CNMC
CNMC GOLDMINE HOLDINGS LIMITED
中色金礦有限公司
(Company Registration No.: 201119104K)

Unaudited Financial Statement and Dividend Announcement For the Third Quarter and Nine Months Ended 30 September 2012

*CNMC Goldmine Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 October 2011. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**").*

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of SGX-ST. The Sponsor has not independently verified the contents of this announcement and has not drawn on any specific technical expertise in its review of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.

Background

The Company was incorporated in the Republic of Singapore on 11 August 2011 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "**Group**") were formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") which involved an acquisition of the entire issued share capital of CNMC Goldmine Limited, a company incorporated in Hong Kong, prior to the IPO and listing on Catalist of the SGX-ST on 28 October 2011. The Restructuring Exercise was completed on 14 October 2011.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)	Increase/ (Decrease) %	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)	Increase/ (Decrease) %
Revenue	6,269,723	1,951,145	221.3	12,564,436	3,685,674	240.9
Changes in inventories of finished goods	1,022,097	-	n.m.	1,068,082	(96,571)	n.m.
Other operating income	-	211,009	n.m.	154,912	86,581	78.9
Amortization and depreciation	(359,527)	(227,158)	58.3	(938,424)	(534,936)	75.4
Contractor expenses	(2,201,196)	(171,000)	1,187.2	(3,623,419)	(221,000)	1,539.6
Employees' compensation	(330,531)	(332,317)	(0.5)	(850,943)	(793,471)	7.2
Key management remuneration	(239,807)	(161,465)	48.5	(737,063)	(477,390)	54.4
Marketing and publicity expenses	(34,459)	(43,566)	(20.9)	(70,349)	(95,679)	(26.5)
Office and administration expenses	(87,148)	(71,295)	22.2	(238,353)	(137,394)	73.5
Professional fees	(121,835)	(150,333)	(19.0)	(250,387)	(340,404)	(26.4)
Rental expense on operating lease	(138,725)	(156,607)	(11.4)	(335,173)	(354,942)	(5.6)
Royalty fee expenses	(555,968)	(211,597)	162.7	(1,153,475)	(363,690)	217.2
Site and factory expenses	(1,121,214)	(476,335)	135.4	(2,245,668)	(974,465)	130.5
Travelling and transportation expenses	(960,877)	(71,562)	1,242.7	(1,636,971)	(187,197)	774.5
Other operating expenses	(18,009)	(3,673)	390.3	(13,727)	(238,675)	(94.3)
Results from operating activities	**1,122,524**	**85,246**	**1,216.8**	**1,693,478**	**(1,043,559)**	**n.m.**
Net finance expenses	(2,426)	(81,380)	(97.0)	(8,043)	(239,927)	(96.7)
Net finance costs	**(2,426)**	**(81,380)**	**(97.0)**	**(8,043)**	**(239,927)**	**(96.7)**
Profit / (Loss) before income tax	**1,120,098**	**3,866**	**n.m.**	**1,685,435**	**(1,283,486)**	**n.m.**
Income tax expense	(117,234)	(88,125)	33.0	(407,104)	(82,820)	391.6
Profit / (Loss) for the period	**1,002,864**	**(84,259)**	**n.m.**	**1,278,331**	**(1,366,306)**	**n.m.**
Other comprehensive income / (loss)						
Exchange differences arising from consolidation of foreign subsidiaries	13,782	(20,253)	n.m.	20,889	(15,710)	n.m.
Total comprehensive income/(loss) for the period	**1,016,646**	**(104,512)**	**n.m.**	**1,299,220**	**(1,382,016)**	**n.m.**
Profit / (Loss) attributable to:						
Owners of the Company	786,297	(136,439)	n.m.	896,759	(1,413,831)	n.m.
Non-controlling interests	216,567	52,180	315.0	381,572	47,525	702.9
Profit / (Loss) for the Period	**1,002,864**	**(84,259)**	**n.m.**	**1,278,331**	**(1,366,306)**	**n.m.**
Total comprehensive income / (loss) attributable to:						
Owners of the Company	801,401	(154,597)	n.m.	914,240	(1,426,600)	n.m.
Non-controlling interests	215,245	50,085	329.8	384,980	44,584	763.5
Total comprehensive income / (loss) for the period	**1,016,646**	**(104,512)**	**n.m.**	**1,299,220**	**(1,382,016)**	**n.m.**

