



Financial Statement and Dividend Announcement For the Fourth Quarter and the Financial Year Ended 31 December 2011

*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 the 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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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. Please refer to the Company’s Offer Document dated 18 October 2011 for further details on the Restructuring Exercise.

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						
	4Q 2011 US\$	4Q 2010 US\$	Increase/ (Decrease) %		FY2011 US\$	FY2010 US\$	Increase/ (Decrease) %
	(Unaudited)	(Unaudited)			(Unaudited)	(Audited)	
Revenue	1,457,193	309,091	371.4		5,142,867	530,169	870.0
Changes in inventories of finished goods	226,705	61,065	271.3		130,134	78,563	65.6
Other operating income	98,472	234,289	(58.0)		185,053	267,440	(30.8)
Amortisation and depreciation	(222,685)	(85,440)	160.6		(757,621)	(228,012)	232.3
Contractor expenses	(210,629)	(34,741)	506.3		(431,629)	(144,042)	199.7
Employees' compensation	(56,047)	(69,744)	(19.6)		(849,518)	(377,114)	125.3
Key management remuneration	(2,211,527)	(256,637)	761.7		(2,688,917)	(827,290)	225.0
Marketing and publicity expenses	(65,369)	(44,680)	46.3		(161,048)	(68,198)	136.2
Office and administration expenses	(93,186)	(13,088)	612.0		(230,580)	(73,730)	212.7
Professional fees	(1,672,207)	(112,561)	1,385.6		(2,012,611)	(295,634)	580.8
Rental expense on operating lease	(112,107)	(82,816)	35.4		(467,049)	(200,814)	132.6
Royalty expenses	(160,885)	(25,931)	520.4		(524,575)	(44,160)	1,087.9
Site and factory expenses	(428,989)	(74,501)	475.8		(1,403,454)	(265,576)	428.5
Travelling and transportation expenses	(41,225)	(27,956)	47.5		(228,422)	(99,930)	128.6
Other operating expenses	(374,553)	(13,751)	2,623.8		(613,228)	(319,250)	92.1
Results from operating activities	(3,867,039)	(237,401)	1,528.9		(4,910,598)	(2,067,578)	137.5
Finance income	43	-	n.m.		43	-	n.m.
Finance expenses	(98,890)	(84,685)	16.8		(338,817)	(221,897)	52.7
Net finance costs	(98,847)	(84,685)	16.7		(338,774)	(221,897)	52.7
Loss before income tax	(3,965,886)	(322,086)	1,131.3		(5,249,372)	(2,289,475)	129.3
Income tax credit	194,259	62,660	210.0		111,439	358,845	(69.0)
Loss for the period	(3,771,627)	(259,426)	1,353.8		(5,137,933)	(1,930,630)	166.1
Other comprehensive income / (loss)							
Exchange differences arising from consolidation of foreign subsidiaries	816	2,969	(72.5)		(14,894)	38,441	n.m.
Total comprehensive loss for the period	(3,770,811)	(256,457)	1,370.3		(5,152,827)	(1,892,189)	172.3
Loss attributable to:							
Owners of the Company	(3,667,491)	(227,297)	1,513.5		(5,081,322)	(1,737,550)	192.4
Non-controlling interests	(104,136)	(32,129)	224.1		(56,611)	(193,080)	(70.7)

	Group						
	4Q 2011 US\$	4Q 2010 US\$	Increase/ (Decrease) %		FY2011 US\$	FY2010 US\$	Increase/ (Decrease) %
	(Unaudited)	(Unaudited)			(Unaudited)	(Audited)	
Loss for the Period	(3,771,627)	(259,426)	1,353.8		(5,137,933)	(1,930,630)	166.1
Total comprehensive loss attributable to:							
Owners of the Company	(3,666,808)	(229,480)	1,497.9		(5,093,408)	(1,705,762)	198.6
Non-controlling interests	(104,003)	(26,977)	285.7		(59,419)	(186,427)	(68.1)
Total comprehensive loss for the period	(3,770,811)	(256,457)	1,370.3		(5,152,827)	(1,892,189)	172.3

