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**CVM Minerals Limited**

**南亞礦業有限公司**

*(incorporated in Hong Kong with limited liability)*

**Stock Code: 705**

**UNAUDITED CONSOLIDATED RESULTS  
FOR THE THREE MONTHS ENDED 31 MARCH 2010**

The Directors announce the unaudited consolidated results of the Group for the three months ended 31 March 2010.

The unaudited consolidated losses attributable to equity holders of the Company for the three months ended 31 March 2010 were approximately \$6.2 million. The total net assets value of the Group as at 31 March 2010 was approximately \$243.8 million.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The directors (the “Directors”) of CVM Minerals Limited (the “Company”) announce the unaudited consolidated results of the Company and its wholly owned subsidiary, Commerce Venture Magnesium Sdn. Bhd. (“CVMSB”) (collectively, the “Group”) for the three months ended 31 March 2010.

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**For the three months ended 31 March 2010**  
*(Expressed in Hong Kong dollars)*

	<b>Three months ended</b>	
	<b>31 March</b>	
	<b>2010</b>	<b>2009</b>
	<i>\$'000</i>	<i>\$'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Turnover	—	—
Other revenue	24	83
Other net income/(loss)	217	(708)
Administrative expenses	<u>(6,469)</u>	<u>(3,262)</u>
Loss from operations	(6,228)	(3,887)
Finance costs	<u>(15)</u>	<u>(7)</u>
Loss before taxation	(6,243)	(3,894)
Income tax	<u>(6)</u>	<u>—</u>
Loss for the period	<u><u>(6,249)</u></u>	<u><u>(3,894)</u></u>
Loss per share	<u><u>(0.29 cents)</u></u>	<u><u>(0.86 cents)</u></u>

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2010

(Expressed in Hong Kong dollars)

	<b>31 March</b>	<b>31 December</b>
	<b>2010</b>	<b>2009</b>
	<i>\$'000</i>	<i>\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>
<b>Non-current assets</b>	572,542	478,152
<b>Current assets</b>	58,315	14,415
<b>Current liabilities</b>	(243,312)	(372,660)
<b>Non-current liabilities</b>	(143,757)	(516)
	<u>243,788</u>	<u>119,391</u>
<b>Net assets</b>	<u>243,788</u>	<u>119,391</u>
<b>Capital and reserves</b>		
Share capital	54,100	45,100
Reserves	189,688	74,291
	<u>243,788</u>	<u>119,391</u>
<b>Total equity</b>	<u>243,788</u>	<u>119,391</u>

### Financial Review

During the three months ended 31 March 2010, the Group received interest income of approximately \$24,000 (2009: approximately \$83,000) from money deposited with approved financial institutions in Malaysia. Other net income of approximately \$217,000 (2009: other net loss of approximately \$708,000) represented unrealized foreign exchange gain on money deposited by the Company with approved financial institutions in Malaysia.

The significant increase in administrative expenses in the first quarter of 2010 was mainly due to increase in staff cost, office expenses and travelling expenses incurred by the Group in conjunction with the development of the magnesium smelting plant in Perak, Malaysia (the “Perak Magnesium Smelter”).

The finance cost in both first quarters of 2009 and 2010 represented hire purchase interest on motor vehicles which were purchased in 2007. This interest will be reducing over the years of installments.

Income tax of approximately \$6,000 was incurred on withholding tax on interest earned on deposits placed with approved financial institutions in Malaysia.

As the Group is yet to commence any revenue generating activities pending the completion of the Perak Magnesium Smelter, it incurred a loss for the three months period ended 31 March 2010 of approximately \$6.2 million which increased from \$3.9 million for the corresponding period of 2009.

Non-current assets had increased to approximately \$572.5 million since the last financial year end on 31 December 2009, mainly due to additional construction cost of approximately MYR28.1 million (equivalent to approximately \$66.9 million) that was capitalized to the carrying value of the Perak Magnesium Smelter and exchange differences on translation due to the stronger Malaysian Ringgit (“MYR”).

The decrease in current liabilities was mainly due to bank loans of approximately MYR60.2 million (equivalent to approximately \$143.2 million) that were reclassified from current liabilities to non-current liabilities as re-scheduling of repayment of the loans had been approved by the relevant financial institution on 10 May 2010.

The increase in total equity of the Group in the first quarter of 2010 by approximately \$124.4 million was mainly due to the placing and subscription exercises which the Company undertook in February 2010. Please refer to the Company’s announcements dated 1 and 10 February 2010 for further details.

By order of the Board  
**CVM Minerals Limited**  
**Tony Tan**  
*Chairman*

Hong Kong, 19 May 2010

*As at the date of this announcement, our Executive Directors are Mr. Chong Wee Chong, Mr. Gao Qi Fu and Mr. Lim Ooi Hong, and our Independent Non-executive Directors are Mr. Tony Tan, Ms. Wong Choi Kay, Mr. Chong Lee Chang and Mr. Lam Cheung Shu.*