

Montreal, July 5, 2007

All amounts are expressed in CA dollars, unless otherwise indicated.

## FROG'S LEG'S RESOURCE NEARLY DOUBLES

### HIGHLIGHTS:

- Measured and indicated resource increase by 95% to 723,000 ounces of gold
- Drilling continues at Frog's Leg
- Updated feasibility study expected for September 2007
- Preliminary stages of portal development to be inaugurated tomorrow

**La Mancha Resources inc. (TSX:LMA, thereafter "La Mancha" or the "Company")** is pleased to announce that the Measured and Indicated ("M&I") resource at its Frog's Leg gold project has increased by more than 95% compared to the resource estimated as of December 31, 2006. As of June 25 2007, Frog's Leg M&I resource is 723,000 ounces of gold (368,700 oz attributable to La Mancha), compared to 369,000 ounces of gold (188,000 oz ounces attributable to La Mancha) as of December 31, 2006.

Michel Cuihé, Chairman and CEO of La Mancha commented: "Frog's Leg is moving from being a very good project to a great mine. We are very excited with the results of the resource update. We are confident that this sharp increase in resource will have a significant impact on the profitability of the project. While we are beginning to develop the mine, we are continuing to get very encouraging results from our exploration program."

As of June 30<sup>th</sup> 2007

	<b>Tonnes</b>	<b>Grade</b>	<b>Ounces</b>
Measured	972,000	7.1	222,000
Indicated	2,249,000	6.9	501,000
<b>Total Measured &amp; Indicated</b>	<b>3,221,000</b>	<b>7.0</b>	<b>723,000</b>
Inferred	1,136,000	5.7	209,000

This increase can essentially be attributed to two factors: A) the conversion of inferred resource to the M&I category due to the infill drilling that has taken place since October 2006 and B) the complete re-evaluation and interpretation of the Frog's Leg ore bodies during this same period.

This M&I resource primarily reflects the success of the continued drilling of the Frog's Leg deposits since October, with the conversion of the large Inferred areas of the Fog and Mist ore bodies to the Indicated status. This drilling alone converted an additional 210,000oz in the northern extents of the Frog's Leg Deposit. The drilling program comprised 20 holes designed to give optimum coverage within previously sparsely drilled areas at the northern end of the Fog and Mist ore bodies.

In addition, a complete review of the geological information from all previous drilling has led to a new interpretation and modeling of the resource. The primary outcome of this systematic approach is the extension and widening of the three main ore bodies, "Mist" "Rocket" and "Fog", as shown on the attached long section presented in appendix I. The new modeling approach, in contrast to the previous reported resource, now shows a decrease in the average grade and a large increase in the tonnage. The primary reason is

that the modeled lodes reflect what will actually be extracted during mining. These lodes reflect the true geological mineralisation styles occurring at Frog's Leg.

This updated resource calculation incorporates the results of all new holes completed between October 2006 and May 2007 that have not been included in the December 2006 calculation. Reported resource figures have been calculated using an Au cut off grade of 3.5g/t, thus being consistent with the resource estimates reported in the previous resource update of December 2006.

## **NEXT STEPS**

Significant results have been obtained since the beginning of the drilling program in October 2006 and drilling is now scheduled to continue for the remainder of the year. The program for 2007 comprises 20,000m of diamond drilling at a forecasted cost of \$4.4 million (of which \$2.2 million is attributable to La Mancha). At the end of June, 24 holes had been completed, totaling 10,500m at a cost of \$2.4M. The drilling targets for the remainder of the year will be the Rocket orebody and the area between Rocket and Mist. New drill results will be released as they come available.

The Frog's Leg Feasibility Study is now expected to be completed in September, 2007. This slight delay in producing the feasibility study can be explained by the impact the updated resource calculation has on the mine design. While feasibility reviews based on the December 2006 Resource calculation have indicated positive results, it was recognized that the new resource update could significantly improve the already good results. Feasibility work on the December 2006 Resource calculation was halted and is now being completed on the basis of the new resource.