n.m. – not meaningful

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

	Group						
	4Q2011 US\$	4Q2010 US\$	Increase / (Decrease) %		FY2011 US\$	FY2010 US\$	Increase/ (Decrease) %
	(Unaudited)	(Unaudited)			(Unaudited)	(Audited)	
Profit for the period is stated at after charging / (crediting) the following:							
Borrowing costs	98,890	84,685	16.8		335,256	220,087	52.3
Amortisation and depreciation	222,685	85,440	160.6		757,621	228,012	232.3
Loss / (Gain) on foreign exchange	343,144	(49,209)	n.m.		575,442	305,499	88.4
Impairment on other receivables	5,327	-	n.m.		5,327	-	n.m.
Gain on disposal of property, plant and equipment	473	-	n.m.		473	-	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 December 2011 US\$ (Unaudited)	31 December 2010 US\$ (Audited)	31 December 2011 US\$ (Unaudited)	31 December 2010 ⁽¹⁾ US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	1,987,167	18,475	-	-
Mine properties	4,297,260	4,401,346	-	-
Property, plant and equipment	2,800,523	1,536,383	132,514	-
Investment in subsidiaries	-	-	7,887,644	-
Deferred tax assets	470,284	358,845	-	-
Total non-current assets	9,555,234	6,315,049	8,020,158	-
Current assets				
Inventories	287,870	120,714	-	-
Trade and other receivables	145,328	542,197	1,734,269	-
Cash and cash equivalents	5,407,393	1,113,671	4,544,649	-
Total current assets	5,840,591	1,776,582	6,278,918	-
Total assets	15,395,825	8,091,631	14,299,076	-
EQUITY				
Share capital	16,934,840	7,291,308	16,934,840	-
Capital reserve	2,824,635	-	-	-
Accumulated losses	(9,737,450)	(4,577,383)	(2,998,286)	-
Translation reserve	(997)	11,089	-	-
	10,021,028	2,725,014	13,936,554	-
Non-controlling interests	(212,074)	(159,750)	-	-
Total equity	9,808,954	2,565,264	13,936,554	-
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings	32,936	3,081,446	-	-
Derivative financial instrument	-	40,309	-	-
Rehabilitation provision	102,305	41,797	-	-
Total non-current liabilities	135,241	3,163,552	-	-
Current liabilities				
Interest-bearing borrowings	8,414	8,046	-	-
Derivative financial instrument	-	115,440	-	-
Trade and other payables	5,443,110	2,239,215	362,522	-
Current tax liabilities	106	114	-	-
Total current liabilities	5,451,630	2,362,815	362,522	-
Total liabilities	5,586,871	5,526,367	362,522	-
Total equity and liabilities	15,395,825	8,091,631	14,299,076	-

Note:-

- (1) There was no statement of financial position for the Company as at 31 December 2010, as the Company was only incorporated on 11 August 2011.

**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 December 2011		As at 31 December 2010	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
8,414	-	8,046	-

Amount repayable after one year

As at 31 December 2011		As at 31 December 2010	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
32,936	-	41,609	3,039,837

Details of any collateral

The Group's borrowings comprised convertible loans and finance lease liabilities. The convertible loans had been fully converted by the end of FY2011. Finance lease liabilities are secured on the Group's motor vehicles. These vehicles had been fully depreciated before 31 December 2011.

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

	4Q2011 US\$ (Unaudited)	4Q2010 US\$ (Unaudited)	FY2011 US\$ (Unaudited)	FY2010 US\$ (Audited)
Operating activities				
Loss for the period	(3,771,627)	(259,426)	(5,137,933)	(1,930,630)
Adjustments for:				
Depreciation of property, plant and equipment	160,217	55,234	534,377	149,698
Amortisation of mine properties	62,468	30,206	223,244	81,314
Plant and equipment written off	5,697	3,539	5,697	3,539
Unwinding of discount on derivative financial instrument	(8,647)	(185,080)	(95,228)	(267,440)
Unwinding of discount on rehabilitation provision	710	-	3,561	1,810
Goodwill on consolidation written off	23,275	-	23,275	-
Impairment loss on other receivables	5,327	-	5,327	-
Gain on disposal of property, plant and equipment	(473)	-	(473)	-
Interest Income	(43)	-	(43)	-
Interest expense	95,329	47,368	335,256	184,580
Equity-settled share-based payment transactions	1,814,367	-	1,814,367	-
Income tax credit	(194,259)	(59,124)	(111,439)	(358,845)
Operating loss before working capital changes	(1,807,659)	(367,283)	(2,400,012)	(2,135,974)
Changes in working capital:				
Inventories	(263,498)	(103,216)	(167,156)	(120,714)
Trade and other receivables	122,632	(345,332)	283,531	(438,928)
Trade and other payables	626,069	(272,952)	2,055,424	841,198
Cash used in operations	(1,322,456)	(1,088,783)	(228,213)	(1,854,418)
Interest received	43	-	43	-
Interest paid	(9,079)	(47,368)	(249,006)	(184,580)
Net cash used in operating activities	(1,331,492)	(1,136,151)	(477,176)	(2,038,998)
Investing activities				
Purchase of property, plant and equipment	(444,549)	(56,714)	(1,252,994)	(765,847)
Proceeds from disposal of property, plant and equipment	18,044	-	18,044	-
Payment for exploration and evaluation assets	(394,542)	(75,981)	(1,163,535)	(75,981)
Net cash used in investing activities	(821,047)	(132,695)	(2,398,485)	(841,828)
Financing activities				
Deposits (withdrawn) / pledged	1,606	(1,606)	1,606	(1,606)
Acquisition of non-controlling interests on subsidiaries	(71,650)	-	(71,650)	-
Net proceeds from issuance of share capital	7,264,496	-	7,264,296	-
Proceeds from issue of convertible loans	-	2,310,000	-	3,963,070
Payment of finance lease liabilities	(1,869)	(2,040)	(8,305)	(20,315)
Cash flows generated from financing activities	7,192,383	2,306,354	7,185,947	3,941,149

