage quartz plus carbonate+ pyrite overprinting from 81.5 – 108m with gold mineralization in the range 0.1 – 2.97 g/t Au. Intermittent quartz + carbonate + base metal veins were intersected to the contact of the diorite and the mudstone at 252.5m. A soil geochemical survey is planned for the Pinanaan area to better define targets for follow up drilling.

During the 2011-12 financial year, the Company's activities will focus on finalising the 6.5Mtpa plant upgrade, with commissioning of the supplementary crusher having already occurred in September 2011. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and continues to track well. The initial mine scheduling shows that mining can match the higher throughput with the new larger equipment and that the expansion can be supported, independent of exploration success. Sedgman WA has finalised the study to identify equipment requirements and capital costs. The study is showing that an expansion of the crushing and grinding circuits can be achieved without interference to the existing operation and the final tie into the plant can occur with minimal down time.

During the 2011-12 year, the Company plans to extend its exploration program, with a focus on materially enhancing the reserve and resource base of the project. This exploration program is well underway with \$8.123M spent as at 30 June 2011, with a further \$20M expenditure planned in the coming year. Subsequent to 30 June 2011, the Company announced that it has agreed to acquire 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit. Exploration activities have already commenced on the MPSA with the first hole drilled, returning 85m @ 0.85g/t Au including 14m @ 1.26g/t Au from surface. The assays were conducted by SGS at their onsite laboratory using Fire Assay techniques with a 50g charge. The Pajo MPSA is part of an expansion of the exploration program over the next 12 months which will include additional diamond core and RC rigs being brought to site. The rigs will focus on:

- deep drilling beneath Colorado and Main Vein to assess the potential for underground resources;
- resource definition drilling on near mine targets (Blue Quartz, Old Lady, Pajo);
- infill drilling to upgrade Inferred Resources to Indicated within the current mining areas;
- exploration drilling of multiple outcropping mineralised quartz vein targets on EP10; and
- resource drilling at Pajo Hill.

Additional exploration activities will include:

- IP programs over the identified Baleno copper anomaly to test for porphyry ore bodies at depth;
- regional mapping and sampling over all of EP10 and the Vicar JV tenement; and
- geophysical surveys including ground IP and Resistivity which, combined with previously acquired helimag, will be used to identify non outcropping (buried) target zones and extensions of known mineralisation.

Safety

Unfortunately after 374 days without a lost time injury, the project suffered a lost time injury in May 2011. As at 30 June 2011 the project had recorded 32 days Lost Time Injury free and the Lost Time Injury Frequency rate was 0.18 (rolling 12 month average).

Community Relations

The local communities continue to be a primary focus of the Company with the implementation of the Social Development Management Plan ("SDMP") agreed with the local communities and government and continuing support and assistance in the areas of health, education, infrastructure and livelihood. A review of performance is conducted annually against the SDMP together with a presentation of the upcoming annual SDMP to the communities, local and regional government representatives in the impacted Barangays and Regional Government offices.

Community relations, in line with the SDMP, has concentrated on the implementation of projects and programs in infrastructure. On 30 June 2011, the Masbate Gold Project received an award from the Department of Environment and Natural Resources Region 5 in the Large Scale Industry category in recognition of its responsive and effective implementation of Environmental Management and Social Development Programs. At the same time a second award was presented to Filminera by the Mines and Geosciences

Bureau of the Department of Environment and Natural Resources Region 5 for achieving 4 million man hours without a lost time injury.

The Masbate Gold Project is committed to protecting the environment and providing sustainable benefits to the communities impacted by its operations and is proud to receive these prestigious Government awards.

In combination with the mandated SDMP, the Masbate Gold Project also conducts Corporate Social Responsibility projects. These are projects recognised by the site as pressing needs and necessities particularly in health, education and infrastructure. The projects are conducted with respect to the socio-cultural values of the communities and are outside the agreed Social Development Management Plans.

4. Events Subsequent to June 30, 2011

On 10 July 2011, cracks were detected in the SAG mill at the Masbate Gold Project. The SAG mill was shut down and is currently being repaired, and interim production was re-established on 21 July 2011 with a reconfiguration of the grinding circuit and ore now being fed directly into the ball mills. Production rates will be steadily increased as the revised circuit is bedded down and the supplementary crushing circuit is commissioned. The repairs to the SAG mill will be done in situ and take approximately 3 months to complete. The Company has an insurance policy for both repairs and loss of profits, subject to the normal deductibles and clauses.

Additionally, subsequent to year end 50,000 options have been exercised.

5. Dividends

The Company does not anticipate that it will pay dividends in the foreseeable future. The declaration of dividends on the share capital of the Company is within the discretion of the Company's Board of Directors and will depend on their assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company. At the present time, the Company's anticipated capital requirements are such that it intends to follow a policy of retaining earnings in order to finance further development of its business.

