



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中金礦業有限公司

(Company Registration No.: 201119104K)

Unaudited Financial Statement and Dividend Announcement For the Fourth Quarter and the Financial Year Ended 31 December 2014

*This announcement has been prepared by CNMC Goldmine Holdings Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

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			Twelve Months Ended		
	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Unaudited)	Increase/ (Decrease) %	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Audited)	Increase/ (Decrease) %
Revenue	9,786,645	7,377,877	32.6	33,213,371	16,625,532	99.8
Other operating income	79,239	-	n.m.	97,169	7,693	n.m.
Changes in inventories of work in progress	333,818	(494,637)	n.m.	(141,864)	(72,915)	94.6
Amortisation and depreciation	(941,991)	(340,085)	177.0	(3,050,900)	(1,806,691)	68.9
Contractor expenses	-	19,109	n.m.	-	(8,440)	n.m.
Employees' compensation	(1,158,054)	(507,142)	128.3	(2,515,279)	(1,297,883)	93.8
Key management remuneration	(594,102)	(686,807)	(13.5)	(2,047,601)	(1,458,074)	40.4
Marketing and publicity expenses	(48,543)	(34,429)	41.0	(107,587)	(99,882)	7.7
Office and administration expenses	(44,845)	(61,945)	(27.6)	(266,170)	(266,169)	0.0
Professional fees	(148,951)	(344,953)	(56.8)	(629,503)	(722,025)	(12.8)
Rental expense on operating lease	(135,288)	(40,796)	231.6	(514,889)	(263,602)	95.3
Royalty and tribute fee expenses	(742,228)	(575,460)	29.0	(2,539,822)	(1,302,940)	94.9
Site and factory expenses	(1,262,568)	(791,146)	59.6	(5,493,271)	(3,517,287)	56.2
Travelling and transportation expenses	(39,379)	(35,676)	10.4	(185,485)	(157,588)	17.7
Other operating expenses	(717,867)	(394,965)	81.8	(1,022,247)	(441,556)	131.5
Results from operating activities	4,365,886	3,088,945	41.3	14,795,922	5,218,173	183.5
Finance income	57,021	-	n.m.	71,541	410	n.m.
Finance costs	(4,481)	(20,974)	(78.6)	(35,900)	(46,226)	(22.3)
Net finance income/(costs)	52,540	(20,974)	n.m.	35,641	(45,816)	n.m.
Profit before tax	4,418,426	3,067,971	44.0	14,831,563	5,172,357	186.7
Tax (expense)/credit	(374,806)	(978,712)	(61.7)	488,570	(1,738,764)	n.m.
Profit for the period/year	4,043,620	2,089,259	93.5	15,320,133	3,433,593	346.2
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising on consolidation of foreign subsidiaries	(19,373)	(8,848)	119.0	(18,106)	(29,192)	(38.0)
Total comprehensive income for the period/year	4,024,247	2,080,411	93.4	15,302,027	3,404,401	349.5
Profit attributable to:						
Owners of the Company	3,163,579	1,635,689	93.4	12,243,104	2,679,449	356.9
Non-controlling interests	880,041	453,570	94.0	3,077,029	754,144	308.0
Profit for the period/year	4,043,620	2,089,259	93.5	15,320,133	3,433,593	346.2
Total comprehensive income attributable to:						
Owners of the Company	3,147,372	1,631,239	92.9	12,227,957	2,657,981	360.0
Non-controlling interests	876,875	449,172	95.2	3,074,070	746,420	311.8
Total comprehensive income for the period/year	4,024,247	2,080,411	93.4	15,302,027	3,404,401	349.5

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

	Group					
	Three Months Ended			Twelve Months Ended		
	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Unaudited)	Increase / (Decrease) %	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Audited)	Increase / (Decrease) %
Profit for the period/year is stated at after charging / (crediting) the following:						
Borrowing costs	4,481	20,974	(78.6)	35,900	46,226	(22.3)
Amortisation and depreciation	941,991	340,085	177.0	3,050,900	1,806,691	68.9
Loss/(Gain) on foreign exchange	655,728	115,723	466.6	844,996	(7,273)	n.m.
(Gain)/Loss on disposal of property, plant and equipment	(79,239)	1,870	n.m.	(80,266)	1,870	n.m.
Impairment on other receivables	-	-	n.m.	16,387	-	n.m.
Property, plant and equipment written off	-	-	n.m.	-	61,912	n.m.
Evaluation and exploration assets written off	-	-	n.m.	66,485	-	n.m.
Deposits written off	62,139	15,287	306.5	88,305	15,287	477.6