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)	Increase / (Decrease) %	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)	Increase / (Decrease) %
Profit / (Loss) for the period is stated at after charging / (crediting) the following:						
Borrowing costs	205	80,430	(99.7)	1,326	237,076	(99.4)
Unwinding of discount on rehabilitation	2,221	950	133.8	6,717	2,851	135.6
Amortization and depreciation	359,527	227,158	58.3	938,424	534,936	75.4
(Gain)/Loss on foreign exchange	18,009	(183,813)	n.m.	(154,432)	232,298	n.m.

n.m. -- not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 September 2012 US$ (Unaudited)	31 December 2011 US$ (Audited)	30 September 2012 US$ (Unaudited)	31 December 2011 US$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	596,568	1,987,167	-	-
Mine properties	5,852,204	4,297,260	-	-
Property, plant and equipment	4,570,403	2,800,523	89,697	132,514
Investment in subsidiaries	-	-	7,887,644	7,887,644
Deferred tax assets	63,180	470,284	-	-
Total non-current assets	11,082,355	9,555,234	7,977,341	8,020,158
Current assets				
Inventories	1,679,487	287,870	-	-
Trade and other receivables	346,697	145,328	4,355,193	1,734,269
Fixed deposit	868,061	-	868,061	-
Cash and cash equivalents	2,136,876	5,407,393	971,046	4,544,649
Total current assets	5,031,121	5,840,591	6,194,300	6,278,918
Total assets	**16,113,476**	**15,395,825**	**14,171,641**	**14,299,076**
EQUITY				
Share capital	18,032,233	16,934,840	18,032,233	16,934,840
Capital reserve	2,824,635	2,824,635	-	-
Accumulated losses	(8,840,691)	(9,737,450)	(3,886,539)	(2,998,286)
Translation reserves	16,484	(997)	-	-
	12,032,661	10,021,028	14,145,694	13,936,554
Non-controlling interest	172,906	(212,074)	-	-
Total equity	**12,205,567**	**9,808,954**	**14,145,694**	**13,936,554**
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings	27,505	32,936	-	-
Rehabilitation provision	109,022	102,305	-	-
Total non-current liabilities	136,527	135,241	-	-
Current liabilities				
Interest-bearing borrowings	9,223	8,414	-	-
Trade and other payables	3,762,050	5,443,110	25,947	362,522
Current tax liabilities	109	106	-	-
Total current liabilities	3,771,382	5,451,630	25,947	362,522
Total liabilities	**3,907,909**	**5,586,871**	**25,947**	**362,522**
Total equity and liabilities	**16,113,476**	**15,395,825**	**14,171,641**	**14,299,076**

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2012		As at 31 December 2011	
Secured US$	**Unsecured US$**	**Secured US$**	**Unsecured US$**
9,223	-	8,414	-

Amount repayable after one year

As at 30 September 2012		As at 31 December 2011	
Secured US$	**Unsecured US$**	**Secured US$**	**Unsecured US$**
27,505	-	32,936	-