6. Description of the Capital Structure

The Company is authorised to issue an unlimited number of shares, of which 333,425,726 are issued and outstanding as at the date of this AIF along with 10,721,250 options and directors warrants. Each share entitles the holder to one vote. All shares of the Company rank equally as to dividends, voting powers and participation in assets.

7. Market for Securities

The shares of the Company are listed for trading on the ASX under the trading symbol "CGX", and also on the TSX under the trading symbol "CGA". CGA has been listed on the ASX since April 1991 and on the TSX since February 2005.

Trading Price and Volume

The following table outlines the volume, high and low prices of the ordinary shares of CGA on the TSX on a monthly basis from July 1, 2010 through June 30, 2011.

Code: CGA

Month	High (C\$)	Low (C\$)	Average Daily Volume
July (2010)	2.17	1.89	312,800
August	2.19	1.91	372,600
September	3.07	2.02	1,551,000
October	3.04	2.59	876,500
November	3.60	2.62	896,900
December	3.50	2.93	679,600
January	3.19	2.55	1,124,100
February	3.35	2.84	706,700
March	3.44	2.60	651,600
April	3.13	2.60	765,000
May	3.11	2.45	491,300
June (2011)	2.99	2.36	637,000

The following table outlines the volume, high, low and close prices of the ordinary shares of CGA on the ASX on a monthly basis for each of the past months of the most recently completed financial year of the Company. It should be noted that the majority of the trading is still principally undertaken on the TSX, therefore the ASX price and volume, is not necessarily reflective of trading history.

Code: CGX

Month	High (A\$)	Low (A\$)	Average daily volume
July (2010)	2.35	2.10	33,700
August	2.30	2.07	10,500
September	3.00	2.10	46,100
October	3.10	2.58	35,100
November	3.48	2.81	26,300
December	3.47	2.97	16,000
January	3.10	2.65	21,100
February	3.53	2.83	21,700
March	3.35	2.81	10,200
April	3.09	2.64	22,000
May	3.02	2.34	10,800
June (2011)	2.86	2.36	7,700

An Employee Option Scheme was established during the 2004 financial year where the Company, at the discretion of the directors, grants options over the ordinary shares of the Company to eligible employees and consultants. Directors are ineligible to participate. The Company adopted this incentive plan to enable eligible employees and consultants, to acquire an ownership interest in the Company.

The Company has to date issued the following options to its eligible employees and consultants:

(a) Prior Financial years

Issue Date	Expiry Date	Exercise price (A\$)	Issued	Exercised	Outstanding 30 Jun 09
3 Sep 04	30 Jun 09	0.60	1,950,000	1,950,000	-
31 Mar 07	30 Dec 12	0.65	1,950,000	1,900,000	50,000
28 Sep 07	30 Sep 12	0.90	2,025,000	1,825,000	200,000
15 May 08	31 Mar 13	1.80	950,000	200,000	700,000
15 Oct 08	15 Oct 13	1.20	400,000	-	400,000
17 Nov 08	17 Nov 13	1.15	200,000	160,000	40,000
2 Apr 09	2 Apr 14	1.70	1,690,000	708,750	981,250
30 Jun 09	30 Jun 14	1.50	150,000	50,000	100,000
25 Aug 09	25 Aug 12	1.79	150,000	150,000	-
			9,465,000	6,943,750	2,471,250

(b) Current Financial Year

28 Dec 10	27 Dec 11	2.97	150,000	-	150,000
28 Dec 10	27 Dec 12	2.97	75,000	-	75,000
28 Dec 10	27 Dec	2.97	825,000	-	825,000
Total Current Financial Year			1,050,000	-	1,050,000

Grand Total			10,515,000	6,943,750	3,521,250
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The options are issued for nil consideration, and are only exercisable if the Company's shares have been quoted on the ASX throughout the 12 month period immediately preceding the exercise of the options, without suspension during that period exceeding in total 2 trading days. Once exercised, the shares rank equally with the existing shares of the Company.

The market price of the ordinary shares of CGA was C\$2.99 on June 30, 2011.

8. Escrowed Securities

There are no escrowed securities as at June 30, 2011.

9. Directors and Officers

The following table indicates the names of the current directors and officers of the Company, place of residence, position within the Company, principal occupations within the 5 preceding years, periods which each has served as a director or officer and the number of shares beneficially owned, or controlled and directed, directly or indirectly, by directors and executive officers as at June 30, 2011.