	4Q2011 US\$ (Unaudited)	4Q2010 US\$ (Unaudited)	FY2011 US\$ (Unaudited)	FY2010 US\$ (Audited)
Net increase in cash and cash equivalents	5,039,844	1,037,508	4,310,286	1,060,323
Cash and cash equivalents at beginning of the period	366,161	71,467	1,112,065	48,755
Effect of exchange rate fluctuations on cash held	1,388	3,090	(14,958)	2,987
Cash and cash equivalents at end of the period	5,407,393	1,112,065	5,407,393	1,112,065

During the financial year ended 31 December 2011 ("FY2011"), the Group acquired property, plant and equipment with an aggregate cost of US\$1,398,929 (financial year ended 31 December 2010 ("FY2010"): US\$849,662) of which US\$16,845 (FY2010: US\$39,987) was included in rehabilitation provision. As at 31 December 2011, a total consideration of US\$154,431 (FY2010: US\$25,341) for the acquisition of property, plant and equipment from third parties is yet to be paid.

The Group also acquired exploration and evaluation assets and mine properties with an aggregate cost of US\$2,087,850 (FY2010: US\$888,814) of which US\$40,158 (FY2010: NIL) was included in rehabilitation provision. As at 31 December 2011, a total consideration of US\$1,696,990 (FY2010: US\$812,833) is yet to be paid to third parties.

As at 31 December 2011, the Group's cash and cash equivalents amounted to US\$5.41 million, comprised currencies mainly denominated in Malaysian Ringgit and the Singapore Dollar. 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 (Audited)	Share capital	Translation reserve	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 2010	2,050,560	(20,699)	(2,839,833)	(809,972)	26,677	(783,295)

Total comprehensive income/(loss) for the year:

Loss for the year	-	-	(1,737,550)	(1,737,550)	(193,080)	(1,930,630)
Other comprehensive income for the year						
Exchange differences arising from consolidation of foreign subsidiaries	-	31,788	-	31,788	6,653	38,441

Group (Audited)	Share capital	Translation reserve	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Total comprehensive income/(loss) for the year	-	31,788	(1,737,550)	(1,705,762)	(186,427)	(1,892,189)
Transactions with owners of the Company, recognised directly in equity						
Contributions by owner of the Company						
Non-reciprocal capital contributions	2,562,939	-	-	2,562,939	-	2,562,939
Conversion of convertible notes and derivative financial instrument to shares	2,677,809	-	-	2,677,809	-	2,677,809
Total transactions with owners	5,240,748	-	-	5,240,748	-	5,240,748
Balance as at 31 December 2010	7,291,308	11,089	(4,577,383)	2,725,014	(159,750)	2,565,264

Group (Unaudited)	Share capital	Capital reserve	Translation reserve	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 2011	7,291,308	-	11,089	(4,577,383)	2,725,014	(159,750)	2,565,264
Total comprehensive income/(loss) for the year:							
Loss for period	-	-	-	(5,081,322)	(5,081,322)	(56,611)	(5,137,933)
Other comprehensive loss for the year							
Exchange differences arising from consolidation of foreign subsidiaries	-	-	(12,086)	-	(12,086)	(2,808)	(14,894)
Total comprehensive loss for the year	-	-	(12,086)	(5,081,322)	(5,093,408)	(59,419)	(5,152,827)

Group (Unaudited)	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total attributable to equity holders of the Company US\$	Non- controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Transactions with owners of the Company, recognised directly in equity							
Contribution by and distributions to owners							
Issuance of ordinary share	1	-	-	-	1	-	1
Conversion of convertible notes and derivative financial instruments	3,389,504	-	-	-	3,389,504	-	3,389,504
Reclassification due to restructuring	(10,680,812)	10,680,812	-	-	-	-	-
Issuance of shares for restructuring purpose	7,856,177	(7,856,177)	-	-	-	-	-
2,022,000 shares issued to an employee	633,290	-	-	-	633,290	-	633,290
3,771,000 shares issued in satisfaction of professional fees	1,181,077	-	-	-	1,181,077	-	1,181,077
23,900,000 shares issued pursuant to the IPO	7,617,408	-	-	-	7,617,408	-	7,617,408
Listing expenses taken against equity	(353,113)	-	-	-	(353,113)	-	(353,113)
Total contributions by and distributions to owners	9,643,532	2,824,635	-	-	12,468,167	-	12,468,167
Changes in ownership interests in subsidiaries							

