GGG

CENTRAL CHINA GOLDFIELDS PLC

ANNUAL REPORT AND ACCOUNTS 2009

Central China Goldfields plc engages in exploration and development of mineral projects.

Our Vision and Strategy

The Company's principal objective is to increase Shareholder value by exploring for, acquiring and developing gold and other mineral prospects particularly in the Australasian region.

The vision of the Company is to become the mid tier mining and exploration company.

The Directors have set out a three pronged strategy to achieve this:

- Exploration — Organic growth through the utilisation of current geological concepts together with efficient and effective modern exploration technology
- Development — Expansion and modernisation of undervalued operating mines
- Acquisitions — As they arise through the Company's network of contacts

The Company continuously reviews its portfolio of properties to ensure that properties with the best potential for adding long-term value are advanced.

Key Priorities for 2010

- Incorporate all drill holes in Bullabulling into a comprehensive digital database.
- Confirmation drilling to test high-grade primary mineralisation at Bullabulling.
- Update Bullabulling resource to an International (JORC) standard.
- Start feasibility study at Bullabulling.
- Expand the Company's resource base with projects elsewhere

HIGHLIGHTS

"The past twelve months have been a period of major transformation and redirection for the company."

Operational and Financial Highlights

- Sold the Nimu Project for RMB 76 million. It is estimated that the proceeds, after payment of Chinese taxes, will be £4.3 million. The Company has been paid in full and approximately £2.4 million has been repatriated to the UK. The Company is now in the process of closing down its wholly owned Chinese subsidiary, after which the remaining funds will transferred to the UK.
- Signed contract mining agreement over the Dong Mao Huo Project. In December 2009, due to slow progress, terminated our interest in the project.
- Reviewed over 80 potential new projects, mainly in Australasian Region.
- Appointed Ciceron Angeles as a Technical Director and Peter Ruxton as a Non-Executive Chairman.
- Raised £507,500 including £54,500 from Directors and employees.
- Loss for the year is £1,719,081 and Group cash balance as at 31 December 2009 is £3,762,442.

After event:

- Signed an option agreement over the Bullabulling Project in February 2010 and after extensive due diligence acquired 50% of Bullabulling for consideration of A$2.5 million.
- Appointed Michael Short as a Non-Executive Director.

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CHAIRMAN'S STATEMENT

"Bullabulling is shaping up to be the main value driver for the Company; however, we will continue to seek investment opportunities in the Australasian region to expand the Company's asset base."

Dear Shareholders,

I am very pleased to write this, my first Chairman's Statement to you, as the Company enters a new and exciting phase of its development. The past twelve months have been a period of major transformation and redirection for the Company.

Although the Company was successful in its exploration endeavours in China by discovering a potentially world class copper deposit in Nimu, the local situation and the Global Financial Crisis made it impossible for the Company to continue its efforts in China. Therefore in July 2009 the Directors reluctantly recommended the selling of the Company's interest in Nimu to its Chinese partner and by December 2009 the Company had completely exited from China.

I congratulate the previous Chairman Nigel Clark, the Board and Management of Central China Goldfields for their obvious technical success through the discovery of Nimu in China. Although withdrawal from the project was an immense disappointment, the disposal of Nimu significantly strengthened the Company's balance sheet and has put the Company on a strong footing for the future.

In line with the new focus of the Company, the Board proposes a name change from Central China Goldfields plc to GGG Resources plc. A Special Resolution to enable this will be proposed at the Annual General Meeting.

Can I take this opportunity to reassure Shareholders that despite the change of geographic focus, the goal of the Company is still the same. Our objective remains to generate real Shareholder wealth by creating a robust exploration and mining company. Through acquisition and discovery of mineral deposits, we aim to develop our assets into mines and cash flow.

During the second half of 2009 the Company's focus has been on project generation and acquisition. Utilising the existing expertise and extensive network of contacts in the Australasian Region, Management has screened and evaluated a large number of mainly gold and copper projects. This exercise resulted in the signing of a low cost option on the Cikoleang gold project in Indonesia in the latter part of 2009.

In February 2010 the Company signed an option to acquire 50% of the Bullabulling Project in Western Australia which, following a detailed due diligence, we exercised in April.

It is with a great pleasure that I am able report to you that in the short time since the acquisition of Bullabulling, the Company has made significant progress. On acquisition at a price of around US$6/oz for our share of the known ~430,000 ounce of measured and indicated resources, Bullabulling's resource base has expanded significantly to potentially well over 1 million ounces. This suggests the possibility of an operation with an annual production of at least 100,000 ounces of gold. We are currently in the middle of a diamond drilling campaign designed to validate the entire existing drill dataset of over 12,000 holes. By September/October 2010 we hope to be in a position to report to you an updated JORC-standard resource estimation. Anticipating positive results, we are gearing up to start the feasibility study of Bullabulling in the last quarter of 2010. I am looking forward to reporting the Company's progress in the coming months as we move swiftly through resource estimation, feasibility study and towards production.

Bullabulling is shaping up to be the main value driver for the Company; however, we will continue to seek investment opportunities in the Australasian region to expand the Company's asset base. Our work in the latter half of 2009 brought us many leads which we are keen to explore further.