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 2014 US\$ (Unaudited)	31 December 2013 US\$ (Audited)	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	4,990,395	3,990,897	-	-
Mine properties	6,517,394	5,579,285	-	-
Property, plant and equipment	7,568,558	6,219,314	159,967	10,115
Investment in subsidiaries	-	-	8,044,787	8,202,036
Deferred tax assets	-	207,461	-	207,461
Total non-current assets	19,076,347	15,996,957	8,204,754	8,419,612
Current assets				
Inventories	802,208	1,092,095	-	-
Trade and other receivables	612,757	1,250,942	6,688,479	7,697,619
Cash and cash equivalents	12,339,714	2,995,725	2,023,789	984,459
Total current assets	13,754,679	5,338,762	8,712,268	8,682,078
Total assets	32,831,026	21,335,719	16,917,022	17,101,690
EQUITY				
Share capital	18,032,233	18,032,233	18,032,233	18,032,233
Capital reserve	2,824,635	2,824,635	-	-
Retained earnings/(Accumulated losses)	4,318,583	(6,639,065)	(1,961,722)	(3,059,898)
Translation reserve	(15,899)	(752)	-	-
	25,159,552	14,217,051	16,070,511	14,972,335
Non-controlling interests	2,652,568	325,046	-	-
Total equity	27,812,120	14,542,097	16,070,511	14,972,335
LIABILITIES				
Non-current liabilities				
Loans and borrowings	175,594	14,014	-	-
Deferred tax liabilities	542,186	331,913	-	-
Total non-current liabilities	717,780	345,927	-	-
Current liabilities				
Loans and borrowings	73,033	1,062,746	-	1,053,599
Derivative financial instrument	-	91,031	-	91,031
Trade and other payables	3,455,296	3,425,822	384,248	659,875
Accrued rehabilitation costs	289,990	317,124	-	-
Dividend payable	462,263	324,850	462,263	324,850
Current tax liabilities	20,544	1,226,122	-	-
Total current liabilities	4,301,126	6,447,695	846,511	2,129,355
Total liabilities	5,018,906	6,793,622	846,511	2,129,355
Total equity and liabilities	32,831,026	21,335,719	16,917,022	17,101,690

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 2014		As at 31 December 2013	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
73,033	-	9,147	1,053,599

Amount repayable after one year

As at 31 December 2014		As at 31 December 2013	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
175,594	-	14,014	-

Details of any collateral

The Group's borrowings as at 31 December 2014 comprised finance lease liabilities, which were secured on the Group's motor vehicles and plant and equipment. The net carrying amounts of the motor vehicles and plant and equipment as at 31 December 2014 amounted to US\$366,599 (31 December 2013: US\$Nil).

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		Twelve Months Ended	
	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Unaudited)	31 December 2014 US\$ (Unaudited)	31 December 2013 US\$ (Audited)
Operating activities				
Profit for the period/year	4,043,620	2,089,259	15,320,133	3,433,593
Adjustments for:				
Depreciation of property, plant and equipment	617,312	328,011	2,030,446	1,367,812
Amortisation of mine properties	324,679	12,074	1,020,454	438,879
Plant and equipment written off	-	-	-	61,912
Deposit written off	62,139	15,287	88,305	15,287
Evaluation and exploration assets written off	-	-	66,485	-
Impairment on receivables	-	-	16,387	-
(Gain)/Loss on disposal of property, plant and equipment	(79,239)	1,870	(80,266)	1,870
Interest income	(57,021)	-	(71,541)	(410)
Interest expense	4,481	20,974	35,900	46,226
Tax expense/(credit)	374,806	978,712	(488,570)	1,738,764
Operating profit before working capital changes	5,290,777	3,446,187	17,937,733	7,103,933
Changes in working capital:				
Inventories	230,008	404,379	289,887	(67,814)
Trade and other receivables	334,544	212,732	533,493	(463,451)
Trade and other payables	(1,743,893)	(1,021,072)	(1,062,492)	(1,672,175)
Cash generated from operations	4,111,436	3,042,226	17,698,621	4,900,493
Interest received	57,021	-	71,541	410
Interest paid	(4,481)	(5,492)	(35,900)	(30,744)
Tax paid	(4,001)	-	(13,763)	-
Net cash generated from operating activities	4,159,975	3,036,734	17,720,499	4,870,159
Investing activities				
Purchases of property, plant and equipment	(522,151)	(713,150)	(3,040,613)	(3,056,029)
Proceeds from disposal of property, plant and equipment	82,852	12,580	88,986	12,580
Payment for exploration and evaluation assets	(475,846)	(633,290)	(2,063,631)	(2,146,851)
Net cash used in investing activities	(915,145)	(1,333,860)	(5,015,258)	(5,190,300)
Financing activities				
Deposits pledged	-	(788,382)	-	(788,500)
Deposits withdrawn	-	11,902	804,200	871,055
Proceeds from issuance of convertible notes	-	-	-	1,144,630
Proceeds from short term borrowings	-	-	-	403,200
Repayment of borrowings	-	(398,200)	(1,144,630)	(398,200)
Dividend paid to equity holders of the Company	-	-	(1,610,306)	-
Dividend paid to non-controlling interests	(270,455)	(480,472)	(447,782)	(480,472)
Payment of finance lease liabilities	(55,704)	(2,617)	(140,428)	(10,629)
Net cash (used in) / generated from financing activities	(326,159)	(1,657,769)	(2,538,946)	741,084
Net increase in cash and cash equivalents	2,918,671	45,105	10,166,295	420,943
Cash and cash equivalents at beginning of the period/year	9,440,416	2,170,968	2,207,225	1,815,474
Effect of exchange rate fluctuations on cash held	(19,373)	(8,848)	(33,806)	(29,192)
Cash and cash equivalents at end of the period/year	12,339,714	2,207,225	12,339,714	2,207,225
Pledged fixed deposits	-	788,500	-	788,500
Cash and cash equivalents in the statement of financial position	12,339,714	2,995,725	12,339,714	2,995,725

During the three months period ended 31 December 2014 (“4Q 2014”), the Group acquired property, plant and equipment with an aggregate cost of US\$648,152 as compared to US\$759,924 for the three months period ended 31 December 2013 (“4Q 2013”). As at 31 December 2014, a total consideration of US\$126,001 for the acquisitions made in 4Q 2014 had yet to be paid, as compared to US\$46,774 as at 31 December 2013 for the acquisition in 4Q 2013.