Name and Residence	Director Since	Principal Occupation	Shares beneficially owned directly or indirectly
Mark S Savage ^{(2) (3) (4) (5)} Chairman Albuquerque, New Mexico USA	April 17, 2000	Company Director	3,573,880
Michael J Carrick ^{(3) (5)} President and Chief Executive Officer Perth, Western Australia Australia	January 6, 2004	President and CEO	1,155,000
Justine A Magee ^{(2) (4) (5)} Executive Director Perth, Western Australia Australia	November 23, 2004	Executive Director and Chief Financial Officer	1,113,333
Robert N Scott ^{(1) (3) (4)} Non-Executive Director Perth, Western Australia Australia	January 9, 2009	Non-Executive Director (CGA), Director of Companies	-
Phil C Lockyer ^{(1) (3) (4)} Non-Executive Director Perth, Western Australia Australia	January 9, 2009	Non-Executive Director (CGA), Director of Companies	-
David A Cruse ^{(1) (3) (4)} Non-Executive Director Perth, Western Australia Australia	November 13, 2009	Non-Executive Director (CGA) Director of Companies	20,000
Hannah Hudson Company Secretary Perth, Western Australia	August 6, 2007	Company Secretary (CGA) Chartered Accountant	-

1. member of Audit Committee

2. Member of Corporate Governance Committee

3. Member of Remuneration/Compensation Committee

4. Member of Disclosure Committee

5. 1,100,000 of these shares relate to shares held by a non-related entity for which Mr Carrick, Ms Magee and Mr Savage are directors and have no beneficial interest.

As of the date of this AIF, approximately 3,662,213 shares of the Company were beneficially owned, or controlled or directed, directly or indirectly, by the directors and officers of the Company as a group, representing approximately 1.1% of the issued and outstanding shares of the Company on a non-diluted basis.

According to the constitution, a director will retire from office no later than at the third annual general meeting following his or her last election or appointment by general meeting, but may submit himself or herself for and will be eligible for re-election. Mr Mark

Savage's directorship term will expire at the 2011 AGM. He is eligible and has offered himself for re-election.

To the knowledge of the Company, no Director or Executive officer of the Company is, or has been in the last 10 years, a Director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) of an issuer that, while that person was acting in that capacity,

- (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after that person ceased to be a Director, Chief Executive Officer or Chief Financial Officer or Executive Officer, in the company being the subject of a cease trade or similar order or an order that denied the issuer access to any exception under Canadian securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the Company, no Director or Executive Officer or shareholder holding a sufficient number of securities of the Company to materially affect the control of the Company:

- (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a Director or Executive Officer of any company (including the Company) that while that person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director, Executive Officer or shareholder.

10. Legal Proceedings and Regulatory Actions

The Company is not currently involved in any legal proceedings and there are no legal proceedings the Company knows to be contemplated. During the most recently completed financial year, (i) no penalties or sanctions were imposed against the Company by a court or regulatory body and (ii) no settlement agreements were entered into by the Company with a court or a securities regulatory authority.

11. Interest of Management and Others in Material Transactions

No director or executive officer of the Company, no person or company that beneficially owns or controls or directs, directly or indirectly, more than 10 percent of the Company's shares, and no associate or affiliate of the foregoing persons, has or had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

12. Transfer Agents and Registrars

The transfer agents and registrars for the Company are:

Australia

Computershare Investor Service Pty Ltd
Level 2
45 St Georges Terrace
Perth, Western Australia 6000

Telephone: +61 (089) 323 2000
Facsimile: +61 (089) 323 2033

Canada

Computershare Trust Company of
Canada
100 University Avenue
8th Floor
Toronto ON M5J 2Y1

Telephone: +1 (416) 263 9482
Facsimile: +1 (416) 981 9800

13. Material Contracts

The Company has entered into and is currently party to the following material contracts:

- (i) **Material Change Letters between Filminera Resources Limited, Phil. Gold Processing and Refining Corp. and Leighton Contractors (Philippines Incorporated dated 23 September 2010, 24 November 2010, 15 December 2010 and 5 January 2011**

As part of the review of the mine plan to achieve production increase, fleet changes were identified to improve efficiency and mining costs resulting in changes to the existing fleet purchased under the Masbate Technical Services Contract between Filminera Resources Corporation and Phil. Gold Processing and Refining Corp. and Leighton Contractors (Philippines) Inc dated 20 March 2008. The Material Change Letters record the fleet changes effected.

- (ii) **Extension of Metalor Refining Agreement between Phil. Gold Processing and Refining Corp. and Metalor Technologies S.A.**

An extension of the refining agreement was entered into between PGPRC and Metalor dated November 12, 2010 for the transport and refining of the gold dore by Metalor, a Swiss based company.

- (iii) **Crushing Plant Contract between Phil. Gold Processing and Refining Corp. and Process Machinery Company, Inc.**

Phil. Gold Processing and Refining Corp. and Process Machinery Company, Inc. entered into a contract dated 10 August 2011 for the design, engineering, procurement, construction, installation and commissioning of the Crushing Plant for the Masbate Gold Project.

- (iv) **Sierra Offer Letter between CGA and Sierra Mining Limited**

Pursuant to the Offer Letter dated 27 April 2010 Sierra Mining Limited offered and CGA accepted Sierra Mining Limited's offer for CGA to become a strategic investor in Sierra Mining Limited.

