



CNMC
CNMC GOLDMINE HOLDINGS LIMITED

申起金礦有限公司

(Company Registration No.: 201119104K)

Unaudited Financial Statement and Dividend Announcement For the First Quarter Ended 31 March 2015

*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.*

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

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

	Group		
	Three Months Ended		
	31 March 2015 US\$ (Unaudited)	31 March 2014 US\$ (Unaudited)	Increase/ (Decrease) %
Revenue	7,847,312	5,114,532	53.4
Other operating income	4,098	58,989	(93.1)
Changes in inventories of work in progress	(225,488)	(29,606)	661.6
Amortisation and depreciation	(870,360)	(503,013)	73.0
Employees' compensation	(499,552)	(310,297)	61.0
Key management remuneration	(553,624)	(421,588)	31.3
Marketing and publicity expenses	(69,978)	(4,651)	n.m.
Office and administration expenses	(77,432)	(73,225)	5.7
Professional fees	(135,066)	(150,689)	(10.4)
Rental expense on operating lease	(203,273)	(48,543)	318.7
Royalty and tribute fee expenses	(601,070)	(405,532)	48.2
Site and factory expenses	(1,335,912)	(1,003,527)	33.1
Travelling and transportation expenses	(37,277)	(32,560)	14.5
Other operating expenses	(629,112)	(7,228)	n.m.
Results from operating activities	2,613,266	2,183,062	19.7
Finance income	94,359	74	n.m.
Finance costs	(3,179)	(21,271)	(85.1)
Net finance income/(costs)	91,180	(21,197)	n.m.
Profit before tax	2,704,446	2,161,865	25.1
Tax expenses	(167,968)	(609,973)	(72.5)
Profit for the period	2,536,478	1,551,892	63.4
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences arising from consolidation of foreign subsidiaries	(16,551)	2,761	n.m.
Total comprehensive income for the period	2,519,927	1,554,653	62.1
Profit attributable to:			
Owners of the Company	1,975,847	1,261,620	56.6
Non-controlling interests	560,631	290,272	93.1
Profit for the period	2,536,478	1,551,892	63.4
Total comprehensive income attributable to:			
Owners of the Company	1,962,001	1,263,930	55.2
Non-controlling interests	557,926	290,723	91.9
Total comprehensive income for the financial period	2,519,927	1,554,653	62.1

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

	Group		
	Three Months Ended		
	31 March 2015 US\$ (Unaudited)	31 March 2014 US\$ (Unaudited)	Increase / (Decrease) %
Profit for the period is stated at after charging / (crediting) the following:			
Borrowing costs	3,179	21,271	(85.1)
Amortisation and depreciation	870,360	503,013	73.0
Deposit written off	-	1,166	n.m.
Property, plant and equipment written off	443	-	n.m.
Loss/(Gain) on foreign exchange	628,669	(42,831)	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 2015 US\$ (Unaudited)	31 December 2014 US\$ (Audited)	31 March 2015 US\$ (Unaudited)	31 December 2014 US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	3,115,312	4,990,395	-	-
Mine properties	8,248,610	6,517,394	-	-
Property, plant and equipment	7,621,576	7,568,558	144,945	159,967
Investment in subsidiaries	-	-	8,044,787	8,044,787
Total non-current assets	18,985,498	19,076,347	8,189,732	8,204,754
Current assets				
Inventories	764,307	802,208	-	-
Trade and other receivables	1,597,411	612,757	7,300,078	6,688,479
Cash and cash equivalents	13,700,668	12,339,714	942,052	2,023,789
Total current assets	16,062,386	13,754,679	8,242,130	8,712,268
Total assets	35,047,884	32,831,026	16,431,862	16,917,022
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)	6,294,430	4,318,583	(2,097,900)	(1,961,722)
Translation reserves	(29,745)	(15,899)	-	-
	27,121,553	25,159,552	15,934,333	16,070,511
Non-controlling interests	3,210,494	2,652,568	-	-
Total equity	30,332,047	27,812,120	15,934,333	16,070,511
LIABILITIES				
Non-current liabilities				
Loans and borrowings	153,306	175,594	-	-
Deferred tax liabilities	627,351	542,186	-	-
Total non-current liabilities	780,657	717,780	-	-
Current liabilities				
Loans and borrowings	49,092	73,033	-	-
Trade and other payables	3,522,701	3,156,530	497,529	384,248
Accrued rehabilitation costs	344,818	289,990	-	-
Dividend payable	-	761,029	-	462,263
Current tax liabilities	18,569	20,544	-	-
Total current liabilities	3,935,180	4,301,126	497,529	846,511
Total liabilities	4,715,837	5,018,906	497,529	846,511
Total equity and liabilities	35,047,884	32,831,026	16,431,862	16,917,022