Details of any collateral

The Group's borrowings comprised finance lease liabilities, which were secured on the Group's motor vehicles. These vehicles had been fully depreciated before 30 September 2012.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Three Months Ended		Nine Months Ended	
	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)	30 September 2012 US$ (Unaudited)	30 September 2011 US$ (Unaudited)
Operating activities				
Profit / (Loss) for the period	1,002,864	(84,259)	1,278,331	(1,366,306)
Adjustments for:				
Depreciation of property, plant and equipment	336,473	149,741	840,654	374,160
Amortization of mine properties	23,054	77,417	97,770	160,776
Unwinding of discount on derivative financial instrument	-	(28,860)	-	(86,581)
Unwinding of discount on rehabilitation provision	2,221	936	6,717	2,851
Interest income	(299)	-	(299)	-
Interest expense	499	81,380	1,620	237,076
Income tax expense	117,234	88,125	407,104	82,820
Operating profit / (loss) before working capital changes	1,482,046	284,480	2,631,897	(595,204)
Changes in working capital:				
Inventories	(1,296,687)	14,777	(1,391,617)	96,342
Trade and other receivables	1,906,108	174,266	(201,369)	160,900
Trade and other payables	(2,315,604)	7,059	(2,441,100)	948,502
Cash (used in) / generated operations	(224,137)	480,582	(1,402,189)	610,540
Interest received	299	-	299	-
Interest paid	(499)	(81,380)	(1,620)	(237,076)
Net cash (used in) / generated from operating activities	**(224,337)**	**399,202**	**(1,403,510)**	**373,464**
Investing activities				
Purchases of property, plant and equipment	(377,266)	(73,482)	(1,909,496)	(893,778)
Payment for exploration and evaluation assets	(9,170)	-	(201,333)	(503,863)
Net cash used in investing activities	**(386,436)**	**(73,482)**	**(2,110,829)**	**(1,397,641)**
Financing activities				
Deposits pledged	-	-	(868,061)	-
Proceeds from issue of share capital	-	-	1,097,393	-
Proceeds from loan from directors	-	-	-	300,113
Payment of finance lease liabilities	(2,639)	(2,771)	(6,402)	(6,079)
Net cash (used in) / generated from financing activities	**(2,639)**	**(2,771)**	**222,930**	**294,034**
Net (decrease) / increase in cash and cash equivalents	**(613,412)**	**322,949**	**(3,291,409)**	**(730,143)**
Cash and cash equivalents at beginning of the period	2,766,944	63,465	5,407,393	1,112,065
Effect of exchange rate fluctuations on cash held	(16,656)	(20,253)	20,892	(15,761)
Cash and cash equivalents at end of the period[(1)]	**2,136,876**	**366,161**	**2,136,876**	**366,161**

Note:-

(1) Cash and cash equivalents as at 30 September 2012 did not include pledged fixed deposits of S$1.07 million which was equivalent to US$0.87 million.

During the three months period ended 30 September 2012 (3Q 2012), the Group acquired property, plant and equipment with an aggregate cost of US$1,156,326 (3Q 2011: US$73,482) of which an amount of US$779,060 (30 September 2011: Nil) was still outstanding as at 30 September 2012 and included in trade and other payables.

The Group also acquired exploration and evaluation assets at an aggregate cost of US$11,788 in 3Q 2012 (3Q 2011: US$643,588) from third parties of which a balance of US$2,618 (30 September 2011: US$643,588) was still outstanding as at 30 September 2012 and was included in trade and other payables.

As at 30 September 2012, the Group's cash and cash equivalents amounted to US$2.14 million, which comprised currencies denominated in MYR and SGD. Please refer to item 8(b) on cash flows analysis for further details.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital	Translation reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	US$	US$	US$	US$	US$	US$
Balance as at 1 January 2011	7,291,308	11,089	(4,577,383)	2,725,014	(159,750)	2,565,264
<u>Total comprehensive income for the period:</u>						
Loss for period	-	-	(1,277,392)	(1,277,392)	(4,655)	(1,282,047)
Other comprehensive income for the period						
Exchange difference	-	5,389	-	5,389	(846)	4,543
Total comprehensive income for the period	-	5,389	(1,277,392)	(1,272,003)	(5,501)	(1,277,504)
Balance as at 30 June 2011	**7,291,308**	**16,478**	**(5,854,775)**	**1,453,011**	**(165,251)**	**1,287,760**
<u>Total comprehensive income for the period:</u>						
Loss for period	-	-	(136,439)	(136,439)	52,180	(84,259)
Other comprehensive income for the period						
Exchange difference	-	(18,158)	-	(18,158)	(2,095)	(20,253)
Total comprehensive income for the period	-	(18,158)	(136,439)	(154,597)	50,085	(104,512)
Balance as at 30 September 2011	**7,291,308**	**(1,680)**	**(5,991,214)**	**1,298,414**	**(115,166)**	**1,183,248**

Group	Share capital	Capital reserve	Translation reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	US$	US$	US$	US$	US$	US$	US$
Balance as at 1 January 2012	16,934,840	2,824,635	(997)	(9,737,450)	10,021,028	(212,074)	9,808,954
Total comprehensive income for the period:							
Profit for period	-	-	-	110,462	110,462	165,005	275,467
Other comprehensive income for the period							
Exchange difference	-	-	2,377	-	2,377	4,730	7,107
Total comprehensive income for the period	-	-	2,377	110,462	112,839	169,735	282,574
Transactions with owners of the Company, recognized directly in equity							
Issue of ordinary shares	1,097,393	-	-	-	1,097,393	-	1,097,393
Total transaction with owners	1,097,393	-	-	-	1,097,393	-	1,097,393
Balance as at 30 June 2012	**18,032,233**	**2,824,635**	**1,380**	**(9,626,988)**	**11,231,260**	**(42,339)**	**11,188,921**
Total comprehensive income for the period:							
Profit for the period	-	-	-	786,297	786,297	216,567	1,002,864
Other comprehensive income / (loss) for the period							
Exchange difference	-	-	15,104	-	15,104	(1,322)	13,782
Total comprehensive income for the period	-	-	15,104	786,297	801,401	215,245	1,016,646
Balance as at 30 September 2012	**18,032,233**	**2,824,635**	**16,484**	**(8,840,691)**	**12,032,661**	**172,906**	**12,205,567**

