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## **Unaudited Financial Statement and Dividend Announcement For the Second Quarter Ended 30 June 2013**

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*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			Six Months Ended		
	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	Increase/ (Decrease) %	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	Increase/ (Decrease) %
<b>Revenue</b>	2,221,103	5,178,662	(57.1)	2,937,351	6,294,713	(53.3)
Changes in inventories	115,065	1,005	n.m.	569,298	45,985	n.m.
Other operating income	66,009	30,735	114.8	56,021	172,819	(67.6)
Amortization and depreciation	(389,976)	(321,202)	21.4	(791,920)	(578,896)	36.8
Contractor expenses	(8,440)	(1,422,222)	(99.4)	(8,440)	(1,422,222)	(99.4)
Employees' compensation	(258,282)	(293,546)	(12.0)	(503,146)	(520,414)	(3.3)
Key management remuneration	(248,580)	(242,913)	2.3	(518,816)	(497,256)	4.3
Marketing and publicity expenses	(52,257)	(26,918)	94.1	(60,997)	(35,890)	70.0
Office and administration expenses	(65,102)	(92,831)	(29.9)	(152,544)	(151,208)	0.9
Professional fees	(69,323)	(67,287)	3.0	(200,885)	(128,554)	56.3
Rental expense on operating lease	(79,715)	(95,549)	(16.6)	(141,614)	(196,448)	(27.9)
Royalty fee expenses	(170,372)	(461,361)	(63.1)	(225,525)	(597,507)	(62.3)
Site and factory expenses	(840,869)	(692,494)	21.4	(1,550,815)	(1,124,459)	37.9
Travelling and transportation expenses	(37,067)	(644,927)	(94.3)	(83,385)	(676,095)	(87.7)
Other operating expenses	-	(7,953)	n.m.	-	(13,614)	n.m.
<b>Results from operating activities</b>	<b>182,194</b>	<b>841,199</b>	<b>(78.3)</b>	<b>(675,417)</b>	<b>570,954</b>	<b>n.m.</b>
Finance income	76	-	n.m.	410	-	n.m.
Finance expenses	(3,912)	(2,739)	42.8	(4,357)	(5,617)	(22.4)
<b>Net finance costs</b>	<b>(3,836)</b>	<b>(2,739)</b>	<b>40.1</b>	<b>(3,947)</b>	<b>(5,617)</b>	<b>(29.7)</b>
<b>Profit / (Loss) before income tax</b>	<b>178,358</b>	<b>838,460</b>	<b>(78.7)</b>	<b>(679,364)</b>	<b>565,337</b>	<b>n.m.</b>
Income tax credit / (expense)	(62,131)	(355,814)	(82.5)	70,934	(289,870)	n.m.
<b>Profit / (Loss) for the period</b>	<b>116,227</b>	<b>482,646</b>	<b>(75.9)</b>	<b>(608,430)</b>	<b>275,467</b>	<b>n.m.</b>
<b>Other comprehensive income/(loss)</b>						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	(8,011)	(10,948)	(26.8)	(16,617)	7,107	n.m.
<b>Total comprehensive income/(loss) for the period</b>	<b>108,216</b>	<b>471,698</b>	<b>(77.1)</b>	<b>(625,047)</b>	<b>282,574</b>	<b>n.m.</b>
<b>Profit / (Loss) attributable to:</b>						
Owners of the Company	26,180	279,306	(90.6)	(622,531)	110,462	n.m.
Non-controlling interests	90,047	203,340	(55.7)	14,101	165,005	(91.5)
<b>Profit / (Loss) for the Period</b>	<b>116,227</b>	<b>482,646</b>	<b>(75.9)</b>	<b>(608,430)</b>	<b>275,467</b>	<b>n.m.</b>
<b>Total comprehensive income / (loss) attributable to:</b>						
Owners of the Company	21,245	266,570	(92.0)	(636,431)	112,839	n.m.
Non-controlling interests	86,971	205,128	(57.6)	11,384	169,735	(93.3)
<b>Total comprehensive income / (loss) for the period</b>	<b>108,216</b>	<b>471,698</b>	<b>(77.1)</b>	<b>(625,047)</b>	<b>282,574</b>	<b>n.m.</b>