During the year we have welcomed to the Board Ciceron Angeles who has helped spearhead our project acquisition efforts in SE Asia and more recently Michael Short whose immense project feasibility and construction expertise will have a considerable impact on the Bullabulling development.

In closing I would like to take this opportunity to thank my fellow Directors and staff, particularly my predecessor Nigel Clark who has steered the Company through some difficult times. But mostly I would like to thank you the Shareholders who have shown confidence in the Company and the Board. We look forward to delivering to you what your sustained support deserves.

Dr Peter Ruxton
Chairman

REVIEW OF OPERATIONS

On Exploration and Development

The major event in 2009 was the disposal of Nimu Project. In June 2009, the Company ("GGG") was formally approached by the Sichuan Bureau of Metallurgy and Geological Exploration ("SBMGE") with an offer to purchase the Nimu Project. After extensive discussions between the Directors and advisers the decision was reluctantly made to sell the project.

Our decision to sell the Nimu project was based on the backdrop of the lack of funding options available to develop this huge project given market turbulence following the 2008 global financial crisis. A significant component in the decision making process was that the exploration successes during the 2007 and 2008 drilling campaigns had clearly indicated that Nimu was likely to become a multi-billion dollar highly capital intensive project, clearly beyond the resources of a small company. Sadly the global crisis removed the prospect of a large multinational partner being available in the short term so the best option available was the sale to the SBMGE.

The Company has now been fully paid the Renminbi 76 million consideration. We have now repatriated approximately £2.4 million to the UK. The Company is in the process of closing down its wholly owned Chinese subsidiary.

During the second half of 2009, the Company embarked on an extensive programme of project generation, mainly in South East Asia, with an emphasis on gold and base metal projects. By the end of 2009 the Company had reviewed more than 80 projects and about 10 of these were field visited. In December 2009, the Company signed an Option Agreement on a high-grade, narrow vein epithermal gold project in Banten Province, Indonesia. In June 2010, the Company decided not to exercise the option on Cikoleang.

Also in December 2009, in view of the slow progress being made at the Dong Mao Huo Project, the Company terminated its interest. At this point the Company no longer has any exploration assets in China.

Post-Year End

In February 2010 the Company signed an Option Agreement over the Bullabulling Project in Western Australia. In April 2010 the Company exercised this Option and acquired 50% of Bullabulling. The deposit has a JORC-compliant measured and indicated resources of approximately 430,000 ounces of gold. However, the Directors believe that the Project may have the potential of holding in excess of 1 million ounces of gold.

On People

In September 2009 the Company appointed Ciceron "Jun" Angeles as the Technical Director of the Company with primary responsibility to technically assess potential projects and oversee their progress. Jun was the VP Exploration for the Company during its discovery of the Nimu Project.

In October 2009, the Company appointed Dr Peter Ruxton as its Non-Executive Chairman. Peter was the Investment Manager for CDC Capital Partners Plc before joining Actis LLP as an Investment Principal and then Partner.

On Finance

During 2009, the Company raised £507,500 including £54,500 from Directors and Management.

In July 2009 we sold the Company's interest in the Nimu Project to our partner, the Sichuan Bureau of Metallurgy and Geological Exploration, for cash consideration of RMB 76 million.

The Group cash balance as at 31 December 2009 is £3,762,442.

Dr Jeffrey F A Malaihollo
Managing Director

REVIEW OF OPERATIONS continued
BULLABULLING GOLD PROPERTY

The Bullabulling project straddles the Great Eastern Highway, 70 km south west of Kalgoorlie in Western Australia. The property consists of a sizeable land holding (60 km²) consisting of a series of licences and granted mining leases covering typical Eastern Goldfields gold-bearing greenstone stratigraphy. The Eastern Goldfields contains over 160 deposits, 19 of which are greater than 3 million ounces.

Bullabulling, originally held by Samantha (Resolute Mining) and latterly by Jervois Mining, has a significant drill hole database with over 12,000 drill holes completed (486,852 metres). However, with an average drill hole depth of only 34 metres, the deposit has not been fully tested at depth and remains open along strike.

The deposit was mined until 1998 mainly from shallow lateritic and saprolitic ores (mainly <20m from surface) in six open pits. Carbon-in-pulp (CIP) milling and processing of 7.9 million tonnes of ore at an average grade of 1.45 g/t Au produced approximately 371,000 ounces of gold. Subsequently, Jervois produced about 14,000 oz gold by dump-leach operation.

In 1998, Resolute Mining estimated a JORC-compliant Measured and Indicated Resource of 9.3Mt @ 1.44g/t Au (430,000 oz of gold) left in the pits. These were calculated using a gold price assumption of A$600/oz. Re-optimisation of this resource at a price closer to today's much higher gold price is expected to lead to an improvement on these figures.

