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## **ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE AND TORONTO STOCK EXCHANGE**

**5 APRIL 2007**

### **MASBATE PROJECT DEVELOPMENT UPDATE**

- **Leighton Contractors Notice of Intent - construction contractor**
- **Lycopodium - engineering component for the Masbate Gold Project**
  - **Long lead items - SAG mill and ball mills acquired**
  - **BNP Paribas mandated as Debt Financiers**

CGA Mining Limited is pleased to provide an update on the Masbate Gold Project.

#### **Construction Contractors-Notice of Intent**

The Board of CGA Mining Limited ("CGA", "the Company") is pleased to announce that it has issued a Notice of Intent to Leighton Contractors ("Leighton") as the EPCM contractor for development of the Masbate Gold Project in the Philippines. Leighton is an Australian market leader in infrastructure and project development and a highly respected provider of contract mining services. Leighton has a dedicated and established office in Manila and has had extensive experience in the region, having recently developed a similar plant in the Philippines.

Lycopodium Limited ("Lycopodium"), a highly respected Australian engineering consulting firm has agreed to form a strategic alliance with Leighton and will be responsible for all process engineering and detailed design associated with the development of the Masbate Project. Lycopodium fulfilled a similar role with Leighton on a recent development in the Philippines and CGA is pleased to secure the benefit of these two contractors, with valuable first hand experience in the region that will enhance both the efficiency and cost effectiveness of our development program. Lycopodium has also worked with our management team on previous gold development projects, demonstrating a successful track record of quality service, meeting both budgets and agreed timelines.

Detailed agreements are currently being negotiated and a Notice of Intent has been issued, allowing Leighton and Lycopodium to commence work on a number of initiatives in preparation for the development and ensuring the commitment Leighton and Lycopodium to the development of the project.

### **Long Lead Items Secured**

The Company has successfully completed the acquisition of the key long lead items for the development program at the Masbate project with a primary SAG mill and two secondary Ball mills now secured and paid for. The SAG mill is currently located in Spokane, Washington in the United States and the two Ball mills are in storage in Cebu in the Philippines. The acquisition of these existing plant items will materially reduce the development timeline, with Leighton currently expecting a development schedule of approximately 12 months, which is attractive relative to other comparable projects in the development phase.

### **Mandate of Project Financiers**

BNP Paribas ("BNPP"), one of the world's largest and most respected financial groups, with a strong presence in the resource market has been mandated to provide and underwrite a project finance facility for development of the Masbate Project. BNPP has already undertaken extensive due diligence on the project, with the independent technical experts having completed their review on the development program as set out in the Bankable Feasibility Study.

### **Activity on Masbate Island**

A security incident occurred on Tuesday 3 April 2007 on site in the equipment area. There were no injuries and damage to equipment was very limited. The reasons for this incident are not fully understood at this time. With the recent change in project sponsorship and the project now moving forward, CGA is committed to a strong community relations program particularly in health, education and sustainable development. CGA will pursue an open dialogue with all stakeholders to ensure any issues which do arise are resolved.

### **Enquiries**

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