(v) **Exploration Alliance Agreement between CGA and Sierra Mining Limited**

CGA and Sierra Mining Limited entered into an exploration alliance agreement dated November 1, 2010 whereby the parties agreed to consult in relation to strategic, commercial and technical matters concerning Sierra's projects and to work together to identify and secure other exploration and development opportunities.

(vi) **Deed of Absolute Sale between Vicar Mining Corporation and Masminero Resources Corporation**

Deed of Absolute Sale dated November 15, 2010 whereby Vicar Mining Corporation sold its 812,100 treasury shares in itself to Masminero Resources Corporation.

(vii) **Deed of Absolute Sale between MS. Josefina E. Jalandoni and Masminero Resources Corporation**

Deed of Absolute Sale between MA. Josefina E. Jalandoni and Masminero Resources Corporation dated November 15, 2010 whereby MA. Josefina E. Jalandoni sold her 9,070,950 shares in Vicar Mining Corporation to Masminero Resources Corporation.

(viii) **Deed of Absolute Sale between Manuel A. Estrella and Masminero Resources Corporation**

Deed of Absolute Sale between Manuel A. Estrella and Masminero Resources Corporation dated November 15, 2010 whereby Manuel A. Estrella sold his 6,250 shares in Vicar Mining Corporation to Masminero Resources Corporation.

(ix) **Deed of Absolute Sale between George T. Chua and Masminero Resources Corporation**

Deed of Absolute Sale between George T. Chua and Masminero Resources Corporation dated November 15, 2010 whereby George T. Chua sold his 7,555,350 shares in Vicar Mining Corporation to Masminero Resources Corporation.

(x) **Deed of Absolute Sale between Crisanta S. Aquino and Masminero Resources Corporation**

Deed of Absolute Sale between Crisanta S. Aquino and Masminero Resources Corporation dated November 15, 2010 whereby Crisanta S. Aquino sold her 7,555,350 shares in Vicar Mining Corporation to Masminero Resources Corporation.

(xi) **Pajo Offer Letter between CGA and Bloomsbury Holdings Limited**

Pursuant to the Offer Letter dated 18 July 2011 CGA offered and Bloomsbury Holdings Limited accepted CGA's offer to purchase Bloomsbury Holdings Limited interests in the Pajo Gold Project for US\$4.9M.

(xii) **Deed of Assignment of Option Agreement between CGA Financing Company BV, Bloomsbury Holdings Limited and Crispiniano Acosta**

Deed of Assignment of the Option Agreement dated August 30, 2011 whereby Bloomsbury Holdings assigns its interest in the Option Agreement with Crispiniano Acosta to CGA Financing Company BV.

(xiii) Assignment of Debt between CGA Financing Company BV, Bloomsbury Holdings Limited and Aroroy Resources, Inc

Assignment of debt dated 30 August 2011 was executed between Bloomsbury Holdings Limited, CGA Financing Company BV and Aroroy Resources Inc., whereby Bloomsbury assigns the debt owed by Aroroy Resources to it, to CGA Financing.

(xiv) Aroroy Deed of Assignment of Shares between CGA Financing Company BV and Bloomsbury Holdings Limited

Deed of Assignment of Shares dated 30 August 2011 whereby Bloomsbury Holdings assigns its shares in Aroroy Resources to CGA Financing.

(xv) Masminero Deed of Assignment of Shares between CGA Financing Company BV and Bloomsbury Holdings Limited

Deed of Assignment of Shares dated 30 August 2011 whereby Bloomsbury Holdings assigns its shares in Masminero Resources Corporation to CGA Financing.

(xvi) Bare Trust Agreement between CGA and Ian Fair

Bare Trust Agreement dated 30 August 2011 between CGA and Ian Fair whereby Ian Fair holds 100% of the shareholding of Central Asia Gold Limited as the registered nominee on behalf of CGA as the beneficial owner.

(xvii) Deed of Assumption between CGA, Ratel Gold Limited, Ratel Group Limited, Tropical Mines Limited and Segilola Gold Limited

The Deed of Assumption dated November 15, 2010 between CGA, Ratel Gold, Ratel Group, Tropical Mines Limited and Segilola Gold Limited in which Ratel Group assumes all the obligations of Ratel Gold pursuant to the Segilola JV Agreement with effect from the listing of Ratel Group and to which Tropical Mines Limited consents to Ratel Group assuming the obligations of Ratel Gold. CGA warrants that Ratel Group will provide Segilola Gold Limited access to the same management and technical skills which Ratel Gold and CGA previously provided to Segilola Gold Limited.

(xviii) Management Services Agreement between CGA and Ratel Group Limited

The Management Agreement dated November 19, 2010 between CGA and Ratel Group limited entered into whereby CGA provides management services to Ratel.

