



Unaudited Financial Statement and Dividend Announcement For the Second Quarter and Six Months Ended 30 June 2012

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

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

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

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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			Six Months Ended		
	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)	Increase/ (Decrease) %	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)	Increase/ (Decrease) %
Revenue	5,178,662	1,197,209	332.6	6,294,713	1,734,529	262.9
Changes in inventories of finished goods	1,005	(83,763)	n.m.	45,985	(96,571)	n.m.
Other operating income	30,735	20,214	52.0	172,819	57,721	199.4
Amortization and depreciation	(321,202)	(184,721)	73.9	(578,896)	(307,778)	88.1
Contractor expenses	(1,422,222)	(50,000)	2,744.4	(1,422,222)	(50,000)	2,744.4
Employees' compensation	(293,546)	(260,362)	12.7	(520,414)	(461,154)	12.9
Key management remuneration	(242,913)	(138,279)	75.7	(497,256)	(315,925)	57.4
Marketing and publicity expenses	(26,918)	(14,948)	80.1	(35,890)	(52,113)	(31.1)
Office and administration expenses	(92,831)	(35,924)	158.4	(151,208)	(66,099)	128.8
Professional fees	(67,287)	(63,877)	5.3	(128,554)	(190,071)	(32.4)
Rental expense on operating lease	(95,549)	(124,564)	(23.3)	(196,448)	(198,335)	(1.0)
Royalty fee expenses	(461,361)	(105,963)	335.4	(597,507)	(152,093)	292.9
Site and factory expenses	(692,494)	(333,969)	107.4	(1,124,459)	(498,130)	125.7
Travelling and transportation expenses	(644,927)	(72,895)	784.7	(676,095)	(115,635)	484.7
Other operating expenses	(7,953)	(273,089)	(97.1)	(13,614)	(395,354)	(96.6)
Results from operating activities	841,199	(524,931)	n.m.	570,954	(1,107,008)	n.m.
Finance expenses	(2,739)	(79,232)	(96.5)	(5,617)	(180,344)	(96.9)
Net finance costs	(2,739)	(79,232)	(96.5)	(5,617)	(180,344)	(96.9)
Profit / (Loss) before income tax	838,460	(604,163)	n.m.	565,337	(1,287,352)	n.m.
Income tax credit / (expense)	(355,814)	(9,229)	3,755.4	(289,870)	5,305	n.m.
Profit / (Loss) for the period	482,646	(613,392)	n.m.	275,467	(1,282,047)	n.m.
Other comprehensive income / (loss)						
Exchange differences arising from consolidation of foreign subsidiaries	(10,948)	6,014	n.m.	7,107	4,543	56.4
Total comprehensive income/(loss) for the period	471,698	(607,378)	n.m.	282,574	(1,277,504)	n.m.
Profit / (Loss) attributable to:						
Owners of the Company	279,306	(644,557)	n.m.	110,462	(1,277,392)	n.m.
Non-controlling interests	203,340	31,165	552.5	165,005	(4,655)	n.m.
Profit / (Loss) for the Period	482,646	(613,392)	n.m.	275,467	(1,282,047)	n.m.
Total comprehensive income / (loss) attributable to:						
Owners of the Company	266,570	(638,310)	n.m.	112,839	(1,272,003)	n.m.
Non-controlling interests	205,128	30,932	420.8	169,735	(5,501)	n.m.
Total comprehensive income / (loss) for the period	471,698	(607,378)	n.m.	282,574	(1,277,504)	n.m.

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

	Group					
	Three Months Ended			Six Months Ended		
	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)	Increase / (Decrease) %	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)	Increase / (Decrease) %
Profit / (loss) for the period is stated at after charging / (crediting) the following:						
Borrowing costs ⁽¹⁾	543	78,296	(99.3)	1,121	178,429	(99.4)
Unwinding of discount on rehabilitation	2,196	936	134.6	4,496	1,915	134.8
Amortization and depreciation	321,202	184,721	73.9	578,896	307,778	88.1
(Gain)/loss on foreign exchange	(30,735)	293,836	n.m.	(172,339)	416,111	n.m.

n.m. -- not meaningful

Note:-

- (1) Borrowing costs included interest on finance lease and convertible loan interest (during the six months ended 30 June 2011) and excluded unwinding of provision of rehabilitation, which was included in finance expense.

