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## **Financial Statement and Dividend Announcement For the First Quarter Ended 31 March 2012**

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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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### **Background**

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

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

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

	Group		
	Three Months Ended		
	31 March 2012 US\$ (Unaudited)	31 March 2011 US\$ (Unaudited)	Increase/ (Decrease) %
<b>Revenue</b>	1,116,051	537,320	107.7
Changes in inventories of finished goods	44,979	(12,808)	n.m.
Other operating income	142,018	97,083	46.3
Amortization and depreciation	(257,693)	(123,057)	109.4
Employees' compensation	(226,868)	(200,792)	13.0
Key management remuneration	(254,341)	(177,646)	43.2
Marketing and publicity expenses	(8,972)	(37,165)	(75.9)
Office and administration expenses	(58,337)	(30,175)	93.3
Professional fees	(61,274)	(126,194)	(51.4)
Rental expense on operating lease	(100,900)	(73,771)	36.8
Royalty fee expenses	(136,145)	(46,130)	195.1
Site and factory expenses	(431,965)	(164,161)	163.1
Travelling and transportation expenses	(31,169)	(42,740)	(27.1)
Other operating expenses	(5,629)	(181,841)	(96.9)
<b>Results from operating activities</b>	<b>(270,245)</b>	<b>(582,077)</b>	<b>(53.6)</b>
Finance expenses	(2,878)	(101,112)	(97.2)
<b>Net finance costs</b>	<b>(2,878)</b>	<b>(101,112)</b>	<b>(97.2)</b>
<b>Loss before income tax</b>	<b>(273,123)</b>	<b>(683,189)</b>	<b>(60.0)</b>
Income tax credit	65,944	14,534	353.7
<b>Loss for the period</b>	<b>(207,179)</b>	<b>(668,655)</b>	<b>(69.0)</b>
<b>Other comprehensive income / (loss)</b>			
Exchange differences arising from consolidation of foreign subsidiaries	18,055	(1,471)	n.m.
<b>Total comprehensive loss for the period</b>	<b>(189,124)</b>	<b>(670,126)</b>	<b>(71.8)</b>
<b>Loss attributable to:</b>			
Owners of the Company	(168,844)	(632,835)	(73.3)
Non-controlling interests	(38,335)	(35,820)	7.0
<b>Loss for the Period</b>	<b>(207,179)</b>	<b>(668,655)</b>	<b>(69.0)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(153,731)	(633,693)	(75.7)
Non-controlling interests	(35,393)	(36,433)	(2.9)
<b>Total comprehensive loss for the period</b>	<b>(189,124)</b>	<b>(670,126)</b>	<b>(71.8)</b>

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

	Group		
	Three Months Ended		
	31 March 2012 US\$ (Unaudited)	31 March 2011 US\$ (Unaudited)	Increase / (Decrease) %
<b>Profit for the period is stated at after charging / (crediting) the following:</b>			
Borrowing costs	578	100,139	99.4
Unwinding of discount on rehabilitation	2,300	973	136.4
Amortization and depreciation	257,693	123,057	109.4
(Gain)/loss on foreign exchange	(141,538)	122,275	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 2012 US\$ (Unaudited)	31 December 2011 US\$ (Audited)	31 March 2012 US\$ (Unaudited)	31 December 2011 US\$ (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Exploration and evaluation assets	2,046,738	1,987,167	-	-
Mine properties	4,259,860	4,297,260	-	-
Property, plant and equipment	2,995,705	2,800,523	116,338	132,514
Investment in subsidiaries	-	-	7,887,644	7,887,644
Deferred tax assets	536,228	470,284	-	-
<b>Total non-current assets</b>	<b>9,838,531</b>	<b>9,555,234</b>	<b>8,003,982</b>	<b>8,020,158</b>
<b>Current assets</b>				
Inventories	346,941	287,870	-	-
Trade and other receivables	222,214	145,328	1,863,814	1,734,269
Cash and cash equivalents	4,746,752	5,407,393	4,003,393	4,544,649
<b>Total current assets</b>	<b>5,315,907</b>	<b>5,840,591</b>	<b>5,867,207</b>	<b>6,278,918</b>
<b>Total assets</b>	<b>15,154,438</b>	<b>15,395,825</b>	<b>13,871,189</b>	<b>14,299,076</b>
<b>EQUITY</b>				
Share Capital	16,934,840	16,934,840	16,934,840	16,934,840
Capital Reserve	2,824,635	2,824,635	-	-
Accumulated losses	(9,906,294)	(9,737,450)	(3,125,037)	(2,998,286)
Translation reserves	14,116	(997)	-	-
	9,867,297	10,021,028	13,809,803	13,936,554
Non-controlling interest	(247,467)	(212,074)	-	-
<b>Total equity</b>	<b>9,619,830</b>	<b>9,808,954</b>	<b>13,809,803</b>	<b>13,936,554</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Interest-bearing borrowings	31,854	32,936	-	-
Rehabilitation provision	104,605	102,305	-	-
<b>Total non-current liabilities</b>	<b>136,459</b>	<b>135,241</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Interest-bearing borrowings	8,853	8,414	-	-
Trade and other payables	5,389,188	5,443,110	61,386	362,522
Current tax liabilities	108	106	-	-
<b>Total current liabilities</b>	<b>5,398,149</b>	<b>5,451,630</b>	<b>61,386</b>	<b>362,522</b>
<b>Total liabilities</b>	<b>5,534,608</b>	<b>5,586,871</b>	<b>61,386</b>	<b>362,522</b>
<b>Total equity and liabilities</b>	<b>15,154,438</b>	<b>15,395,825</b>	<b>13,871,189</b>	<b>14,299,076</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**

