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Management's Discussion and Analysis

The Management's Discussion and Analysis ("MD&A") provides an analysis to enable readers to assess material changes in financial condition and results of operations for the 3 month period ended September 30, 2011. This MD&A, prepared as of November 7, 2011 is intended to complement and supplement our Interim Financial Statements. It should be read in conjunction with the MD&A for the period ended June 30, 2011, our Interim Financial Statements for the period ended September 30, 2011 and our Annual Information Form for 30 June 2011. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for assessing our results of operation and our financial performance.

Our Interim Financial Statements are prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in US dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "CGA", we mean CGA Mining Limited and/or one or more of all of its subsidiaries, as it may apply.

Background and Review of Operations

CGA is incorporated and domiciled in Australia. The Company has been listed on the Australian Stock Exchange ("ASX") since April 1991 and on the Toronto Stock Exchange ("TSX") since February 2005.

During the 2007 year, the Company entered into agreements to acquire interests in the Masbate Gold Project in the Philippines, the Mkushi Copper Project in Zambia, and the Segilola Gold Project in Nigeria.

The Company executed a joint venture agreement on May 30, 2007 between Seringa Mining Limited ("SML"), a then wholly owned subsidiary of the Company, African Eagle Resources plc ("AFE") and Katanga Resources Limited ("Katanga"), a wholly owned subsidiary of AFE whereby CGA acquired a 51% interest in the Mkushi Copper Project in Zambia, with AFE retaining a 49% interest.

On May 27, 2007, the Company through its then wholly owned subsidiary, Segilola Gold Limited ("SGL"), entered into a joint venture agreement ("the JV Agreement") with Tropical Mines Limited ("TML"), to earn a 51% interest in the Segilola Gold Project in Nigeria, considered to be the most advanced gold exploration project in the country. TML is a Nigerian company owned in joint venture by local investors and the Government.

On January 31, 2007, the Company entered into a Sale and Purchase Agreement ("SPA") for the acquisition of 100% of Thistle Mining Inc's interest in the Masbate Gold Project located in the Republic of the Philippines. The agreed purchase consideration was $51M, and the transaction was completed on March 19, 2007 through an issue of 40,985,538 shares and cash payments of $25M.

During the 2008 financial year, the Company's activities were focused on the Masbate Gold Project development in the Philippines. During the December 2007 quarter, the Company secured the necessary equity funding to enable a commitment to development of the Masbate Gold Project and construction was commenced. A private placement of 48,200,000 ordinary shares in the capital of the Company and 25,000 units, for a total capital raising of approximately $65M was closed on November 22, 2007. Each unit comprised of one 12% senior unsecured promissory note with a par value of US$1,000 issued by CGA Financing Holding Company B.V., a wholly owned subsidiary of the Company, and 250 transferable share purchase warrants issued by the Company.

The Company completed an additional private placement on June 12, 2008, of 21,212,000 ordinary shares in the capital of the Company. The shares were sold at C$1.65 per share, raising C$35M. The proceeds, in combination with existing cash reserves, an $80.3M senior debt facility arranged by BNP Paribas (discussed below), and the $10M loan facility with Meridian Capital CIS Fund ("Meridian") and Casten Holdings Limited ("Casten") drawn down during the 2009 year, were used to fund construction of the Masbate Gold Mine in the Philippines, including the construction of a power plant. Both private placements made during the 2008 fiscal year were marketed on a best efforts basis by way of a brokered private placement with Haywood Securities Inc. as agent.

On May 26, 2008, the Company announced that the $80.3M project finance facility documentation had been signed with BNP Paribas and Standard Chartered Bank. Subsequently, two additional banks joined the syndicate, West LB and DZ Bank who are now also parties to the facility documentation. The funds available under the BNP Paribas arranged facility were applied to the development of the Masbate Gold Project in the Philippines with repayment over a 4.5 year term to 31 December 2013.

The Company completed a private placement, which closed on February 9, 2009, of 20M ordinary shares in the capital of the Company at C$1.25 per share for a total capital raising of C$25M. On June 12, 2009, the Company closed an additional private placement of 14,815,000 ordinary shares in the capital of the Company. The shares were sold at C$1.35 per share, raising C$20,000,250. The proceeds, in combination with existing cash reserves, were utilised to supplement working capital during the initial months of production at the Masbate Gold Mine.

During the 2009 year, the Company's focus continued to be the development and commissioning of the Masbate Gold Project with the construction of the processing plant completed in the 2009 March quarter and the power plant in the 2009 June quarter. The Masbate Gold Project achieved its first gold pour on 12 May 2009. Prior to commencement of commercial production, most costs were capitalised as development costs.

On October 30, 2009 the Company completed a private placement of 14,705,000 ordinary shares in the capital of the Company at C$1.70 per share for a total capital raising of C$24,998,500. The net proceeds, after costs of the issue, in combination with existing cash reserves, were utilised to fund further enhancements in the plant and exploration activities at the Masbate Gold Mine.

A further private placement was completed on February 5, 2010 on a bought deal basis, of 39.1M ordinary shares in the capital of the Company at C$2.20 per share for total gross proceeds of C$86M. The net proceeds from the sale of the shares were used to repay indebtedness, including the early repayment of the loan facility with Meridian and Casten, the $25M Senior Promissory Notes, to increase exploration activity at the Masbate Gold Project and for general corporate purposes.

During the June 2010 quarter, the Company entered into a strategic alliance with Sierra Mining Limited ("Sierra"), which holds prospective gold exploration interests in the Philippines. Projects include the property immediately adjacent to Medusa Mining Limited's (TSX:MLL) rich Co-0 gold mine (December 2010 quarter – average grade 13.09g/t and cash costs of $185/oz) and other properties to the south of the King-king gold and copper deposit. This will leverage CGA's exploration expenditure and further capitalise on the success to date in the Philippines. In November 2010, the Company purchased a further 4M shares in Sierra, increasing its holding at 31 March 2011, to 19.7M shares or approximately 9.5%.

In 2010, the Company incorporated a new entity, Ratel Gold Limited ("Ratel") now called St Augustine Gold and Copper Limited ("SAU") which acquired the Company's African assets. During the June 2010 quarter, the Company announced a proposed spin-off of Ratel from the Company, with Ratel undertaking an initial public offering of common shares (the "Offering") in Ratel. The Offering closed successfully on 6 August 2010, with Ratel issuing 70M common shares at a price of C$0.20 per common share, for aggregate gross proceeds of C$14M. The Offering, along with a subsequent issue of 2.5M shares by Ratel, diluted the Company's holding in Ratel to 19.4%. Accordingly the African assets, being the Segilola Gold Project and the Mkushi Copper Project, are no longer controlled by the Company or consolidated into its financial statements.

In October 2010 the Company entered into a strategic alliance with Ratel (now called SAU) in connection with Ratel's agreement to acquire the interests held by Russell Mining & Minerals, Inc. and their subsidiaries (the "RMMI Group"), in the 20.7M equivalent gold ounce King-king Copper-Gold Project in the Philippines ('the King-king Interests"). As part of the acquisition, the Company agreed to provide a loan facility to the RMMI Group to fund the initial settlement payments to Benguet Corporation ("Benguet") and debt holders of Benguet, together with working capital, which was fully secured against the King-king Interests. The total amount loaned was $14,489,202, which was fully repaid to the Company on 7 January 2011, along with interest of $336,705. The acquisition was conditional on the successful completion of a C$25M capital raising at C$0.30 ('the Ratel Placement") per share and securing all necessary shareholder and TSX approval for the acquisition, share issue to the RMMI Group and the Ratel Placement. The Company subscribed for a total of 50M additional shares in the Ratel Placement, increasing its interest in Ratel Gold Limited (now called SAU) to its current interest of 23%. The Ratel Placement along with the acquisition of the King-king interests was successfully closed on 7 January 2011.