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 2015		As at 31 December 2014	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
49,092	-	73,033	-

Amount repayable after one year

As at 31 March 2015		As at 31 December 2014	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
153,306	-	175,594	-

Details of any collateral

The Group's borrowings as at 31 March 2015 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 March 2015 amounted to US\$244,378 (31 December 2014: US\$366,599).

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 31 March 2015 US\$ (Unaudited)	Three months ended 31 March 2014 US\$ (Unaudited)
Operating activities		
Profit for the period	2,536,478	1,551,892
Adjustments for:		
Depreciation of property, plant and equipment	607,603	375,815
Amortisation of mine properties	262,757	127,198
Deposit written off	-	1,166
Property, plant and equipment written off	443	-
Interest income	(94,359)	(74)
Interest expense	3,179	21,271
Tax expense	167,968	609,973
Operating profit before working capital changes	3,484,069	2,687,241
Changes in working capital:		
Inventories	37,901	(7,465)
Trade and other receivables	(984,654)	426,411
Trade and other payables	(142,860)	(494,732)
Cash generated from operations	2,394,456	2,611,455
Interest received	94,359	74
Interest paid	(3,179)	(21,271)
Tax paid	(1,975)	(4,598)
Net cash generated from operating activities	2,483,661	2,585,660
Investing activities		
Purchases of property, plant and equipment	(252,694)	(822,306)
Payment for exploration and evaluation assets	(46,204)	(48,599)
Net cash used in investing activities	(298,898)	(870,905)
Financing activities		
Dividend paid to non-controlling interests	(298,766)	-
Dividend paid to equity holders of the Company	(462,263)	(324,850)
Payment of finance lease liabilities	(46,229)	(8,304)
Net cash used in financing activities	(807,258)	(333,154)
Net increase in cash and cash equivalents	1,377,505	1,381,601
Cash and cash equivalents at beginning of the period	12,339,714	2,195,323
Effect of exchange rate fluctuations on cash held	(16,551)	8,063
Cash and cash equivalents at end of the period	13,700,668	3,584,987
Pledged fixed deposits	-	795,100
Cash and cash equivalents in the statement of financial position	13,700,668	4,380,087

During the 3-month financial period ended 31 March 2015 (“1Q 2015”), the Group acquired property, plant and equipment with an aggregate cost of US\$686,903 as compared to US\$1,489,699 for the corresponding 3-month financial period ended 31 March 2014 (“1Q 2014”). As at 31 March 2015, a total consideration of US\$434,209 for the acquisitions made in 1Q 2015 had yet to be paid, as compared to US\$667,393 as at 31 March 2014 for the acquisitions in 1Q 2014 .

The Group also acquired exploration and evaluation assets, and mine properties at an aggregate cost of US\$118,890 in 1Q 2015 (1Q 2014: US\$134,958) of which US\$72,686 (1Q2014: US\$51,145) relates to accrued rehabilitation cost. As at 31 March 2015, there were no unpaid sums for the acquisitions made in 1Q 2015, as compared to US\$35,214 as at 31 March 2014 for the acquisitions in 1Q 2014.