Group (Unaudited)	Share capital	Capital reserve	Translation reserve	Accumulated losses	Total attributable to equity holders of the Company	Non- controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Acquisition of non-controlling interests without a change in control	-	-	-	(78,745)	(78,745)	7,095	(71,650)
Total changes in ownership interests in subsidiaries	-	-	-	(78,745)	(78,745)	7,095	(71,650)
Total transactions with owners	9,643,532	2,824,635	-	(78,745)	12,389,422	7,095	12,396,517
Balance as at 31 December 2011	16,934,840	2,824,635	(997)	(9,737,450)	10,021,028	(212,074)	9,808,954

Company	Share capital US\$	Accumulated loss US\$	Total equity US\$
Balance as at 1 January 2010	-	-	-
Balance as at 31 December 2010	-	-	-
Balance as at 1 January 2011	-	-	-
Issuance of ordinary share ⁽¹⁾	1	-	1
Issuance of shares for restructuring purpose	7,856,177	-	7,856,177
2,022,000 shares issued to an employee	633,290	-	633,290
3,771,000 shares issued in satisfaction of professional fees	1,181,077	-	1,181,077
23,900,000 shares issued pursuant to the IPO	7,617,408	-	7,617,408
Listing expenses taken against share capital	(353,113)	-	(353,113)
Loss for the year	-	(2,998,286)	(2,998,286)
Balance as at 31 December 2011 ⁽¹⁾	16,934,840	(2,998,286)	13,936,554

Note:-

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

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 share	Share capital (S\$)	Share capital (US\$)
As at 30 September 2011	1	1	1
Shares issued pursuant to the Restructuring Exercise	374,999,999	10,033,432	7,856,177
Shares issued to an employee	2,022,000	808,800	633,290
Shares issued in satisfaction of professional fees	3,771,000	1,508,400	1,181,077
Shares issued pursuant to the IPO	23,900,000	9,560,000	7,617,408
Listing expenses taken against share capital	-	(445,609)	(353,113)
As at 31 December 2011	<u>404,693,000</u>	<u>21,465,024</u>	<u>16,934,840</u>

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 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 31 December 2011	Company As at 31 December 2010
Total number of issued shares excluding treasury shares	<u>404,693,000</u>	<u>-</u>

The Company did not have any treasury shares as at 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

The Group has applied the same accounting policies and methods of computation for the financial statements for the current financial period reported on as in its most recently audited financial statements for the financial year ended 31 December 2010.

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

Not applicable.

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			
	4Q2011	4Q2010	FY2011	FY2010
Loss attributable to owners of the Company (US\$)	(3,667,491)	(227,297)	(5,081,322)	(1,737,550)
Weighted average number of ordinary shares	380,509,992	375,000,000	380,509,992	375,000,000
Basic and diluted loss per ordinary share in US cents ⁽¹⁾	(0.96)	(0.06)	(1.34)	(0.46)

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 December 2011 and 31 December 2010.

The aggregate of the weighted average number of ordinary shares of the Company outstanding after the restructuring exercise of 375,000,000 are included in the calculation of the weighted average number of the shares for 2011 and 2010 because the consolidated financial statements of the Group are prepared as if the Group had existed since 1 January 2010.

The weighted average number of ordinary shares outstanding at 31 December 2011 is after including the effect of the shares issued by the Company pursuant to the IPO on 28 October 2011 and issuance of shares in satisfaction of professional fees and ex-gratia payment.

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 December 2011	31 December 2010	31 December 2011	31 December 2010 ⁽¹⁾
Net asset value (US\$)	9,808,954	2,565,264	13,936,554	-
Number of shares at the end of the period	404,693,000	404,693,000	404,693,000	-
Net asset value per share (US cents)	2.42	0.63	3.44	n.m.

n.m. = not meaningful

Note:-

(1) The Company was incorporated on 11 August 2011.

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 significantly by 371.4%, from US\$0.31 million in 4Q2010 to US\$1.46 million in 4Q2011. Revenue increased by 870.0% from US\$0.53 million for FY2010 to US\$5.14 million for FY2011.

This was mainly due to the increase in the production volume of gold since the Group's commencement of gold production in July 2010. Higher production volume for 4Q2011 and FY2011 as compared to 4Q2010 and FY2010 was also as a result of higher production efficiency due to improved expertise and experiences in the production process.

The Group commenced its gold production by vat leaching in July 2010 and produced 313.50 ounces of fine gold in 4Q2010 (4Q2011: 911.51 ounces). In FY2011, a total of 3,097.35 ounces (FY2010: 553.80 ounces) of fine gold were produced.

The increase in revenue was also attributable to higher gold price in 4Q2011 as compared to 4Q2010. According to the World Gold Council, the quarterly average gold price was US\$1,688.0 per ounce in 4Q2011 and US\$1,366.8 per ounce in 4Q2010 respectively while the yearly average gold price was US\$1,571.5 per ounce in FY2011 and US\$1,224.5 per ounce in FY2010 respectively. Selling prices for the Group's fine gold ranged from US\$1,672.7 per ounce to US\$1,866.9 per ounce in 4Q2011 (US\$1,385.3 per ounce to US\$1,413.7 per ounce in 4Q2010) and US\$1,361.2 per ounce to US\$1,870.9 per ounce in FY2011 (US\$1,180.1 per ounce to US\$1,413.7 per ounce in FY2010).