As at 31 March 2012		As at 31 December 2011	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
8,853	-	8,414	-

**Amount repayable after one year**

As at 31 March 2012		As at 31 December 2011	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
31,854	-	32,936	-

**Details of any collateral**

The Group's borrowings comprised finance lease liabilities, which were secured on the Group's motor vehicles. These vehicles had been fully depreciated before 31 March 2012.

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

	<b>Group</b>	
	<b>Three months ended 31 March 2012 US\$ (Unaudited)</b>	<b>Three months ended 31 March 2011 US\$ (Unaudited)</b>
<b>Operating activities</b>		
Loss for the period	(207,179)	(668,655)
Adjustments for:		
Depreciation of property, plant and equipment	220,293	97,049
Amortization of mine properties	37,400	26,008
Unwinding of discount on derivative financial instrument	-	(37,507)
Unwinding of discount on rehabilitation provision	2,300	979
Interest expense	578	75,561
Income tax credit	(65,944)	(14,534)
<b>Operating loss before working capital changes</b>	<b>(12,552)</b>	<b>(521,099)</b>
Changes in working capital:		
Inventories	(59,071)	(2,671)
Trade and other receivables	(76,886)	25,015
Trade and other payables	(411,790)	147,517
Cash used in operations	(560,299)	(351,238)
Interest paid	(578)	(75,561)
<b>Net cash used in operating activities</b>	<b>(560,877)</b>	<b>(426,799)</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(114,963)	(257,575)
Payment for exploration and evaluation assets	(2,215)	-
<b>Net cash used in investing activities</b>	<b>(117,178)</b>	<b>(257,575)</b>
<b>Financing activities</b>		
Pledged deposits	(11,547)	-
Payment of finance lease liabilities	(643)	(2,195)
<b>Net cash used in financing activities</b>	<b>(12,190)</b>	<b>(2,195)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(690,245)</b>	<b>(686,569)</b>
Cash and cash equivalents at beginning of the period	5,407,393	1,112,065
Effect of exchange rate fluctuations on cash held	18,057	21,778
<b>Cash and cash equivalents at end of the period<sup>(1)</sup></b>	<b>4,735,205</b>	<b>447,274</b>

Note:-

- (1) Cash and cash equivalents as at 31 March 2011 did not include deposits pledged with financial institution of RM5,000 which amounted to approximately US\$1,651; as at 31 March 2012 it did not include pledged fixed deposits of S\$15,000 amounting to US\$11,547.

During the three months period ended 31 March 2012, the Group acquired property, plant and equipment with an aggregate cost of US\$415,475 (31 March 2011: US\$728,706) of which an

amount of US\$300,512 (31 March 2011: US\$471,131) was still outstanding and was included in trade and other payables.

The Group also acquired exploration and evaluation assets with an aggregate cost of US\$59,571 (31 March 2011: Nil) from third parties of which a balance of US\$57,356 (31 March 2011: Nil) was still outstanding and was included in trade and other payables as at 31 March 2012.