The Group also acquired exploration and evaluation assets, and mine properties at an aggregate cost of US\$845,912 in 4Q 2014 (4Q 2013: US\$1,438,022) of which US\$61,061 (4Q 2013: US\$68,893) relates to accrued rehabilitation cost. As at 31 December 2014, a total consideration of US\$309,005 for the acquisition made in 4Q 2014 had yet to be paid, as compared to US\$735,839 as at 31 December 2013 for the acquisition in 4Q 2013.

During the financial year ended 31 December 2014 (“FY2014”), the Group acquired property, plant and equipment with an aggregate cost of US\$3,507,049 as compared to US\$3,295,731 for the financial year ended 31 December 2013 (“FY2013”). As at 31 December 2014, a total consideration of US\$466,436 for the acquisitions made in FY2014 had yet to be paid, as compared to US\$239,702 as at 31 December 2013 for the acquisitions in FY2013.

The Group also acquired exploration and evaluation assets, and mine properties at an aggregate cost of US\$3,024,546 in FY2014 (FY2013: US\$3,321,963) of which US\$295,329 related to accrued rehabilitation cost (FY2013: US\$161,369). As at 31 December 2014, a total consideration of US\$665,586 for the acquisitions made in FY2014 had yet to be paid, as compared to US\$1,013,743 as at 31 December 2013 for the acquisitions made in FY2013.

As at 31 December 2014, the Group’s cash and cash equivalents amounted to US\$12.34 million (31 December 2013: US\$2.21 million, excluding pledged fixed deposits), 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 US\$	Capital reserve US\$	Translation reserves US\$	Accumulated losses US\$	Total attributable to equity holders of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 1 January 2013	18,032,233	2,824,635	20,716	(8,993,664)	11,883,920	59,098	11,943,018
Total comprehensive income for the period							
Profit for period	-	-	-	1,043,760	1,043,760	300,573	1,344,333
Other comprehensive income for the period							
Exchange difference	-	-	(17,018)	-	(17,018)	(3,325)	(20,343)
Total comprehensive income for the period	-	-	(17,018)	1,043,760	1,026,742	297,248	1,323,990
Balance as at 30 September 2013	18,032,233	2,824,635	3,698	(7,949,904)	12,910,662	356,346	13,267,008
Total comprehensive income for the period							
Profit for the period	-	-	-	1,635,689	1,635,689	453,571	2,089,260
Other comprehensive income for the period							
Exchange difference	-	-	(4,450)	-	(4,450)	(4,399)	(8,849)
Total comprehensive income for the period	-	-	(4,450)	1,635,689	1,631,239	449,172	2,080,411
Transactions with owners of the Company, recognized directly in equity							
Interim dividend FY 2013 declared	-	-	-	(324,850)	(324,850)	-	(324,850)
Dividend paid to non-controlling interests	-	-	-	-	-	(480,472)	(480,472)
Total transaction with owners	-	-	-	(324,850)	(324,850)	(480,472)	(805,322)
Balance as at 31 December 2013	18,032,233	2,824,635	(752)	(6,639,065)	14,217,051	325,046	14,542,097

Group	Share capital	Capital reserve	Translation reserves	(Accumulated losses)/ Retained earnings	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 2014	18,032,233	2,824,635	(752)	(6,639,065)	14,217,051	325,046	14,542,097
<u>Total comprehensive income for the period</u>							
Profit for period	-	-	-	9,079,525	9,079,525	2,196,988	11,276,513
<u>Other comprehensive income for the period</u>							
Exchange difference	-	-	1,060	-	1,060	207	1,267
Total comprehensive income for the period	-	-	1,060	9,079,525	9,080,585	2,197,195	11,277,780
<u>Transactions with owners of the Company, recognized directly in equity</u>							
Final dividend FY2013 declared	-	-	-	(324,605)	(324,605)	-	(324,605)
Dividend declared to non-controlling interest	-	-	-	-	-	(177,327)	(177,327)
First interim dividend FY2014 declared	-	-	-	(491,800)	(491,800)	-	(491,800)
Total transaction with owners	-	-	-	(816,405)	(816,405)	(177,327)	(993,732)
Balance as at 30 September 2014	18,032,233	2,824,635	308	1,624,055	22,481,231	2,344,914	24,826,145
<u>Total comprehensive income for the period</u>							
Profit for the period	-	-	-	3,163,579	3,163,579	880,041	4,043,620
<u>Other comprehensive income for the period</u>							
Exchange difference	-	-	(16,207)	-	(16,207)	(3,166)	(19,373)
Total comprehensive income for the period	-	-	(16,207)	3,163,579	3,147,372	876,875	4,024,247
<u>Transactions with owners of the Company, recognized directly in equity</u>							
Dividend paid to non-controlling interests	-	-	-	-	-	(569,221)	(569,221)
Second interim dividend FY2014 declared	-	-	-	(469,051)	(469,051)	-	(469,051)
Total transaction with owners	-	-	-	(469,051)	(469,051)	(569,221)	(1,038,272)
Balance as at 31 December 2014	18,032,233	2,824,635	(15,899)	4,318,583	25,159,552	2,652,568	27,812,120

