



CNMC
CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司

(Company Registration No.: 201119104K)

Financial Statement and Dividend Announcement For the First Quarter Ended 31 March 2013

*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.

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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 | | |
| | 31 March 2013 US\$ (Unaudited) | 31 March 2012 US\$ (Unaudited) | Increase/ (Decrease) % |
| Revenue | 716,266 | 1,116,051 | (35.8) |
| Changes in inventories | 454,233 | 44,979 | 909.9 |
| Other income | 610 | 142,018 | (99.6) |
| Amortization and depreciation | (401,943) | (257,693) | 56.0 |
| Employees' compensation | (248,357) | (226,868) | 9.5 |
| Key management remuneration | (266,743) | (254,341) | 4.9 |
| Marketing and publicity expenses | (8,740) | (8,972) | (2.6) |
| Office and administration expenses | (87,440) | (58,337) | 49.9 |
| Professional fees | (131,565) | (61,274) | 114.7 |
| Rental expense on operating lease | (61,900) | (100,900) | (38.7) |
| Royalty and tribute fee expenses | (55,153) | (136,145) | (59.5) |
| Site and factory expenses | (709,946) | (431,965) | 64.4 |
| Travelling and transportation expenses | (46,319) | (31,169) | 48.6 |
| Other expenses | (10,614) | (5,629) | 88.6 |
| Results from operating activities | (857,611) | (270,245) | 217.3 |
| Finance income | 334 | - | n.m. |
| Finance costs | (445) | (2,878) | (84.5) |
| Net finance costs | (111) | (2,878) | (96.1) |
| Loss before income tax | (857,722) | (273,123) | 214.0 |
| Income tax credit | 133,065 | 65,944 | 101.8 |
| Loss for the financial period | (724,657) | (207,179) | 249.8 |
| Other comprehensive income / (loss) | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences arising from consolidation of foreign subsidiaries | (8,606) | 18,055 | n.m. |
| Total comprehensive loss for the financial period | (733,263) | (189,124) | 287.7 |
| Loss attributable to: | | | |
| Owners of the Company | (648,711) | (168,844) | 284.2 |
| Non-controlling interests | (75,946) | (38,335) | 98.1 |
| Loss for the financial period | (724,657) | (207,179) | 249.8 |
| Total comprehensive loss attributable to: | | | |
| Owners of the Company | (657,676) | (153,731) | 327.8 |
| Non-controlling interests | (75,587) | (35,393) | 113.6 |
| Total comprehensive loss for the financial period | (733,263) | (189,124) | 287.7 |

