

**Frog's Leg 43-101 Report
Kundana Mining District
Kalgoorlie/Coolgardie Area
Western Australia
Lat: 30°46' South - Long: 121°16' East**

Dioro Exploration NL

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Executive Summary

The Frog's Leg gold deposit is located 20 kilometres (km) west of Kalgoorlie, Western Australia, and is part of the Mungari East Joint Venture agreement between Dioro Exploration NL (Dioro) and La Mancha Resources Inc (LMR). Dioro holds 49% of the project, and is a public company listed on the Australian Stock Exchange. LMR is a company listed on the Toronto Stock Exchange holds; it holds 51% of the project, and is the operator. Frog's Leg is currently being developed as an underground mine.

Dioro is also part to the Lake Greta Joint Venture, which comprises two tenements (E15/634 and M15/1408) immediately north of and adjoining the Mungari East JV tenements. Barrick Gold Corporation holds 50% of this JV, with Dioro (24.5%) and LMR (25.5%).

The Mungari East Joint Venture consists of six mining leases (M15/688, M15/689, M15/836, M15/837, M15/1188 and M15/1287), two prospecting leases (P15/4676 and P15/4677) and one miscellaneous licence - (L15/246) totalling 3,304.47Ha, with lease M15/688 containing the pit and project infrastructure. On these tenements environmental bonds totalling A\$916,000 have been lodged. A 2.5% net smelter return royalty is payable to the state of Western Australia. The project is easily accessed by road and may be operated for twelve months of the year. Elevation is approximately 340 metres (m) above sea level. Terrain consists of salt lakes, salt flats, dunes and low ridges underlain by transported alluvium and lacustrine clay.

The Frog's Leg deposit was discovered by air-core drilling in late 1999, followed by diamond drilling in January 2000. The discovery was preceded by an extensive geochemical sampling program following previous discoveries to the north (Rubicon, Pegasus and Hornet deposits). In total, 161,471m in 2,429 holes have been drilled to date with 24% of the drill metres consisting of RC drilling, 5% RAB, 45% diamond core and 26% aircore. A technical-commercial study was completed in 2002 by previous operators Mines and Resources Australia (MRA). Open pit production began in April 2004 and the first gold was poured in July 2004. Mining in the open pit was terminated in October 2005 with the last of the ore treated during fourth quarter 2005. The property remained on a care and maintenance basis since that time. In 2006, LMR began a significant diamond drilling program, in order to define potential resources for an underground mining operation.

The open-pit operation minimized capital requirements by using a mining contractor, who supplied personnel and equipment, and by trucking ore to the Greenfields toll mill in the Coolgardie area 26km to the southwest. Mining infrastructure was minimal as the operation was run from the White Foil facilities, which included offices, workshop, wash bay and access roads. A second open pit at White Foil, 2km to the southwest of Frog's Leg, was exploited during 2002 to 2003 by previous operator Mines and Resources Australia (MRA).

During eighteen months of production 832,976t of Frog's Leg ore was milled at a head grade of 4.50g/t. Recovered gold totalled 116,611 ounces (oz) (96.8% overall recovery). Dioro's net share of production totalled 57,139oz. The mined material consisted primarily of steeply-dipping quartz lodes located within the Rocket zone footwall, immediately east of the contact structure between the "catrock" basalt and volcanoclastic units.

The Frog's Leg deposit occurs in the southern portion of the Kundana mining district in the Norseman Wiluna Belt of the Eastern Goldfields Province, in the Archean-aged Yilgarn Craton. The Norseman-Wiluna granite-greenstone belt extends for 600km in a NNW direction and it hosts a globally-significant number of gold and nickel sulphide deposits. The Kundana mining camp generally hosts gold mineralisation in quartz lodes and veins, structurally emplaced within shale horizons and/or along lithology contacts. There are several significant operating or closed gold mines in the Kundana district, including Strzelecki, Barkers, and the Raleigh South and North Pits.

Frog's Leg mineralisation occurs in a number of structural styles along a nine-hundred metre-long NNW-trend. Mineralisation occurs as sub-vertical, tabular lodes along a faulted volcanoclastic/catrock basalt contact, which is divided into six zones referred to as Mist, Fog, Marsh and Bull to the north, and Rocket and Whistle to the south. Quartz lode mineralisation occurs within the volcanoclastic footwall east of the contact zone as somewhat irregular vein structures dipping towards the west into the sub-vertical contact zone. Less frequently quartz vein structures occur on the hanging wall side of the contact. These include the Fog lode, situated west of the Mist contact zone, and Whistle, west of Rocket. Structural styles and differences in rock properties play a major role in gold deposition. For example, competency contrasts between more and less brittle rocks influence the formation of gold-hosting quartz veins during deformation, and the variable iron content in different host rocks influences the chemical precipitation of gold from ore fluids.

The latest June 2007 global resource estimate LMR is shown in Table 0-1. Measured and indicated resources total 3,221,000t at an average grade of 7.0g/t for a contained gold resource of 723,000oz. Dioro's 49%-attributable share is 354,270oz.