With the closure of the Ratel Placement, Ratel (now called SAU) completed a spin-off of its existing African assets, by way of an entitlement issue back to shareholders of shares in Ratel Group Limited ("Ratel Group"), a TSX-listed company trading under the symbol "RTG". Under the terms of the reorganization, the Company was issued a further 9,722,222 Ratel Group shares. The Company also participated in a capital raising of Ratel Group, taking up 19M shares at C$0.10 each. As a result the Company now holds a 19.1% interest in Ratel Group.

Operations at the Masbate Gold Project progressed well through the 2010-11 year. Mill throughput continued to improve with a ninth consecutive quarterly record set in the June 2011 quarter. Total tonnes milled for the 2011 financial year was 6,152,561 tonnes. The commissioning of a fourth mining fleet during the June 2011 quarter will support further throughput improvements as the Company finalises the 6.5Mtpa plant upgrade. The commissioning of the supplementary crusher occurred during September 2011. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and continues to track well. The initial mine scheduling shows that mining can match the higher throughput with the new larger equipment and that the expansion can be supported, independent of exploration success. Sedgman WA has finalised the study to identify equipment requirements and capital costs. The study is showing that an expansion of the crushing and grinding circuits can be achieved without interference to the existing operation and the final tie into the plant can occur with minimal down time.

During June 2011, the Company successfully achieved Project Completion for the project finance facility for the Masbate Gold Project. Having now satisfied Project Completion, the following additional benefits apply to the facility:

- the margin has reduced from LIBOR plus 3.65% to LIBOR plus 3.15%;
- any guarantees from CGA have been released and the project is non-recourse to CGA;
- the Project will be able to flow all excess funds (above and beyond the Debt Service Reserve Account) to any other entity within the CGA group, with any payment out of the security structure to be applied as to 25% to a further prepayment of the principal outstanding under the facility, subject to the satisfaction of normal financial ratios.

On 10 July 2011, cracks were detected in the SAG mill at the Masbate Gold Project. The SAG mill was shut down to be repaired, although interim production was re-established on 21 July 2011 with a reconfiguration of the grinding circuit and ore now being fed directly into the ball mills. Production rates were steadily increased as the revised circuit was bedded down and the supplementary crushing circuit was ramped up. Repairs to the SAG mill are well advanced with METSO Australia providing technical guidance and site supervision. Specialist welding supervision was provided by Metalock from USA under METSO. All cracks have been identified through ultrasonic and magnetic particle testing and welding on the shell including the addition of strengthening gussets to the feed and discharge ends as recommended by METSO is continuing. The alignment work on the trunnion, pinions and girth gear is required before restarting the mill and resuming full production in the December quarter. The Company has an insurance policy for both repairs and loss of profits, subject to the normal deductibles and exclusion clauses.

On 20 September 2011, the supplementary crusher came online and at the end of the quarter the throughput rates were at approximately 500tp/h. The commissioning of the supplementary crusher is expected to increase the throughput capacity to 11,000-12,000t/day once fully operational.

During the September 2011 quarter, the Company announced that it has agreed to acquire 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit. On 7 November 2011, the Company completed the purchase of the interests held by Bloomsbury Holdings Limited. Exploration activities have already commenced on the MPSA with the first hole drilled, returning 85m @ 0.85g/t Au including 14m @ 1.26g/t Au from surface. The assays were conducted by SGS at their onsite laboratory using Fire Assay techniques with a 50g charge. The Pajo MPSA is part of an expansion of the exploration program over the next 12 months which will include additional diamond core and RC rigs being brought to site.

A drill hole proposal was also designed for Pajo South totalling 28 holes for 2,850m. This area is 300 - 400m due east of Colorado and Grand View Pits and is suspected to host a parallel structure to the Colorado deposit. Proposals for an additional twenty holes totalling 3,000m have been done for Pajo Hill Prospect and drilling will commence when drill pads are completed.

During the 2011-12 year, the Company plans to extend its exploration program, with a focus on materially enhancing the reserve and resource base of the project. This exploration program is well underway with $8.123M spent as at 30 June 2011, and a further $20M expenditure planned in the coming year. During the September quarter $2.808M was spent on exploration activities, with a further $4.471M planned to be spent during the December 2011 quarter. The expansion of the exploration program over the next 12 months will include additional diamond core and RC rigs being brought to site.

The business of the Company and its shares should be considered speculative given the volatility in world stock markets (particularly with respect to mining and exploration companies) and the uncertain nature of mining and exploration activities generally. Amongst other things, some of the key risk factors faced by CGA include:

- foreign exchange movements;
- movements in commodity prices (in particular the gold price and costs of production);
- access to new capital (both debt and equity) and meeting liquidity requirements;
- meeting forecast operating parameters, including grade, operating costs, throughput and reliability of mechanical components;
- the uncertain nature of exploration and development activities;
- commissioning risks in new development projects including the use of second hand equipment;
- satisfying banking requirements and covenants;
- increases in capital expenditures necessary to advance the Company's projects;
- the ability to profitably exploit new development projects;
- political, security and sovereign risks of the Philippines;
- permitting, local community and small scale miners support;
- environmental obligations; and
- weather conditions.

For further information on these and other risks inherent in the Company's business, we direct readers to Section 9 of this MD&A and the Company's Annual Information Form ("AIF") for the most recently completed financial year lodged on SEDAR at sedar.com.

1. Financial and Operating Highlights
(In thousands of dollars, except amounts per ounce, per tonne and per share)

	Three-month period ended	
	September 30, 2011	June 30, 2011
Gold ounces produced	14,935	46,281
Gold ounces sold	16,615	53,714
Proceeds – Gold and silver sales	16,287	72,857
Masbate Project operating gross profit/(loss)[1]	(7,690)	28,575
Consolidated Group net profit/(loss) [2]	(11,935)	18,800
Basic earnings per share	(3.58)	5.65
Diluted earnings per share	(3.52)	5.55
Group net revenue [3]	17,048	73,625
Masbate Project cash flow from operating activities [4]	(3,184)	35,152
Masbate Project operating cash flow per share [4]	(0.95)	10.56
Average realized gold price (per ounce)	960	1,332
Cash operating cost (per ounce sold) [4]	1,167	699
Adjusted cash operating cost (per tonne processed) [4]	37.08	20.45

[1] The Masbate Project operating gross profit shows a combination of the operating results of our subsidiary, Phil. Gold Processing and Refining Corp. ("PGPRC") and our associate, Filminera Resources Corporation ("FRC"), excluding financing costs, fair value movements on derivative instruments and foreign exchange movements.

[2] Group net profit or loss represents the consolidated group and accordingly includes amounts that may not be related to the Masbate Gold Project, does not consolidate FRC and includes the margin on ore sales between PGPRC and FRC.

[3] Group net revenue adjusts revenue from the sale of gold and silver for refining / selling costs, interest income and notional interest accretion.

[4] Masbate Project cashflow from operating activities and adjusted cash operating cost per ounce reflects a combination of the operating results of PGPRC and FRC and excludes changes in working capital items, and adjusts for gold inventory and stockpile movements, capital expenditure, all taxes, royalties and corporate costs.

2. Consolidated Results
(In thousands of dollars, except amounts per ounce, per tonne and per share)

Profit and Loss

	Three-month period ended		
	September 30, 2011	June 30, 2011	Variation
Revenues	17,048	73,625	(56,577)
Group net profit/(loss)	(11,935)	18,800	(30,841)
Depreciation and amortisation[1]	1,953	3,647	(1,694)
Interest	729	932	(203)
Basic earnings per share (continuing operations)	(3.58)	5.65	(9.26)

[1] Depreciation and amortisation reflects the accounting expense booked by the consolidated group so excludes depreciation and amortisation expensed by FRC.