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

| | Group | | |
|---|--------------------------------------|--------------------------------------|----------------------------|
| | Three Months Ended | | |
| | 31 March 2013 US\$ (Unaudited) | 31 March 2012 US\$ (Unaudited) | Increase / (Decrease) % |
| Loss for the period is stated at after charging / (crediting) the following: | | | |
| Borrowing costs | 445 | 578 | (23.0) |
| Amortization and depreciation | 401,943 | 257,693 | 56.0 |
| (Gain)/Loss on foreign exchange | 10,614 | (141,538) | 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 | |
|--------------------------------------|---|--|---|--|
| | 31 March 2013 US\$ (Unaudited) | 31 December 2012 US\$ (Audited) | 31 March 2013 US\$ (Unaudited) | 31 December 2012 US\$ (Audited) |
| ASSETS | | | | |
| Non-current assets | | | | |
| Exploration and evaluation assets | 2,165,161 | 1,895,666 | - | - |
| Mine properties | 4,744,031 | 4,791,433 | - | - |
| Property, plant and equipment | 4,567,740 | 4,731,303 | 58,578 | 73,234 |
| Investment in subsidiaries | - | - | 7,856,177 | 7,856,177 |
| Deferred tax assets | 266,167 | 175,459 | 207,977 | 175,459 |
| Total non-current assets | 11,743,099 | 11,593,861 | 8,122,732 | 8,104,870 |
| Current assets | | | | |
| Inventories | 1,299,616 | 1,024,281 | - | - |
| Trade and other receivables | 317,865 | 802,778 | 5,638,402 | 5,121,680 |
| Fixed deposits | 375,931 | 871,055 | 375,931 | 871,055 |
| Cash and cash equivalents | 762,407 | 1,815,474 | 130,325 | 575,793 |
| Total current assets | 2,755,819 | 4,513,588 | 6,144,658 | 6,568,528 |
| Total assets | 14,498,918 | 16,107,449 | 14,267,390 | 14,673,398 |
| EQUITY | | | | |
| Share capital | 18,032,233 | 18,032,233 | 18,032,233 | 18,032,233 |
| Capital reserve | 2,824,635 | 2,824,635 | - | - |
| Accumulated losses | (9,642,375) | (8,993,664) | (3,841,441) | (3,574,087) |
| Translation reserves | 11,751 | 20,716 | - | - |
| | 11,226,244 | 11,883,920 | 14,190,792 | 14,458,146 |
| Non-controlling interests | (16,489) | 59,098 | - | - |
| Total equity | 11,209,755 | 11,943,018 | 14,190,792 | 14,458,146 |
| LIABILITIES | | | | |
| Non-current liabilities | | | | |
| Interest-bearing borrowings | 22,395 | 25,494 | - | - |
| Deferred tax liabilities | - | 67,919 | - | - |
| Total non-current liabilities | 22,395 | 93,413 | - | - |
| Current liabilities | | | | |
| Interest-bearing borrowings | 9,380 | 9,504 | - | - |
| Trade and other payables | 3,038,857 | 3,850,085 | 76,598 | 215,252 |
| Accrued rehabilitation costs | 213,082 | 205,919 | - | - |
| Current tax liabilities | 5,449 | 5,510 | - | - |
| Total current liabilities | 3,266,768 | 4,071,018 | 76,598 | 215,252 |
| Total liabilities | 3,289,163 | 4,164,431 | 76,598 | 215,252 |
| Total equity and liabilities | 14,498,918 | 16,107,449 | 14,267,390 | 14,673,398 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities
Amount repayable in one year or less, or on demand

| As at 31 March 2013 | | As at 31 December 2012 | |
|---------------------|-------------------|------------------------|-------------------|
| Secured US\$ | Unsecured US\$ | Secured US\$ | Unsecured US\$ |
| 9,380 | - | 9,504 | - |

Amount repayable after one year

| As at 31 March 2013 | | As at 31 December 2012 | |
|---------------------|-------------------|------------------------|-------------------|
| Secured US\$ | Unsecured US\$ | Secured US\$ | Unsecured US\$ |
| 22,395 | - | 25,494 | - |

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 31 March 2013.

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 31 March 2013 US\$ (Unaudited) | Three months ended 31 March 2012 US\$ (Unaudited) |
| Operating activities | | |
| Loss for the period | (724,657) | (207,179) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 357,878 | 220,293 |
| Amortization of mine properties | 44,065 | 37,400 |
| Unwinding of discount on accrued rehabilitation costs | - | 2,300 |
| Interest expense | 445 | 578 |
| Income tax credit | (133,065) | (65,944) |
| Operating loss before working capital changes | (455,334) | (12,552) |
| Changes in working capital: | | |
| Inventories | (275,335) | (59,071) |
| Trade and other receivables | 484,913 | (76,886) |
| Trade and other payables | (967,799) | (411,790) |
| Cash used in operations | (1,213,555) | (560,299) |
| Interest paid | (445) | (578) |
| Net cash used in operating activities | (1,214,000) | (560,877) |
| Investing activities | | |
| Purchases of property, plant and equipment | (193,870) | (114,963) |
| Payment for exploration and evaluation assets | (128,995) | (2,215) |
| Net cash used in investing activities | (322,865) | (117,178) |
| Financing activities | | |
| Deposits withdrawn/(pledged) | 495,124 | (11,547) |
| Payment of finance lease liabilities | (2,720) | (643) |
| Net cash from/(used) in financing activities | 492,404 | (12,190) |
| Net decrease in cash and cash equivalents | (1,044,461) | (690,245) |
| Cash and cash equivalents at beginning of the period | 1,815,474 | 5,407,393 |
| Effect of exchange rate fluctuations on cash held | (8,606) | 18,057 |
| Cash and cash equivalents at end of the period⁽¹⁾ | 762,407 | 4,735,205 |