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	Increase / (Decrease) %	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	Increase / (Decrease) %
<b>Profit / (loss) for the period is stated at after charging / (crediting) the following:</b>						
Borrowing costs	3,912	543	620.4	4,357	1,121	288.7
Unwinding of discount on rehabilitation	-	2,196	n.m.	-	4,496	n.m.
Amortization and depreciation	389,976	321,202	21.4	791,920	578,896	36.8
Gain on foreign exchange	(66,025)	(30,735)	114.8	(55,411)	(172,339)	(67.8)

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 June 2013 US\$ (Unaudited)	31 December 2012 US\$ (Audited)	30 June 2013 US\$ (Unaudited)	31 December 2012 US\$ (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	3,395,650	1,895,666	-	-
Mine properties	4,653,699	4,791,433	-	-
Property, plant and equipment	4,958,564	4,731,303	39,982	73,234
Investment in subsidiaries	-	-	7,856,177	7,856,177
Deferred tax assets	230,316	175,459	230,520	175,459
<b>Total non-current assets</b>	<b>13,238,229</b>	<b>11,593,861</b>	<b>8,126,679</b>	<b>8,104,870</b>
<b>Current assets</b>				
Inventories	1,659,581	1,024,281	-	-
Trade and other receivables	709,193	802,778	12,800,626	5,121,680
Fixed deposit	11,915	871,055	367,122	871,055
Cash and cash equivalents	1,074,785	1,815,474	11,915	575,793
<b>Total current assets</b>	<b>3,455,474</b>	<b>4,513,588</b>	<b>13,179,663</b>	<b>6,568,528</b>
<b>Total assets</b>	<b>16,693,703</b>	<b>16,107,449</b>	<b>21,306,342</b>	<b>14,673,398</b>
<b>EQUITY</b>				
Share capital	18,032,233	18,032,233	18,032,233	18,032,233
Capital reserve	2,824,635	2,824,635	-	-
Accumulated losses	(9,616,195)	(8,993,664)	(4,100,308)	(3,574,087)
Translation reserves	6,816	20,716	-	-
	11,247,489	11,883,920	13,931,925	14,458,146
Non-controlling interest	70,482	59,098	-	-
<b>Total equity</b>	<b>11,317,971</b>	<b>11,943,018</b>	<b>13,931,925</b>	<b>14,458,146</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing borrowings	19,450	25,494	-	-
Deferred tax liabilities	-	67,919	-	-
<b>Total non-current liabilities</b>	<b>19,450</b>	<b>93,413</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Interest-bearing borrowings	412,471	9,504	403,200	-
Trade and other payables	4,753,375	3,850,085	6,971,217	215,252
Accrued rehabilitation costs	185,128	205,919	-	-
Current tax liabilities	5,308	5,510	-	-
<b>Total current liabilities</b>	<b>5,356,282</b>	<b>4,071,018</b>	<b>7,374,417</b>	<b>215,252</b>
<b>Total liabilities</b>	<b>5,375,732</b>	<b>4,164,431</b>	<b>7,374,417</b>	<b>215,252</b>
<b>Total equity and liabilities</b>	<b>16,693,703</b>	<b>16,107,449</b>	<b>21,306,342</b>	<b>14,673,398</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 30 June 2013</b>		<b>As at 31 December 2012</b>	
<b>Secured US\$</b>	<b>Unsecured US\$</b>	<b>Secured US\$</b>	<b>Unsecured US\$</b>
9,271	403,200	9,504	-