	4Q2011	4Q2010	Increase / (Decrease) %	FY2011	FY2010	Increase / (Decrease) %
Production volume (ounces of gold)	911.51	313.50	190.8	3,097.35	553.80	459.3
Revenue – total (US\$'000)	1,457.19	309.1	371.0	5,142.87	530.17	870.0

Other operating income

Other operating income included an amount of US\$0.09 million as a result of unwinding of the discount on the derivative financial instrument related to the conversion rights arising from the convertible loans issued by the Company's subsidiary, CNMC Goldmine Limited. The convertible loans were converted into shares in CNMC Goldmine Limited and subsequently swapped into the Company's shares.

In addition to the result of unwinding of the discount on the derivative financial instrument, compensation income of US\$0.09 million for termination of a rental agreement was also included in other operating income in 4Q2011, as the landlord terminated the Company's office lease agreement (for the previous office premises) one year prior to its original expiration.

Operating expenses

Operating expenses comprised mainly costs incurred for site and factory operations, amortisation costs for mining rights, depreciation expenses for property, plant and equipment, employees' compensation and directors and key management remuneration, rental expenses on operating lease, royalty expenses paid to the Kelantan State Authorities, and costs incurred in relation to services provided by contractors.

Total operating expenses increased by US\$4.64 million or 594.9% from US\$0.78 million in 4Q2010 to US\$5.42 million in 4Q2011. Total operating expenses increased by US\$7.37 million or 256.8% from US\$2.87 million in FY2010 to US\$10.24 million in FY2011.

All operating expense categories increased as a result of increased business activities since the commencement of gold production in July 2010. With higher production efficiency achieved, most operating expense categories, except for royalty expenses, increased at a much slower pace than that of revenue. Royalty expenses accounted for approximately 10.2% of revenue in FY2011 as compared to 8.3% in FY2010. Royalty expenses grew faster than the increase in revenue as a result of inclusion of revenue from the pilot test run of alluvial gold production, which commenced in 2011. According to the arrangements with the Kelantan State Authorities, the royalty expenses levied on revenue from alluvial mining is 15% while that from vat leaching is 8%.

Key management remuneration increased by US\$1.95 million or 761.7% from US\$0.26 million in 4Q2010 to US\$2.21 million in 4Q2011 and by US\$1.86 million or 225% from US\$0.83 million in FY2010 to US\$2.69 million in FY2011, mainly due to a one-off share issuance amounting to US\$0.63 million to a key management personnel and ex-gratia payments of US\$1.1 million payable to key employees, for their long-term contributions towards the Company's successful listing and efforts to increase production volume in FY2011.

Professional fees increased by US\$1.56 million from US\$0.11 million in 4Q2010 to US\$1.67 million in 4Q2011 and by US\$1.71 million from US\$0.3 million in FY2010 to US\$2.01 million in FY2011. This was mainly as a result of listing expenses of US\$1.53 million incurred in relation to the Company's listing in October 2011. Approximately US\$1.18 million of listing expense was non-cash payment by the issuance of the Company's shares upon listing.

Foreign exchange loss of US\$0.34 million in 4Q2011 was mainly due to revaluation of proceeds received from the IPO, as these proceeds are denominated in the SGD and the SGD has depreciated against the US\$ during 4Q2011.

Increase in the Group's operating losses of US\$2.86 million from US\$2.07 million in FY2010 to US\$4.91 million in FY2011 resulted from some one-off expenses totalling US\$3.26 million which comprised the listing expenses of US\$1.53 million and shares issuance to a key management personnel of US\$0.63 million and ex-gratia payments to key employees of US\$1.1 million.

Finance costs

Finance costs increased slightly by US\$0.01 million from 4Q2010 to 4Q2011 while it increased by US\$0.12 million from US\$0.22 million in FY2010 to US\$0.34 million in FY 2011.

Increase in finance costs in FY2011 was a result of increase in interests on additional convertible loans issued by the Company's subsidiary, CNMC Goldmine Limited in November 2010. The convertible loans were converted into shares in CNMC Goldmine Limited and subsequently swapped into the Company's shares in October 2011 upon the Company's listing during on 28 October 2011.

Loss after income tax

Losses for the Group increased by US\$3.21 million from US\$1.93 million in FY2010 to US\$5.14 million in FY2011, mainly as a result of some one-off expenses of US\$3.26 million which comprised IPO expenses, share issuance to a key management personnel and ex-gratia payments to key employees, as detailed above.

In the absence of these one-off expenses, the Group's loss after income tax would have decreased by US\$0.05 million from US\$1.93 million in FY2010 to US\$1.88 million in FY2011.