Company	Share capital US$	Accumulated losses US$	Total equity US$
Balance as at 1 January 2011[(1)]	-	-	-
Balance as at 30 September 2011	1	(1,398)	(1,397)
Balance as at 1 January 2012	16,934,840	(2,998,286)	13,936,554
3,000,000 shares issued as performance bonus [(2)]	1,097,393	-	1,097,393
Loss for the period	-	(646,657)	(646,657)
Balance as at 30 June 2012	**18,032,233**	**(3,644,943)**	**14,387,290**
Loss for the period	-	(241,596)	(241,596)
Balance as at 30 September 2012	**18,032,233**	**(3,886,539)**	**(14,145,694)**

Notes:-

(1) The Company was incorporated on 11 August 2011 with an issued and paid-up capital of S$1.00. The Restructuring Exercise was completed on 14 October 2011.

(2) Pursuant to the approval obtained at the extraordinary general meeting held on 27 April 2012, the Company issued 3,000,000 new ordinary shares at issuance price of S$0.475 per share to three employees and a consultant on 16 May 2012 as performance bonus.

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share capital (S$)	Share capital (US$)
As at 30 June 2012	**407,693,000**	**22,890,024**	**18,032,233**
As at 30 September 2012	**407,693,000**	**22,890,024**	**18,032,233**

There was no change in the Company's share capital from 30 June 2012 to 30 September 2012.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 September 2012 and 30 September 2011.

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company As at 30 September 2012	Company As at 31 December 2011
Total number of issued shares excluding treasury shares	407,693,000	404,693,000

The Company did not have any treasury shares as at 30 September 2012 and 31 December 2011.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Other than the adoption of the new and revised Financial Reporting Standards (FRS) which took effect from the beginning of the current financial year, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements for the financial year ended 31 December 2011.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The adoption of the new and revised FRSs since the beginning of the current financial year is assessed to have no material impact on the results of the Group and of the Company for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended 30 September		Nine months ended 30 September	
	2012	2011	2012	2011
Gain / (Loss) attributable to owners of the Company (US$)	786,297	(136,439)	896,759	(1,413,831)
Weighted average number of ordinary shares (1)	407,693,000	407,693,000	406,198,495	406,198,495
Basic and diluted earnings / (loss) per ordinary share in US cents(2)	0.19	(0.03)	0.22	(0.35)

Note:-

(1) The Company was incorporated on 11 August 2011. For comparative and illustrative purpose, earnings or loss per ordinary share for the three-month and nine-month periods ended 30 September 2011 were calculated based on the same weighted average number of ordinary shares as during the corresponding periods in 2012.

(2) The basic and diluted earnings or loss per ordinary share were the same for the periods under review as the Company did not have potentially dilutive ordinary shares as at 30 September 2012 and 30 September 2011 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the
(a) current period reported on; and
(b) immediately preceding financial year

	Group		Company	
	30 September 2012	31 December 2011	30 September 2012	31 December 2011
Net asset value (US$)	12,205,567	9,808,954	14,145,694	13,936,554
Number of shares at the end of the period	407,693,000	404,693,000	407,693,000	404,693,000
Net asset value per share (US cents)	2.99	2.42	3.47	3.44

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;

Revenue

The Group's revenue increased by US$4.32 million or 221.5%, from US$1.95 million in the third quarter ended 30 September 2011 ("3Q 2011") to US$6.27 million in the third quarter ended 30 September 2012 ("3Q 2012").

In 3Q 2012, the Group exported a total of approximately 23,000 tonnes of ore to a Chinese customer for processing in China. The ore consisting of gold and non-gold metals including silver, lead and zinc were subsequently sold to the said Chinese customer. Non-gold metals contributed a total of US$4.6 million to the Group's revenue in 3Q 2012; no revenue was generated from sales of non-gold metals in 3Q2011.