**Amount repayable after one year**

<b>As at 30 June 2013</b>		<b>As at 31 December 2012</b>	
<b>Secured US\$</b>	<b>Unsecured US\$</b>	<b>Secured US\$</b>	<b>Unsecured US\$</b>
19,450	-	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 30 June 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		Six Months Ended	
	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	30 June 2013 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)
<b>Operating activities</b>				
Profit / (Loss) for the period	116,227	482,646	(608,430)	275,467
Adjustments for:				
Depreciation of property, plant and equipment	315,389	283,887	673,268	504,181
Amortization of mine properties	74,587	37,315	118,652	74,715
Unwinding of discount on accrued rehabilitation costs	-	2,196	-	4,496
Interest income	(76)	-	(410)	-
Interest expense	3,912	543	4,357	1,121
Income tax expense / (credit)	62,131	355,814	(70,934)	289,870
<b>Operating profit before working capital changes</b>	<b>572,170</b>	<b>1,162,401</b>	<b>116,503</b>	<b>1,149,850</b>
Changes in working capital:				
Inventories	(359,965)	(35,859)	(635,300)	(94,930)
Trade and other receivables	(391,328)	(2,030,591)	93,585	(2,107,477)
Trade and other payables	46,681	136,536	(1,010,898)	(191,542)
Cash used in operations	(132,441)	(767,513)	(1,436,109)	(1,244,099)
Interest received	76	-	410	-
Interest paid	(3,912)	(543)	(4,357)	(1,121)
<b>Net cash used in operating activities</b>	<b>(136,277)</b>	<b>(768,056)</b>	<b>(1,440,056)</b>	<b>(1,245,220)</b>
<b>Investing activities</b>				
Purchases of property, plant and equipment	(233,568)	(323,065)	(252,801)	(514,602)
Payment for exploration and evaluation assets	(74,676)	(36,452)	(288,975)	(45,804)
<b>Net cash used in investing activities</b>	<b>(308,244)</b>	<b>(359,517)</b>	<b>(541,776)</b>	<b>(560,406)</b>
<b>Financing activities</b>				
Deposits withdrawn/(pledged)	364,016	(825,825)	859,140	(837,623)
Proceeds from short-term borrowings	403,200	-	403,200	-
Payment of finance lease liabilities	(2,306)	(3,664)	(4,580)	(4,307)
<b>Net cash generated from / (used in) financing activities</b>	<b>764,910</b>	<b>(829,489)</b>	<b>1,257,760</b>	<b>(841,930)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>320,389</b>	<b>(1,957,062)</b>	<b>(724,072)</b>	<b>(2,647,556)</b>
Cash and cash equivalents at beginning of the period	762,407	4,735,205	1,815,474	5,407,393
Effect of exchange rate fluctuations on cash held	(8,011)	(11,199)	(16,617)	7,107
<b>Cash and cash equivalents at end of the period<sup>(1)</sup></b>	<b>1,074,785</b>	<b>2,766,944</b>	<b>1,074,785</b>	<b>2,766,944</b>

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Note:-

- (1) Cash and cash equivalents as at 30 June 2013 did not include pledged fixed deposits of S\$15,094 which was equivalent to US\$11,915.

During the three months period ended 30 June 2013 ("2Q 2013"), the Group acquired property, plant and equipment with an aggregate cost of US\$706,213 (2Q 2012: US\$1,047,060) of which as at 30 June 2013, an amount of US\$472,645 (30 June 2012: US\$723,995) was outstanding and included as trade and other payables.

The Group also acquired exploration and evaluation assets with an aggregate cost of US\$1,214,744 in 2Q 2013 (2Q 2012: US\$100,520) from third parties of which as at 30 June 2013, a balance of US\$1,140,068 (30 June 2012: US\$64,068) was outstanding and included as trade and other payables.

As at 30 June 2013, the Group's cash and cash equivalents amounted to approximately US\$1.07 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
<b>Total comprehensive income for the period:</b>							
Loss for the period	-	-	-	(168,844)	(168,844)	(38,335)	(207,179)
<b>Other comprehensive income for the period</b>							
Exchange difference	-	-	15,113	-	15,113	2,942	18,055
<b>Total comprehensive income for the period</b>	-	-	15,113	(168,844)	(153,731)	(35,393)	(189,124)
Balance as at 31 March 2012	<b>16,934,840</b>	<b>2,824,635</b>	<b>14,116</b>	<b>(9,906,294)</b>	<b>9,867,297</b>	<b>(247,467)</b>	<b>9,619,830</b>
<b>Total comprehensive income for the period:</b>							
Gain for the period	-	-	-	279,306	279,306	203,340	482,646
<b>Other comprehensive income for the period</b>							
Exchange difference	-	-	(12,736)	-	(12,736)	1,788	(10,948)
<b>Total comprehensive income for the period</b>	-	-	(12,736)	279,306	266,570	205,128	471,698
<b>Transactions with owners of the Company, recognized directly in equity</b>							
Issue of ordinary shares	1,097,393	-	-	-	1,097,393	-	1,097,393
<b>Total transaction with owners</b>	<b>1,097,393</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,097,393</b>	<b>-</b>	<b>1,097,393</b>
Balance as at 30 June 2012	<b>18,032,233</b>	<b>2,824,635</b>	<b>1,380</b>	<b>(9,626,988)</b>	<b>11,231,260</b>	<b>(42,339)</b>	<b>11,188,921</b>