As at 31 March 2012, the Group's cash and cash equivalents amounted to approximately US\$4.74 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	Translation reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2011	7,291,308	11,089	(4,577,383)	2,725,014	(159,750)	2,565,264
<b>Total comprehensive (loss) for the period:</b>						
Loss for period	-	-	(632,835)	(632,835)	(35,820)	(668,655)
<b>Other comprehensive (loss) for the period</b>						
Exchange difference	-	(858)	-	(858)	(613)	(1,471)
<b>Total comprehensive (loss) for the period</b>	-	(858)	(632,835)	(633,693)	(36,433)	(670,126)
Balance as at 31 March 2011	7,291,308	10,231	(5,210,218)	2,091,321	(196,183)	1,895,138

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 (loss) for the period:</b>							
Loss for 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/(loss) 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>

Company	Share capital US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2011 <sup>(1)</sup>	-	-	-
Balance as at 31 March 2011 <sup>(1)</sup>	-	-	-
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	<b>16,934,840</b>	<b>(3,125,037)</b>	<b>13,809,803</b>

Note:-

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

**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 31 March 2012 and 31 December 2011	404,693,000	21,465,024	16,934,840

The Company was incorporated on 11 August 2011.

There was no change in the Company's share capital as at 31 March 2012 since 31 December 2011.

The Company did not have any outstanding options, convertibles or treasury shares as at 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 2012	Company As at 31 December 2011
Total number of issued shares excluding treasury shares	404,693,000	404,693,000

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

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

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

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation as in the Company's most recently audited financial statements for the financial year ended 31 December 2011.

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

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	
	Three months ended 31 March	
	2012	2011
Loss attributable to owners of the Company (US\$)	(168,844)	(632,835)
Weighted average number of ordinary shares	404,693,000	375,000,000 <sup>(1)</sup>
Basic and diluted (loss) per ordinary share in US cents <sup>(2)</sup>	(0.04)	(0.17)

Note:-

- (1) The Company was incorporated on 11 August 2011. Issued and fully paid-up share capital of 375,000,000 shares immediately after the Restructuring Exercise was used for calculation of loss per share for the three months ended 31 March 2011.
- (2) 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 2012 and 31 March 2011 respectively.

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

	Group		Company	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Net asset value (US\$)	9,619,830	9,808,954	13,809,803	13,936,554
Number of shares at the end of the period	404,693,000	404,693,000	404,693,000	404,693,000
Net asset value per share (US cents)	2.38	2.42	3.41	3.44

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

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

Revenue

The Group's revenue increased by US\$0.58 million or 107.7%, from US\$0.54 million in the first quarter ended 31 March 2011 ("1Q 2011") to US\$1.12 million in the first quarter ended 31 March 2012 ("1Q 2012"), despite a prolonged raining season and the Chinese New Year festival falling in 1Q 2012.

This was mainly due to the increase in production and sales volume of gold. Higher production volume in 1Q 2012 was also a result of higher production efficiency due to improved expertise and experiences in the production and processing process.

The increase in revenue was also attributable to higher gold price in 1Q 2012 as compared to 1Q 2011. According to the World Gold Council, the quarterly average gold price was US\$1,662.50 per ounce in 1Q 2012 and US\$1,439.00 per ounce in 1Q 2011 respectively. Selling prices for the Group's fine gold ranged from US\$1,693.11 per ounce to US\$1,788.06 per ounce in 1Q 2012, as compared to US\$1,361.20 per ounce to US\$1,429.00 per ounce in 1Q 2011.

	1Q 2012	1Q 2011	Increase / (Decrease) %
Production volume – total (ounces of gold)	754.76	239.34	215.4
Sales volume – total (ounces of gold)	661.64	388.09	70.5
Revenue – total (US\$'000)	1,116.1	537.3	107.7

#### Other operating income

In 1Q 2011, other operating income was a result of unwinding of the discount on the derivative financial instrument related to the conversion rights arising from convertible loans issued by the Company's subsidiary. The convertible loans were fully converted before the listing of the Company on 28 October 2011.

In 1Q 2012, other operating income was due to foreign exchange gain as the Group's cash mainly denominated in SGD, which was appreciated against USD in 1Q 2012.