The consolidated profit and loss results reflect the consolidated CGA group results and accordingly include a consolidation of PGPRC and do not consolidate the results of FRC. On this basis, it includes the margin paid by PGPRC to FRC for the acquisition of ore, and some of the costs of FRC such as taxes paid, depreciation and other costs which are on charged to PGPRC as included in the mining fee. For the comparison of the quarter and year to date to the previous quarter and periods, please refer to Section 10 of this MD&A.

Consolidated Cash Flows from Operating Activities
(In thousands of dollars)

	Three-month period ended	
	September 30, 2011	June 30, 2011
Reconciliation of net loss after tax to net cash flows from operations		
Net profit/(loss)after related income tax	(11,935)	18,800
Adjustment for non-cash income and expense items:		
Depreciation and amortisation	1,953	3,647
Gain on deconsolidation	-	2,929
Unrealised foreign exchange (gain)/loss	(19)	539
Share-based payments	460	460
Movement in fair value of Warrants	-	-
Share of loss of associate	949	1,018
Interest income on receivable from associate	(728)	(652)
Borrowing costs	962	1,818
Movement in fair value of derivatives	471	535
Other	-	(1)
Changes in assets and liabilities:		
Change in working capital	(5,816)	8,236
Net cash inflow/(outflow) from operating activities	**(13,703)**	**37,329**

Consolidated cash flows from operations reflect the consolidated CGA group results and accordingly include a consolidation of PGPRC and do not consolidate the results of FRC. On this basis, it includes the margin paid by PGPRC to FRC for the acquisition of ore, and some of the costs of FRC such as taxes paid, depreciation and other costs which are on charged to PGPRC as included in the mining fee. These cash flows also reflect the operating cash flows of the corporate entities within the group, which include activities not directly related to the Masbate Gold Project.

Cash flows from operating activities were a net outflow of $13.703M for the quarter ended 30 September 2011 (30 June 2011 net inflow of $37.329M). The decrease from the prior period is largely due to the decreased gold sales resulting from the reduced processing capacity of the mill. Mill throughput was reduced as a result of the SAG Mill breakdown with 566,938 tonnes milled for the September quarter, as compared to 1,601,739 tonnes for the previous quarter, producing 14,935 ounces of gold (June quarter: 46,621 ounces of gold), a decrease of 69%. Sales of gold at spot prices have been minimal, due to reduced production levels, resulting in an average gold sales price of $960 for September, compared to $1,332 for June, with 14,482 oz of gold sales relating to hedge sales. Operating cash outflows have decreased as a result of the reduced mining operations and operating capacity of the SAG Mill, although fixed costs have remained constant. Repair work has been undertaken on the SAG mill during the quarter, and normal production is expected to resume in the December quarter.

3. Mining Operations
(In thousands of dollars, except amounts per ounce, per tonne and per share)

Masbate Gold Project	Three-month period ended		
Operating Data	**September 30, 2011**	**June 30, 2011**	**Variance**
Ore mined (tonnes)	0.50M	1.76M	(1.26)
Ore processed (tonnes)	0.57M	1.60M	(1.03)
Head grade (g/t) (processed)	0.92	1.06	(0.14)
Recovery (%)	89.3%	86.3%	3.0%
Gold ounces produced	14,935	46,261	(31,326)
Gold ounces sold	16,615	53,714	(37,099)
Financial Data (in thousands of dollars)			
Revenues – Gold and silver sales	16,287	72,941	(56,654)
Masbate Project cash operating costs	19,386	37,564	(18,178)
Excise tax[1]	1,553	1,139	414
Depreciation and amortisation	2,544	5,326	(2,782)
Corporate / Makati administration	622	781	(159)
Interest[2]	821	941	(120)
Masbate Project gross profit/(loss)	(7,690)	28,575	(36,265)
Masbate Project net profit/(loss)	(9,110)	23,561	(32,671)
Masbate Project cashflow from operating activities[3]	(3,184)	35,152	(38,336)
Mining fleet capital payments	1,082	1,424	(342)
Total capital expenditure	8,185	9,830	(1,645)
Deferred mining expenditure	-	-	-
Tax related payments[4]	1,814	3,451	(1,637)

Masbate Gold Project	Three-month period ended		
Statistics ($)	**September 30, 2011**	**June 30, 2011**	**Variance**
Average realized price (per ounce)	960	1,332	(372)
Cash operating cost (per ounce sold)[2]	1,167	699	468
Adjusted cash operating cost (per tonne processed)[2]	37.08	20.45	16.63

[1] Excise tax reflects tax paid rather than tax accrued for as there are quarterly payments that cross over accounting periods.

[2] Interest expense includes interest payments in relation to the BNP finance facility and the finance lease held by PGPRC for the Masbate project mine equipment.

[3] Masbate Project cashflow from operating activities and adjusted cash operating cost per ounce reflects a combination of the operating results of PGPRC and FRC and excludes changes in working capital items, and adjusts for gold inventory and stockpile movements, capital expenditure, all taxes, royalties and corporate costs.

[4] Taxes includes the VAT payments which are in part recoverable, and accordingly capitalised and not recognised in the net income figures, and

other local taxes but excludes excise tax.

Masbate Operations

The financial and operating results set out above for the Masbate Gold Project are not based on the consolidated group financial statements as FRC, the entity that mines the ore and sells it to PGPRC for processing is not consolidated. The specific purpose analysis set out above is done as an illustration of the operating results of the project if you were to combine the financial results of PGPRC and FRC as if it were a group.

Revenue from metal sales for the September quarter decreased by $56.654M or 78% from the previous quarter, a result of production being 68% lower in the September quarter as compared to the June quarter. The decreased gold production resulted in limited gold sales at spot prices, with the majority of gold sales covering the hedge contracts, therefore reducing the average realised price of gold sold in the current quarter to $960/oz for the September quarter as compared to $1,332/oz for the June quarter. Mill throughput was reduced as a result of the SAG Mill breakdown. Mill throughput was 566,938 tonnes (June quarter: 1,601,739 tonnes) to produce 14,935 ounces (June quarter: 46,621 ounces) of gold. Gold production decreased due to lower ore tonnes treated, although there was an improvement in the recovery rate of 89.3% (June quarter: 86.3%). The repairs to the SAG Mill are well under way, and the commissioning of the supplementary crusher has resulted in a further improvement in throughput. Repairs are expected to be completed in the December quarter, which should see production return to previous levels.

Adjusted cash costs per tonne milled were $37.08/t compared to $20.45/t during the previous quarter, adjusted for waste deferral and ore stockpile valuation changes. Cash operating costs per ounce were up 67% to US$1,167/oz (US$699/oz in the June quarter) due to reduced throughput and the impact of fixed operating costs on the production cost/oz.

4. Consolidated Balance Sheet
(In thousands of dollars, except amounts per ounce, per tonne and per share)

	For the period ended		
	September 30, 2011	June 30, 2011	Variation
Cash and cash equivalents[1]	83,220	107,336	(24,116)
Cash and liquid assets[2]	174,416	204,621	(30,205)
Current assets	111,292	134,714	(23,422)
Restricted cash[1]	9,000	9,000	-
Property, plant and equipment	191,615	191,355	260
Mining fleet finance lease	26,379	27,199	(820)
Investments and other assets	73,739	71,574	2,165
VAT receivable	20,109	19,533	576
Total Assets	438,264	459,636	(21,372)
BNP project finance facility	39,540	43,478	(3,938)
Derivative liabilities	91,286	87,253	4,033
Mining fleet finance lease	24,471	25,552	(1,081)
Total Liabilities	171,638	176,536	(4,898)
Shareholders' Equity	266,626	283,099	(16,473)

[1] Cash and cash equivalents at 30 September 2011 include an amount of $9,000,000 (30 June 2011: $9,000,000) held with BNP Paribas in line with the requirements of project financing facility agreement which requires two quarters of principal and interest payments due on the facility to be held on deposit.