As at 31 March 2015, the Group’s cash and cash equivalents amounted to US\$13.70 million (31 March 2014: US\$3.58 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	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 2014	18,032,233	2,824,635	(752)	(6,639,065)	14,217,051	325,046	14,542,097
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,261,620	1,261,620	290,272	1,551,892
Other comprehensive income for the period							
Exchange difference	-	-	2,310	-	2,310	451	2,761
Total comprehensive income for the period	-	-	2,310	1,261,620	1,263,930	290,723	1,554,653
Balance as at 31 March 2014	18,032,233	2,824,635	1,558	(5,377,445)	15,480,981	615,769	16,096,750

Group	Share capital	Capital reserve	Translation reserves	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 2015	18,032,233	2,824,635	(15,899)	4,318,583	25,159,552	2,652,568	27,812,120
Total comprehensive income for the period:							
Profit for the period	-	-	-	1,975,847	1,975,847	560,631	2,536,478
Other comprehensive income for the period							
Exchange difference	-	-	(13,846)	-	(13,846)	(2,705)	(16,551)
Total comprehensive income for the period	-	-	(13,846)	1,975,847	1,962,001	557,926	2,519,927
Balance as at 31 March 2015	18,032,233	2,824,635	(29,745)	6,294,430	27,121,553	3,210,494	30,332,047

Company	Share capital US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2014	18,032,233	(3,059,898)	14,972,335
Loss for the period	-	(5,042)	(5,042)
Balance as at 31 March 2014	18,032,233	(3,064,940)	14,967,293
Balance as at 1 January 2015	18,032,233	(1,961,722)	16,070,511
Loss for the period	-	(136,178)	(136,178)
Balance as at 31 March 2015	18,032,233	(2,097,900)	15,934,333

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 2015 and 31 December 2014	407,693,000	22,890,024	18,032,233

There was no change in the Company's share capital from 31 December 2014 up to 31 March 2015.

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 March 2014, 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 March 2015 and 31 March 2014.

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 2015	Company As at 31 December 2014
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 March 2015 and 31 December 2014.

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

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

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2014.

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 1 January 2015. 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 March	
	2015	2014
Profit attributable to owners of the Company (US\$)	1,975,847	1,261,620
Weighted average number of ordinary shares	407,693,000	407,693,000
Basic earnings per ordinary share:		
- US cents	0.48	0.31
- SG cents ⁽¹⁾	0.65	0.39
Adjusted weighted average number of ordinary shares ⁽²⁾	407,693,000	410,988,455
Diluted earnings per ordinary share:		
- US cents	0.48	0.31
- SG cents ⁽¹⁾	0.65	0.39

Note:-

(1) Basic/diluted earnings per ordinary share translated at an exchange rate of USD/SGD 1.3587 and 1.2660 for period ended 31 March 2015 and 31 March 2014 respectively.

(2) Adjusted for the weighted average number of ordinary shares of 3,295,454 shares for the three months period ended 31 March 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 March 2015	31 December 2014	31 March 2015	31 December 2014
Net asset value (US\$) ⁽¹⁾	27,121,553	25,159,552	15,934,333	16,070,511
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	6.65	6.17	3.91	3.94
- SG cents ⁽²⁾	9.14	8.16	5.37	5.21

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 1.3738 and 1.3229 for period ended 31 March 2015 and 31 December 2014 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 1Q 2015 and the comparative financial performance for 1Q 2014:

	1Q 2015	1Q 2014	Increase / (Decrease) %
Production volume of fine gold (ounces)	6,514.21	4,010.15	62.4
Sales volume of fine gold (ounces)	6,514.21	4,010.15	62.4
Revenue – Total (US\$'000)	7,847.31	5,114.53	53.4
Average realised gold price (US\$/ounce)	1,204.65	1,275.40	(5.5)

Despite the decrease in average realised price of gold by 5.5% in 1Q 2015 as compared to 1Q 2014, the Group's revenue recorded an increase of 53.4% to US\$7.85 million in 1Q 2015 as compared to US\$5.11 million in 1Q 2014. The increase was due to the significant increase in the production and sales volume of fine gold in 1Q 2015.

The production volume of fine gold increased by 62.4% to 6,514.21 ounces in 1Q 2015 as compared to 4,010.15 ounces in 1Q 2014. The increase in production volume was due to higher productivity from the three leaching yards.