Note:-

- (1) Cash and cash equivalents as at 31 March 2013 did not include deposits pledged with financial institution of S\$466,184 which amounted to US\$375,931.

During the three months period ended 31 March 2013, the Group acquired property, plant and equipment with an aggregate cost of US\$194,315 (31 March 2012: US\$415,475) of which an amount of US\$445 (31 March 2012: US\$300,512) was still outstanding and was included in trade and other payables as at 31 March 2013.

The Group also acquired exploration and evaluation assets with an aggregate cost of US\$269,495 (31 March 2012: US\$59,571) from third parties of which an amount of US\$140,500 (31 March 2012: US\$57,356) was still outstanding and was included in trade and other payables as at 31 March 2013.

As at 31 March 2013, the Group's cash and cash equivalents amounted to US\$0.76 million, comprising 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 | 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 (loss) for the period: | | | | | | | |
| Loss for period | - | - | - | (168,844) | (168,844) | (38,335) | (207,179) |
| Other comprehensive income for the period | | | | | | | |
| Exchange difference | - | - | 15,113 | - | 15,113 | 2,942 | 18,055 |
| Total comprehensive income/(loss) for the period | - | - | 15,113 | (168,844) | (153,731) | (35,393) | (189,124) |
| Balance as at 31 March 2012 | 16,934,840 | 2,824,635 | 14,116 | (9,906,294) | 9,867,297 | (247,467) | 9,619,830 |

| 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 2013 | 18,032,233 | 2,824,635 | 20,716 | (8,993,664) | 11,883,920 | 59,098 | 11,943,018 |
| <u>Total comprehensive (loss) for the period:</u> | | | | | | | |
| Loss for period | - | - | - | (648,711) | (648,711) | (75,946) | (724,657) |
| Other comprehensive income for the period | | | | | | | |
| Exchange difference | - | - | (8,965) | - | (8,965) | 359 | (8,606) |
| Total comprehensive loss for the period | - | - | (8,965) | (648,711) | (657,676) | (75,587) | (733,263) |
| Balance as at 31 March 2013 | 18,032,233 | 2,824,635 | 11,751 | (9,642,375) | 11,226,244 | (16,489) | 11,209,755 |

| Company | Share capital US\$ | Accumulated losses US\$ | Total equity US\$ |
|-------------------------------------|-----------------------|----------------------------|----------------------|
| Balance as at 1 January 2012 | 16,934,840 | (2,998,286) | 13,936,554 |
| Loss for the period | - | (126,751) | (126,751) |
| Balance as at 31 March 2012 | 16,934,840 | (3,125,037) | 13,809,803 |
| Balance as at 1 January 2013 | 18,032,233 | (3,574,087) | 14,458,146 |
| Loss for the period | - | (267,354) | (267,354) |
| Balance as at 31 March 2013 | 18,032,233 | (3,841,441) | 14,190,792 |

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 (\$) | Share capital (US\$) |
|--|------------------|--------------------|----------------------|
| As at 31 March 2013 and 31 December 2012 | 407,693,000 | 22,890,024 | 18,032,233 |

There was no change in the Company's share capital from 31 December 2012 up to 31 March 2013.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2013 and 31 March 2012.

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 31 March 2013 | Company As at 31 December 2012 |
|---|-----------------------------|--------------------------------|
| Total number of issued shares excluding treasury shares | 407,693,000 | 407,693,000 |

The Company did not have any treasury shares as at 31 March 2013 and 31 December 2012.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2012.