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\$
<b>Balance as at 1 January 2013</b>	18,032,233	2,824,635	20,716	(8,993,664)	11,883,920	59,098	11,943,018
<b><u>Total comprehensive income for the period:</u></b>							
Loss for the period	-	-	-	(648,711)	(648,711)	(75,946)	(724,657)
<b>Other comprehensive income for the period</b>							
Exchange difference	-	-	(8,965)	-	(8,965)	359	(8,606)
<b>Total comprehensive income for the period</b>	-	-	(8,965)	(648,711)	(657,676)	(75,587)	(733,263)
<b>Balance as at 31 March 2013</b>	<b>18,032,233</b>	<b>2,824,635</b>	<b>11,751</b>	<b>(9,642,375)</b>	<b>11,226,244</b>	<b>(16,489)</b>	<b>11,209,755</b>
<b><u>Total comprehensive income for the period:</u></b>							
Gain for the period	-	-	-	26,180	26,180	90,047	116,227
<b>Other comprehensive income for the period</b>							
Exchange difference	-	-	(4,935)	-	(4,935)	(3,076)	(8,011)
<b>Total comprehensive income for the period</b>	-	-	(4,935)	26,180	21,245	86,971	108,216
<b>Balance as at 30 June 2013</b>	<b>18,032,233</b>	<b>2,824,635</b>	<b>6,816</b>	<b>(9,616,195)</b>	<b>11,247,489</b>	<b>70,482</b>	<b>11,317,971</b>

Company	Share capital US\$	Accumulated losses US\$	Total equity US\$
<b>Balance as at 1 January 2012</b>	16,934,840	(2,998,286)	13,936,554
Loss for the period	-	(126,751)	(126,751)
<b>Balance as at 31 March 2012</b>	<b>16,934,840</b>	<b>(3,125,037)</b>	<b>13,809,803</b>
Loss for the period	-	(519,906)	(519,906)
3,000,000 shares issued as performance bonus <sup>(1)</sup>	1,097,393	-	1,097,393
<b>Balance as at 30 June 2012</b>	<b>18,032,233</b>	<b>(3,644,943)</b>	<b>14,387,290</b>
<b>Balance as at 1 January 2013</b>	18,032,233	(3,574,087)	14,458,146
Loss for the period	-	(267,354)	(267,354)
<b>Balance as at 31 March 2013</b>	<b>18,032,233</b>	<b>(3,841,441)</b>	<b>14,190,792</b>
Loss for the period	-	(258,867)	(258,867)
<b>Balance as at 30 June 2013</b>	<b>18,032,233</b>	<b>(4,100,308)</b>	<b>13,931,925</b>

Notes:-

- (1) 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 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 30 June 2013.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2013 and 30 June 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 30 June 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 30 June 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 financial 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 30 June		Six months ended 30 June	
	2013	2012	2013	2012
Profit / (Loss) attributable to owners of the Company (US\$)	26,180	279,306	(622,531)	110,462
Weighted average number of ordinary shares	407,693,000	406,176,516	407,693,000	405,438,856
Basic and diluted earnings / (loss) per ordinary share in US cents <sup>(2)</sup>	0.01	0.07	(0.15)	0.03

Note:-

- (1) The basic and diluted earnings/ 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 June 2013 and 30 June 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	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012
Net asset value (US\$)	11,247,289	11,883,919	13,931,925	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)	2.76	2.91	3.42	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\$2.96 million or 57.1%, from US\$5.18 million in the second quarter ended 30 June 2012 ("2Q 2012") to US\$2.22 million in the second quarter ended 30 June 2013 ("2Q 2013").

The decrease was mainly due to the absence of export sales of ore in 2Q 2013. In 2Q 2012, the Group exported and sold a total of approximately 9,000 tonnes of ore to a Chinese customer for processing in China, which contributed a total of US\$3.59 million (gold and non-gold metals) to the Group's revenue.

The decrease in revenue was also attributable to lower gold prices in 2Q 2013 as compared to 2Q 2012. According to World Gold Council, the quarterly average gold price was US\$1,414.80 per ounce in 2Q 2013 and US\$1,609.50 per ounce in 2Q 2012 respectively.