(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\$1.97 million from US\$0.02 million as at 31 December 2010 to US\$1.99 million as at 31 December 2011. With additional funds from the issuance of convertible loans in late 2010 and cash inflows from its production which commenced in July 2010, the Group beefed up its exploration activities in FY2011 that enabled it to report higher gold resources. Please refer to the SGXNET for the Company's announcement dated 11 November 2011 on the report of a 103% growth in reported gold resources as at June 2011 as compared to June 2010.

Property, plant and equipment increased by US\$1.26 million from US\$1.54 million as at 31 December 2010 to US\$2.80 million as at 31 December 2011, mainly as a result of additional production and processing equipment acquired to support the increase in gold production volume in FY2011.

Inventories increased by US\$0.17 million from US\$0.12 million as at 31 December 2010 to US\$0.29 million as at 31 December 2011 mainly as a result of the increase in work-in-process of gold and other minerals. The Group commenced a pilot run in 4Q2011 to extract other minerals within its concession.

Trade and other receivables decreased by US\$0.39 million from US\$0.54 million as at 31 December 2010 to US\$0.15 million as at 31 December 2011, mainly as a result of payments of US\$0.33 million made by certain shareholders during 2011 that reduced other receivables due by these shareholders as at 31 December 2010.

Liabilities

Total liabilities of the Group increased slightly by US\$0.06 million from US\$5.53 million as at 31 December 2010 to US\$5.59 million as at 31 December 2011. Non-current liabilities decreased by US\$3.03 million while current liabilities increased by US\$3.09 million in FY2011. Decrease in non-current liabilities was due to the conversion of convertible loans in FY2011. Increase in current liabilities was mainly attributable to increases in trade and other payables of US\$3.20 million which comprised accrued operating expenses (including accrued ex-gratia payments for key employees) and payments due to contractors undertaking exploration and evaluation activities in FY2011.

The Group's working capital position had improved from negative working capital of US\$0.59 million as at 31 December 2010 to positive working capital of US\$0.38 million as at 31 December 2011.

Equity

Capital reserve of US\$2.82 million as at 31 December 2011 relates to the difference between the cost of acquisition and the carrying amount of equity of CNMC Goldmine Limited at the date of acquisition in connection with the Restructuring Exercise.

Cash flows

Net cash used in operating activities amounted to US\$1.33 million in 4Q2011, as compared to US\$1.14 million in 4Q2010. The net cash outflow for operating activities was mainly due to an operating loss before working capital change of US\$1.81 million in 4Q2011, which was higher than 4Q2010, adjusted for working capital inflows of US\$0.49 million.

Net cash used in investing activities in 4Q2011 amounted to US\$0.82 million, as compared to US\$0.13 million in 4Q2010. Cash used in investing activities was mainly payments for property, plant and equipment as well as for exploration and evaluation assets.

Cash generated from financing activities amounted to US\$7.19 million in 4Q2011 as compared to US\$2.31 million in 4Q2010, mainly as a result of proceeds from issue of share capital pursuant to the Company's IPO.

Net cash used in operating activities amounted to US\$0.48 million in FY2011, as compared to US\$2.04 million in FY2010. Net cash outflow for operating activities was mainly due to an operating loss before working capital change of US\$2.4 million in FY2011, which was higher by US\$0.26 million as compared to FY2010, adjusted for working capital inflows of US\$2.17 million. Changes of working capital were mainly attributable to the increase in trade and other payables of US\$2.06 million. Cash used in operating activities was further reduced by interest payments of US\$0.25 million.

Cash used in investing activities in FY2011 was US\$2.40 million as compared to US\$0.84 million in FY2010, mainly due to payments to acquire property, plant and equipment and for exploration and evaluation activities, in line with increase in production and exploration activities.

Cash generated from financing activities amounted to US\$7.19 million in FY2011, as compared to US\$3.94 million in FY2010, as a result of proceeds from issue of share capital pursuant to the Company's IPO.

The Group had a cash and cash equivalents of US\$5.41 million at 31 December 2011, as compared to US\$1.11 million at 31 December 2010.

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

The focus of the Group's operations in 2011 was mainly to expand its gold resources to vindicate the Sokor Gold Project's considerable exploration potential. This was achieved by the 103% growth in reported gold resources as at June 2011 as compared to June 2010. Another focus in 2011 was the training of more operational staff as well as adding new mining equipment in preparation for production ramp-up.

Plant utilisation for FY2011 was held back by the size and experience of operations staff and plant downtime due to technical adjustments and improvements.

The Group produced a total of 3,097.35 ounces of fine gold and 208.05 ounces of fine silver in FY2011.

The Group did not achieve the forecasted production level of 6,000 ounces of fine gold as stated in the Company's Offer Document, as it is awaiting final approval to commence heap leach operations. The Group initially expected to obtain such approval to commence production using the heap leach facilities in the 4Q2011. The Group now anticipates such approval to be obtained in the first quarter of 2012. In addition, adverse weather since October 2011 has not helped in the gold production.