(xix) Facility Agreement between CGA, St Augustine Gold and Copper Limited and Strato International Holdings Ltd

CGA, SAU and Strato International Holdings Ltd entered into a facility agreement whereby CGA agreed to lend SAU and Strato a short term funding facility of US\$14.9 million in order for enable them to fund their interim obligations arising from the acquisition of the King-king project in The Republic of the Philippines.

(xx) **Subscription Agreement between CGX Holdings Pty Ltd and Ratel Gold Limited (now SAGC)**

CGX Holdings Pty Ltd entered into a subscription agreement on November 30, 2010 with Ratel Gold Limited (now SAU) for 50,000 Ratel Gold shares at C\$0.30 per share being a total of C\$15 million.

(xxi) **Operations and Maintenance Agreement between PGPRC and Wartsila Philippines Inc**

PGPRC entered into an operations and maintenance agreement on February 27, 2009 with Wartsila, a subsidiary of the Finish parent company Wartsila Finland Oy who are the manufacturers of the 5 power station units. Wartsila is responsible for the ongoing management and operation of the power plant.

(xxii) **Refining Agreement between PGPRC and Metalor Technologies S.A**

A refining agreement was entered into between PGPRC and Metalor dated July 8, 2009 for the transport and refining of the gold dore by Metalor, a Swiss based company.

(xxiii) **Waiver Letter between CGA Financing Company BV and BNP Paribas**

A waiver letter was executed between CGA Financing Company BV and BNP Paribas on April 22, 2009 whereby BNP as agent for the lenders agreed to waive any existing or potential event of default arising out of CGA Financing Company BV's non-compliance with certain conditions under the Omnibus Credit and Security Agreement dated June 26, 2008.

(xxiv) **Waiver Letter between CGA Financing Company BV and BNP Paribas**

A waiver letter was executed between CGA Financing Company BV and BNP Paribas on August 18, 2009 whereby BNP as agent for the lenders agreed to waive CGA's compliance with certain conditions under the Omnibus Credit and Security Agreement dated June 26, 2008 and consent to CGA withdrawal of funds.

(xxv) **Tripartite Deed – Masbate Refining Contract between PGPRC, BNP and Metalor**

A Tripartite Deed dated September 21, 2009 was entered into in respect of the Masbate Refining Contract between PGPRC, BNP and Metalor whereby PGPRC granted security in favour of BNP over amongst other things, its title and interest in the Refining Contract on standard terms.

(xxvi) **Masbate Technical Services Contract between Filminera Resources Corporation and Phil. Gold Processing and Refining Corp and Leighton Contractors (Philippines) Inc**

On 20 March 2008 FRC and PGPRC entered into a 6 year mining contract with Leighton whereby Leighton provides the full mining fleet and associated equipment and provides mining and technical services for the Masbate Gold Project. The contract is an alliance model contract and is now into its 4th year.

(xxvii) Project Finance Facility between CGA Mining Limited and BNP Paribas and Standard Chartered Bank

On 26 May 2008 CGA and a number of subsidiaries and Filminera Resources Corporation entered into a project finance facility for \$80.3M with BNP Paribas and Standard Chartered Bank for the development of the Masbate Gold Project in the Philippines. The terms and conditions of the banking facility related security arrangements and hedging facilities are on standard industry terms and conditions.

(xxviii) Second Amending Agreement between CGA and BNP

A Second Amending Agreement dated September 24, 2009 was entered into by the parties to the Omnibus Facility Agreement whereby security over the Metals Account established by PGPRC was provided to the lenders.

(xxix) Waiver Letter between CGA Financing Company BV and BNP

A waiver letter dated December 31, 2009 between CGA Financing Company BV and BNP was entered into whereby BNP agreed to waive compliance by CGA Financing by December 31, 2009 with certain obligations pursuant to the Omnibus Facility Agreement and consent to extend the relevant dates for compliance.

(xxx) Waiver Letter between CGA Financing Company BV and BNP

A waiver letter dated May 4, 2010 between CGA Financing Company BV and BNP was entered into whereby the relevant date for project completion pursuant to the Omnibus Facility Agreement was extended to 27 May 2010 in order to allow the financiers further time to consider the report on the project by its mining engineers, Behre Dolbear, and to agree a revised time for satisfaction of all conditions for Project Completion be achieved.

(xxxii) Camp Management and Catering Contract between PGPRC, FRC and Aden Remote Site (Philippines) Inc (“Aden”).

A Camp Management and Catering Contract between PGPRC, FRC and Aden was executed on January 25, 2010 for an initial term of four years whereby Aden is to provide camp management and catering services to the Masbate Gold Project.

(xxxiii) Sodium Cyanide Supply Agreement between PGPRC and Tongsuh Petrochemical Corporation Ltd (“Tongsuh”)

PGPRC and Tongsuh entered into an agreement dated March 25, 2010 whereby Tongsuh is to provide sodium cyanide to the Masbate Gold Project.