Other income or expenses

In 1Q 2015, the Group recorded a net other expenses of US\$625,014, as compared to a net other income of US\$51,761 in 1Q 2014. This was mainly due to a loss on foreign exchange of US\$628,669 in 1Q 2015 as compared to a gain on foreign exchange of US\$42,831 in 1Q 2014. The loss on foreign exchange was mainly due to the depreciation of Malaysia Ringgit against the US dollar.

Operating expenses

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

Total operating expenses increased by US\$1.63 million or 54.7% from US\$2.98 million in 1Q 2014 to US\$4.61 million in 1Q 2015.

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

- Increase in depreciation and amortisation by US\$0.37 million or 73.0%. This was mainly due to the increase in the Group's equipment base;
- Increase in site and factory expenses by US\$0.33 million or 33.1%. The increase was due to the expansion in production that led to higher diesel consumption from the increase of the Group's equipment base, and more rock blasting work carried out during 1Q 2015;
- Increase in rental expense on operating lease by US\$0.15 million or 318.7%, mainly due to the expansion in production that led to higher rental expenses on dump trucks;
- Increase in changes in inventories of work-in-progress by US\$0.20 million or 661.6%, mainly due to the Group recording lower inventories of work-in-progress in 1Q 2015 as compared to 1Q 2014;
- Increase in royalty and tribute fee expenses by US\$0.20 million or 48.2%, mainly due to the increase in the sales volume of fine gold; and
- Increase in key management remuneration and employees' compensation by US\$0.32 million or 43.9%, mainly due to the accrual of performance bonus to key management for 1Q 2015 and annual increment of remuneration in January 2015.

Summarised below is the information on the Group's all-in sustaining costs and all-in costs for 1Q 2015 and 1Q 2014 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.

	US\$ / gold ounce sold		
	1Q 2015	1Q 2014	Increase / (Decrease) %
Sales volume of fine gold (ounces)	6,514.21	4,010.15	62.4
Mining related costs	379	382	(0.8)
Royalty and tribute expenses	92	101	(8.9)
Adjusted operating costs⁽¹⁾	471	483	(2.5)
General and administrative costs	101	81	24.7
Capital expenditure	16	46	(65.2)
All-in sustaining costs⁽²⁾	588	610	(3.6)
Capital exploration (non-sustaining)	6	12	(50.0)
Capital expenditure (non-sustaining)	22	159	(86.2)
All-in costs⁽³⁾	616	781	(21.1)

(1) Adjusted operating costs includes 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 costs of US\$616 per ounce in 1Q 2015 remained comparable to the all-in costs of US\$610 per ounce in 4Q 2014 (please refer to the Company's 4Q 2014 financial results announcement dated 16 February 2015 for the Group's all-in costs in 4Q 2014).

Lower all-in costs in 1Q 2015 as compared to 1Q 2014 was due to greater economies of scale from higher sales of fine gold and lower capital expenditure in the current financial reporting period.

Finance income and costs

Finance income and costs which comprised interest income from fixed deposits, interest on finance lease and interest on loans and borrowings. The Group recorded a net finance income of US\$0.09 million in 1Q 2015, as compared to a net finance costs of US\$0.02 million in 1Q 2014 mainly due to the increase in interest income earned from higher placement of fixed deposit.

Tax expenses

The Group incurred a tax expense of US\$0.17 million in 1Q 2015, as compared to US\$0.61 million in 1Q 2014. The lower tax expense, despite recording higher profit before tax as compared to 1Q 2014, was mainly due to the pioneer status incentive being granted on 14 May 2014, by the Malaysian Investment Development Authority which 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 tax expense in 1Q 2014 was computed on the basis that there was no such tax exemption.

Profit after tax

The Group achieved an increase of 63.4% in profit after tax to US\$2.54 million in 1Q 2015 as compared to a profit after tax of US\$1.55 million in 1Q 2014 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 decreased by US\$1.87 million from US\$4.99 million as at 31 December 2014 to US\$3.12 million as at 31 March 2015 due to the transfer of US\$1.92 million from exploration and evaluation assets to mine properties. The decrease was partially offset by the exploration and evaluation activities of US\$0.05 million undertaken in 1Q 2015.

