CGA Mining Limited

ABN 88 009 153 128

Financial Report
For the half year ended
31 December 2009

Contents

CORPORATE DIRECTORY

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Michael J Carrick
Justine A Magee
David A T Cruse
Phillip C Lockyer
Robert N Scott

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CGX – Fully paid ordinary shares

Toronto Stock Exchange Inc
Exchange Code:
CGA – Fully paid ordinary shares

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DIRECTORS' REPORT

The Directors of CGA Mining Limited ("the Company" or "CGA") present their report and the financial statements of CGA and its wholly owned controlled entities (the "Consolidated Entity" or "the Group") for the half year ended 31 December 2009.

DIRECTORS

The names of the Company's directors in office during the half year and until the date of this report are as below. All Directors were in office for this entire period unless stated otherwise.

Mark S Savage
Michael J Carrick
Justine A Magee
Phillip C Lockyer
Robert N Scott
David A T Cruse

REVIEW AND RESULTS OF OPERATIONS

Operating Results

The Consolidated Entity recorded a profit after tax of $7,639,214 (2008: net loss $6,399,932) for the half-year ended 31 December 2009. The Group's activities during the half year predominantly focussed on commissioning and increasing gold production at the Masbate Gold Project in the Philippines. For the six months to 31 December, the project has produced 66,216 ounces.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This report is made in accordance with a resolution of the directors.

MICHAEL CARRICK
Director
Perth

15 February 2010

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Auditor's Independence Declaration to the Directors of CGA Mining Limited

In relation to our review of the financial report of CGA Mining Limited for the half-year ended 31 December 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Peter McIver

P McIver
Partner
Perth
15 February 2010

PM:MB:CGA:004

STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated Six months ended 31 December 2009	Consolidated Six months ended 31 December 2008
		US$	US$
Revenue from continuing operations	3(a)	69,305,362	1,203,905
Cost of sales	3(b)	(44,952,423)	-
Gross profit		24,352,939	1,203,905
Administrative expenses	3(c)	(2,051,521)	(2,641,091)
Finance costs	3 (f)	(6,342,508)	(227,384)
Exploration expenses		(1,653,312)	(3,557,622)
Movement in fair value of derivative financial instruments	3(e)	(486,478)	(533,277)
Movement in fair value of warrants	3(d)	(3,273,605)	1,642,000
Share of loss of associate		(100,337)	(506,538)
Other expenses		(2,852,147)	(1,779,925)
Profit/(Loss) from continuing operations before income tax expense		7,593,031	(6,399,932)
Income tax (expense)/benefit		46,183	-
Net Profit/(Loss) for the period		7,639,214	(6,399,932)
Other comprehensive income			
Cashflow hedges:			
Loss taken to equity		(34,894,324)	(11,149,678)
Other comprehensive income/(loss) for the period, net of tax		(34,894,324)	(11,149,678)
Total comprehensive income/(loss) for the period		(27,255,110)	(17,549,610)
Earnings/(Loss) per share for profit/(loss) attributable to the ordinary equity holders of the company			
Basic earnings/(loss) per share (cents)		2.78	(2.74)
Diluted earnings/(loss) per share (cents)		2.74	(2.74)

The above Income Statement should be read in conjunction with the accompanying notes.

BALANCE SHEET
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated 31-Dec 2009 US$	Consolidated 30-Jun 2009 US$
ASSETS			
Current Assets			
Cash and cash equivalents	10	32,036,274	22,587,049
Trade and other receivables		2,208,640	1,238,087
Inventory		12,408,062	9,681,743
Prepayments		2,064,136	75,771
Derivative financial assets	8	1,393,422	2,676,084
Total Current Assets		50,110,534	36,258,734
Non-Current Assets			
Investment in associate		33,501,179	46,752,296
Property plant and equipment		187,149,232	177,452,267
Other assets		2,241,486	-
Intangible assets		42,221,005	43,173,940
Derivative financial assets	8	2,090,132	1,260,431
Deferred tax assets		17,021,828	14,343,170
Total Non-current Assets		284,224,862	282,982,104
TOTAL ASSETS		334,335,396	319,240,838
LIABILITIES			
Current Liabilities			
Trade and other payables		3,598,038	15,575,116
Interest bearing loans and borrowings	6	32,820,028	32,481,193
Derivative liability-warrants	7	5,726,953	2,716,567
Derivative financial liabilities	9	14,970,203	1,599,753
Provisions		75,240	62,603
Total Current Liabilities		57,190,462	52,435,232
Non-Current Liabilities			
Interest bearing loans and borrowings	6	83,522,151	91,472,624
Provisions		601,539	442,208
Derivative financial liabilities	9	43,502,645	21,953,945
Deferred Tax Liability		5,535,227	5,703,555
Total Non-current Liabilities		133,161,562	119,572,332
TOTAL LIABILITIES		190,352,024	172,007,564
NET ASSETS		143,983,372	147,233,274
Equity			
Contributed equity	5	211,707,323	187,816,660
Reserves		(44,238,778)	(9,458,999)
Accumulated losses		(23,485,173)	(31,124,387)
TOTAL EQUITY		143,983,372	147,233,274