[2] Cash and liquid assets includes cash and cash equivalents, held by the consolidated group, cash held by the consolidated group's associate, FRC, investments in listed securities valued as at the balance date, and gold on hand, valued at as at the balance date.

Total assets of the Company decreased during the period, mainly attributable to a decrease in the cash on hand balance by $24.116M. The decrease is related to the reduced gold sales during the period as a result of the disruption to the SAG Mill during the quarter. As at 30 September 2011, the Company had 6,204oz of gold on hand, with a market value of $10.1M (based on the market spot rate at 30 September 2011), however for accounting purposes this gold inventory is recorded at its cost value on the balance sheet and carried at $7.9M at the balance date. In addition, the Company has also repaid $3.938M in principal on the BNP finance facility during the current quarter, bringing the outstanding principal balance to $39.540M at 30 September 2011.

The VAT receivable reflects the payments made for VAT as at the balance date and represents an estimate of proceeds to be refunded or realised from a sale of those tax credits to other parties.

5. Derivative Financial Instruments

A hedging program of puts covering 46,079 ounces (which expired during the 2010 financial year) and forward sales covering 214,337 ounces was successfully executed during the September 2008 quarter. The effective portion of changes in the fair value of these derivatives that have been designated and qualify as cash flow hedges are recognised in equity in the cash flow hedge reserve. The gain or loss relating to the ineffective portion or portion that does not qualify for hedge accounting is immediately recognised in the income statement. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement. In March 2009, the Company subsequently executed further hedging comprising fuel hedges and interest rate swaps. The fuel hedges do not qualify for hedge accounting and all changes to the fair value of the fuel derivatives are recognised in the profit and loss. The gain or loss relating to the ineffective portion or portion that does not qualify for hedge accounting is immediately recognised in the income statement. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the income statement. The amount reflected in the group consolidated profit and loss for hedge related expenses is a loss of $0.471M for the quarter, which is the result of losses on its HFO and diesel fuel swap contracts of $0.634M and a gain of $0.163M on its interest rate swap which do not qualify for hedge accounting. The remaining balance of gold forward sales contracts as at 30 September, 2011 is 122,857 ounces at an average price of $889/oz.

Summary of gold forward sales contracts

Expiry Date	Settlement Date	Total Ounces	Average Price (US$)
27 Oct 2011 – 28 Dec 2011	31 Oct 2011 – 31 Dec 2011	14,486	852.22
27 Jan 2012 – 31 Dec 2012	27 Jan 2012 – 31 Dec 2012	58,146	875.47
29 Jan 2013 – 27 Dec 2013	31 Jan 2013 – 31 Dec 2013	50,225	912.67

Summary of interest rate swap contract

Start Date	End Date	Total Loan Amount (US$)	Fixed interest rate
30 Sep 2011	31 Dec 2011	19,800,000	2.41%
31 Dec 2011	31 Mar 2012	17,800,000	2.41%
31 Mar 2012	30 Jun 2012	15,700,000	2.41%
30 Jun 2012	30 Sep 2012	13,600,000	2.41%
30 Sep 2012	31 Dec 2012	5,710,000	2.41%
31 Dec 2012	31 Mar 2013	4,600,000	2.41%
31 Mar 2013	30 Jun 2013	3,500,000	2.41%
30 Jun 2013	30 Sep 2013	2,350,000	2.41%
30 Sep 2013	31 Dec 2013	1,200,000	2.41%

Summary of HFO fuel swap contracts

Expiry Date	Settlement Date	Total Barrels	Average Price (US$)
1 Oct 2011 – 30 April 2012	1 Oct 2011 – 30 April 2012	19,936	57.48

Summary of diesel swap contracts

Expiry Date	Settlement Date	Total Barrels	Average Price (US$)
1 October 2011 – 30 April 2012	1 October 2011 – 30 April 2012	6,615	78.63

6. Commitments and Contingencies

	Consolidated Sept 2011 US$	Consolidated June 2011 US$
Operating lease commitments – Group as lessee		
Due within one year	61,786	167,184
After one year but no more than five years	-	-
Aggregate lease expenditure contracted for at balance date	**61,786**	**167,184**
Finance lease commitments – Group as lessee		
Due within one year	7,296,497	7,336,668
After one year but no more than five years	22,409,631	24,226,509
Aggregate lease expenditure contracted for at balance date	**29,706,128**	**31,563,177**
Other Commitments		
(a) Mining services commitments	21,948,000	21,948,000
(b) Power services contract commitments	422,086	425,424
(c) Camp Management commitments	86,301	86,301
(d) Laboratory services commitments	205,431	205,431
(e) Other capital commitments	1,204,345	2,434,635

The Company is also party to a mining services contract between Leighton Contractors (Philippines) Limited and Filminera Resources Corporation which has been determined to contain a finance lease. Refer to Note 2(d)(ii) for further details. Under the 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. The contract has a 3 month termination notice period. The camp management commitments relate to capital commitments for camp improvements. Laboratory services agreements relate to a 3 month termination notice period on the laboratory services contract.

BNP project finance debt facility	**30 Sept 2011**	**30 June 2011**
Due within one year	12,334,810	16,272,330
After one year but no more than five years	27,205,220	27,205,890
	39,540,030	**43,478,220**

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1 – 3 years**	**4 - 5 years**	**After 5 years**
Debt					
Finance Lease Obligations	29,706,128	7,296,497	17,984,931	4,424,700	-
Operating Leases	61,786	61,786	-	-	-
Purchase Obligations	23,866,163	23,866,163	-	-	-
Other Obligations	-	-	-	-	-
Total Contractual Obligations	53,634,077	31,224,446	17,984,931	4,424,700	-

7. Liquidity and Capital Resources

As at 30 September, 2011, the Company had cash and cash equivalents of $83.2M as compared to $107.3M at 30 June 2011, and $97.3M at 30 September 2010. Cash and liquid assets of the Company were $174.4M at 30 September 2011 (30 June, 2011: $204.6M). The decrease from the prior quarter is principally due to the decrease in gold production which has resulted in the current quarter's reduced metal sales, together with a decrease of $9.86M in the market value of listed investments.

During the 2010 financial year the Company completed a private placement, issuing 39.1M ordinary shares at C$2.20 per share in February 2010, raising a total of C$111.02M. The net proceeds from this issue were used, amongst other things, to repay the $25M promissory notes and $10M loan facility from Meridian and Casten and were used to increase exploration activity at the Masbate Gold Project.

During the current quarter, the Company has repaid $3.9M in principal and $0.5M in interest on the financing facility with BNP Paribas, reducing the balance owing at 30 September 2011 to $39.5M.

The Company manages liquidity risk through cash reserves, credit facilities and equity capital raising to meet the operating requirements of the business, investing excess funds in highly liquid short term cash deposits. The Company's liquidity needs can likely be met through cash on hand and short and long-term borrowings, subject to current forecast operating parameters being met.

The Company currently has in place an active program of financial forecasting and budgeting both at a corporate and project level to manage both the application of funds and planning for future financial needs to ensure that any shortfall in revenue funds is adequately covered by cash reserves or planned new sources being either debt or equity based on the then most cost effective weighted average cost of capital. Credit Risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Group's maximum exposures to credit risk at the reporting date in relation to each class of financial asset is the carrying amounts of those assets as indicated in the Balance Sheet.

8. Subsequent Events

On 7 November 2011, the Company completed the purchase of the previously announced acquisition of 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit at the Masbate Gold Project.