Mine properties increased by US\$1.73 million from US\$6.52 million as at 31 December 2014 to US\$8.25 million as at 31 March 2015 mainly due to the transfer from exploration and evaluation assets of US\$1.92 million coupled with the increase in rehabilitation costs of US\$0.07 million. The increase was partially offset by amortisation of US\$0.26 million.

Property, plant and equipment increased by US\$0.05 million from US\$7.57 million as at 31 December 2014 to US\$7.62 million as at 31 March 2015, mainly due to the addition of property, plant and equipment of US\$0.69 million, such as the acquisition of excavators. The increase was partially offset by the depreciation of the property, plant and equipment.

Inventories decreased by US\$0.04 million from US\$0.80 million as at 31 December 2014 to US\$0.76 million as at 31 March 2015 mainly as a result of a decrease in work in progress of US\$0.09 million, offset by the increase in consumables of US\$0.05 million.

Trade and other receivables increased by US\$0.99 million from US\$0.61 million as at 31 December 2014 to US\$1.60 million as at 31 March 2015 mainly due to the increase in trade receivables from US\$Nil as at 31 December 2014 to US\$1.03 million as at 31 March 2015. The Group had subsequently received full payment for the balance of US\$1.03 million in early April 2015.

Liabilities

Total liabilities of the Group decreased by US\$0.30 million from US\$5.02 million as at 31 December 2014 to US\$4.72 million as at 31 March 2015. This was mainly due to the Company's payment of the 2nd interim dividend of S\$611,540 (equivalent to US\$462,263) for the financial year ended 31 December 2014 on 20 January 2015 and the Group's payment of the 3rd interim dividend of US\$298,766 to non-controlling interest for the financial year ended 31 December 2014 on 21 January 2015.

The decrease in total liabilities was partially offset by the increase in trade and other payables of US\$0.37 million as a result of the acquisition of plant and equipment.

As at 31 March 2015, the Group had a positive working capital of US\$12.13 million as compared to a positive working capital of US\$9.45 million as at 31 December 2014.

Cash flows

Net cash generated from operating activities amounted to US\$2.48 million in 1Q 2015, as compared to US\$2.59 million in 1Q 2014. The net operating cash inflow was mainly due to the operating profit before working capital changes of US\$3.48 million, adjusted for working capital outflows of US\$1.09 million, mainly attributable to the increase in trade and other receivables of US\$0.98 million and decrease in trade and other payables of US\$0.14 million, partially offset by the decrease in inventories of US\$0.03 million.

Net cash used in investing activities in 1Q 2015 amounted to US\$0.30 million, comprising payments to acquire property, plant and equipment and as well as exploration and evaluation assets.

Net cash used in financing activities in 1Q 2015 amounted to US\$0.81 million which was due mainly to the dividend paid to equity holders of the Company of US\$0.46 million and dividend paid to non-controlling interest of US\$0.30 million.

As at 31 March 2015, the Group had cash and cash equivalents of US\$13.70 million, representing an increase of US\$10.12 million from US\$3.58 million (excluding pledged fixed deposits) as at 31 March 2014.

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 1Q 2015 are consistent with the commentary under paragraph 10 of the Company's announcement of the financial statements for the full year ended 31 December 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 is expected to mitigate any decline in gold prices (see Section 8 of this Announcement).

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/recommendeded, a statement to that effect

No dividend has been declared or recommended for 1Q 2015.

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 2015, the Group did not enter into any IPT of more than S\$100,000.

Additional Disclosure Required for Mineral, Oil and Gas companies

14a. Rule 705 (6)(a) of the Catalyst Listing Manual

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

In 1Q 2015, funds / cash were mainly used for the following production activities:-

Purpose	Amount (US\$ million) Actual Usage	Amount (US\$ million) Projected Usage
Exploration and evaluation activities	0.21	0.59
Payments for machinery purchased in current and prior periods	0.48	0.58
Payments for diesel and other production materials	0.77	0.91
Royalty and tribute fees to government	0.64	0.78
Rental of equipment	0.12	0.12
Upkeep of equipment and motor vehicles	0.30	0.21
General working capital	0.82	0.88
Total	3.34	4.07