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 2012 US\$ (Unaudited)	31 December 2011 US\$ (Audited)	30 June 2012 US\$ (Unaudited)	31 December 2011 US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	556,965	1,987,167	-	-
Mine properties	5,901,614	4,297,260	-	-
Property, plant and equipment	3,755,445	2,800,523	107,844	132,514
Investment in subsidiaries		-	7,887,644	7,887,644
Deferred tax assets	180,414	470,284	-	-
Total non-current assets	10,394,438	9,555,234	7,995,488	8,020,158
Current assets				
Inventories	382,800	287,870	-	-
Trade and other receivables	2,252,805	145,328	3,827,866	1,734,269
Fixed Deposit	837,623	-	837,623	-
Cash and cash equivalents	2,766,944	5,407,393	1,737,314	4,544,649
Total current assets	6,240,172	5,840,591	6,402,803	6,278,918
Total assets	16,634,610	15,395,825	14,398,291	14,299,076
EQUITY				
Share capital	18,032,333	16,934,840	18,032,233	16,934,840
Capital reserve	2,824,635	2,824,635	-	-
Accumulated losses	(9,626,988)	(9,737,450)	(3,644,943)	(2,998,286)
Translation reserves	1,380	(997)	-	-
	11,231,260	10,021,028	14,387,290	13,936,554
Non-controlling interest	(42,339)	(212,074)	-	-
Total equity	11,188,921	9,808,954	14,387,290	13,936,554
LIABILITIES				
Non-current liabilities				
Interest-bearing borrowings	28,403	32,936	-	-
Rehabilitation provision	106,801	102,305	-	-
Total non-current liabilities	135,204	135,241	-	-
Current liabilities				
Interest-bearing borrowings	8,640	8,414	-	-
Trade and other payables	5,301,739	5,443,110	11,001	362,522
Current tax liabilities	106	106	-	-
Total current liabilities	5,310,485	5,451,630	11,001	362,522
Total liabilities	5,445,689	5,586,871	11,001	362,522
Total equity and liabilities	16,634,610	15,395,825	14,398,291	14,299,076

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

Amount repayable in one year or less, or on demand

As at 30 June 2012		As at 31 December 2011	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
8,640	-	8,414	-

Amount repayable after one year

As at 30 June 2012		As at 31 December 2011	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
28,403	-	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 by 30 June 2012.

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

	Group			
	Three Months Ended		Six Months Ended	
	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)	30 June 2012 US\$ (Unaudited)	30 June 2011 US\$ (Unaudited)
Operating activities				
Profit / (Loss) for the period	482,646	(613,392)	275,467	(1,282,047)
Adjustments for:				
Depreciation of property, plant and equipment	283,887	126,086	504,181	221,852
Amortization of mine properties	37,315	58,635	74,715	85,926
Unwinding of discount on derivative financial instrument	-	(20,214)	-	(57,721)
Unwinding of discount on rehabilitation provision	2,196	936	4,496	1,915
Interest expense	543	78,296	1,121	178,429
Income tax expense	355,814	9,229	289,870	5,305
Operating profit / (loss) before working capital changes	1,162,401	(360,424)	1,149,850	(846,341)
Changes in working capital:				
Inventories	(35,859)	84,236	(94,930)	81,565
Trade and other receivables	(2,030,591)	(38,381)	(2,107,477)	(13,366)
Trade and other payables	136,536	434,148	(191,542)	594,349
Cash used in operations	(767,513)	119,579	(1,244,099)	(183,793)
Interest paid	(543)	(78,296)	(1,121)	(178,429)
Net cash (used in) / generated from operating activities	(768,056)	41,283	(1,245,220)	(362,222)
Investing activities				
Purchases of property, plant and equipment	(323,065)	(278,637)	(514,602)	(536,212)
Payment for exploration and evaluation assets	(36,452)	(150,474)	(45,804)	(150,474)
Net cash used in investing activities	(359,517)	(429,111)	(560,406)	(686,686)
Financing activities				
Pledged deposits	(825,825)	-	(837,623)	-
Payment of finance lease liabilities	(3,664)	(2,040)	(4,307)	(4,235)
Net cash used in financing activities	(829,489)	(2,040)	(841,930)	(4,235)
Net decrease in cash and cash equivalents	(1,957,062)	(389,868)	(2,647,556)	(1,053,143)
Cash and cash equivalents at beginning of the period	4,735,205	447,274	5,407,393	1,112,065
Effect of exchange rate fluctuations on cash held	(11,199)	6,059	7,107	4,543
Cash and cash equivalents at end of the period⁽¹⁾	2,766,944	63,465	2,766,944	63,465

Note:-

- (1) Cash and cash equivalents as at 30 June 2012 did not include pledged fixed deposits of S\$1.07 million which was equivalent to US\$0.83 million.