9. Risks and Uncertainties

As a mining company, the Company faces the financial, operational, political and environmental risks inherent to the nature of its activities. These risks may affect the Company's profitability and level of operating cash flow. The Company also faces risks stemming from other factors, such as fluctuations in gold prices, oil prices, interest rates, exchange rates, tax or royalty rates or the adoption of new interpretation relating thereto and financial market conditions in general. As a result, the securities of the Company must be considered speculative. Prospective purchasers of the common shares of the Company should give careful consideration to all of the information contained or incorporated by reference in this Management's Discussion and Analysis including the Annual Information Form for June 2011 and, in particular, the following risk factors.

Financial Risks

Fluctuation in Gold Prices

The profitability of CGA's operations will be significantly affected by changes in the market price of gold. Gold production from mining operations and the willingness of third parties, such as central banks, to sell or lease gold affects the gold supply. Demand for gold can be influenced by economic conditions, gold's attractiveness as an investment vehicle and the strength of the US dollar and local investment currencies. Other factors include the level of interest rates, exchange rates, inflation and political stability. The aggregate effect of these factors is impossible to predict with accuracy. Gold prices are also affected by worldwide production levels. In addition, the price of gold has on occasion been subject to very rapid short-term changes because of speculative activities. Fluctuations in gold prices may adversely affect CGA's financial performance and results of operations.

Fluctuation in Oil Prices

Because CGA uses diesel and heavy fuel oil to power its mining equipment and power stations to supply its mining operations, CGA's operating results and financial results may be adversely affected by rising petroleum prices. A portion of the costs until April 2012 are the subject of fuel hedges.

Exchange Rate Fluctuations

The operations of CGA in the Philippines are subject to currency fluctuations and such fluctuations may materially affect the financial position and results of CGA. Gold is currently sold in US dollars and although the majority of the costs of CGA are also in US dollars, certain costs are incurred in other currencies. The appreciation of non-US dollar currencies against the US dollar can increase the cost of exploration and production in US dollar terms, which could materially and adversely affect CGA's profitability, results of operations and financial condition.

Access to Capital Markets

To fund its growth, CGA is often dependent on securing the necessary capital through loans or permanent capital. The availability of this capital is subject to general economic conditions and lender and investor interest in CGA's projects.

Hedging Risk

The Group is exposed to movements in the gold price, other commodities and interest rates. As part of the risk management policy of the Group and in compliance with the conditions required by the Group's financiers, a variety of financial instruments (such as gold forward sales contracts and gold put options) are used from time to time to reduce exposure to unpredictable fluctuations in the project life revenue streams. Within this context, the hedging programs undertaken are structured with the objective of retaining as much upside to the gold price as possible, but in any event, by limiting hedging commitments to no more than 50% of the group gold reserves. The Group has also entered into a number of other derivative instruments including interest rate swaps and fuel hedging contracts. In the event that the Group cannot deliver into these contracts due to insufficient gold production at the Masbate Gold Project, an early repayment of the loans or reduced fuel needs, the Group could be exposed to material mark to market adjustments which could cause material liquidity requirements which may not be able to be funded from the cashflow from operations.

Banking Covenants

Construction of the Masbate Project has in part been financed by project finance from commercial banks which has representations, financial commitments, banking ratios and other covenants which must be satisfied at all times. Given the risks to operating cashflow as described above, the Company is exposed to potential Events of Default which could make all amounts due and payable immediately or expose the group to working capital needs which may not be able to be funded by proceeds from operations. Such exposures can also cause cross-defaults on other debt facilities, making those due and payable immediately which may not be able to be funded from cash reserves.

Concentration of Share Ownership

Majority or significant shareholders may be are able to exercise significant influence over all matters requiring shareholder approval, including the election of directors and approval of significant corporate transactions and such parties may not act in the best interests of the Company.

Thistle, PGO Loan and Inter-Company Loans

Some of the Philippine Gold Limited ("PGO") (which was acquired from Thistle) loans and inter-company loans have been in place for a number of years. In 2005 and 2006, PGO, FRC and PGPRC undertook a restructuring of the inter-company loans acting on the advice of its tax consultants. Some inter-company loans were converted into interest-bearing loans, and a portion of the inter-company loans were converted into "additional paid-in capital".

There is a risk that the past and current structure of the inter-company loans may have adverse tax consequences.

Operational Risks

Uncertainty of Reserve and Resource Estimates

The figures for reserves and resources presented are estimates based on limited information acquired through drilling and other sampling methods. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. The ore grade actually recovered may differ from the estimated grades of the reserves and resources. Such figures have been determined based upon assumed gold prices and operating costs. Future production could differ dramatically from reserve estimates for, among others, the following reasons:

- mineralization or formations could be different from those predicted by drilling, sampling and similar examinations;

- increases in operating mining costs and processing costs could adversely affect reserves;

- the grade of the reserves may vary significantly from time to time and there is no assurance that any particular level of gold may be recovered from the reserves; and

- declines in the market price of gold may render the mining of some or all of the reserves uneconomic.

Any of these factors may require CGA to reduce its reserves estimates or increase its costs. Short-term factors, such as the need for the additional development of a deposit or the processing of new different grades, may impair CGA's profitability. Should the market price of gold fall, CGA could be required to materially write down its investment in mining properties or delay or discontinue production or the development of any new projects.

Production

No assurance can be given that the intended or expected production schedules or the estimated direct operating cash costs will be achieved in respect of the operating gold mine in which CGA has an interest. Many factors may cause delays or cost increases, including, without limitation, labour and local issues, disruptions in power, transportation or supplies, and mechanical failure. The revenues of CGA from the operating gold mines will depend on the extent to which expected operating costs in respect thereof are achieved. In addition, short-term operating factors, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause a mining operation to be unprofitable in any particular period.

Nature of Mineral Exploration and Mining

CGA's profitability is significantly affected by CGA's exploration and development programs. The exploration and development of mineral deposits involves significant financial risks over a significant period of time, which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a gold-bearing structure may result in substantial rewards, few properties explored are ultimately developed into mines. Major expenses may be required to establish and replace reserves by drilling, and to construct mining and processing facilities at a site. It is impossible to ensure that the current or proposed exploration programs on CGA's exploration properties will result in profitable commercial mining operations.

CGA's operations are, and will continue to be, subject to all of the hazards and risks normally associated with the exploration, development and production of gold, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage. CGA's activities may be subject to prolonged disruptions due to weather conditions depending on the location of operations in which CGA has interests. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. While CGA may obtain insurance against certain risks in such amounts as it considers adequate, the nature of these risks are such that liabilities could exceed policy limits or could be excluded from coverage. There are also risks against which CGA cannot insure or against which it may elect not to insure. The potential costs which may be associated with any liabilities not covered by insurance or in excess of insurance coverage or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting CGA's earnings and competitive position in the future and, potentially, its financial position and results of operations.

Whether a gold deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of gold, revenue repatriation and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of these factors may result in CGA not receiving an adequate return on invested capital.

Depletion of the Company's Mineral Reserves

CGA must continually replace mining reserves depleted by production to maintain production levels over the long term. This is done by expanding known mineral reserves or by locating or acquiring new mineral deposits. There is, however, a risk that depletion of reserves will not be offset by future discoveries of mineral reserves. Exploration for minerals is highly speculative in nature and involves many risks. Many projects are unsuccessful and there are no assurances that current or future exploration programs will be successful. Further, significant costs are incurred to establish mineral reserves, open new pits and construct mining and processing facilities. Development projects have no operating history upon which to base estimates of future cash flow and are subject to the successful completion of feasibility studies, obtaining necessary government permits, obtaining title or other land rights and the availability of financing. In addition, assuming discovery of an economic mine or pit, depending on the type of mining operation involved, many years may elapse before commercial operations commence. Accordingly, there can be no assurances that CGA's current programs will result in any new commercial mining operations or yield new reserves to replace and/or expand current reserves.