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 April 2015 to 30 June 2015 (“2Q 2015”)), the Group’s use of funds/cash for production activities are expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	1.38
Payments for machinery purchased in current and prior periods	0.24
Payments for diesel and other production materials purchased in current and prior periods	0.72
Royalty and tribute fees to government	0.58
Rental of equipment	0.16
Upkeep of equipment and motor vehicles	0.17
General working capital	0.50
Total	3.75

The Group’s exploration plans from 1 April 2015 to 30 June 2015 are as follows:-

(a) Geological Investigation

The geological investigation directions for 2Q 2015 aims to:

- i) to increase the Measured and Inferred resources; and
- ii) to verify the anomaly areas based on previous geophysical survey and drillhole assay results.

The diamond core drilling program will be carried out in 2 gold deposits known as Rixen and Manson's Lode. Trenching will be carried on at geophysical anomaly areas before designing the drillholes for next quarter. Rock chip and float samples will be routinely collected and tested by the Group's in-house laboratory. The geological investigation points and drillhole collars will be accurately surveyed by electronic distance measurement (EDM) equipment using *NTS662* total station instruments.

(b) Diamond drilling program

Diamond core drilling will be conducted using three diamond rigs capable of drilling NQ drill core size to 1,000 meters in depth. Drilling program will be initiated by April 2015.

Total designed footages are 5150m for Rixen and Manson's Lode.

Table 1: Designed drillholes for Rixen deposits.

Drillholes	Designed locations		Designed depths (m)	Dip(°)	Remarks
	X	Y			
ZKR117-8	443856	616774	130	80	Mandatory
ZKR117-9	443906	616774	150	80	Optional
ZKR121-3	443871	616724	100	80	Mandatory
ZKR121-4	443921	616724	150	80	Mandatory
ZKR121-5	443971	616724	220	80	Optional
ZKR125-2	443777	616674	120	80	Mandatory
ZKR125-3	443827	616674	150	80	Mandatory
ZKR125-4	443877	616674	180	80	Optional
ZKR129-3	443819	616624	120	80	Mandatory
ZKR129-4	443907	616624	120	80	Mandatory
ZKR129-5	443957	616624	150	80	Optional
ZKR133-2	443761	616574	160	80	Mandatory
ZKR133-3	443870	616574	180	80	Mandatory
ZKR137-4	443928	616524	250	80	Mandatory
ZKR141-5	443933	616474	250	80	Optional
ZKR145-4	443927	616424	250	80	Optional
ZKR149-7	443947	616374	180	80	Mandatory
ZKR149-8	444058	616374	200	80	Mandatory
ZKR157-9	444005	616274	270	80	Mandatory
ZKR169-2	443940	616124	200	80	Mandatory
Total	Total Designed depths as 3530m/20 holes. Mandatory drillhole 2330m/14 holes. Optional drillhole 1200m/6 holes.				

Table 2: Designed drillholes for Manson's Lode.

Drillholes	Designed locations		Designed depths (m)	Dip(°)	Remarks
	X	Y			
ZKM1-9	444596	613446	100	90	Mandatory
ZKM1-10	444621	613403	100	90	Optional
ZKM108-3	444694	613698	100	90	Mandatory
ZKM108-4	444765	613574	120	90	Mandatory
ZKM108-5	444790	613530	150	90	Optional
ZKM110-4	444828	613565	140	90	Optional
ZKM110-5	444734	613727	120	90	Optional
ZKM112-4	444871	613591	150	90	Mandatory
ZKM112-5	444896	613548	170	90	Mandatory
ZKM112-6	444775	613756	120	90	Optional
ZKM114-4	444817	613783	100	90	Optional
ZKM114-5	444904	613633	120	90	Optional
ZKM114-6	444929	613590	130	90	Optional
Total	Total Designed depths as 1620m/13 holes. Mandatory drillhole 640m/5 holes. Optional drillhole 980m/8 holes.				

(c) Half core sampling and channel sampling analysis

The half core from the diamond core drilling program and trench samples are expected to be delivered to third party independent laboratory SGS Lab, Malaysia for sample preparation followed by gold analysis using Au Fire Assay finished by AAS method and Ag, Cu, Pb & Zn analysis by 4 Acid Digestion finished by AAS method.