During 3Q 2012, the Group's labour and resources were diverted to the construction of its heap leach facilities in preparation of the heap leach production. As such, the Group's gold production in 3Q 2012 decreased as compared to 3Q 2011.

	3Q 2012	3Q 2011	Increase / (Decrease) %
Production volume – total (ounces of gold)	1,022.7	1,150.8	(11.1)
Sales volume – total (ounces of gold)	1,094.7	1,150.8	(4.9)
Revenue from sale of gold (US$'000)	1,700.4	1,951.1	(12.8)
Revenue from sale of non-gold metals (US$'000)	4,569.3	--	n.m.
Revenue – Total (US$'000)	6,269.7	1,951.1	221.5

Other operating income or loss

In 3Q 2012, the Group recorded an other operating expenses of US$0.02 million as a result of net foreign exchange loss.

In 3Q 2011, other operating income was due to the unwinding of the discount on the derivative financial instrument which related to the conversion rights arising from convertible loans issued by the Company's subsidiary. The convertible loans were fully converted before the listing of the Company on 28 October 2011. Please refer to section "Restructuring Exercise" on page 69 of the Company's Offer Document for details.

Operating expenses

Operating expenses comprised mainly costs incurred for site and factory expenses, amortization costs for mining rights, depreciation expenses for property, plant and equipment, rental expenses on operating lease, contractor expenses, royalty fees paid to the Kelantan State Authorities, remuneration for employees and management and other general administrative expenses.

Total operating expenses increased by US$3.05 million or 146.7% from US$2.08 million in 3Q 2011 to US$5.13 million in 3Q 2012. The increase in total operating expenses was a result of the Group's increased business activities, mainly in non-gold production and preparation work for heap leach production. Most operating expenses increased at a slower rate as compared to the increase in revenue.

Travelling and transportation expenses increased by US$0.89 million from US$0.07 million in 3Q 2011 to US$0.96 million in 3Q 2012, as a result of US$0.91 million transportation charges in relation to the transportation of 23,000 tonnes of mineral ore from the Group's mine in Malaysia to processing facilities in China. This is in accordance with the agreement with the Chinese customer under which 20% (US$0.91 million) of sales from non-gold metals was deducted as transportation expenses.

Contractor expenses increased significantly by US$2.03 million in 3Q 2012 as compared to 3Q 2011, mainly due to US$2.2 million ore processing expenses.

As a result of new revenue streams from non-gold metals, the Group registered profit from operating activities of US$1.12 million in 3Q 2012, as compared to US$0.08 million in 3Q 2011.

Finance expenses

Finance costs decreased from US$0.08 million in 3Q 2011 to US$2,426 in 3Q 2012. Finance costs in 3Q 2012 comprised interest on finance lease. Finance costs in 3Q

2011 mainly comprised interests on convertible loans issued by the Company's subsidiary. The convertible loans were fully converted at the time of the Company's listing. As such, no interest on convertible loans was incurred in 3Q 2012.

Income tax expense

The Group's effective tax rate for 3Q 2012 was approximately 10%, lower than the applicable tax rate of 25% for CMNM. This was mainly due to the recognition of previously unrecognized deferred tax assets.

Profit / (Loss) after income tax

For the reasons stated above, the Group registered net profit after income tax of US$1.0 million for 3Q 2012, as compared to net loss of US$0.08 million in 3Q 2011.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Assets

Exploration and evaluation assets decreased by US$1.39 million from US$1.99 million as at 31 December 2011 to US$0.60 million as at 30 September 2012 mainly due to transfer of US$1.68 million from exploration and evaluation assets to mine properties when further gold reserves, as a result of this exploration and evaluation activities, were established in June 2012. Accordingly, mine properties increased by US$1.68 million which was partially offset by amortization in the nine months ended 30 September 2012, resulting in a net increase in mine properties of US$1.55 million to US$5.85 million.

Property, plant and equipment increased by US$1.77 million from US$2.80 million as at 31 December 2011 to US$4.57 million as at 30 September 2012, mainly as a result of additional production and processing equipment acquired in preparation for the heap leach production.