In 2Q 2013, selling prices for the Group's fine gold ranged from US\$1,322.36 per ounce to US\$1,601.24 per ounce, as compared to US\$1,618.39 per ounce to US\$1,716.10 per ounce in 2Q 2012.

Despite the decrease in total revenue in 2Q 2013, the Group has recorded a significant increase of 40.0% in its revenue on sales of fine gold from the Group's production facility from US\$1.59 million in 2Q 2012 to US\$2.22 million in 2Q 2013. This was mainly due to the Group's gold production which increased by 49.5% from 928.13 ounces of fine gold in 2Q 2012 to 1,387.88 ounces in 2Q 2013.

	2Q 2013	2Q 2012	Increase / (Decrease) %
Sales volume from sale of gold (ounces of gold)	1,387.88	928.13	49.5
Revenue from sale of gold (US\$'000)	2,221.1	1,586.5	40.0
Revenue from export sale of ore:			
- gold (US\$'000)	-	634.0	n.m.
- non-gold metals (US\$'000)	-	2,958.1	n.m.
Revenue – Total (US\$'000)	2,221.1	5,178.6	(57.1)
Average selling price – World Gold Council (US\$/ounce)	1,414.80	1,609.50	(12.1)

#### Other income or expenses

In 2Q 2013, the Group recorded a net other income of US\$66,009, as compared to a net other income of US\$22,782 in 2Q 2012. This was mainly due to a higher gain on foreign exchange of US\$66,025 in 2Q 2013 as compared to a gain on foreign exchange of US\$30,735 in 2Q 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 decreased by US\$2.26 million or 51.8% from US\$4.36 million in 2Q 2012 to US\$2.10 million in 2Q 2013.

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The decrease in total operating expenses was mainly due to the followings:-

- Decrease in contractor expenses of US\$1.41 million or 99.4%. This was mainly due to ore processing expenses of US\$1.42 million for the export sales of ore in 2Q 2012 which did not recur in 2Q 2013;
- Decrease in travelling and transportation expenses by US\$0.61 million or 94.3% mainly due to transportation costs of US\$0.59 million for the export sales of ore in 2Q 2012 which did not recur in 2Q 2013; and
- Decrease in royalty and tribute fees paid and payable to the Kelantan State authorities US\$0.29 million or 63.1%. This was mainly due to royalty and tribute fees incurred of US\$0.29 million for the export sales of ore in 2Q 2012 which did not recur in 2Q 2013.

The decrease was partially offset by an increase in site and factory expenses of US\$0.15 million or 21.4% mainly due to higher diesel and chemical consumption arising from the increase in the Group's equipment base and higher production volume during 2Q 2013. Amortisation and depreciation expenses increased by \$68,774 or 21.4% mainly due to the increase in depreciation of the Group's equipment base.

#### Finance income and expenses

Finance income and expenses which comprised interest income from fixed deposits, interest on finance lease and interest on loan, were insignificant in 2Q 2013.

#### Income tax expense

The Group incurred an income tax expense of US\$0.06 million in 2Q 2013 as compared to US\$0.36 million 2Q 2012 due to lower profit recorded in 2Q 2013.

The Group's effective tax rate for 2Q 2013 was approximately 10% higher than the applicable tax rate of 25% for the Group. This was due mainly to certain expenses incurred by the Group, which were not tax deductible.

#### Profit / (Loss) after income tax

Profit after taxation decreased by US\$0.44 million to US\$0.12 million in 2Q 2013 as compared to net profit of US\$0.48 million in 2Q 2012 due to the reasons stated above.

#### **(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 by US\$1.50 million from US\$1.90 million as at 31 December 2012 to US\$3.40 million as at 30 June 2013 mainly due to an increase of exploration and evaluation activities undertaken in the first half of 2013.

Property, plant and equipment increased by US\$0.23 million from US\$4.73 million as at 31 December 2012 to US\$4.96 million as at 30 June 2013, mainly as a result of capitalisation of the new heap leach production facilities of US\$0.9 million. The increase was partly offset due to depreciation of US\$0.67 million.

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Inventories increased by US\$0.63 million from 31 December 2012 to 30 June 2013 mainly as a result of increase in work in progress and finished goods of US\$0.60 million and US\$0.05 million respectively, which was partially offset by a decrease in consumables of US\$0.02 million.