(d) Data Compiling

All field data including geological points, trenches and log sheets, drilling core log and sampling and analysis results will be sorted and compiled by the end of the 2Q 2015 for better understanding of gold mineralization, geological structure, ore-controlling factors and to make proper exploration plan for future exploration work.

14b. 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.

15a. 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 1Q 2015, the Group capitalised a total of US\$0.05 million for exploration and evaluation expenditures activities.

The Group carried out the following exploration activities in 1Q 2015:-

(a) Geological Investigation

No geological investigation was conducted during this period. All drillhole data from 2014 were processed for Mineral Resource and Ore Reserves estimation and interpreted for future exploration and drillhole planning.

(b) Drilling Program

As mentioned in the 4Q 2014 results financial announcement; no diamond drilling program was planned for 1Q 2015.

(c) Data compiling

All field data, including geological points, trenches and log sheets, drilling core log and sampling and analysis results from previous quarter exploration activities were sorted and compiled for the Group's geological team to better understand gold, silver, lead, and zinc mineralization, structure and ore-controlling factors and to make proper exploration plan for further exploration work.

15b. 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.

A copy of the qualified person's report on the updated Mineral Resource and Ore Reserve estimates as at 31 December 2014 ("QPR 2014") issued by the Group's third party independent Mineral Resource and Ore Reserve estimation consultant, Optiro Pty Ltd to update shareholders on its resource and reserve information respectively was included in the Company's annual report for the financial ended 31 December 2014 which has been despatched to shareholders on 13 April 2015.

According to the QPR 2014, the total Measured, Indicated and Inferred gold resources for the Sokor Project (above a 0.3 gram/tonne ("g/t") gold cut-off grade at Rixen and a 0.5 g/t gold cutoff grade at Manson's Lode, New Discovery and Ketubong) is 10,810,000 tonnes at 1.5 g/t gold for a total of 506,000 ounces of contained gold.

In addition, the Manson's Lode Mineral Resources contain significant amounts of silver, lead and zinc, amounting to 935,000 tonnes with an average grade of 50 g/t of silver, 1.3% lead and 1.4% zinc for a total of 1,492,000 ounces of contained silver, 12,449 tonnes of contained lead, and 13,007 tonnes of contained zinc.

Compared to the Mineral Resources estimates as at 31 December 2013, there has been an increase in the gold Mineral Resources of 1,670,000 tonnes at 0.7 g/t gold. This represents an increase of 8% in contained gold in the Mineral Resources. The silver, lead and zinc Mineral Resources at Manson's Lode has increased by 288,000 tonnes and has an average grade of 28 g/t silver, 1.0% lead and 1.1% zinc with an increase in contained metal of 258,000 ounces of silver, 2,720 tonnes of lead and 3,120 tonnes of zinc.

Table A: Sokor Project, Malaysia – Mineral Resources as at 31 December 2014 (inclusive of Ore Reserves)

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Change from previous update (%)
Measured	Gold	0.55	3.2	57	0.45	3.2	46	+1
Indicated	Gold	6.75	1.3	287	5.47	1.3	232	+34
Inferred	Gold	3.51	1.4	163	2.84	1.4	132	-17
Total	Gold	10.81	1.5	506	8.76	1.5	410	+8
Measured	Silver	0.33	62	659	0.27	62	534	-3
Indicated	Silver	0.16	72	360	0.13	72	291	+52
Inferred	Silver	0.45	33	473	0.37	33	383	+49
Total	Silver	0.94	50	1,492	0.76	53	1,208	+21
Measured	Lead	0.33	1.7	5,569	0.27	1.7	4,511	0
Indicated	Lead	0.16	1.7	2,628	0.13	1.7	2,129	+66
Inferred	Lead	0.45	0.9	4,252	0.37	0.9	3,444	+67
Total	Lead	0.94	1.3	12,449	0.76	1.3	10,084	+28
Measured	Zinc	0.33	1.7	5,487	0.27	1.7	4,444	-2
Indicated	Zinc	0.16	2.0	3,062	0.13	2.0	2,480	+112
Inferred	Zinc	0.45	1.0	4,459	0.37	1.0	3,612	+58
Total	Zinc	0.94	1.4	13,007	0.76	1.4	10,536	+32

The primary focus of CNMC's operations in FY2014 was to expand its gold production, as well as adding new Mineral Resources to the Company's portfolio through exploration activities in FY2014 to replace depleted Mineral Resources. The Company's continuing exploration programme has yielded positive results not only in replenishing depleted Mineral Resources but registering Mineral Resource growth as well.