As at 1998, the Bullabulling Project consists of:

Resource Category	Tonnes	Grade g/t Au	Contained Gold oz.
Measured	4,865,000	1.51	237,000
Indicated	4,159,000	1.35	180,800
Inferred	284,000	1.52	13,900
TOTAL	9,308,000	1.44	431,600

High grade potential targets from previous drilling beneath and between the existing pits have been identified during the due diligence work. These are:

Dickson pit:	4 m @ 14.5 g/t Au,
Hobbit pit:	9 m @ 10.5 g/t Au,
Edwards pit:	9 m @ 11.9 g/t Au,
Endeavour pit:	3 m @ 21.2 g/t Au,
Bacchus pit:	7 m @ 77.0 g/t Au,
	5 m @ 14.0 g/t Au,
	4 m @ 5.1 g/t Au,
	3 m @ 9.2 g/t Au and
	3 m @ 4.4 g/t Au

With minimal exploration work carried out on the property since 2000 and with a major revamping of the Bullabulling database using modern computerisation and modelling techniques, it is expected that additional high grade exploration targets will be identified.

Independent structural geology study and modelling of the available drill holes database shows that mineralisation, running 0.5–1.5 grams per tonne (g/t) gold (Au), can be traced on 40 metres spaced drill sections for nearly 6 kilometres long and 330 metres wide. Within this low grade zone there are higher grade shoots of 3–4 g/t Au which are continuous over hundreds of metres and 5–20 metres wide. All of the mineralisation is open at depth.

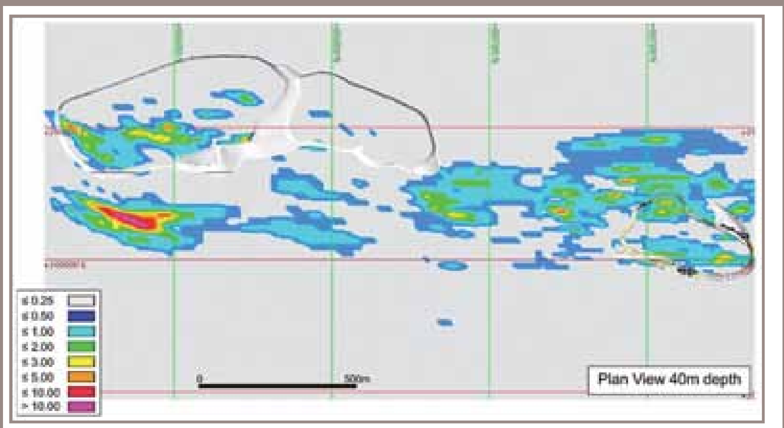
GGG and its 50% partner Auzex Resources Ltd intend to fast track the Bullabulling project to bankable feasibility, with an estimated budget of A$ 2.5–3.0 million. Drilling and pre-feasibility work are currently being advanced with the aim of updating the resource and identifying additional resources to grow the project. The development plans will concentrate on accessing higher grade ore as well as lower cost surface ores to allow rapid payback of capital invested.

"Mineralisation, running 0.5–1.5 grams per tonne (g/t) gold (Au), can be traced on 40 metres spaced sections for nearly 6 kilometres and 330 metres wide. Within this low grade zone there are higher grade shoots of 3–4 g/t Au which are continuous over hundreds of metres and 5–20 metres wide. All of the mineralisation is open at depth. "

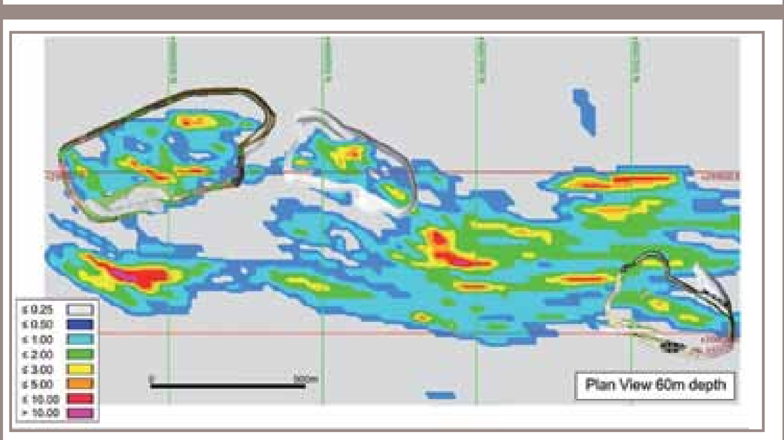
The Directors believe that the Project may have the potential of holding in excess of 1 million ounces of gold, capable of producing *circa* 100,000 ounces per annum.

Joint venture terms:

- In May 2010 GGG paid A$1.9 million to Auzex to earn a 50% interest in the Bullabulling Property. In addition, GGG provided a bank guarantee of A$600,000 in replacement of the existing Environmental Bond.
- Expenditure after that will be pro rata.
- There is Royalty payment to Jervois of A$30 per ounce for the first 400,000 oz of gold produced followed by A$20 per ounce thereafter.
- The development of Bullabulling will be governed by a Joint Venture Agreement between the Company and Auzex. Feasibility and development expenditure for Bullabulling will be jointly funded on presentation of a budget. If either party should elect not to contribute, then they will be diluted on a straight-line basis, using an initial valuation of A$5 million.
- The majority owner of Bullabulling will manage the joint venture. In the event of 50:50 ownership and no clear majority, a Joint Venture Management Committee will be set up with two representatives from each party to oversee operational management.



Gold grades distribution from previous drilling in the area between Bacchus pits (bottom of picture) and Phoenix pit (top of picture). This picture is at 40 metres below surface.