Company	Share Capital US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2013	18,032,233	(3,574,087)	14,458,146
Loss for the period	-	(139,959)	(139,959)
Balance as at 30 September 2013	18,032,233	(3,714,046)	14,318,187
Profit for the period	-	978,998	978,998
Interim dividend for FY2013 declared	-	(324,850)	(324,850)
Balance as at 31 December 2013	18,032,233	(3,059,898)	14,972,335
Balance as at 1 January 2014	18,032,233	(3,059,898)	14,972,335
Profit for the period	-	323,476	323,476
Final dividend for FY2013 declared	-	(324,605)	(324,605)
First interim dividend for FY2014 declared	-	(491,800)	(491,800)
Balance as at 30 September 2014	18,032,233	(3,552,827)	14,479,406
Profit for the period	-	2,060,156	2,060,156
Second interim dividend for FY2014 declared	-	(469,051)	(469,051)
Balance as at 31 December 2014	18,032,233	(1,961,722)	16,070,511

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 December 2014 and 30 September 2014	407,693,000	22,890,024	18,032,233

There was no change in the Company's share capital from 30 September 2014 up to 31 December 2014.

On 15 July 2013, the Company issued a convertible loan ("Convertible Loan") of an aggregate amount of S\$1.45 million, with an option to convert into 3,295,454 ordinary shares at S\$0.44 per share. The Company had repaid the Convertible Loan on 14 April 2014 in full via the Company's internal resources, ahead of the maturity date of the Convertible Loan, pursuant to mutual agreement between the Company and the lenders. As at 31 December 2013, the number of shares that may be issued on conversion of the Convertible Loan was 3,295,454 shares.

Save as stated above, the Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2014 and 31 December 2013.

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 2014	Company As at 31 December 2013
Total number of issued shares excluding treasury shares	407,693,000	407,693,000

The Company did not have any treasury shares as at 31 December 2014 and 31 December 2013.

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the Company's audited financial statements for the financial year ended 31 December 2013.

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

The Group adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on or after 1 January 2014. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended 31 December		Twelve months ended 31 December	
	2014	2013	2014	2013
Profit attributable to owners of the Company (US\$)	3,163,579	1,635,689	12,243,104	2,679,449
Weighted average number of ordinary shares	407,693,000	407,693,000	407,693,000	407,693,000
Basic earnings per ordinary share:				
- US cents	0.78	0.40	3.00	0.66
- SG cents ⁽¹⁾	1.02	0.50	3.91	0.83
Adjusted weighted average number of ordinary shares ⁽²⁾	407,693,000	410,988,455	408,631,979	409,218,841
Diluted earnings / (loss) per ordinary share:				
- US cents	0.78	0.40	3.00	0.65
- SG cents ⁽¹⁾	1.02	0.50	3.91	0.82

Note:-

- (1) Basic/diluted earnings per ordinary share translated at an exchange rate of USD/SGD 1.3038 and 1.2550 for period ended 31 December 2014 and 31 December 2013 respectively.
- (2) Adjusted for the weighted average number of ordinary shares of 938,979 shares for the twelve months period ended 31 December 2014, which may be allotted and issued upon the conversion of the Convertible Loan at S\$0.44 per share.

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 2014	31 December 2013	31 December 2014	31 December 2013
Net asset value (US\$) ⁽¹⁾	25,159,552	14,217,051	16,070,511	14,972,335
Number of shares at the end of the period	407,693,000	407,693,000	407,693,000	407,693,000
Net asset value per share:				
- US cents	6.17	3.49	3.94	3.67
- SG cents ⁽²⁾	8.16	4.43	5.21	4.65

Note:-

- (1) Net asset value represents total assets less total liabilities and non-controlling interests.
- (2) Net asset value per share translated at an exchange rate of USD/SGD 1.3229 and 1.2682 for period ended 31 December 2014 and 31 December 2013 respectively.

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

Illustrated below is the summary of the financial performance of the Group for 4Q 2014 and FY2014 compared to corresponding periods in 2013:

	4Q 2014	4Q 2013	Increase / (Decrease) %	FY 2014	FY 2013	Increase / (Decrease) %
Production volume of fine gold (ounces)	7,974.52	5,813.26	37.2	26,122.08	12,649.06	106.51
Sales volume of fine gold (ounces)	7,974.52	5,813.26	37.2	26,122.08	12,649.06	106.51
Revenue – Total (US\$'000)	9,786.65	7,377.88	32.6	33,213.37	16,625.53	99.8
Average realised gold price (US\$/ounce)	1,227.24	1,269.15	(3.3)	1,271.47	1,314.37	(3.3)

The Group's revenue from the sales of fine gold increased by 32.6% to US\$9.79 million in 4Q 2014 as compared to US\$7.38 million in 4Q 2013. The increase was mainly due to the significant increase in the production and sales volume of fine gold in 4Q 2014.

The production volume of fine gold increased by 37.2% to 7,974.52 ounces in 4Q 2014 as compared to 5,813.26 ounces in 4Q 2013. The increase in production volume was due to the commencement of production at the Group's new facilities and higher productivity from the three leaching yards.

For FY2014, the Group's revenue from the sales of fine gold increased by US\$16.59 million or 99.8% to US\$33.21 million as compared to US\$16.62 million in FY2013 due to the significant increase in the production and sales volume of fine gold. The production volume of fine gold increased by 106.5% to 26,122.08 ounces in FY2014 as compared to 12,649.06 ounces in FY2013. The increase in production volume was due to the commencement of production at the Group's new facilities and higher productivity from the three leaching yards.