During the three months period ended 30 June 2012 ("2Q") 2012, the Group acquired property, plant and equipment with an aggregate cost of US\$1,047,060 (2Q 2011: US\$321,221) of which as at 30 June 2012 an amount of US\$723,995 (30 June 2011: US\$189,666) 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\$100,520 in 2Q 2012 (2Q 2011: US\$745,533) from third parties of which as at 30 June 2012 a balance of US\$64,068 (30 June 2011: US\$645,533) was still outstanding and was included in trade and other payables.

As at 30 June 2012, the Group's cash and cash equivalents amounted to approximately US\$2.77 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
Total comprehensive income / (loss) for the period:						
Loss for period	-	-	(632,835)	(632,835)	(35,820)	(668,655)
Other comprehensive income for the period:						
Exchange difference	-	(858)	-	(858)	(613)	(1,471)
Total comprehensive income / (loss) for the period	-	(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

Total comprehensive income / (loss) for the period:

Loss for period	-	-	(644,557)	(644,557)	31,165	(613,392)
Other comprehensive income / (loss) for the period:						
Exchange difference	-	6,247	-	6,247	(233)	6,014

Total comprehensive income / (loss) for the period	-	6,247	(644,557)	(638,310)	30,932	(607,378)	
Balance as at 30 June 2011	7,291,308	16,478	(5,854,775)	1,453,011	(165,251)	1,287,760	
Group	Share capital	Capital reserve	Translation reserves	Accumulated losses	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Balance as at 1 January 2012	16,934,840	2,824,635	(997)	(9,737,450)	10,021,028	(212,074)	9,808,954
Total comprehensive income / (loss) for the period:							
Loss for period	-	-	-	(168,844)	(168,844)	(38,335)	(207,179)
Other comprehensive income / (loss) for the period:							
Exchange difference	-	-	15,113	-	15,113	2,942	18,055
Total comprehensive income / (loss) for the period	-	-	15,113	(168,844)	(153,731)	(35,393)	(189,124)
Balance as at 31 March 2012	16,934,840	2,824,635	14,116	(9,906,294)	9,867,297	(247,467)	9,619,830
Total comprehensive income for the period:							
Gain for period	-	-	-	279,306	279,306	203,340	482,646
Other comprehensive income / (loss) for the period:							
Exchange difference	-	-	(12,736)	-	(12,736)	1,788	(10,948)
Total comprehensive income / (loss) for the period	-	-	(12,736)	279,306	266,570	205,128	471,698
Transactions with owners of the Company, recognized directly in equity							
Issue of ordinary shares	1,097,393	-	-	-	1,097,393	-	1,097,393
Total transaction with owners	1,097,393	-	-	-	1,097,393	-	1,097,393
Balance as at 30 June 2012	18,032,233	2,824,635	1,380	(9,626,988)	11,231,260	(42,339)	11,188,921

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

Notes:-

- (1) The Company was incorporated on 11 August 2011 with an issued and paid-up capital of S\$1.00. The Restructuring Exercise was completed on 14 October 2011.
- (2) Pursuant to the shareholders' approval obtained at the extraordinary general meeting held on 27 April 2012, the Company issued 3,000,000 new ordinary shares at an issue 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 31 March 2012	404,693,000	21,465,024	16,934,840
Issue of shares as performance bonus	3,000,000	1,425,000	1,097,393
As at 30 June 2012	407,693,000	22,890,024	18,032,233

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

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

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

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

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

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

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

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

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

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

Not applicable.