14. Interest of Experts

There are presently no material interests of experts.

Andrew James Vigar of Mining Associates Pty Ltd, a qualified person under NI 43-101, has verified the resource statement for the Masbate Project as disclosed in this AIF, including sampling, analytical and test data underlying the estimate. Verification of the data included numerous site visits, database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

A NI 43-101 compliant report has been lodged on sedar.com verifying and supporting the new reserve statement made for the Masbate Project. Mr Daniel Tuffin of LQS, a qualified person, has verified the reserve statement for the Masbate Project as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Ernst & Young is the auditor of the Company.

The aforementioned firms or persons held either less than one percent or no securities of the Company or of any associate or affiliate of the Company. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

15. Audit Committee

Audit Committee

The purpose of the audit committee of the Company is to provide assistance to the board of directors of the Company in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company and its subsidiaries. It is the objective of the audit committee to maintain a free and open means of communication among the board of directors of the Company, the independent auditors and senior management of the Company.

The full text of the Charter of the Audit Committee is included as Schedule A to this AIF.

Composition of the Audit Committee

The Audit Committee is comprised of Robert Scott, Phillip Lockyer, and David Cruse. Robert Scott, Philip Lockyer and David Cruse are independent within the meaning of NI 52-110.

Relevant Education and Experience

Robert N Scott – Chairman

Mr Scott is a Fellow of the Institute of Chartered Accountants in Australia with over 35 years experience as a corporate advisor. Mr Scott is a former senior partner of the international accounting firms of KPMG and Arthur Andersen. Mr Scott currently holds directorships on Sandfire Resources NL, Amadeus Energy Limited, Neptune Marine Services Limited and Homeloans Limited.

Mr Scott is the chair of the CGA Mining Limited Audit Committee and the Disclosure Committee. He was also appointed as chair of the Nomination and member of the Remuneration Committees on 13 November 2009.

Mr Scott was appointed a Director of the Company on January 9, 2009.

Phil C Lockyer – Non - Executive Director

Mr Lockyer is a Mining Engineer and Metallurgist with more than 40 years experience in the mining industry, with an emphasis on gold and nickel, in both underground and open pit mining operations.

Mr Lockyer was employed by WMC Resources for 20 years reaching the position of General Manager of Western Australia responsible for that company's gold and nickel divisions. Mr Lockyer holds directorships on Swick Mining Services Limited, St Barbara Limited, Focus Minerals Limited, and Perilya Limited.

Mr Lockyer was appointed a Director of the Company on January 9, 2009.

Mr David A Cruse – Non-Executive Director

Mr Cruse has had a long career in commerce and finance. He was a stockbroker for over 20 years, where he held senior management positions and directorships in the stockbroking industry, with particular focus on capital markets. Recently, Mr Cruse has been involved in the identification and commercialization of a number of resource (including oil and gas) projects.

Mr Cruse was appointed a Director of the Company on November 13, 2009 and has held a directorship position on the board of Odyssey Energy Limited since 2008.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee preapproval of permitted audit and audit-related services.

Reliance on Certain Exemptions

Until the appointment of David Cruse to the Audit Committee the Company relied on the exemption from the Audit Committee independence requirements found in section 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110.

External Auditor Services Fees

Audit Fees

The aggregate fees billed by the Company's external auditor, Ernst & Young, for audit services for the fiscal year ended June 30, 2011 was \$333,692 (\$427,125 – 2010).

Audit Related Fees

No other fees were paid to the Company's external auditor for fees reasonably related to the performance of the audit or review of the Company's financial statements.

Tax Fees

The aggregate fees billed by the Company's external auditor for professional services including tax compliance advice and tax planning in the fiscal year ended June 30, 2011 were \$93,875 (\$197,094 - 2010).

All Other Fees

\$13,604 in other fees were paid in the last two fiscal years for other assurance services provided by the Company's auditor.

ADDITIONAL INFORMATION

Copies of all materials incorporated by reference herein and additional information relating to the Company may be obtained on SEDAR, under the Company's profile, at sedar.com

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorised for issuance under equity compensation plans is contained in the Company's information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company's financial statements and Management and Discussion Analysis ("MD&A") for the year ended June 30, 2011.

Schedule A

AUDIT COMMITTEE CHARTER

By appropriate resolution of the Board of Directors of CGA Mining Limited (“the Board”), the Audit Committee (the “Committee”) has been established as a standing committee of the Board with the terms of reference set forth below. Unless the context requires otherwise, the term “Company” refers to CGA Mining Limited and its subsidiaries.