Trade and other receivables decreased by US\$0.09 million mainly because there were no trade receivables outstanding as at 30 June 2013 as compared to trade receivables of US\$0.54 million on proceeds from gold pour as at 31 December 2012. The decrease was partly offset by the deposit paid for the new machinery and movable equipment of US\$0.47 million.

### Liabilities

Total liabilities of the Group increased by US\$1.21 million from US\$4.16 million as at 31 December 2012 to US\$5.38 million as at 30 June 2013. This was mainly due to:

- Increase in short-term borrowings of US\$0.20 million from a related party and a third party. These borrowings carry an interest rate of 5% per annum, repayable within six months; and
- Increase in trade and other payables mainly attributable to advancements of US\$0.67 million received from third parties and amount due to contractors of US\$1.03 million for the exploration and evaluation works performed. The increase was partly offset by the payment of royalty and tribute fees to the Kelantan State authorities of US\$0.74 million during the first half of 2013.

As at 30 June 2013, the Group had a negative working capital of US\$1.90 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\$0.14 million in 2Q 2013, as compared to a net cash used in operating activities of US\$0.77 million in 2Q 2012. This operating profit before working capital changes amounted to US\$0.57 million. The net cash outflow from changes in working capital changes was due to an increase in trade and other payables of US\$0.05 million, partially offset by an increase in trade and other receivables and inventories of US\$0.39 million and US\$0.36 million respectively.

Net cash used in investing activities amounted to US\$0.31 million in 2Q 2013, comprised payments to acquire property, plant and equipment as well as exploration and evaluation assets.

Net cash generated from financing activities amounted to US\$0.76 million in 2Q 2013 mainly due to the withdrawal of a fixed deposit and proceeds from short-term borrowings of US\$0.40 million from a related party and a third party.

As at 30 June 2013, the Group had a cash and cash equivalents of US\$1.07 million, which excluded the fixed deposit of approximately US\$0.01 million.

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

In the Company's first quarter results announcement for the financial year ending 31 December 2013, it was mentioned that "The construction of one of the leaching yards (the second leach yard) 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."

As further explained in paragraph 10 below, the second leach yard with a projected leaching capacity of 140,000 tonnes, is expected to be fully commissioned and commence production in the third quarter of 2013.

The Company would also like to inform that there was an increase in gold production in 2Q 2013. Nevertheless, the Company wishes to clarify that the increase in gold production in 2Q 2013 was due to the full operation of its first leach yard.

**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.**

The Group's performance may be affected if gold prices continue to fall in the second half of 2013 ("2H 2013"). However, the Company is anticipating an increase in gold production volume in 2H 2013. The production capacity is expected to increase by approximately 200% in 2H 2013 following the completion of construction of second leach yard with approximately 140,000 tonnes of ore stacked, the commencement of construction of third leach yard with a projected leaching capacity of 70,000 tonnes per leaching cycle which is expected to be completed by the fourth quarter of 2013, and the addition of newly ordered gold de-absorption equipment which will be installed by the fourth quarter of 2013. Upon the completion and operation of the three leach yards, the estimated annual capacity of 1 million ores per annum will be achievable.

As the heap leaching and technical services agreement with China Gold continues to bear fruit and positive outcome, the month of July 2013 saw the Group's records its highest monthly gold production of approximately 1,360 oz of gold doré bar since the start of the Group's gold production in July 2010. Barring unforeseen circumstances, the Company is anticipating an increase in gold production volume for the second half of 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.



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**(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 2Q 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.

During 2Q 2013, the Group did not enter into any IPT of value greater than S\$100,000.

**14. Use of IPO proceeds**

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

Use of proceeds	Amount allocated S\$'000	Relocation S\$'000	Amount utilised S\$'000	Balance S\$'000
Further resource definition and continuing exploration activities	2,490	(655)	1,835	-
Construction of a heap leach facility	2,110	218	2,328	-
Working capital <sup>1</sup>	4,052	437	4,489	-
Expenses incurred in connection with listing	908	-	908	-
	<hr/> 9,560	<hr/> -	<hr/> 9,560	<hr/> -

Note:

1. Including payroll and employees' compensations, payment of professional fees, general and administrative, production purposes and other operating expenses of the Group.