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 of Directors of the Company (the "**Board**") is optimistic that gold price level will continue to move in an upward trend and that there will be continued demand for gold as it remains a much sought-after asset and/or investment. Barring any unforeseen circumstances, the Group targets to commence its heap leach facility's construction and the extraction of other minerals such as silver, lead and zinc for the financial year ending 31 December 2012. Prior to its listing, the Group had been paying high annual interest rates for its debt securities. These debt securities have all been settled and currently the Group has no bank borrowings.

11. Dividend

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

No dividends have been declared or recommended for FY2011.

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

Not applicable.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

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

Not applicable.

13. If the group has obtained a general mandate from shareholders for IPTs, 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 interested person transactions.

In FY2011 the Group did not have interested person transactions more than S\$100,000, other than those disclosed in the section "Interested Person Transactions" in the Company's Offer Document.

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	34	2,456
Construction of a heap leach facility	2,110	-	2,110
Working capital	3,770	3,117	653
Expenses incurred in connection with listing	1,190	858	332
	<u>9,560</u>	<u>4,009</u>	<u>5,551</u>

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

	Gold mining US\$	Other operations US\$	Inter-segment eliminations US\$	Total US\$
Year ended 31 December 2010				
Revenue from external customers	530,169	-	-	530,169
Interest expense	(3,145)	(181,435)	-	(184,580)
Amortisation and depreciation	(220,498)	(7,514)	-	(228,012)
Reportable segment losses before taxation	<u>(1,366,283)</u>	<u>(923,192)</u>	<u>-</u>	<u>(2,289,475)</u>
Segment assets	6,568,243	8,778,763	(7,614,220)	7,732,786
Capital expenditure	1,722,467	16,009	-	1,738,476
Reportable segment liabilities	<u>(8,470,054)</u>	<u>(1,076,683)</u>	<u>7,216,070</u>	<u>(2,330,667)</u>

	Gold mining US\$	Other operations US\$	Inter-segment eliminations US\$	Total US\$
Year ended 31 December 2011				
Revenue from external customers	5,142,867	-	-	5,142,867
Interest expense	(2,676)	(246,330)	-	(249,006)
Amortisation and depreciation	(745,787)	(11,834)	-	(757,621)
Reportable segment losses before taxation	(435,058)	(4,814,314)	-	(5,249,372)
Segment assets	10,304,306	22,302,127	(17,680,892)	14,925,541
Capital expenditure	3,287,809	141,967	-	3,429,776
Reportable segment liabilities	(12,644,576)	(2,262,329)	9,320,034	(5,586,871)

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

The Group has one reportable business segment as described below:-

- (1) Gold mining: Exploration, development, mining and marketing of gold; and
- (2) Other operations include investment holding and provision of corporate services.

Please refer to item (8) for analysis of increase in revenue in FY2011, as contributed by the gold mining segment. Losses before taxation for gold mining segment decreased from US\$1.37 million in FY2010 to US\$0.44 million in FY2011, as a result of the increase in revenue in FY2011.

Losses before taxation for other operations increased from US\$0.92 million in FY2010 to US\$4.83 million in FY2011, mainly due to one-off IPO expenses and increase in key management remuneration, the majority of which were paid by non-cash issuance of the Company's shares, as well as increase in interests paid for convertible loans which were converted in October 2011.

17. Breakdown of sales as follows:

	FY2011 US\$'000	FY2010 US\$'000	% increase/(decrease)
Revenue reported for 1 st half year	1,734.5	-	n.m.
Operating loss after tax before deducting minority interest for 1 st half year	(1,282.0)	(1,067.5)	20.1
Revenue reported for 2 nd half year	3,408.3	530.2	542.8
Operating loss after tax before deducting minority interest for 2 nd half year	(3,873.1)	(863.2)	348.7

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

19. Person occupying a managerial position who is a relative of a director, pursuant to Rule 704 (10)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Sharon Ting Shu Hwei	33	Niece of Mr Choo Chee Kong, Executive Vice Chairman of the Company	Information Technology and Administration Manager, first appointed in 2011	No change during the year

Additional Disclosure Required for Mineral, Oil and Gas companies

20a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For 4Q2011, funds / cash were mainly used for the following production activities:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.39
Acquisition of machinery	0.29
Diesel and other production materials	0.25
Royalty expenses to government	0.19
Rental of equipment	0.10
Upkeep of equipment and motor vehicles	0.02
General working capital	0.29
Total	1.53

Due to prolonged adverse weather in 4Q2011, production volume in 4Q2011 of 911.57 ounces gold dore bars was lower than 3Q2011 of 1,150.82 ounces, resulting in lower usage of funds for production activities. Exploration and evaluation activities were also affected by the adverse weather; therefore payments for these activities were lower than planned. Additional equipment was purchased in 4Q2011 to increase its production capacity in 2012.