1. PURPOSE

- 1.1 The Committee’s purpose is to
- (a) assist Board oversight of:
 - (i) the integrity of the Company’s financial statements, Management’s Discussion and Analysis of Operating Performance (“MD&A”) and other financial reporting;
 - (ii) the Company’s compliance with legal and regulatory requirements;
 - (iii) the external auditor’s qualifications, independence and performance;
 - (iv) communication among the external auditor, management and the Board;
 - (v) the review and approval of any related party transactions; and
 - (vi) any other matters as defined by the Board; and
 - (b) prepare and/or approve any report that is required by law or regulation to be included in any of the Company’s public disclosure documents relating to the Committee.

2. COMMITTEE MEMBERSHIP

- 2.1 Number of Members – the Committee shall consist of not fewer than three members.
- 2.2 Independence of Members – Each member of the Committee shall:
- (a) be a member of the Board;
 - (b) to the extent possible, considering the composition of the Board, satisfy the independence requirements applicable to members of the audit committees under National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators (NI 52-110) and other applicable laws and regulations.
- 2.3 Financial Literacy – Each member of the Committee shall satisfy the financial literacy requirements applicable to members of audit committees under the NI 52-110 and other applicable laws and regulations.
- 2.4 Accounting or Related Financial Experience – At least one member of the Committee shall satisfy the financial expertise and experience requirements under NI 52-110.

2.5 Annual Appointment of Members – The Committee and its Chair shall be appointed annually by the Board and each member of the Committee shall serve at the pleasure of the Board until he or she resigns, is removed or ceases to be a Director of the Company.

3. COMMITTEE MEETINGS

3.1 Time and Place of Meetings – The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, that the Committee shall meet at least quarterly, a majority of members of the Committee shall constitute a quorum, and the Committee shall maintain minutes or records of its meetings and activities.

3.2 In Camera Meetings – As part of each meeting of the Committee at which it recommends that the Board approve the annual audited financial statements of the Company, and at such other times as the Committee deems appropriate, the Committee shall meet separately with the external auditor to discuss and review specific issues as appropriate.

4. COMMITTEE AUTHORITY AND RESOURCES

4.1 Direct Channels of Communication – The Committee shall have direct channels of communication with the Company's external auditor to discuss and review specific issues as appropriate.

4.2 Retaining and Compensating Advisors – The Committee, or any member of the Committee with the approval of the Committee, may retain at the expense of the company such independent legal, accounting (other than the external auditor) or other advisors on such terms as the Committee may consider appropriate and shall not be required to obtain the approval of the Board in order to retain or compensate any such advisors.

4.3 Funding – the Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation of the external auditor and any advisor retained by the Committee under Section 4.2 of this charter.

4.4 Investigation – The Committee shall have unrestricted access to Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.

5. REMUNERATION OF COMMITTEE MEMBERS

5.1 Director Fees Only – No member of the Committee may accept, directly or indirectly, fees from the Company or any of its subsidiaries other than remuneration for acting as a member of the Committee, the Board or any other committee of the board.

5.2 Other Payments – For greater certainty, no member of the Committee shall accept any consulting, advisory or other compensatory fee from the Company. For purposes of section 5.1, the indirect acceptance by a member of the Committee of any fee includes acceptance of a fee by an immediate family member or a partner, member or executive officer of, or a person who occupies a similar position with, an entity that provides accounting, consulting, legal, investment banking or financial advisory services to the Company or any of its subsidiaries, other than limited

partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity.

6. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

6.1 Overview - The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the external auditor is responsible for auditing those financial statements.

The Committee's specific duties and responsibilities are as follows:

- (i) Financial and Related Information -
 - (i) Annual Financial Statements - The Committee shall review and discuss with management and the external auditor the Company's annual financial statements and related MD&A and report thereon to the Board before the Board approves such statements and MD&A.
 - (ii) Interim Financial Statements - The Committee shall review and discuss with management and the external auditor the Company's interim financial statements and related MD&A and report thereon to the Board before the Board approves such statements and MD&A.
 - (iii) Prospectuses and Other Documents - The Committee shall review and discuss with management and the external auditor the financial information, financial statements and related MD&A appearing in any prospectus, annual report, annual information form, management information circular or any other public disclosure document prior to its public release or filing and, if requested by the Board, report thereon to the Board.
 - (iv) Accounting Treatment - Prior to the completion of the annual external audit, and at any other time deemed advisable by the Committee, the Committee shall review and discuss with management and the external auditor (and shall arrange for the documentation of such discussions in a manner it deems appropriate) the quality and not just the acceptability of the Company's accounting principles and financial statement presentation, including, without limitation, the following:
 - (a) all critical accounting policies and practices to be used, including, without limitation, the reasons why certain estimates or policies are or are not considered critical and how current and anticipated future events impact those determinations and an assessment of management's disclosures along with any significant proposed modifications by the auditors that were not included;
 - (b) all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including, without limitation, ramification of the use of such alternative disclosure and treatments, and the treatment preferred by the external auditor, which discussion should

address recognition, measurement and disclosure consideration related to the accounting for specific transactions as well as general accounting policies. Communications regarding specific transactions should identify the underlying facts, financial statement accounts impacted and applicability of existing corporate accounting policies to the transaction. If the external auditor's preferred accounting treatment or accounting policy is not selected, the reasons therefor should also be reported to the Committee; and

- (c) other material written communications between the external auditor and management, such as any management letter, schedule of unadjusted differences, listing of adjustments and reclassifications not recorded, management representation letter, report on observations and recommendations on internal controls, engagement letter and independence letter.