Other income or expenses

In 4Q 2014 and FY2014, the Group recorded a net other expenses of US\$0.64 million and US\$0.93 million respectively, as compared to US\$0.40 million in 4Q 2013 and US\$0.43 million in FY2013. Net other expenses in 4Q 2014 and FY2014 mainly related to a loss on foreign exchange of US\$0.65 million and US\$0.84 million in 4Q 2014 and FY2014 respectively. Net other expenses in 4Q 2013 and FY2013 mainly related to a one-off service fee paid of US\$0.35 million.

Operating expenses

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

Total operating expenses increased by US\$0.89 million from US\$3.89 million in 4Q 2013 to US\$4.78 million in 4Q 2014 and by US\$6.52 million from US\$10.97 million in FY2013 to US\$17.49 million in FY2014.

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

- Increase in depreciation and amortization by US\$0.60 million and US\$1.24 million in 4Q 2014 and FY2014 respectively. This was mainly due to the increase in the Group's equipment base following the completion of (i) the second factory and second heap leach facility in 4Q 2013; and (ii) the tailing pond and third heap leach facility in the second quarter of 2014;
- Increase in site and factory expenses by US\$0.47 million and US\$1.98 million in 4Q 2014 and FY2014 respectively. The increase was due to the expansion in production that led to higher diesel consumption from the increase of the Group's equipment base, more rock blasting work, higher chemical costs and higher repair and maintenance costs;
- Increase in key management remuneration and employees' compensation by US\$0.56 million and US\$1.81 million in 4Q 2014 and FY2014 respectively, mainly due to the higher performance bonus paid to key management and employees as the Group achieved the targeted results; and
- Increase in royalty and tribute fee expenses by US\$0.17 million and US\$1.24 million in 4Q 2014 and FY2014 respectively, mainly due to the increase in the sales value of fine gold.

The increase in operating expenses in 4Q 2014 were offset by the changes in inventories which recorded a credit balance of US\$0.33 million as compared to a debit balance of US\$0.49 million. This was mainly due to the lower realization of the cost of work-in-progress.

Summarised below is the information on the Group's all-in sustaining costs and all-in costs for 4Q 2014 and FY2014 and their comparatives as recommended by World Gold Council for gold mining companies. This non-generally accepted accounting principles measure metrics are intended to provide greater clarity into comparing the costs associated with producing gold across gold mining companies.

	4Q 2014	4Q 2013	US\$ / gold ounce sold Increase / (Decrease) %	FY 2014	FY 2013	Increase / (Decrease) %
Sales volume of fine gold (ounces)	7,974.52	5,813.26	37.2	26,122.08	12,649.06	106.51
Mining related costs	285	287	(0.70)	352	438	(19.6)
Royalty and tribute expenses	93	99	(6.06)	97	103	(5.8)
Adjusted operating costs⁽¹⁾	378	386	(2.07)	449	541	(17.0)
General and administrative costs	107	167	(35.9)	80	155	(48.4)
Capital expenditure	30	57	(47.4)	93	140	(33.6)
All-in sustaining costs⁽²⁾	515	610	(15.6)	622	836	(25.6)
Capital exploration (non-sustaining)	60	99	(39.4)	79	157	(49.7)
Capital expenditure (non-sustaining)	35	52	(32.7)	24	80	(70.0)
All-in costs⁽³⁾	610	761	(19.8)	725	1,073	(32.4)

- (1) Adjusted operating costs include production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. The increase of gold ounces sold resulted in lower cost per gold ounce sold as fixed costs portion remains constant. These costs may vary from quarter to quarter, depending on the seasonal or cyclical factors, including among others, rainy season and grade of gold extracted from the ore.
- (2) All-in sustaining costs include adjusted operating costs and sustaining capital expenditure, corporate general and administrative expenses, exploration expense, reflecting the full cost of gold production from current operations.
- (3) Include all-in sustaining costs and non-sustaining costs. Non-sustaining costs are those costs incurred for the new operations and costs related to construction of the new production facility for the existing operations where these projects will materially increase production in future.

The all-in sustaining costs of US\$515 per ounce and all-in costs of US\$610 per ounce in 4Q 2014 decreased marginally as compared to the all-in sustaining costs of US\$593 per ounce and all-in costs of US\$648 per ounce in 3Q 2014 (please refer to the Company's 3Q 2014 financial results announcement dated 11 November 2014 for the Group's all-in sustaining costs and all-in costs in 3Q 2014).

Lower all-in sustaining costs and all-in costs in 4Q 2014 and FY2014 as compared to 4Q 2013 and FY2013 were due to greater economies of scale as well as increased production efficiency.

Finance income and costs

Finance income and costs comprised interest income from fixed deposits, interest expense on finance lease and interest on loans and borrowings. The Group recorded a net finance income of US\$0.05 million and US\$0.04 million in 4Q 2014 and FY2014 respectively, as compared to a net finance costs of US\$0.02 million and US\$0.05 million in 4Q 2013 and FY2013 respectively. It is mainly due to the increase in interest income earned arising from higher placement of fixed deposits made in FY2014.

Tax expense

The Group incurred a tax expense of US\$0.37 million in 4Q 2014, as compared to US\$0.98 million in 4Q 2013. The lower tax expense, despite recording higher profit before tax as compared to 4Q 2013, was mainly due to the pioneer tax status incentive being granted on 14 May 2014, by the Malaysian Investment Development Authority. This entitles the Group's Sokor Gold Project to 100% income tax exemption on its statutory income for a period of 5 years from 1 July 2013 to 30 June 2018 ("Pioneer Status Incentive").