The Group's inventories as at 30 September 2012 comprised work in progress of US$0.96 million and consumables of US$0.72 million. Inventories increased by US$1.39 million from 31 December 2011 to 30 September 2012 mainly as a result of increase in consumables of US$0.66 million and work in progress of US$0.80 million, which was partially offset by decrease in finished goods of US$0.07 million as the Group had sold all its gold as at 30 September 2012.

Trade and other receivables, prepayments and deposits increased by US$0.20 million mainly as a result of increase in advance payments of US$0.26 million paid to suppliers of chemicals and consumables in preparation of heap leach operations.

Liabilities

Total liabilities of the Group decreased by US$1.68 million from US$5.59 million as at 31 December 2011 to US$3.91 million as at 30 September 2012, mainly due to payments made to contractors who had provided drilling and exploration services. Trade and other payables comprised mainly trade payables of US$1.23 million related to outstanding payments for chemical consumables, equipment and machines purchased, US$0.36 million due to contractors of exploration and evaluation work performed, and US$0.58 million of outstanding royalty fees payable to government.

The Group's net working capital improved from US$0.38 million as at 31 December 2011 to US$1.26 million as at 30 September 2012.

<u>Cash flows</u>

Net cash used in operating activities amounted to US$0.22 million in 3Q 2012, as compared to a net cash generated from operating activities of US$0.4 million in 3Q 2011. This was a result of operating income before working capital changes amounting to US$1.48 million, which was partially offset by a decrease in trade and other payables of US$2.32 million and inventories of US$1.3 million.

Net cash used in investing activities amounted to US$0.39 million, which comprised mainly payments to acquire property, plant and equipment.

Net cash used in financing activities was insignificant which comprised interest payment of finance lease.

As at 30 September 2012, the Group had a cash and cash equivalents of US$2.14 million, which excluded the fixed deposit of approximately US$0.87 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Under the Company's first quarter results announcement for the financial year ending 31 December 2012, it was mentioned that "the Group has commenced preparation work for the construction of its heap leach facility and expects to commence heap leach production in 2012 subject to receiving the relevant approval from the Kelantan government."

Since then, CMNM had on 6 November 2012 received approval for its heap leach gold recovery operational mining scheme for its Sokor Gold Project from the Minerals and Geoscience Department of Kelantan, Malaysia. With this approval, the Group will proceed with the full commissioning of the heap leach facilities at its Sokor Gold Project. A trial run to fine-tune the heap leach operations has commenced. Approximately 90,000 metric tons of gold-bearing ore has been stockpiled for this purpose.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Due to the uncertainties in the global financial markets and the European debt crisis, the Board is optimistic that gold price levels will continue to remain strong and that there will be continued demand for gold as it remains as an alternative investment.

With the commencement of its heap leach production, barring any unforeseen circumstances, the Group expects to increase its gold production in the first half of 2013.

CMNM expects to receive the pioneer tax status from the Malaysian Investment Development Authority by the first quarter of 2013, which will entitle CMNM to enjoy full income tax exemption on statutory income for a period of five years, commencing from financial year 2012.

11. Dividend

(a) ***Current Financial Period Reported On***: Any dividend declared for the current financial period reported on?

None.

(b) ***Corresponding Period of the Immediately Preceding Financial Year***: Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) ***Date payable:***

Not applicable.

(d) ***Books closure date:***

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividends have been declared or recommended for 3Q 2012.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for IPT.

In 3Q 2012, the Group did not enter into any IPT.

14. Use of IPO proceeds

As at the date of this announcement, the IPO proceeds has been utilised as follows:-

Use of proceeds	Amount allocated S$'000	Amount utilised S$'000	Balance S$'000
Further resource definition and continuing exploration activities	2,490	207	2,283
Construction of a heap leach facility	2,110	2,110	-
Working capital	4,052	4,052	-
Expenses incurred in connection with listing	908	908	-
	9,560	7,277	2,283

Additional Disclosure Required for Mineral, Oil and Gas companies

15a. Rule 705 (6)(a) of the Catalist Listing Manual

i. Use of funds/cash for the quarter:-

For 3Q 2012, funds / cash were mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US$ million) *Actual Usage*	Amount (US$ million) *Projected Usage*
Exploration and evaluation activities	0.82	1.11
Payment for machinery	0.71	0.86
Payment for diesel and other production materials	0.83	0.93
Royalty fees to government	0.25	0.40
Rental of equipment	0.10	0.15
Upkeep of equipment and motor vehicles	0.09	0.15
General working capital	0.62	1.10
Total	**3.42**	**4.70**