Note continuity of 5–10 g/t Au material over 300 metres long within a broad envelope of 1–2 g/t Au material. This picture is at 60 metres below surface.

FINANCIAL REVIEW

The results for the year ended 31 December 2009 and for the year ended 31 December 2008 were as follows:

	2009 £	2008 £
Turnover	—	—
Administration expenses	**(555,300)**	(625,628)
Operating loss	**(555,300)**	(625,628)
Net interest	**7,361**	15,519
Loss from continuing operations	**(547,939)**	(610,109)
Loss from discontinued operations (net of tax)	**(1,171,142)**	(556,472)
Loss for the period	**(1,719,081)**	(1,166,581)

Loss Per Share

Loss per share during the period was £0.010 (2008: £0.009) on an undiluted basis

Share Capital

During the year the Company issued the following shares:

(i) 13,833,333 shares at 1.5 pence

(ii) 24,000,000 shares at 1.25 pence

Balance Sheet, Cash Flow and Working Capital

During the year the Company raised £507,500 (2008: £899,520) from financing activities before share issuance costs. There were £21,966 share issuance costs in 2009 (2008: £17,018), representing 4% (2008: 2%) of gross proceeds.

(i) £88,842 (2008: £2,143,167) of cash was invested during the period in intangible fixed assets. The current year investment related to the Cikoleang project and has been written off at year end (see note 22);

(ii) £748,685 (2008: £712,929) of cash was used in the operations of the Company for the period; and

(iii) Nil (2008: £10,207) was spent on tangible fixed assets.

At 31 December 2009 the Group had cash of £3,762,442 (2008: £63,598).

Dr Jeffrey F A Malaihollo
Managing Director

REMUNERATION REPORT

The Remuneration Committee

The Remuneration Committee reviews the performance of the Executive Directors and sets the scale and structure of their remuneration including bonus arrangements. The Remuneration Committee also sets the allocation of share options to Directors and other employees. As a small company it is not possible for the Committee to comply fully with the Combined Code. Accordingly, membership of the Committee comprises P McGroary as Chairman together with N B Clark, P A Ruxton and M J Short.

Statement of remuneration policy

The Group's policy provides for a competitive package that reflects the Group's performance and is designed to attract and retain high calibre Executives. The package currently consists of a base salary, bonuses linked to financial performance and longer-term rewards in the form of share options.

Directors' Remuneration

Remuneration for the year ended to 31 December 2009

	Date appointed	Salary or Fee in £	Fees paid to third party in £	Total in £	Options granted
J F A Malaihollo	**04 November 2004**	**75,593**	**—**	**75,593**	**—**
N B Clark	**30 November 2004**	**18,500**	**—**	**18,500**	**—**
P A Harford (retired 30 July 2009)	**30 November 2004**	**4,375**	**—**	**4,375**	**—**
P McGroary	**26 October 2007**	**12,500**	**—**	**12,500**	**—**
C Angeles	**03 September 2009**	**17,750**	**—**	**17,750**	**500,000**
P A Ruxton	**06 October 2009**	**6,250**	**—**	**6,250**	**500,000**
		134,968	**—**	**134,968**	**1,000,000**

Remuneration for the year ended to 31 December 2008

	Date appointed	Salary or Fee in £	Fees paid to third party in £	Total in £	Options granted
J F A Malaihollo	04 November 2004	80,000	—	80,000	—
N B Clark	30 November 2004	44,336	19,765	64,101	—
J C Forrest (resigned 12 June 2008)	30 November 2004	11,950	—	11,950	—
P A Harford	30 November 2004	7,500	—	7,500	—
J M Roberts (resigned 30 December 2008)	08 November 2004	5,625	1,875	7,500	—
J S-H Hon (retired 19 August 2008)	17 March 2006	5,063	—	5,063	—
P McGroary	26 October 2007	7,500	—	7,500	—
		161,974	21,640	183,614	—

The Directors received no pension contributions or benefits in kind.

BOARD OF DIRECTORS

Dr Peter Antony Ruxton
Non-Executive Chairman

Peter Ruxton completed a Bachelor of Science (Hons.) in Geological Sciences in 1978 and a Doctorate in Philosophy in Economic Geology in 1981, both at the University of Leeds. In 2000, he gained his Masters of Business Administration (Distinction) at the Institute for Financial Management (Manchester Business School & University of Bangor). Peter spent 16 years in the mining industry focused on Australia and SE Asia. Between 1981 and 1994 (with a short break at the University of Tasmania) Peter worked for Billiton Australia (the Shell Company of Australia's Metals Division) progressing from Exploration Geologist to Regional Exploration Manager. From 1994 to 1997 he was Exploration Manager of Brisbane-based mid-tier gold producer Ross Mining N.L. responsible for all geological functions in the Company and the co-ordination of a positive bankable feasibility study on the Gold Ridge Mine in the Solomon Islands — this world class gold mine commenced production in August 1998. Whilst studying for his MBA in England, Peter formed a consultancy practice before commencing eight years' experience as a Fund Manager. In late 2000 he was appointed Investment Manager for the Commonwealth Development Corporation (CDC Plc) before moving to Actis LLP in 2004 as an Investment Principal, joining the partnership between 2006 and 2008. At Actis he was responsible for initiating, managing and exiting over US$180 million worth of private equity mining investments in emerging markets. In early 2009 he set up Tembo Capital LLP, an African focused mining advisory consultancy. He is currently a Non-Executive Director of AIM-listed Platmin Limited. Peter is a member of the audit and remuneration committees.