The Group recorded a tax credit of US\$0.49 million in FY2014, as compared to US\$1.74 million of tax expense in FY2013. This was mainly due to the over-provision for tax of US\$1.71 million in 1Q 2014 and FY2013 prior to the Pioneer Status Incentive being granted on 14 May 2014.

Profit after tax

The Group achieved a profit after tax of US\$4.04 million in 4Q 2014 as compared to a profit after tax of US\$2.09 million in 4Q 2013. Profit after tax in FY2014 increased significantly by 346.2%, or US\$11.89 million to US\$15.32 million in FY2014 as compared to US\$3.43 million in FY2013 due to the reasons stated above.

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

Assets

Exploration and evaluation assets increased by US\$1.00 million from US\$3.99 million as at 31 December 2013 to US\$4.99 million as at 31 December 2014 mainly due to the exploration and evaluation activities of US\$2.73 million undertaken during the year. The increase was partially offset by the transfer of US\$1.66 million from exploration and evaluation assets to mine properties and a write off of US\$0.07 million.

Mine properties increased by US\$0.94 million from US\$5.58 million as at 31 December 2013 to US\$6.52 million as at 31 December 2014 mainly due to the transfer from exploration and evaluation assets of US\$1.66 million coupled with the increase in rehabilitation costs of US\$0.30 million, partially offset by amortisations of US\$1.02 million.

Property, plant and equipment increased by US\$1.35 million from US\$6.22 million as at 31 December 2013 to US\$7.57 million as at 31 December 2014, mainly due to the additions of property, plant and equipment of US\$3.51 million, such as the construction of third heap leach facility and tailing pond, new crushing system and hostel and the acquisition of excavators and motor vehicles. The increase was partly offset by depreciation of US\$2.14 million.

Inventories decreased by US\$0.29 million from US\$1.09 million as at 31 December 2013 to US\$0.80 million as at 31 December 2014 mainly as a result of a decrease in work in progress of US\$0.14 million and a decrease in consumables of US\$0.15 million.

Trade and other receivables decreased by US\$0.64 million as at 31 December 2014, mainly due to trade receivables amounting to US\$0.48 million as at 31 December 2013 was fully received as at 31 December 2014.

Liabilities

Total liabilities of the Group decreased by US\$1.77 million from US\$6.79 million as at 31 December 2013 to US\$5.02 million as at 31 December 2014. This was mainly due to:

- A decrease in loans and borrowings of US\$0.83 million which was mainly due to the repayment of the Convertible Loan amounting to US\$1.14 million on 14 April 2014; and
- A decrease in current tax liabilities of US\$1.21 million which was mainly due to the reversal of over-provision in tax in the first quarter of 2014 and FY2013 prior to the grant of the Pioneer Status Incentive on 14 May 2014.

The decrease in total liabilities was partially offset by the increase in deferred tax liabilities of US\$0.21 million, which was mainly due to the higher temporary differences resulted by higher equipment base.

As at 31 December 2014, the Group had a positive working capital of US\$9.45 million as compared to a negative working capital of US\$1.11 million as at 31 December 2013.

Cash flows

Net cash generated from operating activities amounted to US\$4.16 million in 4Q 2014, as compared to US\$3.04 million in 4Q 2013. The net operating cash inflow was mainly due to the operating profit before working capital changes of US\$5.29 million, adjusted for working capital outflows of US\$1.18 million, mainly attributable to decrease in trade and other payables of US\$1.74 million, partially offset by the increase in inventories of US\$0.23 million and the increase in trade and other receivables of US\$0.33 million.

In FY2014, net cash generated from operating activities amounted to US\$17.72 million as compared to US\$4.87 million in FY2013. The net operating cash inflow was mainly due to the operating profit before working capital changes of US\$17.94 million, adjusted for working capital outflows of US\$0.24 million, mainly attributable to decrease in trade and other payables of US\$1.06 million, partially offset by the increase in inventories of US\$0.29 million and the increase in trade and other receivables of US\$0.53 million.

Net cash used in investing activities amounted to US\$0.92 million and US\$5.02 million in 4Q 2014 and FY2014 respectively, mainly comprising payments to acquire property, plant and equipment as well as exploration and evaluation assets. The acquisition was in relation to the construction of the third heap leach facility and tailing pond, new crushing system and hostel, geological investigations and drilling work.

Net cash used in financing activities amounted to US\$0.33 million in 4Q 2014 which was mainly due to dividends paid to non-controlling interests of US\$0.27 million. In FY2014, net cash used in financing activities amounted to US\$2.54 million, mainly due to the repayment of borrowings of US\$1.14 million, dividends paid to equity holders of the Company of US\$1.61 million and dividend paid to non-controlling interest of US\$0.45 million.

As at 31 December 2014, the Group had a cash and cash equivalents of US\$12.34 million, representing an increase of US\$10.13 million from US\$2.21 million (excluding pledged fixed deposits) as at 31 December 2013.

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

The actual results for 4Q 2014 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the 3 months ended 30 September 2014.

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.

Lower gold prices are likely to affect the Group's profitability. However, the Group's relatively low all-in costs per ounce will likely mitigate the declining gold prices (see Section 8 of this Announcement).

The Group is evaluating the impact of the imposition of Goods and Services Tax in Malaysia but does not anticipate any significant impact on its profitability.

11. Dividend

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

Yes.