Licenses and Permits

CGA requires licenses and permits from various governmental authorities. CGA believes that it holds all necessary licenses and permits under applicable laws and regulations in respect of its properties and that it is presently complying in all material respects with the terms of such licenses and permits. Such licenses and permits, however, are subject to change in various circumstances. There can be no guarantee that CGA will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Competition

The mineral exploration and mining business is competitive in all of its phases. CGA competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than CGA, in the search for and the acquisition of attractive mineral properties and, increasingly, human resources. There is no assurance that CGA will continue to be able to compete successfully with its competitors in acquiring properties or prospects and in attracting and retaining human resources.

Cash Cost of Gold Production

CGA's cash operating cost to produce an ounce of gold is dependent on a number of factors, including the grade of reserves, recovery and plant throughput. In the future, the actual performance of CGA may differ from the estimated performance. As these factors are beyond CGA's control, there can be no assurance that CGA's cash operating cost will continue at historical levels or perform as forecast.

Title Matters

While CGA has no reason to believe that the existence and extent of any mining property in which it has a participating interest is in doubt, title to mining properties is subject to potential claims by third parties. The failure to comply with all applicable laws and regulations, including failure to pay taxes and carry out and file assessment work, may invalidate title to portions of the properties where the mineral rights are not held by CGA.

Outside Contractor Risk

The mining and exploration activities are conducted by outside contractors. As a result, CGA's operations at these sites will be subject to a number of risks, some of which will be outside CGA's control, including:

- negotiating agreements with contractors on acceptable terms;
- the inability to replace a contractor and its operating equipment in the event that either party terminates the agreement;
- reduced control over such aspects of operations that are the responsibility of the contractor;
- failure of a contractor to perform under its agreement with CGA;
- interruption of operations in the event that a contractor ceases its business due to insolvency or other unforeseen events;
- failure of a contractor to comply with applicable legal and regulatory requirements, to the extent that it is responsible for such compliance; and
- problems of a contractor with managing its workforce, labour unrest or other employment issues.

In addition, CGA may incur liability to third parties as a result of the actions of a contractor. The occurrence of one or more of these risks could have a material adverse effect on CGA's business, results of operations and financial condition.

Safety and Other Hazards

The mining industry is characterised by significant safety risks. To minimize these risks, the Company has established an Occupational Health Safety & Environment Management Plan ("OHS&E"). The Company provides OHS&E training and awareness programs to its employees and contractors to continuously improve work practices and the work environment however there are no guarantees that this will prevent safety issues, accidents or other hazards.

Political Risks

CGA currently holds interests in gold projects in the Republic of the Philippines, which may be considered to have high political and sovereign risk. The Company also has its head office operations located in Australia. Any material adverse changes in government policies or legislation of Australia, Nigeria, the Republic of Zambia (given the investment in Ratel Group) or the Republic of the Philippines or any other country that the Company has economic interest in that affect mineral exploration activities, may affect the viability and profitability of the Company.

While the government in the Philippines has historically supported the development of their natural resources by foreign companies, there is no assurance that the government will not in the future adopt different policies or interpretations respecting foreign ownership of mineral resources, royalties rates, taxation, rates of exchange, environmental protection, labour relations, repatriation of income or return of capital or the obligations of CGA under its respective mining codes. The possibility that the government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, may have a material adverse effect on CGA. Political risk also includes the possibility of civil disturbances and political instability.

Small Scale Miners

Small scale miners have been operating in Aroroy, Masbate since the time Atlas operated in the area. While their processing operations are not on FRC's property, there has been evidence of contamination from tailing and effluent discharges within the Company's boundary. Although FRC is not liable for their contamination, the Company has been diligent in attempting to limit the activities of these miners and informing the public about the risk of contamination. In line with attempts to limit and control their activities the Company, in coordination with local and National government is endeavouring to enter into agreements with small scale miners. The agreements will form local cooperatives to legally work on some areas of the Company's mineral tenements outside of its operations that are not suitable for large scale mining. There is also a natural conflict in objectives between small scale miners and the Company and

FRC as the small scale miners have no legal rights to mine and are keen to access as much ore as possible. In contrast, the Company and FRC have a stated position of allowing some level of activity however, require it to be contained to nominated areas only. Accordingly, there are risks that conflict can arise which could materially adversely affect the operations of CGA and/or FRC.

Dependence on Key Management Personnel and Executives

The Company will be dependent upon the continued support and involvement of a number of key management personnel. The loss of the services of one or more of such personnel could have a material adverse effect on the Company. The Company's ability to manage its exploration and development activities and, hence, its success, will depend in large part on the efforts of these individuals. The Company faces intense competition for qualified personnel and there can be no assurances that the Company will be able to attract and retain personnel.

Land Holdings

In general, Filminera has valid title to or preferential rights to use and possess the parcels of land needed for its mining operations at the Masbate Gold Project. The following are outstanding issues:

(i) titles to three parcels of land are being judicially confirmed by applying for registration under the Land Registration Act; and
(ii) three claimants have filed an action contesting the title of FRC to three parcels of land.

While FRC anticipates that these land issues will be resolved, no assurance can be given that the matters will be resolved in FRC's favour in a timely manner, or at all.

Community Relations

At the Masbate Gold Project, community support is critical to the continued successful operation of the project, including equitable and sensible co-operation with local small scale mining activities. The Philippines operates on a relatively decentralised system and accordingly, all constituents potentially have an impact on the operations of the project and may have interests that conflict with those of the project, which may have a material adverse effect on the project and the Company.

Regulations in the Philippines

The Philippines Constitution provides that all natural resources are owned by the State which may enter into a co-production, joint venture or production sharing agreement with citizens of the Philippines or corporations or associations at least 60% of whose capital is owned by Philippine citizens.

Commonwealth Act No. 108, as amended (otherwise known as the "Anti-Dummy" Act), provides penalties for, amongst others: (a) Filipinos who permit aliens to use them as nominees or dummies so that the aliens could enjoy privileges otherwise reserved for Filipinos or Filipino corporations, and (b) aliens or foreigners who profit from the adoption of these dummy relationships. It also penalises the act of falsely simulating the existence of minimum stock or capital as owned by citizens of the Philippines or any other country in cases in which a constitutional or legal provision requires that before a corporation or association may exercise or enjoy a right, franchise or privilege, not less than a certain percentage of its capital must be owned by such citizens.

The Anti-Dummy Act likewise prohibits aliens from intervening in the management, operation, administration or control of nationalised business or enterprises, whether as officers, employees or labourers, with or without remuneration, except that aliens may take part in technical aspects only, provided (a) no Filipino can do such technical work, and (b) it is with express authority from the Secretary of Justice. The Anti-Dummy Act also allows the election of aliens as members of the boards of directors or the governing bodies of corporations or association engaged in partially nationalised activities in proportion to their allowable participation or share in the capital of such entities. Although we have advice our structure complies with all Philippine regulations, there is a risk that it could be questioned or challenged given limited precedents to date in country.

Environmental Risks and Hazards

All phases of CGA's operations are subject to environmental regulation. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Environmental hazards which are unknown to CGA at present and which have been caused by previous or existing owners or operations of the properties may exist on CGA's properties. Failure to comply with applicable environmental laws and regulations may result in enforcement actions there under and may include corrective measures that require capital expenditures or remedial actions. There is no assurance that future changes in environmental laws and regulations and permits governing operations and activities of mining companies, if any, will not materially adversely affect CGA's operations or result in substantial costs and liabilities to CGA in the future.

Production at CGA's mines involves the use of sodium cyanide which is a toxic material. Should sodium cyanide leak or otherwise be discharged from the containment system, CGA may become subject to liability for clean-up work that may not be insured. While all steps have been taken to prevent discharges of pollutants into ground water and the environment, CGA may become subject to liability for hazards that it may not be insured against.