#### Operating expenses

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

Total operating expenses increased by US\$0.37 million or 30.7% from US\$1.20 million in 1Q 2011 to US\$1.57 million in 1Q 2012, as a result of increased business activities and production volume. Most operating expenses increased at a smaller percentage as compared to the increase in revenue, due to higher efficiency in operations. Changes in royalty fee was higher than the increase in revenue as a result of inclusion of revenue from alluvial gold production, which commenced after 1Q 2011. According to the arrangements with Kelantan State Authorities, the royalty fees levied on revenue from alluvial mining is 15% while that from vat leaching is 8%. Marketing and publicity expenses and travelling and transportation expenses decreased in 1Q 2012 due to the Group's cost-saving measures. Professional expenses decreased in 1Q 2012 as compared to 1Q 2011 due mainly to the absence of expenses in relation to preparation of the IPO.

As a result of higher revenue due to production expansion and improvement in efficiency, operating loss before tax reduced by US\$0.31 million or 53.6% from US\$0.58 million for 1Q 2011 to US\$0.27 million for 1Q 2012.

#### Finance expenses

Finance costs decreased significantly from US\$0.1 million in 1Q 2011 to US\$2,878 in 1Q 2012. Finance costs in 1Q 2011 mainly comprised interests on convertible loans

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issued by the Company's subsidiary. The convertible loans were fully converted at the time of the Company's listing. As such, there was no interest on convertible loans incurred in 1Q 2012.

#### Income tax credit

The effective tax rate for 1Q 2012 was about 24% (which is marginally lower than the applicable tax rate of 25%) vis-à-vis that of 2% for 1Q 2011. The much lower effective tax rate in 1Q 2011 was due mainly to substantial losses incurred by the Group's investment holding company before the Restructuring Exercise which were not eligible to be carried forward for future utilization.

#### Loss after income tax

The net loss for 1Q 2012 decreased by US\$0.46 million from US\$0.67 million in 1Q 2011 to US\$0.21 million in 1Q 2012 for reasons detailed 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 slightly by US\$0.06 million from US\$1.99 million as at 31 December 2011 to US\$2.05 million as at 31 March 2012 due to an increase in exploration and evaluation activities undertaken in 1Q 2012. Due to the prolonged raining season in 1Q 2012, such activities were affected.

Property, plant and equipment increased by US\$0.20 million from US\$2.80 million as at 31 December 2011 to US\$3.0 million as at 31 March 2012, mainly as a result of additional production and processing equipment acquired to increase gold production volume.

Inventories increased by US\$0.06 million from 31 December 2011 to 31 March 2012 as certain gold dore bars produced at the end of March 2012 were recorded as inventories as at 31 March 2012 and were subsequently sold in April 2012.

Trade and other receivables increased by US\$0.08 million due to prepayments and deposits made to suppliers and contractors for machineries to be purchased and exploration and evaluation activities to be carried out in the subsequent quarter.

##### Liabilities

Total liabilities of the Group decreased by US\$0.05 million from US\$5.59 million as at 31 December 2011 to US\$5.53 million as at 31 March 2012, as a result of decrease in trade and other payables due to payments made to contractors for the drilling work carried out in the previous year.

As at 31 March 2012, the Group had a slight net current liability of US\$0.08 million as compared to a positive working capital of US\$0.38 million as at 31 December 2011.

##### Cash flows

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Net cash used in operating activities amounted to US\$0.56 million in 1Q 2012, as compared to US\$0.43 million in 1Q 2011. This was due mainly to payments of outstanding sums due to contractors.

Net cash used in investing activities in 1Q 2012 amounted to US\$0.12 million, comprising payments to acquire property, plant and equipment and for exploration and evaluation activities.

Net cash used in financing activities was insignificant.

The Group had a cash and cash equivalents of US\$4.74 million as at 31 March 2012 as compared to US\$0.45 million as at 31 March 2011.

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

The Group had anticipated receiving the Kelantan government's approval for the commencement of production using the heap leach facilities in the first quarter of 2012. The final approval has yet to be received to date. The Group is liaising closely with the Kelantan government to expedite its approval for the Group to produce using the heap leach plant. Shareholders will be updated on the status of Kelantan government's approval in due course.

Meanwhile, the Group has commenced preparation work for the construction of its heap leach facility and expects to commence heap leach production in 2012 subject to receiving the relevant approval from the Kelantan government. It also expects to commence the extraction of other minerals such as silver, lead and zinc for 2012.