Table 0-1: Frog's Leg updated Measured, Indicated and Inferred Resources at a 3.5g/t cut-off, calculated by LMR in June 2007

Category	Tonnes	Grade (g/t)	Ounces
Measured	972,000	7.1	222,000
Indicated	2,249,000	6.9	501,000
M + I	3,221,000	7.0	723,000
Inferred	1,136,000	5.7	209,000

The June 2007 resource estimate includes new information from 35 diamond core holes, totalling 14,998.52m that were drilled from October 2006 through May 2007. The new measured and indicated resource estimate represents an increase of 130% in tonnes and 96% in ounces, compared to the measured and indicated resources from the last publicly-released estimate of April 2007. This increase is due to two main factors: 1) infill drilling that converted large zones of inferred resources to indicated resources and 2) re-interpretations of the shapes and boundaries of the Frog's Leg lodes and the gold mineralisation associated with them.

Since June 2007, La Mancha Resources, operator of the Frog's Leg operation, continued exploration drilling, targeting in particular the zone between Mist and Rocket. The results currently available confirm the validity of the geological model and are likely to contribute to an increase of the Resources in the near future.

Test work on Frog's Leg ore samples has been relatively comprehensive, with samples derived from both drill core and bulk samples on representative material from the lodes. The recovery used by the Feasibility Study was a weighted average (according to ore sources) of 94.9%. Throughput and recovery will be dependent on blending schedules, mine plans and plant operating variables being maintained. SRK considers this to be a reasonable base assumption for assessing the economics of the Frog' Leg deposit given that the majority of the deposit is from the 'Mist' Lode which has demonstrated slightly higher recovery of 96%.

Dioro plans to process its share of ore from Frog's Leg at its Jubilee Processing Facility ("JMP"). The Jubilee flowsheet is suitable for processing of the Frog's Leg underground ore due to the ore's free milling nature and amenability to gravity recovery.

The Frog's Leg deposit will be mined by means of an underground decline. The 2007 Definitive Feasibility Study (DFS) indicates an average production rate of 545,000t per annum at full capacity. The average grade is 5.29g/t. The ore will be produced by means of Longhole Open Stopping with fill. The high in situ stress environment and the competent rock quality result in a seismically active mining environment. This seismicity risk is being minimised by adopting a 'bottom up' mining sequence/retreat front which systematically pushes the stress field and requires the completion of most of the pre-mining development prior to stope extraction.

The resulting Mineral Reserve for the Frog's Leg deposit is shown in Table 0-2.

Table 0-2: Frog's Legs Proven and Probable Reserve Estimation

Mining Method	Proven Tonnes (t)	Proven Grade (g/t)	Probable Tonne (t)	Probable Grade (g/t)	% of Tonnes
Open Stopping (with Backfill)	690,358	5.40	1,855,635	5.19	70
Up Hole Retreat (No Backfill)	167,103	4.53	55,549	3.63	6
Sill Pillar Recovery	83,628	6.06	227,684	5.23	9
Sub-Total Stopping	941,089	5.30	2,138,868	5.16	84
Ore Development	195,087	5.49	379,800	5.90	16
Sub-Total by Category	1,136,175	5.34	2,518,668	5.27	100
Total Mineral Reserve	3,654,844t		5.29g/t		

The underground DFS was carried out by LMR in September 2007. This report presents a project evaluation based on the 2007 DFS cost model.

Table 0-3: Project Evaluation Results of the 2007 DFS

Project Evaluation	Entire Project		Jan 2008 Onward	
	Cost	Price and Unit Costs	Cost <small>Excludes Sunk Costs Prior to 2008</small>	Price and Unit Costs
Gold Price		A\$845/oz		A\$845/oz
Mill Recovery		94.9%		94.9%
Capital Costs	A\$71.2M	A\$19.48/t	A\$48.9M	A\$13.37/t
Operating Costs	A\$222.6M	A\$60.89/t	A\$222.6M	A\$60.89/t
Transportation & Milling Costs	A\$91.4M	A\$25.00/t	A\$91.4M	A\$25.00/t**
Gold Royalties	A\$12.5M	A\$3.41/t	A\$12.5M	A\$3.41/t
Total Cash Cost	A\$385.1M	A\$108.78/t	A\$375.4M	A\$102.45/t
Project Undiscounted Cash Return	A\$100.9M		A\$123.2M	
Project NPV @ 12.0%	A\$53.6M		A\$77.3M	
IRR	47.5%		--	

** The Project Evaluation is based on a processing cost of A\$19/t plus A\$6/t transportation. Dioro's component of the production will be processed through their own plant at a cost of A\$13/t plus A\$6/t transportation costs. This equates to a A\$6/t savings on 49% of the mine tonnage which is not reflected in the table above.

An assessment of the 2007 DFS indicates that a gold price of A\$845/oz results in a cumulative non-discounted Cash Flow of A\$100.9 Million over a mine life of 7.5 years. The cash cost to recover one ounce of gold is estimated to be A\$674. With a discount rate of 12% the project's NPV is A\$53.56 Million. As one third of the capital expenditure will have been spent by the 31 December 2007 and assuming this A\$22.3 Million is categorised as sunk costs the resulting NPV going forward from January 2008 is A\$77.3 Million. The project carries an IRR of 47.5%.

This project assessment is based on the 2007 Definitive Feasibility Study which includes only Measured and Indicated Mineral Resource. This is the part of the Resource considered to be estimated with sufficient confidence geologically to have economic considerations applied to it.