10. Quarterly Information

Selected Quarterly Information
($US in thousands, except for per share information)

(unaudited, in accordance with IFRS)

	Q1 Sep – 11	2011 Annual Total	Q4 Jun - 11	Q3 Mar – 11	Q2 Dec – 10	Q1 Sep – 10	2010 Annual Total	Q4 Jun – 10	Q3 Mar – 10	Q2 Dec – 09
Gold and silver sales	16,287	235,314	72,942	43,483	68,539	50,350	155,476	47,270	40,477	39,066
Total revenues	17,049	238,481	73,625	44,272	69,542	51,042	158,024	47,360	41,358	39,808
Net profit/(loss)	(11,935)	65,082	18,800	7,263	26,983	12,036	15,992	2,940	5,413	3,983
Per share (undiluted US$ cents per share)	(3.58)	19.56	5.65	2.16	7.93	3.83	5.36	0.99	1.63	1.45
Per share (diluted US$ cents per share)	(3.52)	19.23	5.55	2.14	7.88	3.79	5.30	0.97	1.61	1.36

Fluctuations in the quarterly net loss or profit amounts over the two year period ended 30 September 2011 are predominantly due to the following factors:

- the ramp up of production at the Masbate Gold Project which commenced during the 2010 financial year and achieved a steady state in the 2011 financial year;

- Additional borrowing costs across the 2010 financial year in relation the Meridian and Casten loan facility and the promissory notes, both of which were repaid in the March quarter of the 2010 financial year;
- the recognition of fair value mark to mark movements of the Company's derivative instruments which do not qualify for hedge account, or the ineffective portion of those that do;
- exploration activities in Zambia and Nigeria for the periods up to 30 June 2010 and notional gain on the deconsolidation of the entities holding these project in quarter 1 of the 2011 financial year;
- the recognition of a notional expense on share options and warrants issued by the Company which expired in February 2010. Fluctuations in the theoretical fair value on the warrants were required to be recognised in the profit and loss statement each period. These amounts do not represent either a current or future cash flow or loss to the Company; and
- the decreased gold production during the September 2011 quarter, resulting from the breakdown of the SAG Mill in July 2011, which has resulted in lower gold sales and higher costs per ounce due to the fixed cost component of operations.

Quarterly Results & Year to Date Results

Three Months Ended September 30, 2011 Compared to the Three Months Ended June 30, 2011 and the Three Months Ended September 30, 2010

The Company's result for the three months ended September 30, 2011 was a net loss of $11.935M or 3.58 cents per share (undiluted) as compared to a net profit of $18.800M or 5.65 cents per share (undiluted) for the June 2011 quarter and a net profit of $12.036M or 3.83 cents per share (undiluted) for the September 2010 quarter. The result for the most recent quarter reflects the impact from the disruption to the SAG Mill during the quarter resulting in reduced processing capacity for the period and consequently reduced metals sales and revenues in the current quarter of $16.287M, as compared to the June 2011 quarter sales revenue of $72.94M. Cost of sales for the current quarter was $23.541M as compared to $48.187M in the previous quarter (including depreciation, amortisation and tax expenses). The reduction in cost of sales was predominantly a result of the SAG Mill breakdown, with reduced mining & processing activities during the current period. The cost of sales includes a mark-up of 10% charged to PGPRC by FRC on the ore sales of $0.354M for the September 2011 quarter as compared to $1.262M for the June 2011 quarter, as FRC is an associate of the group and is therefore not consolidated for accounting purposes.

As previously mentioned, the Mkushi Copper Project and Segilola Projects that were previously operated by the Company were spun out and the interests are now held by the Ratel Group, a 19.1% associate of the Company. The market value of the investment in Ratel Group at 30 September 2011 was $69.5M ($63.2M June 2011). The Company no longer incurs exploration and evaluation expenses in relation to these activities, however the Company has taken up its proportional share of their loss for the period, along with its other associates being SAU, Masminero Resources, Aroroy Resources and FRC. The total loss from associates taken up by the Company during the current period is $0.949M ($1.018M: June 2011 quarter).

Revenues

The Company earned $17.049M in revenue for the September 2011 quarter as compared to $73.625M in revenue for the prior quarter and $51.042M in revenue for the September 2010 quarter. The decrease in revenues by $56.576M or 77% from the prior quarter is in line with a decrease in gold ounces sold of 37,099oz or 69% for the September 2011 quarter. Gold production for the quarter was significantly lower than the previous quarter due to the breakdown of the SAG Mill and the resulting decreased throughput capacity. The lower gold production resulted in the majority of gold sales being derived from forward sales contracts, with minimal gold sales at spot prices, which resulted in the average gold sales price of $960/oz as compared to $1,332/oz in the previous quarter. In addition, as a result of the acquisition of the Masbate Gold Project in late March 2007, the Company has recognised a receivable from its associate, FRC. The acquisition accounting for the business combination through which the Project was acquired requires the accretion of the interest on the discounted receivable to be recognised as revenue during each period. As FRC is an associate, it is required to be equity accounted by the group, with the Company recognizing its ownership portion of the FRC loss in the Company's accounts. As the notional interest accretion gain is recognised as income in the consolidated group and recognised as an expense in Filminera accounts, the amounts are largely offset. The notional interest accretion recognised for the 3 months ended September 30, 2011 was $0.728M (June 2011: $0.652M and September 2010 $0.652M).

Cost of Sales

Cost of sales for the September 2011 quarter was $23.541M as compared to $48.187M for the June 2011 quarter and $34.717M for the September 2010 quarter. Fixed operating costs remained comparable in spite of the reduced mining & processing operations, while variable costs decreased due to the reduced operations.

Cash operating costs for the project (based on a combination of the results of FRC and PGPRC before depreciation, amortisation and taxes) were $1,167/oz as compared to $699/oz in the June 2011 quarter, with the increase due to the impact of fixed costs over the lower production volume for the period. Total project cash operating costs for the current quarter decreased by $18.177M or 48% as compared to the June 2011 quarter, largely due to the reduced mining operations undertaken during the September, 2011 quarter, and the 65% decrease in ore processed from the prior quarter, 0.567M tonnes in September 2011 compared to 1.60M tonnes processed in the June 2011 quarter as previously discussed in the Masbate Operations section. Consumables and supplies expense was $7.004M for the September 2011 quarter as compared to $12.153M for the June 2011 quarter, a decrease of $5.149M or 42.4%. This is due to the reduction in tonnes milled for the September quarter which has resulted in the reduced processing costs for the current quarter. The reduction in consumables and supplies expenditure is not as high as the decrease in processing, due to the timing impact of previous backorders being filled, and the purchase of other consumables & supplies during the current quarter, which will be utilised in processing in future periods.

The cost of ore (purchased from the Company's associate, FRC) was $9.214M for the September quarter, as compared to $22.994M for the June 2011 quarter, a decrease of $13.78M. The movement in this expense is largely due to the reduced mining undertaken in the September quarter. Mining was suspended on 13 July 2011 as a result of the SAG Mill failure. Upon recommencement, mining operations was limited to mining only high grade ore required for processing with minimal waste stripping, which resulted in lower quantities of ore produced.

Taxes and government charges for the September quarter were $0.460M as compared to $2.019M for the June quarter, a decrease of $1.559M. The decrease in the current quarter is largely attributable to reduced input tax expense of $1.438M for the period as compared to the June quarter, and a reduction in freight and duties charges of $0.121M, as a result of the reduced consumables purchases this period.

Production costs disclosed in the interim financial statements also include costs which are not included in the cash cost calculation, such as depreciation, amortisation, refining and treatment charges and tax expenses, along with the cost mark up on purchases of ore from its associate, FRC, of $0.354M for September 2011 quarter ($1.261M June 2011 quarter).