Dr Jeffrey Francis Anthony Malaihollo
Managing Director

Jeff Malaihollo graduated with a bachelor's degree from the University of California, Santa Barbara, majoring in Geological Sciences. He then completed his doctorate at University College, London, working on the tectonics and geochemistry of Eastern Indonesia. Jeff worked for Newcrest on grass roots exploration for gold and base metals before joining Rio Tinto, working mainly on area selection and project evaluation in the Former Soviet Union and Indonesia. Subsequently, he worked and consulted for Billiton on generative programmes and target selection in South East Asia, China and Eastern Europe. Jeff is currently a Non-Executive Director at Loeb Aron & Company Limited, a corporate finance house specialising in natural resources.

Michael John Short
Non-Executive Director

Michael Short is a Chartered Engineer (UK & Australia) with 35 years of project management and site construction experience on a broad range of projects who, for the last 30 years, has focused on the engineering, design and construction of gold and copper/lead/zinc ore treatment plants in Australia (including in the Coolgardie Region), Africa, Central Asia, Russia Europe and Asia. During this period he has acted as Project Manager and Site Construction Manager on Greenfield Plants, as well as on the extension of existing plants, and has gained significant experience in the preparation, administration and implementation of projects. Michael is the Managing Director of GBM Minerals Engineering Consultants Limited. He is a Fellow of the Institution of Minerals Mining and Metallurgy (CEng), a fellow of the Australasian Institute of Mining and Metallurgy (CP) and a Member of Institution of Engineers Australia (CPEng). Michael is a member of the audit and remuneration committees.

Ciceron "Jun" Angeles
Technical Director

Jun Angeles is a geologist with over 30 years of experience in gold-base metal exploration in Asia, mainly Indonesia, Philippines, China, Malaysia, and Iran, with minor assignments in Vietnam, Fiji, Papua New Guinea, Myanmar and Kyrgyzstan. His fields of specialisation include epithermal gold-silver, porphyry copper-gold and Carlin styles of mineralisation. He obtained his MSc in Mineral Exploration from the University of New South Wales, Australia in 1985 and is a Fellow and Chartered Professional in Geology (CPGeo) of the Australasian Institute of Mining and Metallurgy (AusIMM). Jun was the Asia Exploration Manager for Newcrest Mining during which time Newcrest brought the Gosowong Mine into production. Since February 2006, Jun has been the Exploration Manager and latterly VP Exploration of the Company when it discovered the large Nimu copper-molybdenum deposit. In 2008, Jun Angeles was chosen as the recipient of the Outstanding Professional of the Year Award in the Field of Geology, by the Republic of Philippines' Professional Regulation Commission.

Nigel Bruce Clark
Non-Executive Director

Nigel Clark has over 30 years' experience in new business development and management in the precious and base metals industry. He started working for Billiton in Brazil as an exploration geologist, later as an exploration manager in Portugal and Indonesia, as well as a general manager of both underground and open-pit gold mines in Indonesia, business development manager in Singapore and ultimately as general manager in China. Presently he is the Chairman of the British Chamber of Commerce in China. Nigel has been a resident in Beijing since 1997. In 2005 Nigel climbed on Mt. Everest and in the process raised money for Chinese orphanages. Nigel is a member of the audit and remuneration committees.

Paul McGroary
Non-Executive Director

Paul McGroary is a Director of Marshall Lake Mining plc, a copper zinc exploration company focused on Ontario, Canada. Paul has held several other Directorships within the quoted natural resources sector, including mining projects in Canada, Chile as well as a Central Asian oil explorer. Paul is a member of the audit and remuneration committees.

DIRECTORS' REPORT

The Directors present their report and the financial statements of the Group for the year ended 31 December 2009.

Principal Activities and Business Review

The principal activity of the Group during the year was the exploration of mineral properties. During the year the Group disposed of its Nimu and Dong Mao Huo projects. It evaluated various mining properties in South East Asian and Australasian regions.

Share Capital

Details of the share capital are given in note 17.

Charitable and Political Donations

The Group made no charitable or political donations during the period.

Supplier Payment Policy

The Group applies a policy of agreeing terms of payment with suppliers as part of the commercial arrangements and making payments in accordance with these agreements. The average creditor payment period in the year for the Group was 30 days.

Results and Dividends

The trading results for the period and the Group's financial position at the end of the period are shown in the attached financial statements. The Directors have not recommended a dividend.