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

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

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

The Group had adopted all the applicable new and revised FRS which became effective for the financial year beginning on or after 1 January 2012. The adoption of these new and revised FRS did not give rise to any material impact on the Group's financial statements 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	
	2012	2011	2012	2011
Profit / (Loss) attributable to owners of the Company (US\$)	279,306	(644,557)	110,462	(1,277,392)
Weighted average number of ordinary shares	406,176,516	406,176,516	405,438,856	405,438,856
Basic and diluted earnings / (loss) per ordinary share in US cents ⁽²⁾	0.07	(0.16)	0.03	(0.32)

Note:-

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

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

	Group		Company	
	30 June 2012	31 December 2011	30 June 2012	31 December 2011
Net asset value (US\$)	11,188,921	9,808,954	14,387,290	13,936,554
Number of shares at the end of the period	407,693,000	404,693,000	407,693,000	404,693,000
Net asset value per share (US cents)	2.74	2.42	3.53	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;

Second quarter ended 30 June 2011 (2Q 2011) vs Second quarter ended 30 June 2012 (2Q 2012)

Revenue

The Group's revenue increased by US\$3.98 million or 332.6%, from US\$1.20 million in 2Q 2011 to US\$5.18 million in 2Q 2012.

The increase in revenue was mainly due to the increase in production and sales volume of gold as a result of the Group's higher production efficiency. The increase in revenue was also attributable to higher gold price in 2Q 2012 as compared to 2Q 2011.

According to the World Gold Council, the quarterly average gold price was US\$1,598.50 per ounce in 2Q 2012 and US\$1,505.50 per ounce in 2Q 2011.

Selling prices for the Group's fine gold ranged from US\$1,618.39 per ounce to US\$1,716.10 per ounce in 2Q 2012, as compared to US\$1,494.08 per ounce to US\$1,557.31 per ounce in 2Q 2011.

In 2Q 2012, the Group exported a total of approximately 9,000 tonnes of ore to a Chinese customer for processing in China. The ore consisted of gold and non-gold metals including silver, lead and zinc which were subsequently sold to the said Chinese customer. Amongst the ore sold, non-gold metals contributed a total of US\$2.96 million to the Group's revenue in 2Q 2012; no revenue was generated from the sales of non-gold metals in 2Q 2011.

	2Q 2012	2Q 2011	Increase / (Decrease) %
Production volume – total (ounces of gold)	1,314.28	795.01	65.3
Sales volume – total (ounces of gold)	1,377.80	795.01	73.3
Revenue from sale of gold (US\$'000)	2,220.5	1,197.2	85.5
Revenue from sale of non-gold metals (US\$'000)	2,958.1	--	n.m.
Revenue – Total (US\$'000)	5,178.6	1,197.2	332.6

Other operating income or loss

In 2Q 2012, the Group's other operating income amounted to US\$0.03 million, as a result of net foreign exchange gain. Due to the depreciation of the MYR against the USD in 2Q 2012, and as the majority of the Group's expenses were being paid in MYR by its Malaysian subsidiary, CMNM Mining Group Sdn. Bhd. ("CMNM"), CMNM recorded foreign exchange gain of US\$0.15 million. The gain was partially offset by the depreciation of the SGD against the USD in 2Q 2012 where a foreign exchange loss of US\$0.12 million was recorded for the Company's cash balances, which were mainly denominated in SGD.

In 2Q 2011, other operating income comprised the 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. Please refer to section "Restructuring Exercise" on page 69 of the Company's Offer Document.

Other operating expenses in 2Q 2011 mainly comprised foreign exchange loss, due to the appreciation of the MYR against the USD.

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, contractor expenses, travelling and transportation and other general administrative expenses.

Total operating expenses increased by US\$2.89 million or 196.6% from US\$1.47 million in 2Q 2011 to US\$4.36 million in 2Q 2012. The increases in total operating expenses were as a result of the Group's increased business activities and production volume.

Most operating expenses increased at a slower rate as compared to the increase in revenue, due to higher efficiency in the Group's operations.

Travelling and transportation expenses increased by US\$0.57 million or 784.7% from 2Q 2011 to 2Q 2012, mainly due to expenses incurred for the transportation of approximately 9,000 tonnes of ore from the Group's mine in Malaysia to processing facilities in China.

Contractor expenses increased significantly by US\$1.37 million in 2Q 2012 as compared to 2Q 2011, mainly due to US\$1.42 million ore processing expenses.