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 Group adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2013. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group 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 31 March | |
| | 2013 | 2012 |
| Loss attributable to owners of the Company (US\$) | (648,711) | (168,844) |
| Weighted average number of ordinary shares | 407,693,000 | 404,693,000 |
| Basic and diluted (loss) per ordinary share in US cents ⁽¹⁾ | (0.16) | (0.04) |

Note:-

(1) The basic and diluted loss per ordinary share were the same for the periods under review as the Company did not have potentially dilutive ordinary shares as at 31 March 2013 and 31 March 2012 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 | |
|---|---------------|------------------|---------------|------------------|
| | 31 March 2013 | 31 December 2012 | 31 March 2013 | 31 December 2012 |
| Net asset value (US\$) | 11,226,244 | 11,883,919 | 14,190,792 | 14,458,146 |
| Number of shares at the end of the period | 407,693,000 | 407,693,000 | 407,693,000 | 407,693,000 |
| Net asset value per share (US cents) | 2.75 | 2.91 | 3.48 | 3.55 |

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 decreased by US\$0.40 million or 35.8%, from US\$1.12 million in the first quarter ended 31 March 2012 ("1Q 2012") to US\$0.72 million in the first quarter ended 31 March 2013 ("1Q 2013").

The decrease was mainly due to the decrease in production and sales volume of gold. Pursuant to the trial-run of heap leach production by the Group in December 2012, significant effort was made by the Group during 1Q 2013 to migrate the alluvial production crews to the heap leach facility to carry out construction and maintenance works which included constructing the second leaching yard for the heap leach facility, performing maintenance works on the existing heap leach facility, accumulating ores at the stock-pile areas for future production usage as well as other site works. Due to the concentration by the Group on this effort, production of gold from alluvial mining had decreased.

The decrease in revenue was also attributable to lower gold price in 1Q 2013 as compared to 1Q 2012. According to the World Gold Council, the quarterly average gold price was US\$1,631.80 per ounce in 1Q 2013 and US\$1,662.50 per ounce in 1Q 2012.

| | 1Q 2013 | 1Q 2012 | Increase / (Decrease) % |
|---|----------|----------|-------------------------------|
| Production volume – total (ounces of gold) | 684.99 | 754.76 | (9.24) |
| Sales volume – total (ounces of gold) | 437.56 | 661.64 | (33.87) |
| Revenue – total (US\$'000) | 716.27 | 1,116.1 | (35.8) |
| Average selling price – World Gold Council (US\$/ounce) | 1,631.80 | 1,662.50 | (1.8) |

Other income or expenses

In 1Q 2013, the Group recorded a net other expenses of US\$10,004, as compared to a net other income of US\$136,389 in 1Q 2012. This was mainly due to the Group incurring a loss on foreign exchange of US\$10,614 in 1Q 2013 whereas there was a gain on foreign exchange of US\$141,538 in 1Q 2012.

Operating expenses

Operating expenses comprised mainly costs incurred for changes in inventories, site and factory expenses, amortization costs for mine properties, depreciation expenses for property, plant and equipment, rental expenses on operating lease, contractor expenses, royalty and tribute fees paid to the Kelantan State authorities, remuneration for employees and management, and other general administrative expenses.

Total operating expenses increased slightly by US\$0.04 million or 2.7% from US\$1.52 million in 1Q 2012 to US\$1.56 million in 1Q 2013.

The increase in total operating expenses was mainly due to the following:-

- Increase in depreciation and amortization by US\$0.14 million or 56.0%. This was mainly due to the increase in depreciation of the Group's equipment base upon completion of the first heap leach facility in second half of 2012;
- Increase in site and factory expenses by US\$0.28 million or 64.4%. The increase was due to higher diesel consumption arising from the increase in the Group's equipment base, higher repair and maintenance costs as the Group carried out maintenance works during 1Q 2013;
- Increase in professional fees by US\$0.07 million or 114.7%, resulting mainly from cost incurred in relation to conferences and seminars held in 1Q 2013.