The above Balance Sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Note	Consolidated Six months ended 31 December 2009 US$	Consolidated Six months ended 31 December 2008 US$
Cash flows from operating activities			
Receipts from customers		68,193,653	-
Payments to suppliers and employees		(46,785,836)	(3,364,924)
Interest received		4,729	335,689
Net cash inflow/(outflow) from operating activities		21,412,546	(3,029,225)
Cash flows from investing activities			
Payments for property, plant and equipment		(11,699,553)	(67,465,549)
Loans to associate		(9,281,252)	(10,307,956)
Exploration and evaluation expenditure		(1,653,312)	(3,557,167)
Net cash inflow/(outflow) from investing activities		(22,634,117)	(81,331,167)
Cash flows from financing activities			
Proceeds from issue of shares, warrants and options		24,085,261	47,811
Proceeds from borrowings		-	72,100,000
Repayment of borrowings		(6,686,640)	-
Interest paid		(5,122,386)	(1,871,331)
Capital raising costs		(1,221,880)	-
Financing costs		-	(89,526)
Net cash inflow from financing activities		11,054,355	70,186,954
Net increase/ (decrease) in cash and cash equivalents		9,832,784	(14,173,438)
Cash and cash equivalents at beginning of financial period		22,587,049	44,780,957
Effects of exchange rate fluctuations on the balances of cash held in foreign currencies		(383,559)	(22,378)
Cash and cash equivalents at the end of the financial period	10	32,036,274	30,585,141

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED	*Contributed equity* *US$*	*Accumulated losses* *US$*	*Foreign currency translation reserve* *US$*	*Share based payments reserve* *US$*	*Cash flow hedge reserve* *US$*	*Total* *US$*
At 1 July 2009	187,816,660	(31,124,387)	5,815,359	4,826,606	(20,100,964)	147,233,274
Profit/(loss) for the period		7,639,214				7,639,214
Other comprehensive income/(loss)					(34,894,324)	(34,894,324)
Total comprehensive income/(loss) for the period	-	7,639,214	-	-	(34,894,324)	(27,255,110)
Equity Transactions:						
Issue of share capital	23,044,340					23,044,340
Transaction costs	(1,296,132)					(1,296,132)
Share-based payment				114,545		114,545
Exercise of options and warrants	2,142,455					2,142,455
At 31 December 2009	211,707,323	(23,485,173)	5,815,359	4,941,151	(54,995,288)	143,983,372

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008

CONSOLIDATED	*Contributed equity US$*	*Accumulated losses US$*	*Foreign currency translation reserve US$*	*Share based payments reserve US$*	*Cash flow hedge reserve US$*	*Total US$*
At 1 July 2008	151,303,375	(20,914,830)	5,815,359	2,700,610	-	138,904,514
Profit/(loss) for the period	-	(6,399,932)		-	-	(6,399,932)
Other comprehensive income/(loss)					(11,149,678)	(11,149,678)
Total comprehensive income/(loss)	-	(6,399,932)		-	(11,149,678)	(17,549,610)
Equity Transactions:						
Share-based payment	-	-		1,592,292	-	1,592,292
Exercise of warrants	86,212	-		-	-	86,212
At 31 December 2008	151,389,587	(27,314,762)	5,815,359	4,292,902	(11,149,678)	123,033,408

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

1. CORPORATE INFORMATION

The financial report of CGA Mining Limited ("the Company") for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 15 February 2010. CGA Mining Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange and the Toronto Stock Exchange

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the Annual Financial Report of CGA Mining Limited as at 30 June 2009.