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

For the next immediate quarter (period from 1 January to 31 March 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	0.20
Acquisition of machinery	0.40
Diesel and other production materials	0.30
Royalty expenses to government	0.12
Rental of equipment	0.06
Upkeep of equipment and motor vehicles	0.04
General working capital	0.40
Total	1.52

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

- a) Report Compiling: compiling stage report for period July to December, 2011.
- b) Geological Mapping and Reconnaissance: Geological reconnaissance and mapping in Sejana-Rixen prospecting area. Hand-held global positioning system ("GPS") units are used to locate the geological point and position of sampling.
- c) Trenching: Target to excavate three trenches near Sungai Sejana to locate alteration zone. Geological team will conduct geological log and channel sampling program for the trenches.
- d) Reverse Circulation (RC) Drilling: RC drilling is planned to carry out from March, 2012. Geological team shall conduct RC drilling related work which includes drilling site preparing, drill core log, sampling, drill hole collar survey.

20b. 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.

21a. 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;

The following exploration and evaluation expenditures have been capitalised for 4Q2011 and FY2011:-

Purpose	4Q2011	FY2011
	Amount (US\$ million)	Amount (US\$ million)
Geological survey	-	0.27
Drilling	0.43	1.72
Total	0.43	1.99

The Group's exploration work is on an ongoing process. The Group carried out the following exploration activities in FY2011:-

1. Geological Mapping and Reconnaissance

The geologist team carried out geological mapping of creeks and track exposures in the northern section of the mining concession, i.e. around Rixen and Sg Among. Rock chip and float samples have been collected during the course of mapping. Geological points for mapping and the location of sampling was provided by hand-held GPS units.

The purpose of geological mapping and reconnaissance is to clarify geological conditions related to gold mineralization with the goal to identify mineralization or significant structures. The total area investigated was about 2.0 square kilometers and a total of 284 points were recorded.

2. Trenching and Channel Sampling

Four trenches were dug by excavators. Three trenches were located in the Sg Among area and one in Rixen. The total length of trenches was 180 meters, with an average depth of 3.5 meters. Two of the four trenches did not reveal the bedrock because of thick overburden. A total of 63 channel samples were collected from the trenches.

3. Diamond Drilling

Diamond drilling was done by Sinomine Resource (Malaysia) Sdn Bhd ("Sinomine Malaysia"), using four diamond rigs capable of drilling standard NQ size of 1,000 meters. Drilling is conducted on two 12 hour shifts. Holes are collared at standard PQ size and reduced to NQ at the base of the strongly weathered zone. The core barrel is a double tube barrel. In FY2011, a total of 78 holes of an aggregate of 8,931 meters were drilled by Sinomine Malaysia.

4. Diamond Drilling Core Logging and Sampling

All drilling cores were logged. Detailed geological log, oriented structure and rock quality were described and recorded. Representative mineralized core sections were selected and Specific Gravity was measured by water immersion method. Thereafter, the core is split by the diamond saw. A total of 2034 half-core samples were delivered to ALS CHEMEX, Australia for assay.

5. Other Exploration Work

(a) Drill hole Collar Survey

Drill hole collar was identified and marked on the ground using hand-held GPS. Once the drill hole was completed, all the drill holes have their collar locations accurately surveyed by electronic distance measurement (EDM) equipment, using NTS662 total station instruments.

(b) Rock chip sampling

Rock chip samples have been useful in confirming the position of the lode horizon. Rock chip samples assaying above 1.0g/t gold generally define the exposed lodes. A total of 26 rock chip samples were picked during field reconnaissance and tested by the Group's on-site lab.

(c) Samples preparation for ore dressing and metallurgy studies

According to the Group's independent metallurgist ALS Ammtec Limited's proposal and comments from the Group's independent technical consultant, Behre Dolbear Australia Pty Limited, 220 kg of ore samples for heap leaching test work were selectively collected from the different drill holes which closely represent the ore in Rixen.

(d) Design drill holes for Reverse Circulation ("RC") drilling program

Three drill holes were designed to conduct test RC drilling to assess if RC drilling is suitable for the Group's Gold Project. Pursuant to successful testing for RC drilling, a 2,500-meter drilling program will commence after the end of the monsoon season.

(e) Evaluating the potential of alluvial gold

Based on the Group's previous gold production and mined area, evaluation work including panning of former sandy tailings were carried out to decide if manual drilling (hand auger sampling) will be employed to evaluate the gold resource for alluvial mining. Route global positioning system ("GPS") survey is suggested to delineate the rough boundary of mined area.

(f) Data compiling and indoor research

The Group endeavours to reach a practical metallogenic model and an exploration model by conducting a comprehensive study on the geologic conditions, geochemical and geophysical data, assay results, combined with structures, ore-controlling factors, wallrock alteration and spatial and temporal distribution et al.

21b. 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 11 November 2011 made an announcement on the SGXNET to report a 103% growth in reported gold resources as at June 2011 as compared to June 2010.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

29 February 2012