**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 remain strong and that there will be continued demand for gold as it remains an alternative investment.

**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:**

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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 1Q 2012.

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

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

In 1Q 2012, 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 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	65	2,425
Construction of a heap leach facility	2,110	500	1,610
Working capital <sup>(1)</sup>	4,052	3,905	147
Expenses incurred in connection with listing <sup>(1)</sup>	908	908	-
	<hr/>	<hr/>	<hr/>
	9,560	5,378	4,182

Note:-

(1) At the Company's listing, S\$1.19 million and S\$3.77 million were respectively earmarked for expenses in connection with listing and working capital. As at 31 March 2012, the Company had fully settled expenses incurred in connection with listing. As such, the balance amount of S\$0.282 million is re-allocated for the purpose of working capital.

**Additional Disclosure Required for Mineral, Oil and Gas companies**

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

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

For 1Q 2012, funds / cash were mainly used for the following production activities:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.20
Acquisition of machinery	0.32
Diesel and other production materials	0.28
Royalty fees to government	0.13
Rental of equipment	0.07
Upkeep of equipment and motor vehicles	0.04
General working capital	0.39
Total	1.43

**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 2012 to 30 June 2012), the Group's use of funds/cash for production activities are expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.40
Acquisition of machinery	1.50
Diesel and other production materials	0.50
Royalty fees to government	0.40
Rental of equipment	0.10
Upkeep of equipment and motor vehicles	0.10
General working capital	1.00
Total	4.00

The Group's exploration plans from 1 April 2012 to 30 June 2012 are as follows:-

- (a) To locate other 18 drill holes for Reverse Circulation ("**RC**") drilling and survey the cross sections along exploration line. Excavator and bulldozer will be employed to prepare drill site and transportation road for rig.

- (b) RC drilling

Selected RC drilling rig will be transported to the Group's mining lease ("**ML**") area. RC drilling program is expected to commence in May 2012. Drill hole collar survey will be followed 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.

- (c) 1/2 core sampling and analysis

1,000 meters footage is expected be completed in June 2012. About 500 pieces of 1/2 core samples will be split and analyzed.

- (d) Geological Mapping and Reconnaissance

Geological mapping will focus on the Sejana-Rixen prospecting area and the surrounding Sg Among area. Rock chip and float will be collected during

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the course of mapping. Geological points for mapping and the location of sampling was provided by hand-held global positioning system (“GPS”) units.

(e) Trenching and Channel Sampling

The designed trenches will be dug by excavators. Three trenches were located in the Sg Among area and another three in Sejana area. The total length of trenches is 200 meters, with an average depth of 4.0 meters.

(f) Data compiling

All field data, including geological points, trenches and log sheets, RC drilling core log and sampling, analysis results will be sorted and compiled for a better understanding of gold mineralization, structure and ore-controlling factors and to make proper exploration plan for further exploration work.

**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 2012, the following exploration and evaluation expenditures have been capitalized:-

Purpose	Amount (US\$ million)
Geological survey	0.06
Total	0.06

The Group carried out the following exploration activities in 1Q 2012:-

- (a) Annual exploration report was compiled.
- (b) Geological Mapping and Reconnaissance

Geological reconnaissance and mapping is focused on North of Rixen and Sg Among prospecting area. Rock chip and float samples have been collected during the course of mapping. Hand-held global positioning system (“GPS”) units are used to locate the geological point and position of sampling.

The purpose of geological mapping and reconnaissance is to clarify the geological conditions related to gold mineralization with the goal to identify mineralization or significant structures.



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(c) Trenches

Six trenches were designed to reveal the possible mineralization zone, and will be excavated when an excavator is appointed for exploration work.

d) RC drilling

A total of 12 drill holes were located and cross sections were surveyed to further define the mineralization, close the spacing between drill holes within the Rixen's Deposit and allow an upgrade of the current indicated and inferred resource classification into the measured and indicated categories.

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

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

The Company had on 23 April 2012 made an announcement on the SGXNET to update the resource information. The Company will update shareholders about the reserve information by 30 June 2012.

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

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results for the first quarter ended 31 March 2012 to be false and misleading in any material aspect.

**By Order of the Board**

Lim Kuoh Yang  
Chief Executive Officer

14 May 2012