It is also recommended that the half-year financial report be considered together with any public announcements made by CGA Mining Limited and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under ASX Listing Rules.

(a) Basis of Accounting

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, and AASB 134 "Interim Financial Reporting".

The half-year financial report has been prepared on a historic cost basis, except for the derivative financial instruments including warrants, put options and forward sales contracts which are carried at fair value. The financial report is presented in United States Dollars ("US$").

For the purposes of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Significant accounting policies

The half-year financial report has been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009 except for the adoption of new and amending standards mandatory for annual periods beginning on or after 1 July 2009 as described in Note 2(c).

(c) New and Revised Accounting Standards and Interpretations

Since 1 July 2009, the Group has adopted all the Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009 including:

- AASB 101 (Revised), AASB 2007-8 and AASB 2007-10 Presentation of financial statements and consequential amendments to other Australian Accounting Standards;
- AASB 8 and AASB 2007-3 Operating Segments and consequential amendments to other Australian Accounting Standards;
- AASB 123 (Revised) and AASB 2007-6 Borrowing Costs and consequential amendments to other Australian Accounting Standards.

Adoption of these Standards and Interpretations did not have any material effect on the financial position or performance of the Group.

3. REVENUES AND EXPENSES	Consolidated Six months ended 31 December 2009 US$	Consolidated Six months ended 31 December 2008 US$
(a) Revenue		
Revenue from metal sales	68,132,403	-
Interest – non related parties	6,805	235,759
Interest – accretion on loan to an associate	1,166,154	968,146
	69,305,362	1,203,905
(b) Cost of sales		
Ore purchases	19,661,418	-
Treatment and refining charges	290,747	-
Salaries and employee benefits	429,960	-
Contractors and professional fees	3,324,764	-
Consumables and supplies	12,040,604	-
Leases and rentals	847,318	-
Travel and accommodation	212,190	-
Utilities	9,895	-
Power	81,503	-
Other production overheads	1,686,016	-
Depreciation and amortisation	5,250,317	-
Taxes and government charges	1,117,691	
	44,952,423	-

	Consolidated Six months ended 31 December 2009 US$	Consolidated Six months ended 31 December 2008 US$
(c) Administrative expenses		
Salaries and wages	1,162,542	1,066,600
Employee share option expense	114,545	1,592,292
Foreign exchange (gains)/losses	383,559	(17,801)
Depreciation	390,875	-
	2,051,521	2,641,091
(d) Movement in fair value of warrants – gain/(loss)	(3,273,605)	1,642,000

This amount represents the movement in fair value of the warrants issued on 22 November 2007 for the 6 month period ended 31 December 2009 and 2008. This amount does not represent a current or future cash flow to the Company; however, accounting standards require that a fair value be placed on the warrants and that they are revalued at each balance date with the movement to be recognised in the Company's Income Statement.

(e) Movement in fair value of derivative financial instruments - gain/(loss)	Six months ended 31 December 2009	Six months ended 31 December 2008
Increase/(decrease) in time value of put options	(84,277)	(533,277)
Ineffectiveness in gold forward sales contracts	(154,778)	-
Ineffectiveness in interest rate swap contracts	120,233	-
Mark to market movement in fuel hedges not qualifying for hedge accounting	(367,656)	-
	(486,478)	(533,277)

3(f) Finance costs		
Interest expense	5,122,386	225,881
Amortisation expense	827,884	-
Lending fees and charges	392,238	1,504
	6,342,508	227,384

4. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the half-year.

5. CONTRIBUTED EQUITY

	Consolidated 31 December 2009 Number	Consolidated 31 December 2008 Number
(a) Issued and paid up capital:		
Issued and fully paid shares	286,569,476	233,876,976
Weighted average number of shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	274,359,938	233,475,675
Effect of dilutive options	4,587,777	-
Adjusted weighted average number of ordinary shares used in calculating diluted earning per share	278,947,715	233,475,675

Movements in contributed equity during the past six months were as follows:

Ordinary Shares	Number	US$
Opening balance at 1 July 2009	269,206,976	187,816,660
Shares issued on exercise of options and warrants	2,657,500	2,142,455
Private placement	14,705,000	23,044,340
Share issue costs	-	(1,296,132)
Total shares on issue at 31 December 2009	286,569,476	211,707,323

6. INTEREST BEARING LIABILITIES

	Consolidated 31 December 2009 US$	Consolidated 30 June 2009 US$
Current		
Loans (ii)	29,284,410	28,674,480
Lease liabilities (iii)	3,535,618	3,806,173
	32,820,028	32,481,193
Non-Current		
Promissory note liability (i)	21,359,033	20,531,150
Loans (ii)	51,176,336	58,692,407
Lease liabilities (iii)	10,986,782	12,249,067
	83,522,151	91,472,624

(i) The Notes have a face value of US$25,000,000 before the transaction costs, including the fair value placed on the Warrants at their issue date, associated with raising the Notes. The Notes pay a 12% coupon per annum (paid semi-annually) until the earlier of the maturity date (22 November 2012) or redemption at face value which is at the option of the Group following the 24 month anniversary of closing.

(ii) The Group began repaying the BNP Paribas arranged $80,300,000 project finance facility in June 2009. The balance of the facility accrues interest at 3.65% plus LIBOR. The loan is repayable quarterly, from June 2009 to 31 December 2013.

The Company had also drawn down by 30 June 2009 the $10,000,000 unsecured cost overrun debt facility with Meridian Capital CIS Fund and Casten Holdings Limited. The facility, which is repayable on 30 June 2010, accrues interest at 14% per annum.

(iii) In December 2008 the Company entered into a finance lease for certain equipment to be used in the mining process at Masbate. The lease details are specified in the Masbate Technical Contract with Leighton Contractors (Philippines) Incorporated and Leighton Holdings Limited. The term of the lease is for 72 months and is secured over the underlying assets.

7. DERIVATIVE LIABILITY – CLASSIFIED AS HELD FOR TRADING

	31 December 2009 US$	30 June 2009 US$
Fair value of warrants	5,726,953	2,716,567

In accordance with accounting standards the Company is required to recognise the fair value of the Warrants as a current liability. The Warrants are required to be fair valued at each balance date, with the movement recognised as a gain or loss in the Income Statement. The Company does not have any current or future cash payment liabilities in relation to the Warrants; however, accounting standards require that a theoretical fair value be placed on them and that this be recognised as a current liability in the Company's Financial Statements. The Warrant component of the units has been valued using a binomial option pricing model taking onto account such factors as exercise price, underlying share price and volatility. As at 31 December 2009, the Company had 5,337,500 Warrants outstanding.

8. DERIVATIVE FINANCIAL ASSETS

	31 December 2009 US$	30 June 2009 US$
Current		
Gold put options	-	85,238
Fuel swaps	1,393,422	2,590,846
	1,393,422	2,676,084
Non-current		
Fuel swaps	2,090,132	1,260,431

9. DERIVATIVE FINANCIAL LIABILITIES

	31 December 2009 US$	30 June 2009 US$
Current		
Gold forward sales contracts (i)	14,639,533	1,590,034
Interest rate swaps	330,670	9,719
	14,970,203	1,599,753
Non-current		
Gold forward sales contracts (i)	43,176,471	21,944,226
Interest rate swaps	326,174	556,587
	43,502,645	21,953,945

(i) The US$80 million senior debt facility arranged by BNP Paribas requires limited hedging which has been executed. A hedging program of puts covering 46,079 ounces and forward sales covering 214,337 ounces was successfully executed during the September 2008 quarter. The derivative financial liabilities represent the fair values placed on the forward sales as at 31 December 2009.

10. CASH AND CASH EQUIVALENTS

For the purposes of the half year cash flow statement, cash and cash equivalents are comprised of the following:

	Consolidated 31 December 2009 US$	Consolidated 30 June 2009 US$
Cash at bank and on hand	31,973,532	22,436,912
Deposits at call	62,742	150,137
	32,036,274	22,587,049

11. INVENTORIES

	Consolidated 31 December 2009 US$	Consolidated 30 June 2009 US$
Gold on hand and in circuit	4,394,355	3,277,782
Consumables	6,711,057	4,738,654
Ore stockpile	1,302,650	1,665,307
	12,408,062	9,681,743

12. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to 31 December 2009, the Group has successfully closed a private placement of 39,100,000 ordinary shares at a price of C$2.20 per Ordinary Share for gross proceeds of C$86,020,000. The Group anticipates the net proceeds from the sale of Ordinary Shares will be used to repay indebtedness, including the 12% Senior Promissory Notes, to increase exploration activity at the Masbate Gold Project and general corporate purposes.