As a result of higher revenue due to production expansion, improvement in operational efficiency, and the new revenue streams contributed by the sale of non-gold metals, the Group registered profit from operating activities of US\$0.84 million in 2Q 2012, as compared to operating loss of US\$0.52 million in 2Q 2011.

Finance expenses

Finance costs decreased from US\$0.08 million in 2Q 2011 to US\$2,739 in 2Q 2012. Finance costs in 2Q 2012 comprised interest on finance lease. For 2Q 2011, finance costs mainly comprised interests on convertible loans issued by the Company's subsidiary. The convertible loans were fully converted at the time of the Company's listing. As such, no interest on convertible loans was incurred in 2Q 2012.

Income tax expense

The Group's effective tax rate for 2Q 2012 was approximately 42%, which was higher than the applicable tax rate of 25% for CMNM. This was due mainly to losses incurred by the Company which were not eligible to be carried forward for future utilisation.

Profit / (Loss) after income tax

For the reasons stated above, the Group registered net profit after income tax of US\$0.48 million for 2Q 2012, as compared to net loss of US\$0.61 million in 2Q 2011.

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

Assets

Exploration and evaluation assets decreased by US\$1.43 million from US\$1.99 million as at 31 December 2011 to US\$0.56 million as at 30 June 2012 mainly due to the transfer of US\$1.68 million from exploration and evaluation assets to mine properties when further gold reserves were established in June 2012. Accordingly, mine properties increased by US\$1.68 million which was partially offset by the amortisation of US\$0.07 million for 1H 2012, resulting in a net increase in mine properties of approximately US\$1.60 million to US\$5.90 million.

Property, plant and equipment increased by US\$0.96 million from US\$2.80 million as at 31 December 2011 to US\$3.76 million as at 30 June 2012, mainly as a result of

additional production and processing equipment acquired in preparation for the heap leach production.

Inventories increased by US\$0.09 million from US\$0.29 million as at 31 December 2011 to US\$0.38 million as at 30 June 2012 mainly as a result of an increase in finished goods of US\$0.18 million and consumables of US\$0.05 million, which was partially offset by a decrease in work in progress of US\$0.14 million. The Group's inventories as at 30 June 2012 comprised finished goods of US\$0.25 million, work in progress of US\$0.02 million and consumables of US\$0.11 million.

Trade and other receivables, prepayments and deposits increased by US\$2.11 million mainly as a result of a balance payment of US\$1.08 million owing by the Chinese customer for the sale of gold and non-gold metals from the approximately 9,000 tonnes of ore exported and prepayments of approximately US\$1.00 million for orders placed for machines to be used in heap leaching.

Liabilities

Total liabilities of the Group decreased by US\$0.14 million from US\$5.59 million as at 31 December 2011 to US\$5.45 million as at 30 June 2012, as a result of payments made to contractors during 1H 2012. Trade and other payables comprised mainly US\$1.31 million as outstanding payments for equipment and machines purchased, US\$1.13 million due to contractors of exploration and evaluation work performed, and US\$1.08 million as deposits for future non-gold metals.

The Group's net working capital improved from US\$0.39 million as at 31 December 2011 to US\$0.93 million as at 30 June 2012.

Cash flows

Net cash used in operating activities amounted to US\$0.77 million in 2Q 2012, as compared to a net cash generated from operating activities of US\$0.04 million in 2Q 2011. This was a result of operating profit before working capital changes amounting to US\$1.16 million, offset by an increase in trade and other receivables of US\$2.03 million which comprised the net outstanding payments of approximately US\$1.08 million to be received from the sales gold and non-gold metals to the Chinese customers.

Net cash used in investing activities amounted to US\$0.36 million in 2Q 2012, which comprised mainly payment to acquire property, plant and equipment and exploration and evaluation assets.

Net cash used in financing activities amounted to US\$0.83 million in 2Q 2012, mainly comprised fixed deposit of S\$1.05 million placed with The Development Bank of Singapore.

As at 30 June 2012, the Group had a cash and cash equivalents of US\$2.77 million, which excluded the fixed deposit of US\$0.83 million.

The Group does not have any bank loans.