The Directors and their Interests

The Directors who served the Company during the period together with their beneficial interests, including family holdings, in the shares of the Company were as follows:

		Ordinary Shares of £0.01 each		
			At 31 December 2009	At 31 December 2008
	Date appointed	Direct	Direct and Indirect	Direct and Indirect
N B Clark	30 November 2004	3,810,568	3,810,568	3,310,568
J F A Malaihollo	04 November 2004	3,036,931	3,036,931	2,411,931
P A Harford	30 November 2004		Retired 30 July 2009	351,351
P McGroary	26 October 2007	4,669,554	7,910,179	7,410,179
C Angeles	03 September 2009	339,866	339,866	339,866
P A Ruxton	06 October 2009	—	—	—

In addition to their shareholdings, the Directors also hold the following warrants and options:

	At 31 December 2009	
	Warrants	Options
J F A Malaihollo	2,937,250	3,750,000
N B Clark	—	1,800,000
P McGroary	—	400,000
C Angeles	—	1,350,000
P A Ruxton	—	500,000

All warrants are exercisable at a price of 10 pence per ordinary share at any time during the period commencing on admission to AIM and expiring 60 months thereafter, except for 2,612,250 warrants exercisable at 10.4p for 60 months from date of admission which are held by Loeb Aron & Company Ltd and which are included in the holdings of J F A Malaihollo, who is a director of that company. Further, included in the holdings of J F A Malaihollo are 250,000 warrants held by Loeb Aron & Company Ltd.

The share options are exercisable at 3.5 pence, 6 pence, 8.5 pence, 16 pence and 19 pence at any time during the five year period commencing upon issuance of the options.

Employees

All employees receive equal opportunities for training and development. The sole criterion for selection and promotion is the individual's suitability for the position.

Substantial Interests

At the date of the Directors' Report, the following parties (apart from Directors) held in excess of 3% of the share capital of the Company:

Obtala Resources plc	29,750,000	15.1%
TD Waterhouse Nominees (Europe) Limited	18,801,216	9.5%
Auzex Resources Limited	14,044,944	7.1%
HSBC Global Custody Nominee (UK) Ltd	11,283,333	5.7%
Genesis Investment Management Ltd	9,500,000	4.8%
Barclayshare Nominees Ltd	8,920,136	4.5%
LR Nominees Limited	7,514,425	3.8%

Post-Balance Sheet Events

Details of material post-balance sheet events are given in note 22 to the financial statements.

Going Concern

These financial statements have been prepared on a going concern basis which presumes the realisation of assets and discharge of liabilities in the normal course of business. The Group has no operating revenues (2008: nil). The Group's ability to continue as a going concern is dependent on the Group's ability to obtain additional financing and ultimately, the attainment of profitable operations.

Auditors

Edwards Veeder (Oldham) LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

DIRECTORS' REPORT continued

Corporate Governance

The Group is committed to a high standard of corporate governance and operates to clear principles and procedures of control appropriate to a business of its size. Whilst there is no requirement for AIM companies to comply with the Combined Code, the Company intends to comply with the main provisions in so far as they are appropriate to smaller companies. This statement describes how the Group applies the principles of governance.

Directors

The Board is responsible for approving Company policy and strategy. It meets regularly throughout the year and there are a number of matters that are reserved for its decision. Management supply the Directors with appropriate and timely information and the Directors are free to ask for any further information they consider necessary. Copies of all press announcements made by the Company are also circulated to the Board. Directors may take independent professional advice at the Company's expense and each Director has access to the Company Secretary. The Company Secretary is charged with ensuring that the Company complies with all relevant regulations.

The Board consists of a Non-Executive Chairman, a Managing Director and two Non-Executive Directors.

Supply of information

To enable the Board to function effectively and allow the Directors to discharge their responsibilities, full and timely access is given to all relevant information. The Board receives reports from the Managing Director at its monthly meetings. In addition:

- an annual budget for each operating subsidiary is approved by the Board;
- actual results are monitored monthly.

Reappointment

Any Director appointed during the year is required, in accordance with the Company's Articles of Association, to retire and seek appointment by Shareholders at the next Annual General Meeting. The Articles also require that one-third of the Directors retire by rotation each year and seek reappointment at the Annual General Meeting. The Directors required to retire will be those who have been longest in office since their last appointment or reappointment.

The Remuneration Committee

Full details of the Directors' remuneration and the Company's policy on remuneration are contained in the Remuneration Report above.

Communication with Shareholders

The Company has made use of the London Stock Exchange PRN service to communicate with Shareholders since Admission to AIM. The Annual General Meeting gives Shareholders the opportunity to question the Board.

Accountability

The Board of Directors has overall responsibility for the system of internal financial control which is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedure is:

- the Audit Committee, comprising Paul McGroary (Chair), Nigel Clark, Peter Ruxton and Michael Short, meets with the external Auditor annually.

Statement as to Disclosure of Information to Auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the Group's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial Period the Group's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's "Framework for the Preparation and Presentation of Financial Statements". In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the Directors are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Cobbetts (Secretarial) Limited
Company Secretary

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF CENTRAL CHINA GOLDFIELDS plc

We have audited the financial statements of Central China Goldfields plc for the year ended 31 December 2009 which comprise the Consolidated Income Statement, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Balance Sheets, Consolidated Statement of Cash Flows and the related accounting policies and notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's Shareholders, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Shareholders those matters we are required to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards's (APB's) Ethical Standards for Auditors.

Scope of the Audit of the Financial Accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Basis of Opinion

We conducted our audit work in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in preparation of the financial statements, and of whether the accounting policies are appropriate for the Company's circumstances consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2009 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Fundamental Uncertainty — Going Concern

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the requirement to raise additional finance. The financial statements have been prepared on a going concern basis, the validity of which depends on the availability of future finance. The financial statements do not include any adjustments which would result from any inability to raise such finance. Details relating to this are described in note 1 to the accounts. Our opinion is not qualified in this respect.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all of the information and explanations we require for our audit.