The above increases were partially offset by the increase in changes in inventories of US\$0.45 million in 1Q 2013. The increase was due to finished goods recorded at the end of March 2013. The finished goods were sold immediately after March 2013. There were no finished goods as at 31 December 2012.

Finance income and costs

Finance income and costs, comprising interest on fixed deposits and finance lease, were insignificant in 1Q 2013.

Income tax credit

The Group's effective tax rate for income tax credit in 1Q 2013 was approximately 16% which is lower than the applicable tax rate of 25% for the Group. This was mainly due to withholding tax payable in relation to the inter-company charges.

Loss after income tax

The net loss for 1Q 2013 increased by US\$0.52 million from US\$0.21 million in 1Q 2012 to US\$0.72 million in 1Q 2013 as a result of lower revenue and higher operating expenses in preparation for increased heap leach activities.

(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 increased slightly by US\$0.27 million from US\$1.90 million as at 31 December 2012 to US\$2.17 million as at 31 March 2013 due to an increase in exploration and evaluation activities undertaken in 1Q 2013.

Property, plant and equipment decreased by US\$0.16 million from US\$4.73 million as at 31 December 2012 to US\$4.57 million as at 31 March 2013, mainly as a result of the quarterly depreciation, partly offset by the additions of property, plant and equipment of US\$0.19 million.

Inventories increased by US\$0.28 million from US\$1.02 million as at 31 December 2012 to US\$1.30 million as at 31 March 2013 due to finished goods recorded at the end of March 2013 of US\$0.54 million. The finished goods were immediately sold after March 2013. No finished goods were recorded as at 31 December 2012. The increase was partially offset by a decrease in consumables of US\$0.22 million as a result of consumption during 1Q 2013.

Trade and other receivables decreased from US\$0.80 million as at 31 December 2012 to US\$0.32 million as at 31 March 2013 as there were no sales transactions towards the end of March 2013.

Liabilities

Total liabilities of the Group decreased by US\$0.87 million from US\$4.16 million as at 31 December 2012 to US\$3.29 million as at 31 March 2013, mainly as a result of a decrease in trade and other payables due to payments made to contractors and suppliers.

As at 31 March 2013, the Group had a negative working capital of US\$0.51 million as compared to a positive working capital of US\$0.44 million as at 31 December 2012.

Cash flows

Net cash used in operating activities amounted to US\$1.21 million in 1Q 2013, as compared to US\$0.56 million in 1Q 2012. The net cash outflow was mainly due to an increase in operating loss before working capital changes, a decrease in trade and other payables as a result of payments of outstanding sums due to contractors and suppliers and an increase in inventories, partially offset by the decrease in trade and other receivables.

Net cash used in investing activities in 1Q 2013 amounted to US\$0.32 million, comprising payments to acquire property, plant and equipment and for exploration and evaluation assets.

Net cash from financing activities in 1Q 2013 amounted to US\$0.49 million which was due mainly to the partial withdrawal of fixed deposits of US\$0.5 million.

The Group had a cash and cash equivalents of US\$0.76 million as at 31 March 2013 as compared to US\$4.74 million as at 31 March 2012 which excluded deposits pledged with financial institution of S\$466,184 (31 March 2012: S\$15,000).

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

Not applicable. No forecast or prospect statement in relation to 1Q2013 has been previously disclosed to shareholders.

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.

Despite the fall in the gold price subsequent to 1Q 2013, the Board of Directors of the Company is cautiously optimistic that there will be continued demand for gold as an alternative investment.

Update:

The Group will be investing in new production equipment and will undertake further geological exploration activities to map out the gold mineralization in its entire 10 sq km Sokor concession as mentioned in the report “CNMC Goldmine Holdings Limited Sokor Gold Project – Updated Mineral Resource and Ore Reserve Estimates as at 31 December 2012” by the Company’s independent resource and reserve estimation consultant, Optiro Pty Ltd.