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

Under the Company's first quarter results' announcement for the financial year ending 31 December 2012, it was mentioned that "the Group has commenced preparation work for the construction of its heap leach facility and expects to commence heap leach production in 2012 subject to receiving the relevant approval from the Kelantan government." There is no variation in the Company's heap leach production plan.

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.

The Group is liaising closely with the Kelantan government to expedite its final approval for the Group to produce gold using the heap leach method. Meanwhile, the Group has commenced preparation work for the construction of its heap leach facility and expects to commence heap leach production in the third quarter of 2012 subject to obtaining the relevant approval from the Kelantan government. Shareholders will be updated on the status of Kelantan government's approval in due course.

Pursuant to the export of approximately 9,000 tonnes of ore to the Chinese customer, the Group had obtained export licence for another 50,000 tonnes of ore to be exported for processing and sales overseas. The Group expects to continue the extraction of other non-gold minerals such as silver, lead and zinc for the second half of financial year 2012.

CMNM expects to obtain the pioneer tax status in the first quarter of 2013, which will entitle CMNM with a 100% income tax exemption on its statutory income for a period of five years, commencing from the financial year ending 31 December 2012.

11. Dividend

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

None.

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

None.

(c) Date payable:

Not applicable.

(d) Books closure date:

Not applicable.

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

No dividends have been declared or recommended for 2Q 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 2Q 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	2,110	-
Working capital	4,052	4,052	-
Expenses incurred in connection with listing	908	908	-
	9,560	7,135	2,425

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 2Q 2012, funds / cash were mainly used for the following production activities, as compared to the projections in 1Q 2012:-

Purpose	Amount (US\$ million) Actual Usage	Amount (US\$ million) Projected Usage
Exploration and evaluation activities	0.41	0.40
Acquisition of machinery	1.06	1.50
Diesel and other production materials	0.82	0.50
Royalty fees to government	0.22	0.40
Rental of equipment	0.06	0.10
Upkeep of equipment and motor vehicles	0.05	0.10
General working capital	0.43	1.00
Total	3.05	4.00

In view of a supply shortage in supply of production materials especially chemicals, of which a large amount will be used in heap leaching, the Group used US\$0.82 million to increase production material stock piles as compared to the originally projected US\$0.50 million in 1Q 2012.

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

For the next immediate quarter (financial period from 1 July 2012 to 30 September 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	1.11
Payment for machinery purchased in current and prior quarter	0.86
Payment for diesel and other production materials purchased in current and prior quarter	0.93
Royalty fees to government	0.40
Rental of equipment	0.15
Upkeep of equipment and motor vehicles	0.15
General working capital	1.10
Total	4.70

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

a) Drilling Program

The Group expects to commence its diamond drilling program during September 2012. 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 1,000 meters footage of drilling is completed by September 2012, approximately 400 pieces of 1/2 core samples will need to be analysed.

c) Geological Mapping and Reconnaissance

The Group intends to concentrate on 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, Reverse Circulation ("RC") and/or diamond drilling core log and sampling analysis results will be sorted and compiled for the Group's geology team to better understand the gold mineralisation, structure and ore-controlling factors within the Group's concession to enable its team to formulate a more extensive exploration plan moving forward.

e) RC drilling

The Company is in negotiations with its RC drilling contractor following the delay to secure a suitable drill rig. At the same time, the Company has embarked on diamond drilling contract negotiation with other potential diamond drilling contractors.

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

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the 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 2Q 2012, the group capitalised a total of US\$0.1 million for exploration and evaluation expenditures activities carried out during the period.

The Group carried out the following exploration activities in 2Q 2012:-

- (a) JORC compliant reserves estimate report was completed.
- (b) Geological Mapping and Reconnaissance

Geological reconnaissance and mapping was focused on North of Rixen and Sg Among prospecting areas. A total of 22 rock chip and float samples were collected during the course of mapping. GPS units were 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 mineralisation with the objective of identifying mineralisation or significant structures.

- (c) Drill holes Location

A total of 24 drill holes were located for drilling and the cross sections along exploration line were surveyed. Drill site preparation and transportation road for drill rig completed.

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.

There are no material changes to the Group's reserves and resources as at 30 June 2012 since the resource and reserve update announcements on 23 April 2012 and 29 June 2012 respectively.

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

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the second quarter and six months ended 30 June 2012 to be false and misleading in any material aspect.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

14 August 2012