Lee Lederberg (Senior Statutory Auditor)
For and on behalf of:
Edwards Veeder (Oldham) LLP
Block E, Brunswick Square
Union Street
Oldham
OL1 1DE
25 June 2009

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2009

	Note	1 Jan to 31 Dec 2009 £	Restated* 1 Jan to 31 Dec 2008 £
Continuing operations			
Administrative expenses		**(555,300)**	(625,628)
Operating loss	3	**(555,300)**	(625,628)
Investment revenues — interest on bank deposits		**7,361**	15,519
Loss before tax		**(547,939)**	(610,109)
Tax		**—**	—
Loss from continuing operations	8	**(547,939)**	(610,109)
Discontinued operations			
Loss from discontinued operations (net of tax)	4	**(1,171,142)**	(556,472)
Loss for the financial period	7	**(1,719,081)**	(1,166,581)
Attributable to the equity holders of the parent		**(1,719,081)**	(1,166,581)
Basic loss per share	9	**(0.010)**	(0.009)

* See discontinued operations — note 4.

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2009

	Note	2009 £	2008 £
Non-current assets			
Goodwill	10	—	126,148
Other intangible assets	10	—	7,726,808
Property, plant and equipment	11	—	83,525
Marketable securities	13	—	—
		—	7,936,481
Current assets			
Other receivables	14	**2,296,578**	3,763,815
Cash and cash equivalents		**3,762,442**	63,598
		6,059,020	3,827,413
Total assets		**6,059,020**	11,763,894
Equity			
Share capital	17	**1,833,672**	1,455,339
Share premium account	18	**8,213,120**	8,105,920
Warrant reserve	18	**492,329**	492,329
Share option reserve	18	**267,418**	310,400
Translation reserve	18	**723,334**	1,649,176
Retained losses	18	**(6,195,834)**	(4,707,240)
Equity attributable to equity holders of the parent		**5,334,039**	7,305,924
Minority Interest	18	—	272,679
Total equity		**5,334,039**	7,578,603
Current liabilities			
Other payables	15	**724,981**	4,185,291
Total equity and liabilities		**6,059,020**	11,763,894

These financial statements were approved by the Board of Directors and authorised for issue on 25 June 2010.

Signed on behalf of the Board of Directors

P McGroary
Director

Company Number:
05277251

COMPANY BALANCE SHEET
31 DECEMBER 2009

	Note	2009 £	2008 £
Non-current assets			
Investments in subsidiaries	12	**333,736**	370,370
Marketable securities	13	**—**	—
		333,736	370,370
Current assets			
Other receivables	14	**3,942,136**	5,242,398
Cash and cash equivalents		**497,538**	44,899
		4,439,674	5,287,297
Total assets		**4,773,410**	5,657,667
Equity			
Share capital	17	**1,833,672**	1,455,339
Share premium account	18	**8,213,120**	8,105,920
Warrant reserve	18	**492,329**	492,329
Share option reserve	18	**267,418**	310,400
Retained losses	18	**(6,079,880)**	(4,792,658)
Total equity		**4,726,659**	5,571,330
Current liabilities			
Other payables	15	**46,751**	86,337
Total equity and liabilities		**4,773,410**	5,657,667

These financial statements were approved by the Board of Directors and authorised for issue on 25 June 2010.

Signed on behalf of the Board of Directors

P McGroary
Director

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2009

Group	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Opening balance	7,578,603	6,151,357
Loss for financial period	(1,719,081)	(1,166,581)
New equity share capital subscribed	378,333	248,520
Premium on new equity share capital subscribed	107,200	633,983
Value attributed to share options granted	12,664	1,540
Translation reserve	(751,001)	1,642,466
Minority interest	(272,679)	67,318
Closing balance	5,334,039	7,578,603

Company	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Opening balance	5,571,330	6,069,585
Loss for financial period	(1,342,868)	(1,382,298)
New equity share capital subscribed	378,333	248,520
Premium on new equity share capital subscribed	107,200	633,983
Value attributed to share options granted	12,664	1,540
Closing balance	4,726,659	5,571,330

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 DECEMBER 2009

	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Loss for the period	(1,719,081)	(1,166,581)
Depreciation	6,175	14,354
Impairment charge on intangible assets and goodwill	—	378,402
Non-cash loss on impairment of marketable securities	—	13,207
Loss on disposal of marketable securities	—	295,422
Gain on disposal of intangible assets	—	(1,114,011)
Effect of foreign exchange translation	(680,870)	(3,627)
Loss on disposal of discontinued operations, net of tax	1,171,142	—
Stock option expense	12,664	1,540
Finance income	(7,361)	(15,519)
Change in receivables and other current assets — (increase)/decrease	3,741,102	(3,698,493)
Change in payables — increase/(decrease)	(3,272,456)	3,825,224
	(748,685)	(1,470,082)
Tax paid on disposal of discontinued operations by foreign subsidiary	(682,619)	—
Net cash used in operating activities	(1,431,304)	(1,470,082)
Investing activities		
Proceeds on disposal of discontiunued operations	4,726,095	—
Proceeds on disposal of intangible assets	—	3,423,365
Proceeds on disposal of marketable securities	—	115,995
Acquisitions of property, plant and equipment	—	(10,207)
Acquisitions of other intangible assets	(88,842)	(4,452,521)
Interest received	7,361	15,519
Acquisitions of subsidiaries and minority interests	—	(61,436)
Net cash used in investing activities	4,644,614	(969,285)
Financing activities		
Issue of equity share capital	378,333	248,520
Share premium on issue of equity share capital	129,167	651,000
Share issue costs	(21,966)	(17,018)
Net cash from financing activities	485,534	882,502
Net (decrease)/increase in cash and cash equivalents	3,698,844	(1,556,865)
Cash and cash equivalents at beginning of period	63,598	1,620,463
Cash and cash equivalents at end of period	3,762,442	63,598