Declared dividend

Name of Dividend	2 nd interim Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0015 per ordinary share
Tax Rate	Tax-exempt one-tier

Proposed dividends (see 11 (c) below)

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.0015 per ordinary share
Tax Rate	Tax-exempt one-tier

Name of Dividend	Special Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.00225 per ordinary share
Tax Rate	Tax-exempt one-tier

The proposed dividends are subject to shareholder's approval at the forthcoming annual general meeting of the Company to be held in April 2015.

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

Name of Dividend	Interim Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.001 per ordinary share
Tax Rate	Tax-exempt one-tier

Name of Dividend	Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share	S\$0.001 per ordinary share
Tax Rate	Tax-exempt one-tier

- (c) **Date payable:**

The 2nd interim tax exempt dividend was paid to shareholders on 20 January 2015.

The proposed final and special tax exempt dividends, if approved at the forthcoming annual general meeting of the Company, will be paid at a date to be announced in due course.

- (d) **Books closure date:**

The books closure date for the 2nd interim tax exempt dividend was on 30 December 2014.

The books closure date for the proposed final and special tax exempt dividend will be announced at a later date.

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 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 FY2014, the Group did not enter into any IPT.

14. 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 2013				
Revenue from external customers	16,625,532	-	-	16,625,532
Interest income	22,630	900,016	(922,236)	410
Management income	-	1,955,441	(1,955,441)	-
Interest expense	(923,834)	(44,686)	922,294	(46,226)
Amortization and depreciation	(1,736,111)	(70,580)	-	(1,806,691)
Reportable segment profit before tax	5,520,175	1,700,510	(2,048,328)	5,172,357
Segment assets	21,385,300	26,591,717	(26,848,759)	21,128,258
Capital expenditure*	6,546,278	71,415	-	6,617,693
Reportable segment liabilities	(20,172,746)	(4,643,712)	18,354,749	(6,461,709)
Year ended				
31 December 2014				
Revenue from external customers	33,213,371	-	-	33,213,371
Interest income	89,457	757,901	(775,817)	71,541
Management income	-	2,099,722	(2,099,722)	-
Interest expense	(786,330)	(25,387)	775,817	(35,900)
Amortization and depreciation	(3,021,903)	(28,997)	-	(3,050,900)
Reportable segment profit before tax	15,214,725	2,461,242	(2,844,404)	14,831,563
Segment assets	31,508,923	26,404,754	(25,082,651)	32,831,026
Capital expenditure*	6,353,022	178,573	-	6,531,595
Reportable segment liabilities	(17,756,764)	(3,646,845)	16,926,889	(4,476,720)

* Capital expenditure consists of additions of property, plant and equipment, mine properties and, exploration and evaluation assets.

Reconciliation of reportable segments assets and liabilities

	2014 US\$	2013 US\$
Assets		
Total assets for reportable segments	32,831,026	21,128,258
Unallocated assets	-	207,461
Combined total assets	32,831,026	21,335,719
Liabilities		
Total liabilities for reportable segments	(4,476,720)	(6,461,709)
Unallocated liabilities	(542,186)	(331,913)
Combined total liabilities	(5,018,906)	(6,793,622)

Geographical Segment

The operations of the Group are principally located in Malaysia.

15. 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 which is gold mining - exploration, development, mining and marketing of gold.

Other operations include investment holding and provision of corporate services.

Please refer to Section 8 of this Announcement for analysis of revenue in FY2014, as contributed by the gold mining segment.

Gold mining segment had recorded a profit before tax of US\$15.21 million in FY2014 as compared to US\$5.52 million in FY2013, as a result of the increase in production and sales of fine gold.

Revenue from other operations segment consists mainly of dividend income, inter-company interest and management fee charged by the holding company to the gold mining segment.

In FY2014, profit before tax from other operations segment was US\$2.46 million as compared to US\$1.70 million in FY2013. This was mainly due to the higher dividend income received and higher charging of inter-company interest and management fee by the holding company to the gold mining segment in FY2014.

16. Breakdown of Group's revenue and profit/(loss) after tax for first half year and second half year

	FY2014 US\$'000	FY2013 US\$'000	Increase/ (Decrease) %
(a) Revenue			
- first half	13,380.4	2,937.4	355.5
- second half	19,833.0	13,688.1	44.9
	<u>33,213.4</u>	<u>16,625.5</u>	<u>99.8</u>
(b) Profit/(Loss) after tax			
- first half	7,047.6	(608.4)	n.m.
- second half	8,272.5	4,042.0	104.7
	<u>15,320.1</u>	<u>3,433.6</u>	<u>346.2</u>

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

	Year ended 31 December			
	2014 US\$	2014 S\$	2013 US\$	2013 S\$
Ordinary shares (tax exempt one-tier)				
1 st Interim	491,800	611,540	324,850	407,693
2 nd Interim	469,051	611,540	-	-
Final ⁽¹⁾	487,275	611,540	321,839	407,693
Special ⁽¹⁾	730,912	917,309	-	-
Total Annual Dividend	<u>2,179,038</u>	<u>2,751,929</u>	<u>646,689</u>	<u>815,386</u>

⁽¹⁾ The proposed final and special tax exempt dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company.