With the commencement of the heap leach trial run production in December 2012, and the experience and expertise acquired through this heap leach operation and guidance provided by experts from China Gold (中国黄金集团), the Company has decided to construct two additional leaching yards and a new gold refinery plant adjacent to these heap leach facilities to increase its processing capacity. The construction of one of the leaching yards has commenced during 1Q2013 and is expected to be completed in the second quarter of the financial year 2013 (“2Q 2013”). With the increased processing capacity, the Group expects to increase its gold production in 2Q 2013.

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 dividend has been declared or recommended for 1Q 2013.

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 1Q 2013, the Group did not enter into any IPT of more than S\$100,000.

14. Use of IPO proceeds

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

| Use of proceeds | Amount allocated S\$'000 | Reallocation ¹ S\$'000 | Amount utilised S\$'000 | Balance S\$'000 |
|---|-----------------------------|--------------------------------------|----------------------------|--------------------|
| Further resource definition and continuing exploration activities | 2,490 | (655) | 1,384 | 451 |
| Construction of a heap leach facility | 2,110 | 218 | 2,328 | - |
| Working capital ² | 4,052 | 437 | 4,489 | - |
| Expenses incurred in connection with listing | 908 | - | 908 | - |
| | 9,560 | - | 9,109 | 451 |

Note:

1. Following the trial-run of its heap leach production in December 2012, the Company decided to prioritise on increasing the processing capacity of the heap leach facility. As such, the Company had reallocated S\$218,000 to the construction of the heap leach facility and S\$437,000 to working capital for the heap leach production from further resource definition and continuing exploration activities (the "Reallocation"). As at the date of this announcement, the Company had fully utilised the funds pursuant to the Reallocation.
2. Including payroll and employees' compensations, payment of professional fees, general and administrative, production purposes and other operating expenses of the Group.

Additional Disclosure Required for Mineral, Oil and Gas companies

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

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

For 1Q 2013, funds / cash were mainly used for the following production activities:-

| Purpose | Amount (US\$ million) Actual Usage | Amount (US\$ million) Projected Usage |
|---|--|---|
| Exploration and evaluation activities | 0.14 | 0.30 |
| Payments for machinery purchased in current and prior periods | 0.35 | 0.41 |
| Payments for diesel and other production materials purchased in current and prior periods | 0.34 | 0.46 |
| Royalty and tribute fees to government | 0.43 | 1.06 |
| Rental of equipment | 0.04 | 0.09 |
| Upkeep of equipment and motor vehicles | 0.09 | 0.14 |
| General working capital | 0.57 | 0.43 |
| Total | 1.96 | 2.89 |

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

For the next immediate quarter (period from 1 April 2013 to 30 June 2013), the Group's use of funds/cash for production activities are expected to be as follows:-

| Purpose | Amount (US\$ million) |
|---|----------------------------------|
| Exploration and evaluation activities | 0.37 |
| Payments for machinery purchased in current and prior periods | 0.55 |
| Payments for diesel and other production materials purchased in current and prior periods | 0.96 |
| Royalty and tribute fees to government | 0.76 |
| Rental of equipment | 0.10 |
| Upkeep of equipment and motor vehicles | 0.15 |
| General working capital | 0.55 |
| Total | 3.44 |

The Group's exploration plans from 1 April 2013 to 30 June 2013 are as follows:-

(a) Geological Investigation

Geological investigation focus will be on the outcrops revealed during mining activity at Rixen Deposit, Sungai Taba prospecting area and partly in the Sungai Among and Sungai Sejana prospecting areas. Rock chip and float samples will be routinely collected and tested at the Group's in-house laboratory. Hand-held global positioning system ("GPS") units will be used to locate the geological points and positions of sampling.

(b) Diamond drilling programme

Diamond drilling will be carried out by the Company's appointed drilling contractor, Sinomine Resource Exploration Co., Ltd., using three diamond rigs capable of drilling NQ to 1,000m. The Company plans to finish another 2,070 meters in 2Q 2013, including 6 holes of about 500 meters in Rixen and 3 holes of about 700 meters in Sungai Among prospecting area, 5 holes of about 870 meters in Sungai Among prospecting area.

