

La Mancha forms a strategic alliance with Evolution in Australia and exits from Sudan to refocus its growth strategy in West Africa

- Combination of La Mancha's Australian assets with Evolution to create a leading growth-focused Australian gold company with annual production of up to 600,000 ounces per year
- Opportunistic sale of its 44% minority stake in the Sudanese Hassai mine (AMC entity) for a price of US\$100m, removing geopolitical overhang in La Mancha's portfolio
- African growth strategy to focus on creation of a mid-tier West-African producer, centered around La Mancha's Ivorian Ity mine which has recently expanded its resources to 3Moz of gold and value-accretive opportunities

Luxembourg, April 20, 2015 – La Mancha, a Luxembourg-based gold producer, is pleased to announce that it has restructured its portfolio to better position itself to capture growth opportunities in both Australia and Africa, after two years of successful asset optimization following its privatization by the Sawiris Family.

Combination with Evolution and formation of a strategic partnership in Australia

To solidify its footprint in Australia, La Mancha has formed a long-term strategic partnership with Evolution Mining (ASX:EVN) ("Evolution") and has entered into a binding agreement to contribute 100% of La Mancha's Australian operation ("La Mancha Resources Australia") into Evolution, in return for a 31% interest in the enlarged group, to form a leading Australian gold producer with a combined annual production of 530,000 – 600,000 ounces from six operations at a globally competitive AISC of \$A950 – 1,000 per ounce (US\$750 – 805/oz).

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

La Mancha and Evolution have a shared vision of building a major regional gold miner with the scale, operating profile, and cash flow generation to appeal to global investors. The two companies

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

believe that the combined group will be very well positioned to take advantage of future growth opportunities, especially in the current market environment.

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

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

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

Opportunistic sale of La Mancha's 44% stake in Hassai

In parallel, La Mancha has opportunistically sold its minority 44% interest in the Ariab Mining Company ("AMC"), owner of the Hassai mine, for US\$100m to the Sudanese Government. This represents an implied value of US\$227 million on a 100% basis for a yearly production of roughly 55,000 ounces with undeveloped projects totaling resources of 2.6 million ounces of gold and 595,000 tonnes of copper. In light of the current market conditions and the inherent risks in financing and developing Hassai's projects, La Mancha believes that this offer is satisfactory and has therefore seized this opportunity to remove its geopolitical overhang and better positioning itself to pursue high-quality African acquisition opportunities.

African growth strategy to focus on creation of a mid-tier West-African gold producer

The above-mentioned transactions enable La Mancha to focus its growth strategy on creating a West-African mid-tier gold producer through value accretive acquisitions and further development of its Ivorian operations.

La Mancha believes that the current market environment offers a number of attractive opportunities for investors with access to capital and intends to reinvest the proceeds received from its Sudanese divestment and eventually additional equity on the acquisitions of assets, both in-production and prospective exploration tenements, notably in the under-explored West-African Birimian belt.

The cornerstone of this West-African growth strategy remains La Mancha's Ivorian Ity mine majority controlled through its 55% interest in Société des Mines d'Ity ("SMI") along with the Didier Drogba Goup and the state of Ivory Coast, which respectively own 5% and 30%.

Since La Mancha gained majority control of Ity, gold production has averaged 80,000 ounces per annum, representing an increase of 50% compared to 2012 and the highest production rate achieved over the past 25 years in which the mine has been operational. In addition, investment by La Mancha in a €25 million two-year exploration program has seen Ity's resources triple, to reach roughly 3 million ounces at 2g/t as at the end of 2014. Significant additional resource expansion is expected in the coming year as the area surrounding the Ity mine remains very prospective.

In light of the achieved exploration success at Ity, La Mancha intends to upgrade its existing 0.8Mtpa Heap Leach plant to a 1.5Mtpa CIL plant, aiming to increase production to roughly 150,000 ounces per year starting by the end of 2017. The Definitive Feasibility Study is expected to be completed by year-end.

Sebastien de Montessus, CEO of the La Mancha Group, stated:

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

This transaction has been possible thanks to the remarkable achievements of our team to optimize and de-risk our Mungari assets in the Kalgoorlie region. We have successfully purchased Alacer’s minority interest in the Frog’s Leg mine, built the Mungari CIL plant on time and on budget which has removed toll-milling dependence while decreasing costs, and we have re-started the White Foil open pit mine.

This Australian partnership will allow us to focus our attention to creating a mid-tier producer in Africa. I believe that we are well positioned to achieve this goal as optimization and exploration efforts have revealed that our Ivorian Ity mine has the potential to be a world-class asset. Furthermore, our recent divestment of the Sudanese Hassai mine will de-risk our overall portfolio and better position us to capture growth opportunities in Africa, where we see significant opportunities in the current environment”.

About La Mancha Australia

La Mancha’s Australian operations comprise the Frog’s Leg underground gold mine, the White Foil open-pit gold mine, the newly constructed Mungari CIL processing plant and a 324km² regional exploration portfolio.

The high-grade Frog’s Leg underground gold mine is a high quality, long-life asset which has seen substantial capital investment since underground mining commenced in 2008. Evolution has identified a number of areas with the potential for optimisation and further value enhancement. Frog’s Leg is located 20km directly west of Kalgoorlie, Western Australia. The mine is expected to produce in excess of 90,000 ounces per annum. As at December 2014, Frog’s Leg had Mineral Resources¹ (including Reserves) of 770,000 ounces at 6.37g/t gold and Reserves of 443,000 ounces at 5.46g/t gold.

The long-life White Foil open-pit gold mine is located 2km to the west of the Frog’s Leg gold mine. This low-risk, complementary asset was restarted in mid-2014 following the completion of the Mungari processing plant. White Foil produced 21,542 ounces of gold in the second half of CY2014. Annual production is expected to be in excess of 40,000 ounce. As at December 2014, White Foil had Mineral Resources (including Ore Reserves) of 1,867,677 ounces at 1.62g/t gold and Reserves of 322,000 ounces at 1.58g/t gold.

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

Combined annual production from the La Mancha Australia operations is in the range of 130,000 – 150,000 ounces of gold at an AISC of A\$950 – 1,000 per ounce.

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

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

About La Mancha Group

La Mancha is a privately held international gold producer with operations in Australia, Côte d'Ivoire and Sudan. In addition to the La Mancha Australia operations, La Mancha also operates the Ity gold mine in Côte d'Ivoire (55% interest) and has recently sold its Hassai open pit mine in Sudan (44% interest). La Mancha was privatised in 2012 by the Sawiris family, a prominent Egyptian family. Through the Orascom Group, the Sawiris family is active across various sectors and businesses, ranging from construction and fertilisers to real state and telecommunications in addition to resources. Under the Sawiris family ownership, La Mancha has expanded its operations in each key jurisdiction and is on track to achieve the group's target of +500,000 gold equivalent ounces of attributable production. For more information, please visit www.lamancha.com.

About Evolution Mining

Evolution Mining is a leading, growth-focused Australian gold miner. The Company operates five wholly-owned mines – Cracow, Mt Carlton, Mt Rawdon and Pajingo in Queensland and Edna May in Western Australia. Group production for FY14 totalled 427,703 ounces gold equivalent at an All-In Sustaining Cost of A\$1,083/oz. FY15 production guidance from its five existing operating assets is 400,000 – 440,000 ounces gold equivalent at All-in Sustaining Cost in the range of A\$1,050/oz – A\$1,130/oz. For more information, please visit www.evolution.com.au.

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