(v) Disclosure of Other Financial Information - The Committee shall:

- (a) review, and discuss generally with management the type and presentation of information to be included in, all public disclosure by the Company containing audited, unaudited or forward-looking financial information in advance of its public release by the Company, including, without limitation, earnings guidance and financial information based on unreleased financial statements; and
- (b) satisfy itself that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements, other than the Company's financial statements, MD&A and earnings press releases, and shall periodically assess the adequacy of those procedures.

(ii) External Auditor -

- (i) Authority with Respect to External Auditor - As representative of the Company's shareholders and as a committee of the Board, the Committee shall be directly responsible for the appointment, compensation, retention, termination and oversight of the work of the external auditor (including, without limitation, resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. In this capacity, the Committee shall have sole authority for recommending to the Board the person to be proposed to the Company's shareholders for appointment as external auditor, whether at any time the incumbent external auditor should be removed from office, and the compensation of the external auditor. The Committee shall require the external auditor to confirm in an engagement letter to the Committee each year that the external auditor is accountable to the Board and the Committee as

representatives of shareholders and that it will report directly to the Committee.

- (ii) Approval of Audit Plan - The Committee shall approve, prior to the external auditor's audit, the external auditor's audit plan (including, without limitation, staffing), the scope of the external auditor's review and all related fees.
- (iii) Independence - The Committee shall satisfy itself as to the independence of the external auditor. As part of this process:
 - (a) The Committee shall require the external auditor to submit on a periodic basis to the Committee a formal written statement confirming its independence under applicable laws and regulations and delineating all relationships between the auditor and the Company and the Committee shall actively engage in a dialogue with the external auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditor and take, or recommend that the Board take any action the Committee considers appropriate in response to such report to satisfy itself of the external auditor's independence.
 - (b) In accordance with applicable laws and regulations, the Committee shall pre-approve any non-audit services (including, without limitation, fees therefor) provided to the Company or its subsidiaries by the external auditor or any auditor of any such subsidiary and shall consider whether these services are compatible with the external auditor's independence, including, without limitation, the nature and scope of the specific non-audit services to be performed and whether the audit process would require the external auditor to review any advice rendered by the external auditor in connection with the provision of non-audit services. The Chair may approve additional non-audit services that arise between Committee meetings, provided that the Chair reports any such approvals to the Committee at the next scheduled meeting.
 - (c) The Committee shall establish a policy setting out the restrictions on the Company hiring employees and former employees of the Company's external auditor or former external auditor.
- (iv) Rotating of Auditor Partner - The Committee shall evaluate the performance of the external auditor and whether it is appropriate to adopt a policy of rotating lead or responsible partners of the external auditors.
- (v) Regulatory Matters - The Committee shall discuss with the external auditor the matters required to be discussed by Statement on Auditing Standards No. 61 and Section 5741 of the CICA Handbook – Assurance relating to the conduct of the audit.

- (iii) Internal Controls -
 - (i) Oversight of Internal Controls - The Committee shall oversee management's design and implementation of and reporting on the Company's internal controls and review the adequacy and effectiveness of management's financial information systems and internal controls.
- (iv) Whistle Blowing - The Committee shall establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- (v) Related Party Transactions – The Committee shall review and approve any transaction between the Company and a related party and any transaction involving the Company and another party in which the parties' relationship could enable the negotiation of terms on other than an independent, arms' length basis.
- (vi) Public Reports - The Committee shall prepare and/or approve any report that is required by law or regulation to be included in any of the Company's public disclosure documents relating to the Committee.
- (vii) Other Matters – The Committee may, in addition to the foregoing, perform such other functions as may be necessary or appropriate for the performance of its oversight function.

7. EVALUATION OF CHARTER

Amendments to Charter –

- (viii) Review by Audit Committee - On at least an annual basis, the Committee shall review and discuss the adequacy of this Charter and recommend any proposed changes to the Board of Directors.
- (ix) Review by Board – The Board will review and reassess the adequacy of the Charter on an annual basis and at such other times as it considers appropriate.

8. LEGISLATIVE AND REGULATORY CHANGES

Compliance – It is the Board's intention that this mandate shall reflect at all times all legislative and regulatory requirements applicable to the Committee. Accordingly, this Charter shall be deemed to have been updated to reflect any amendments to such legislative and regulatory requirements and shall be formally amended at least annually to reflect such amendments.

9. CURRENCY OF CHARTER

Currency of Charter – This Charter was last revised on June 30, 2011.