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (period from 1 October 2012 to 31 December 2012), the Group's use of funds/cash for production activities are expected to be as follows:-

Purpose	Amount (US$ million)
Exploration and evaluation activities	0.40
Payment for machinery purchased in current and prior quarters	0.44
Payment for diesel and other production materials purchased in current and prior quarters	0.75
Royalty fees to government	0.88
Rental of equipment	0.13
Upkeep of equipment and motor vehicles	0.06
General working capital	0.65
Total	**3.31**

The Group's exploration plans from 1 October 2012 to 31 December 2012 are as follows:-

a) Drilling Program

The diamond drilling program was postponed from September to end October 2012, due to a delay in the arrival of brand new drilling equipment and material on site. It is envisaged that the new triple-tube diamond drilling equipment will improve both core recovery and integrality. The first drill hole is expected to be used for evaluating the new drilling techniques. After the test, 3 sets of triple-tube diamond drilling rigs will begin full operational drilling. Electronic distance measurement (EDM) equipment, using NTS662 total station instruments will be utilized to ensure collar location accuracy after the completion of each drill hole.

b) 1/2 core sampling and analysis

The 1/2 core from the diamond drilling program is expected be delivered to *SGS Lab*, Malaysia for sample preparation, Au analysis by FAA method, and/or Ag, Cu, Pb & Zn analysis by either 4 Acid Digestion finished by AAS or Aqua Regia Digestion finished by ICP.

c) Geological Investigation

Geological investigation work will be conducted in parallel with the mining activity. Further geological investigation will continue in the area near the upriver of Sungai Taba and the central of Sungai Liang after obtaining soil samples test results of the said area.

d) Trenching and Channel Sampling

If soil testing result shows significant anomaly and/or new mineralization/structures are found during geological investigation, a plan for trenching work and channel sampling will be subsequently designed and executed.

e) Data compiling

All field data, including geological points, trenches & log sheets, drilling core log assay and analysis results shall be sorted & compiled for the Group’s geology team to better understand the gold mineralization, structure and ore-controlling factors within the Group’s concession to enable its team to formulate a more extensive exploration plan moving forward.

15b. Rule 705 (6)(b) of the Catalist Listing Manual

The Board confirms that to the best of their knowledge, nothing has come to their attention which may render the above information provided to be false or misleading in any material aspect.

16a. Rule 705 (7)(a) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

During 3Q 2012, the Group capitalized a total of US$0.01 million for exploration and evaluation expenditures activities carried out during the period.

The Group carried out the following exploration activities in 3Q 2012:-

(a) Geological Investigation

Geological investigation was focused on the outcrops revealed during mining activity at Rixen Deposit, partly in the Sungai Among and Sungai Sejana prospecting area. Rock chip and float samples have been collected and tested by the Group's in-house laboratory. Hand-held global positioning system ("GPS") units were used to locate the geological points and positions of sampling. A total of 42 rock chip samples were collected and were tested by the Group's in-house laboratory.

(b) Trenching and Channel Sampling

Four trenches were dug at Sungai Among prospecting area and two trenches were dug at Sejana prospecting area to reveal potential mineralization zones. One excavator was involved in the trenching work for 10 days. The total volume of earthwork was about 1,200 m^3, with average depth 5 m and width 1.2 m. A total of 65 channel samples were collected and sent to SGS Lab, Malaysia for assay on Au, Ag, Cu, Pb and Zn.

(c) Soil Sampling

The exploration team conducted "B" layer soil geochemical survey, at 20m intervals along lines 100m apart, with the area of about $0.6km^2$. A total of 380 samples were collected and will be delivered to *SGS Lab*, Malaysia for assay on Au, Cu, Pb, Zn, Mn, Sn, Ag, As, Sb, Bi, Hg and W, totaling 12 elements after the samples have been processed.

(d) Data Compiling

All field data including geological points, trenches and log sheets, channel sampling and location and analysis results were sorted and complied.

16b. Rule 705 (7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Company had on 23 April 2012 and 29 June 2012 made announcements on the SGXNET to update its resource and reserve information respectively. There were no material changes to the Group's reserves and resources as at 30 September 2012.

17. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the third quarter and nine months period ended 30 September 2012 to be false and misleading in any material aspect.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

14 November 2012