Despite the delay in finalizing the updated feasibility study, the previously completed positive pre-feasibility study and the significant increase in resource observed since then have justified the preliminary stages of portal development, which will be inaugurated tomorrow. The preliminary development work to be completed between now and September will not be impacted by the revised mine design. Such steps are being undertaken to avoid any delays in resuming mining operations. As such, reopening of Frog's Leg is still scheduled for the first half of 2008.

## **ABOUT LA MANCHA AND FROG'S LEG**

**La Mancha** is an international gold producer based in Canada with operations, development projects and exploration activities in Africa, Australia and in Argentina. La Mancha's shares trade on the Toronto (TSX) under the symbol "LMA". For more information on the company, please visit the Company's website at [www.lamancha.ca](http://www.lamancha.ca).

**The Frog's Leg advanced project** is located 30 km away from Kalgoorlie in Australia and was first operated as an open-pit from 2004 to 2005. Operations were conducted according to the mining plan until the end of 2005, at which point all the surface ore had been mined. Further drilling campaigns, conducted since then, suggest the viability of an underground operation. La Mancha owns 51% of Frog's Leg and acts as its developer and operator. The remaining 49% interest in the project is owned by Dioro Exploration NL (ASX:DIO).

## **QUALITY CONTROL**

The updated resource review and estimation conform to the requirements of NI43-101 and the CIM Best Practices for Estimation of Mineral Resources. There are numerous uncertainties inherent in estimating mineral reserves, including many factors beyond the Company's control. Resource estimation is a subjective process, and the accuracy of any resource estimate is a function of the quality of available data and engineering and geological interpretation and judgment. Results from drilling, testing and production, as

well as material changes in metal prices subsequent to the date of an estimate may justify revision of such estimates.

The drilling program was carried out by, and under the supervision of Martin Bennett Bsc. Hons. (Geol.), MSc. (ODG), M.AIG, Exploration Manager of La Mancha Australia. The program was conducted to industry best practice standards. Samples utilized for the resource update comprise half NQ2 diamond drill core sampled on a one-metre basis. No niche sampling took place. Samples were assayed at Genalysis Laboratories in Perth, using a 400g LeachWell cyanide leach, followed by solvent extraction and flame AAS.

The laboratory utilized a series of sample blanks, standards and check assays. In addition, La Mancha Australia routinely conducts check assaying programs utilizing alternative laboratories.

The Frog's Leg geological interpretation, the block model, including the building of the wireframes for the model, resource estimation and classification was completed by La Mancha Australia staff, under the supervision of Trevor Eddie Bsc. (Geol.) MAusIMM, Chief Geologist and qualified person, also of La Mancha Australia. The geostatistical work was carried out by David Williams Bsc.(Geol.) (Hons) MAusIMM Senior Resource Geologist of CSA Australia (a group of Geological and Management consultants).

#### **FORWARD LOOKING STATEMENT**

This press release contains certain "forward-looking statements", including, but not limited to, the statements regarding the quantity of mineralization in place, particularly in numbers of ounces of gold the mineable character of the drilling results, mining exploration risks, estimation and evolution of mineral resources, potential for resources additions (in particular the possibility to convert a portion of the inferred resources into measured and indicated resources), future work programs and objectives associated therewith, drilling targets and anticipated results, interpretation of work results, and anticipated timetables, in particular as regards to feasibility study work and development of the mine portal, and the economic and technical potential for an underground mining operation. Forward-looking statements express, as at the date of this press release, the Company's plans, estimates, forecasts, projections, expectations or beliefs as to future events and results. Forward looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Risks and uncertainties that could cause results or future events to differ materially from current expectations expressed or implied by the forward looking statements include, but are not limited to, factors associated with fluctuations in the market price of precious metals, mining industry risks, risks associated with foreign operations, environmental risks and hazards, uncertainty as to calculation of mineral reserves and other risks referred to in La Mancha's 2006 Management Information Circular filed with the Securities Commissions of all provinces in Canada, as well as the Toronto Stock Exchange.

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