After depletion for mining at Rixen during FY2014, the additional drilling extended the resource to the south and to the north-east, and has increased the Indicated Mineral Resources tonnage by 51% and decreased the average grade by 5%, with an overall increase of 43% in contained gold. The increase in Indicated Resources has been achieved by extension of the mineralisation along strike and infill drilling, which has improved the confidence in parts of the resource and has moved Inferred Mineral Resources into Indicated Mineral Resources. Consequently, the Inferred Mineral Resources tonnage has decreased by 26% and the average grade has decreased by 10% with an overall decrease of 33% in contained gold. The total Mineral Resource tonnage increased by 19%, the average grade decreased by 8%, with an overall increase of 8% in contained gold.

At Manson's Lode, the 2014 drilling extended the Mineral Resource along strike to the north-east and at depth within the south-western area of the property. This drilling significantly increased the Inferred Mineral Resources with material with a lower average grade (1.0 g/t gold, compared to 1.7 g/t gold in 2013). The Inferred Mineral Resource tonnage of Manson's Lode increased by 172% and the average grade decreased by 37%, with an overall increase of 70% in contained gold. The additional drilling increased the Measured and Indicated Resource tonnages by 2%. The total Mineral Resource tonnage of Manson's Lode increased by 41% and the average grade decreased by 20%, with an overall increase of 13% in contained gold.

At New Discovery, a deep hole (ZNK4-11 - down-hole depth of 326.5 m) was drilled to the east which intersected mineralisation at depth and extended the mineralisation down-dip. The mineralisation interpretation was amended and there was an increase in the Inferred Mineral Resource tonnage of 19% and a decrease in the average grade of 7%, with an overall increase of 10% in contained gold. There were small improvements to the Measured Resource and a consequent reduction in the Indicated Mineral Resource. The total Mineral Resource tonnage of New Discovery increased by 8% and the average grade decreased by 6%, with an overall increase of 2% in contained gold.

The Mineral Resources estimates for the Sokor Project have been prepared and classified in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code 2012).

In reporting the Ore Reserves as at 31 December 2014, the Sokor Project registered a 5% increase in Ore Reserves compared to the previous update report (as tabulated in the table below). The total Ore Reserves as at 31 December 2014 includes Ore Reserves at Rixen, which have been reported in accordance with the JORC Code 2012, and the Ore Reserves at Manson's Lode and New Discovery, which were prepared and first disclosed under the JORC Code 2004, and have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed from that previously reported.

Table B: Sokor Project Ore Reserves (Manson's Lode, New Discovery and Rixen) and Mineral Resources (additional to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2014

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes	Grade	Contained Au	Tonnes	Grade	Contained Au	Change from previous update (%)
		(kt)	(Au g/t)	(koz)	(kt)	(Au g/t)	(koz)	
RESERVES								
Proved	Gold	186	3.6	23	151	3.6	18	0
Probable	Gold	3,939	1.3	165	3,189	1.3	133	+5
Total	Gold	4,125	1.4	188	3,341	1.4	151	+5
RESOURCES								
Measured	Gold	335	3.1	32	270	3.1	27	-18
Indicated	Gold	2,711	1.3	110	2,207	1.3	88	+115
Inferred	Gold	1,682	1.1	61	1,370	1.1	50	-69
Total	Gold	4,728	1.4	203	3,847	1.4	165	-29

Note: The Mineral Resources reported in Table B are exclusive of Ore Reserves. Accordingly, the figures reported are different to the Mineral Resources reported in Table A.

There were no material updates at 31 March 2015 following the despatch of the QPR 2014.

16. 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 first quarter ended 31 March 2015 to be false and misleading in any material aspect.

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

12 May 2015