18. 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	36	Niece of Mr Choo Chee Kong, Executive Vice Chairman of the Company	Information Technology ("IT") and Administration Manager, responsible for the Company's IT and administrative functions, first appointed in 2011	No change during the year

Additional Disclosure Required for Mineral, Oil and Gas companies

19a. Rule 705 (6)(a) of the Catalist Listing Manual

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

For 4Q 2014, funds / cash were mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US\$ million) <i>Actual Usage</i>	Amount (US\$ million) <i>Projected Usage</i>
Exploration and evaluation activities	1.09	1.09
Payment for machinery purchased in current and prior periods	0.66	0.58
Payment for diesel and other production materials	1.06	1.18
Royalty and tribute fees to government	0.71	0.97
Rental of equipment	0.11	0.14
Upkeep of equipment and motor vehicles	0.25	0.30
General working capital	1.20	1.46
Total	5.08	5.72

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 2015 to 31 March 2015 ("1Q2015")), the Group's use of funds/cash for production activities is expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.59
Payment for machinery purchased in current and prior quarters	0.58
Payment for diesel and other production materials purchased in current and prior quarters	0.91
Royalty and tribute fees to government	0.78
Rental of equipment	0.12
Upkeep of equipment and motor vehicles	0.21
General working capital	0.88
Total	4.07

The Group's exploration plans in 1Q 2015 are as follows:-

(a) Data Compiling

All field data including geological points, trenches and log sheets, channel sampling and location and assay results will be compiled and submitted to the Company's third party independent consultant, Optiro Pty Ltd, for mineral resources and reserves estimation. Based on the results, the exploration plan for 2015 will be proposed.

19b. 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.

20a. 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;

In 4Q 2014, the Group capitalized a total expenditure of US\$0.85 million for exploration and evaluation expenditures activities carried out during the financial period.

The Group carried out the following exploration activities in 4Q 2014:-

(a) Geological Investigation

Geological investigation was focused on the core drill sampling results from drilling activities carried out in 3 gold deposit areas known as Rixen, Manson and Ketubong. Rock chip and float samples were routinely collected and tested by the Group's in-house laboratory. Hand-held global positioning system ("GPS") units were used to locate the geological points and positions of sampling.

(b) Drilling Program

A total of 28 drill holes, comprising total footage of 3358.93 meters were completed in 3 gold deposit areas known as Rixen, Manson, and Ketubong (see Table 1 for details). Several sections of mineralized and altered zones were revealed in these holes and the cores were split for sampling after geologic logging. After each drill hole was finished, the collar locations were accurately surveyed by electronic distance measurement (EDM) equipment using NTS662 total station instruments (ZKR are under Au-2 and AuPbZn-2 areas, while ZKM under PbZn-3 area, and ZKL under AuPbZn-3 area.)

Table 1: Completed drillholes for Rixen deposits

Drillholes	Designed locations		Depths (m)	Dip(°)
	X	Y		
ZKR145-2	443738.948	616416.404	106.91	80
ZKR145-3	443776.690	616415.763	82.85	80
ZKR21-3	443635.669	617790.293	401.80	80
ZKR23-6	443648.759	617838.212	102.72	80
ZKR137-2	443740.562	616517.082	109.99	80
ZKR137-3	443777.739	616520.986	99.50	80
ZKR21-2	443596.619	617792.462	120.33	80
ZKR23-8	443745.355	617838.084	149.79	80
ZKR141-4	443758.208	616464.389	116.03	80
ZKR19-6	443786.810	617745.086	105.29	80
ZKR129-1	443782.893	616638.359	99.49	80
ZKR21-5	443739.812	617786.928	167.10	80
ZKR21-6	443771.600	617788.431	81.28	80
ZKR121-2	443821.139	616708.793	84.75	80
ZKR 25-3	443619.024	617885.710	71.05	80
ZKR 149-6	444008.301	616368.280	160.71	80
ZKR129-2	443857.017	616626.058	104.63	80
ZKR 5-9	444283.224	617339.719	230.50	80
ZKR165-7	444022.708	616173.271	238.36	80
Total	Total depth as 2633.08m/19holes			

Table 2: Completed drillholes for Manson and Ketubong deposits

Drillholes	Designed locations		Depths (m)	Dip(°)
	X	Y		
ZKM114-2	444875.910	613674.584	89.06	90
ZKM114-3	444839.005	613737.935	77.51	90
ZKM110-2	444807.868	613611.172	128.90	90
ZKM110-3	444757.891	613683.292	99.99	90
ZKM16-5	444386.200	613104.787	119.06	90
ZKM14-5	444391.245	613196.657	80.02	90
ZKM18-1	444183.680	613159.337	69.31	90
ZKL801	444169.635	615096.342	251.06	75
ZKM108-2	444723.387	613656.845	77.94	90
Total	Total depth as 992.85m/9holes			

(c) Half core sampling and analysis

A total of 2304 half core samples were delivered to third party independent laboratories for Au analysis by using Au Fire Assay finished by AAS method and Ag, Cu, Pb & Zn analysis by 4 Acid Digestion finished by AAS method.

20b. 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 April 2014 despatched a copy of the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2013 ("QPR 2013") to update shareholders on its resource and reserve information. The QPR 2013 is contained in the Company's annual report for FY2013 ("AR2013"). Soft copy of the AR2013 is available for download on the SGXNET and the Company's website.

The Company will provide updates on its reserves and resources in due course, in particular, in accordance with Rules 1204(23) of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST, which requires the inclusion of a qualified person's report dated no earlier than the end of the Company's financial year, and a summary of reserves and resources as set out in Appendix 7D in its annual report for the financial year ended 31 December 2014.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

16 February 2015