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## **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 2Q 2013, funds/ cash were mainly used for the following production activities, as compared to the projections:-

<b>Purpose</b>	<b>Amount (US\$ million) <i>Actual Usage</i></b>	<b>Amount (US\$ million) <i>Projected Usage</i></b>
Exploration and evaluation activities	0.24	0.37
Payments for machinery purchased in current and prior periods	0.64	0.55
Payments for diesel and other production materials purchased in current and prior periods	0.75	0.96
Royalty and tribute fees to government	0.52	0.76
Rental of equipment	0.09	0.10
Upkeep of equipment and motor vehicles	0.12	0.15
General working capital	0.59	0.55
<b>Total</b>	<b>2.95</b>	<b>3.44</b>

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

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

<b>Purpose</b>	<b>Amount (US\$ million)</b>
Exploration and evaluation activities	1.09
Payment for machinery purchased in current and prior quarter	1.33
Payment for diesel and other production materials purchased in current and prior quarter	1.17
Royalty fees to government	0.45
Rental of equipment	0.10
Upkeep of equipment and motor vehicles	0.10
General working capital	0.73
<b>Total</b>	<b>4.97</b>

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

#### **a) Drilling Program**

The Group expects to resume its diamond drilling program during September 2013 period. Drill hole collar survey will be conducted after each hole is completed. All the drill holes will have their collar locations accurately surveyed by electronic distance measurement ("EDM") equipment, using NTS662 total station instruments.

#### **b) 1/2 core sampling and analysis**

If 800 meters footage is completed by September 2013 according to plan, approximately 320 pieces of 1/2 core samples will need to be analyzed.

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c) Geological Mapping and Reconnaissance

The Group intends to continue to concentrate geological mapping activities in the Sejana-Rixen prospecting area and along Sg Among. Rock chip and float will be collected during the course of mapping. Geological points for mapping and the location of sampling will be provided by hand-held global positioning system ("GPS") units.

d) Data compiling

All field data, including geological points, trenches and log sheets, diamond drilling core log and sampling analysis results will be sorted and 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 Catalyst 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 Catalyst 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 2Q 2013, the group capitalised a total of US\$1.50 million for exploration and evaluation expenditures activities carried out during the period.

The Group carried out the following exploration activities in 2Q 2013:-

(a) Geological Investigation

Geological investigation of creeks and track exposures mainly in the southern section of the mining license, i.e. around southern of Mason Lode to Sg. Taba was carried out. 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.

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(b) Drilling Program

The diamond drilling program finished in 2Q 2013 included 21 holes of total footage 2349.24 meters. The drill holes are located at Rixen, Sungai Among and Mason Lode prospecting area (see Table 1 for details). After each drill holes finished, the collar locations accurately was surveyed by EDM equipment, using NTS662 total station instruments. Several sections of mineralised and altered zones were revealed in these holes and the cores were split for sampling after geologic log.

Table 1: Drill holes and Footage Finished in 2Q 2013

Seq. No	Drillhole No	Depth(m)
1	ZKK 3-4	225.40
2	ZKK 5-4	150.05
3	ZKK 7-4	110.36
4	ZKK9-3	195.85
5	ZKK9-4	220.43
6	ZKM106-1	65.22
7	ZKM106-2	60.52
8	ZKM106-3	70.20
9	ZKM106-4	48.85
10	ZKM106-5	80.48
11	ZKM107-1	88.69
12	ZKM 108-1	88.57
13	ZKR 105-4	60.43
14	ZKR 105-5	60.46
15	ZKR 107-2	67.42
16	ZKR 107-5	65.03
17	ZKR 19-4	80.25
18	ZKR 23-3	64.63
19	ZKSA 22-1	145.78
20	ZKSA 6-1	90.40
21	ZKSA 6-2	310.22
<b>Total Footage</b>		<b>2,349.24</b>

(c) 1/2 core sampling and analysis

Routinely 1/2 core sampling and analysis is associated with diamond drilling program. A total of 1063 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.

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(d) Trenching

Two trenches were dug by excavators which located near Sg Sejana area. The total length of trenches is 100 meters, with an average depth of 4.5 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 a copy of the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2012 ("QPR 2012") to update shareholders on its resource and reserve information respectively. Soft copy of the QPR 2012 is available for download on the Company's website.

There were no material updates on the QPR 2012 as at 30 June 2013.

**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 second quarter ended 30 June 2013 to be false and misleading in any material aspect.

**By Order of the Board**

Lim Kuoh Yang  
Chief Executive Officer

14 August 2013