138,000 employee options and 4,787,500 warrants have been exercised since 31 December 2009.

13. COMMITMENTS

	Consolidated	
	31 December 2009 US$	30 June 2009 US$
Operating lease commitments – Group as lessee		
Due within 1 year	235,244	235,244
After one year but no more than five years	110,906	346,150
Aggregate lease expenditure contracted for at balance date but not provided for	346,150	581,394
The operating lease relates to the rental of office premises.		
Finance lease commitments – Group as lessee		
Due within 1 year	3,840,000	3,840,000
After one year but no more than five years	16,320,000	18,240,000
Total commitment for finance leases	20,160,000	22,080,000
Other commitments		
Power services contract commitments	300,000	300,000
Mining services commitments	4,600,000	18,400,000

The Company is party to a mining services contract between Leighton Contractors (Philippines) Limited and Filminera Resources Corporation. The mining equipment to be provided by Leighton represents a finance lease. Under an Ore Purchase Agreement, PGPRC is contracted to purchasing ore from Filminera at cost plus a profit margin. The Company is also party to a contract for the operation of the power station at the Masbate Gold Project.

14. SEGMENT REPORTING

Identification of reportable segments

For management purposes the group is organized into two business segments which are the Masbate Gold Project in the Philippines and the exploration activities in Africa. The Masbate Gold Projects primary activity is the extraction and processing of ore for gold sales. The primary activity of the exploration segment is the search for viable resource properties. The Board is the chief operating decision maker for each of the segments and monitors the performance of the business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance.

Accounting policies

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the financial statements and in the prior period.

The following table presents the revenue and result information regarding operating segments for the half-year periods ended 31 December 2009 and 31 December 2008.

	Masbate Gold Project (Philippines)		Exploration activities (Africa)		Total	
	31-Dec-09 US$	31-Dec-08 US$	31-Dec-09 US$	31-Dec-08 US$	31-Dec-09 US$	31-Dec-08 US$
Revenue						
Segment revenue from external customers	68,132,403	-	-	-	68,132,403	-
Interest revenue	1,166,154	969,239	2,951	607	1,169,105	969,846
Other interest revenue					3,854	234,059
Total revenue per income statement					69,305,362	1,203,905
Results						
Segment Profit/(Loss) before tax	19,740,274	136,895	(1,687,940)	(3,455,273)	18,052,334	(3,318,378)
Interest revenue					3,854	234,059
Administrative expenses					(1,326,800)	(2,637,798)
Borrowing costs					(4,230,669)	(227,384)
Mark to market of warrants					(3,273,605)	1,642,000
Other expenses					(1,632,083)	(2,092,430)
Net profit/(loss) before tax as per the income statement					7,593,031	(6,399,932)

The following table presents the total asset information regarding operating segments for the balance dates 31 December 2009 and 30 June 2009.

	Masbate Gold Project (Philippines)		Exploration activities (Africa)		Total	
	31-Dec-09	30-Jun-09	31-Dec-09	30-Jun-09	31-Dec-09	30-Jun-09
	US$	US$	US$	US$	US$	US$
Segment Assets	272,984,049	248,193,689	514,855	639,836	273,498,904	248,833,525
Corporate assets					27,335,313	23,655,017
Investment in associate					33,501,179	46,752,296
Total assets as per the balance sheet					334,335,396	319,240,838

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of CGA Mining Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position as at 31 December 2009 and the performance for the half-year ended on that date of the Consolidated Entity; and

  (ii) complying with the Accounting Standards AASB134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

MICHAEL CARRICK
Director and Chief Executive Officer

Perth, 15 February 2010

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To the members of CGA Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of CGA Mining Limited, which comprises the balance sheet as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the [period] financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of CGA Mining Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of CGA Mining Limited is not in accordance with the *Corporations Act 2001*, including:

giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year period ended on that date; and

complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

P McIver

P McIver
Partner
Perth
15 February 2010

PM:MB:CGA:005