(c) Trenching and Channel Sampling

Two trenches located in the Sg Taba area are designed and shall be dug by excavators. The total length of trenches is 80 meters, with an average depth of 5.0 meters. The purpose of the trenches is to reveal the granitic porphyry dyke and probable mineralization near the contact zone of the dyke.

(d) 1/2 core sampling and channel sampling analysis

The 1/2 core from the diamond drilling program and channel samples are 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.

(e) Data Compiling

All field data including geological points, trenches and log sheets, channel sampling and location and analysis results shall be sorted and compiled.

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 1Q 2013, the Group capitalised a total of US\$0.27 million for exploration and evaluation expenditures activities carried out during the period.

The Group carried out the following exploration activities in 1Q 2013:-

(a) Geological Investigation

Geological investigation was carried out on creeks and track exposures in the southern section of the mining license (i.e. around Sg. Taba) and outcrops revealed during mining activity at Rixen Deposit. Rock chip and float samples have been collected during the course of mapping. Geological point for mapping and location of sampling was provided by hand-held GPS units.

The purpose of geological investigation was to clarify geological conditions related to gold and base metal mineralization and try to find clues of mineralization or significant structures. The total area investigated was about 1.2 square kilometer and a total of 45 points were recorded.

(b) Drilling Program

The diamond drilling program commenced on March 2012, according to drilling contractor's new schedule. A total of 13 holes, of total footage 1617.46 meters were completed at Rixen and Sungai Among prospecting area (see Table 1 for details). Several sections of mineralised and altered zones were revealed in these holes and the cores were split for sampling after geologic log. After each drill holes finished, the collar locations accurately was surveyed by electronic distance measurement (EDM) equipment, using NTS662 total station instruments.

Table 1: Drill holes and Footage Finished in Rixen

| Seq. No | Drillhole No | Depth(m) |
|----------------------|--------------|----------------|
| 1 | ZKR103-4 | 60.08 |
| 2 | ZKR103-5 | 40.43 |
| 3 | ZKR5-8 | 131.21 |
| 4 | ZKR17-2 | 95.28 |
| 5 | ZKR17-4 | 66.15 |
| 6 | ZKR19-2 | 85.97 |
| 7 | ZKR19-4 | 80.25 |
| 8 | ZKR25-2 | 55.9 |
| 9 | ZKR27-3 | 60.43 |
| 10 | ZKSA10-3 | 316.68 |
| 11 | ZKSA16-1 | 150.25 |
| 12 | ZKSA16-2 | 329.05 |
| 13 | ZKSA22-1 | 145.78 |
| Total Footage | | 1617.46 |

(c) 1/2 core sampling and analysis

A total of 125 1/2 core samples were split and were delivered to SGS Lab, Malaysia for testing Au by *FAA method* and additional Ag, Cu, Pb, Zn by *4 Acid Digestion finished by AAS* for samples from Sungai Among.

(d) Trenching

Four trenches were dug by excavators. Three trenches were located near Sg Sejana area and another one in Sg Taba area. The total length of trenches is 180 meters, with an average depth of 5.0 meters.

(e) Data compiling

All field data, including geological points, trenches and log sheets, drilling core log and sampling, analysis result were sorted and compiled for the Group's geology team to better understand gold mineralization, structure and ore-controlling factors and to make proper exploration plan for further exploration work.

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 22 April 2013 despatched to shareholders, the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2012 ("QPR 2012") prepared by the Company's third party independent resource and reserve estimation consultant, Optiro Pty Ltd, as required under Rule 1204(23) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited ("Catalist Rules").

The QPR 2012 was reviewed by AMC Consultants Pty Ltd, the technical expert engaged by the Company's sponsor, Prime Partners Corporate Finance Pte. Ltd.

There were no material updates on the QPR 2012 as at 31 March 2013.

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

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the first quarter ended 31 March 2013 to be false and misleading in any material aspect.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

15 May 2013