Other Expenses

Net other expenses (after cost of sales) for the September 2011 quarter were $5.442M as compared to $6.236M for the June 2011 quarter and $3.888M in the prior year comparative quarter.

Specific Items Contributing to Changes

Movement in fair value of derivative financial instruments

A loss of $0.471M was recognised in the profit and loss statement in September 2011 being movement in the fair value of the Company's commodity hedges, being losses on its HFO & diesel fuel swap contracts of $0.634M, partially offset by a gain of $163K on interest rate swap contracts. A gain of $0.535M was recognised in the profit and loss for the June 30, 2011 quarter. In the September 2010 quarter a negligible gain was recognised in the profit and loss statement, being a small gain on the HFO fuel swap, offset by a small loss on the diesel fuel swaps.

Finance costs

The Company incurred finance costs of $0.781M during the period as compared to $1.818M during the June 2011 quarter. The decrease in finance costs in September is due to the reducing interest due on the loan facility with BNP as the group continues to pay down the principal owing on this facility, and due to over 12 months of amortisation of capitalised borrowing costs relating to the construction of the Masbate Gold Mine being expensed during the previous quarter, whereas the current quarter only includes 3 months of amortisation.

Share of loss of associates

In the September 2011 quarter, the Company has recognised a loss of $0.949M in relation to its interests in the results of its associates FRC, Ratel Group, SAU, Aroroy Resources, Inc. ("Aroroy") and Masminero Resources Corporation ("Masminero"), which is comparable to the previous quarter loss taken up of $1.017M. In the September 2010 quarter the Company recognised a loss of $0.117M, which related entirely to FRC.

Administration and other costs

In the current quarter the Company incurred costs of $3.241M as compared to $2.865M for the previous quarter and $2.050M in September 2010. Audit & accounting fees of $0.276M were incurred in the current quarter in relation to the year end audit, together with tax advice in relation to the Ratel Group spin off.

11. Information on Outstanding Shares

As at November 7, 2011 the Company had 333,475,726 common shares outstanding and 10,771,250 unlisted options on issue. Each option is exercisable into one common share in the capital of the Company.

12. Disclosure Controls and Procedures

In accordance with Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, an evaluation of the effectiveness of the Company's disclosure controls and procedures (DC&P) and its internal control over financial reporting ("ICFR") was conducted. Based on this evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that DC&P and ICFR were effective as of the three-month period ended September 30 2011, and that, as a result, ICFR design provides reasonable assurance that material information relating to the Company, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and the information that the Company must present in its annual documents, its interim documents or in other documents it files or submits under securities regulations is recorded, processed, condensed and presented within the times frames prescribed by this legislation. Furthermore, ICFR design provides reasonable assurance that the Company's financial information is reliable and that its financial statements have been prepared, for the purpose of publishing financial information, in accordance with the Company's GAAP. Lastly, no changes to the ICFR that have had or are likely to have a significant effect on this control mechanism were identified by management during the accounting period commencing on July 1, 2011 and ending on September 30, 2011.

13. Critical Accounting Estimates

The significant accounting policies used by CGA are disclosed in Note 2 to the annual financial statements for the year ended June 30, 2011. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management reviews its estimates on a regular basis. The emergence of new information and changed circumstances may result in actual results or changes to estimated amounts that differ materially from current estimates.

14. Transactions between the group and its related parties

During the quarter ended September 30, 2011, the Company entered into transactions with related parties in the wholly-owned group:

- loans were advanced and repayments received on short term inter-company accounts; and
- loans were received from controlled entities on short term inter-company accounts.

During the quarter ended September 30, 2011 the Company entered into loan advances totalling $2.489M on short term intercompany accounts with its 40% associate, Filminera.

These transactions were undertaken on commercial terms and conditions except that:

- there is no fixed repayment of loans between the related parties; and
- no interest is payable on the loans at present.

During the financial year, the Company entered into the following transactions with related parties:

- Office accommodation and administrative support were provided at commercial rates to Ratel Group, in which the Company holds 19.1% of the outstanding share capital. In the current quarter Ratel Group was charged $99,634 (excluding GST) in relation to the provision of these services.

15. Additional Information and Continuous Disclosure

This MD&A has been prepared as of November 7, 2011. Additional information on the Company is available through regular filings of press releases, financial statements and its Annual Information Form on SEDAR (sedar.com). You may also find these documents and other information about CGA on our website at www.cgamining.com.

16. Forward-Looking Statements

This MD&A contains forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding expectations of the Company as to the market price of gold, strategic plans, future commercial production, production targets, timetables, mining operating expenses, capital expenditures, and mineral reserve and resource estimates. Forward-looking statements involve known and unknown risks and uncertainties and accordingly, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause future results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, fluctuations in the market price of precious metals, mining industry risks, uncertainty as to calculation of mineral reserves and resources, risks related to hedging strategies, risks of delays in construction, requirements of additional financing, increase in tax or royalty rates or adoption of new interpretations related thereto and other risks described in this MD&A and in the Company's other documents filed from time to time with Canadian securities regulatory authorities. Although the Company is of the opinion that these forward-looking statements are based on reasonable assumptions, those assumptions may prove to be incorrect. Accordingly, readers should not place undue reliance on forward-looking statements. Readers can find further information with respect to risks in the Annual Information Form of the Company and other filings of the Company with Canadian securities regulatory authorities available at sedar.com. The Company disclaims any obligation to update or revise these forward-looking statements, except as required by applicable law.

17. Future Outlook

During the 2011-12 financial year, the Company's activities will focus on finalising the 6.5Mtpa plant upgrade, with commissioning of the supplementary crusher having already occurred in the September quarter. Work on the comprehensive scoping study to lift production rates to 10Mtpa is also well advanced and continues to track well. The initial mine scheduling shows that mining can match the higher throughput with the new larger equipment and that the expansion can be supported, independent of exploration success. Sedgman WA has finalised the study to identify equipment requirements and capital costs. The study is showing that an expansion of the crushing and grinding circuits can be achieved without interference to the existing operation and the final tie into the plant can occur with minimal down time.

Repair of the SAG mill is still anticipated to be completed in the December quarter and we would anticipated both production and the cash cost profile will then return to levels similar to production in the June quarter.

During the 2011-12 year, the Company plans to extend its exploration program, with a focus on materially enhancing the reserve and resource base of the project. This exploration program is well underway with $2.81M spent as at 30 September 2011, with a further $17M expenditure planned in the coming year. During the quarter the Company announced that it has agreed to acquire 100% of the interests of Bloomsbury Holdings Limited in the companies owning a direct and indirect interest in the highly prospective Pajo MPSA, immediately to the north of our Colorado Pit. Exploration activities have already commenced on the MPSA with the first hole drilled, returning 85m @ 0.85g/t Au including 14m @ 1.26g/t Au from surface. The assays were conducted by SGS at their onsite laboratory using Fire Assay techniques with a 50g charge. The Pajo MPSA is part of an expansion of the exploration program over the next 12 months which will include additional diamond core and RC rigs being brought to site. The rigs will focus on:

- deep drilling beneath Colorado and Main Vein to assess the potential for underground resources;
- resource definition drilling on near mine targets (Blue Quartz, Old Lady, Pajo);
- infill drilling to upgrade Inferred Resources to Indicated within the current mining areas;
- exploration drilling of multiple outcropping mineralised quartz vein targets on EP10; and
- resource drilling at Pajo Hill.

Additional exploration activities will include:

- IP programs over the identified Baleno copper anomaly to test for porphyry ore bodies at depth;
- regional mapping and sampling over all of EP10 and the Vicar JV tenement; and

- geophysical surveys including ground IP and Resistivity which, combined with previously acquired helimag, will be used to identify non outcropping (buried) target zones and extensions of known mineralisation.