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. Basis of preparation and accounting policies

General information

Central China Goldfields is a company incorporated and domiciled in England and Wales. The address of the registered office is given on inside back cover. The nature of the Group's operations and its principal activities are set out in the Directors' Report on page 9.

These financial statements are presented in pounds sterling because that is the currency of the parent Company of the Group. Foreign operations are included in accordance with the policies set out in this note.

a) Basis of preparation

Central China Goldfields plc was incorporated on 3 November 2004.

These financial statements have been prepared on a going concern basis which presumes the realisation of assets and discharge of liabilities in the normal course of business. The Group has no operating revenues (2008: nil). The Group's ability to continue as a going concern is dependent on the Group's ability to obtain additional financing and ultimately, the attainment of profitable operations.

The financial statements have been prepared on the historical cost basis, in accordance with International Financial Reporting Standards as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted are set out below.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination (see below) and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

c) Business combinations

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 "Business Combination" are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS5 "Non-Current Assets held for Sale and Discontinued Operations" which are not recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

The interest of minority Shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

1. **Basis of preparation and accounting policies** continued

d) Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

e) Other intangible assets

Exploration and evaluation expenditure comprises costs which are directly attributable to the acquisition of exploration licenses and subsequent exploration expenditures.

Exploration and evaluation expenditure is carried forward as an asset provided that one of the following conditions is met:

(i) Such costs are expected to be recouped in full through successful development and exploration of the area of interest or alternatively, by its sale;

(ii) Exploration and evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence of economically recoverable reserves and active and significant operations in relation to the area are continuing, or planned for the future.

Identifiable exploration and evaluation assets acquired are recognised as assets at their cost of acquisition. An impairment review is performed when facts and circumstances suggest that the carrying amount of the assets may exceed their recoverable amounts. Exploration assets are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined is met. Exploration rights are amortised over the useful economic life of the mine to which it relates, commencing when the asset is available for use.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

f) Property, plant and equipment

Property, plant and equipment is stated at cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Depreciation is charged so as to write off the cost, less estimated residual value on assets other than land, over their estimated useful lives, using the reducing balance method, on the following bases:

Fixtures and equipment	20%–30%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

g) Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1. **Basis of preparation and accounting policies** continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable losses for the period. Taxable loss differs from net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

i) Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprises cash in hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

1. **Basis of preparation and accounting policies** continued

j) Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit and loss account for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in the income statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

k) Critical accounting judgements

In the process of applying the Group's accounting policies, which are described above, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the financial information.

Valuation of share options issued and ordinary shares issued as consideration (note 17).

2. **Business and geographical segments**

For management purposes, the Group has one business segment — mining and exploration.

3. Operating loss

	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Operating loss is after charging		
Auditors' remuneration — as Auditors	20,000	16,524
Loss on disposal of marketable securities	—	295,422
Impairment charges for the year	—	391,609
Stock option expense	12,664	1,540
Foreign exchange (gains)/losses	(107,466)	(331,224)
Depreciation of tangible assets	6,175	14,354
Loss on disposal of fixed assets	—	—
Loss on disposal of other intangible assets	—	1,114,011
The analysis of Auditors' remuneration is as follows:		
Fees payable to the Company's Auditors for the audit of Company's accounts	20,000	15,000
The audit of the Company's subsidiaries*	—	1,524
Total audit fees	20,000	16,524
Total	20,000	16,524

* The audit of Zhongcheng Limited was carried out by the subsidiaries' local Auditor in the People's Republic of China.

4. Discontinued operations

	Disposal of Lhasa Tianli Mining Company Ltd		Disposal of CCG Mining Ltd		Total	
	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Results of discontinued operations						
Results from operating activities	(23,615)	(82,950)	(183,079)	(473,522)	(206,694)	(556,472)
Gain/(loss) on disposal of discontinued operation	116,567	—	(398,396)	—	(281,829)	—
Income tax on gain on disposal of discontinued operation (see note 8)	(682,619)	—	—	—	(682,619)	—
Profit/(loss) for the period	(589,667)	(82,950)	(581,475)	(473,522)	(1,171,142)	(556,472)
Effect of disposal on the financial position of the Group						
Property, plant and equipment	(47,564)	—	(673)	—	(48,237)	—
Intangible fixed assets	(6,806,742)	—	(479,572)	—	(7,286,314)	—
Minority interest	(38,633)	—	(38,952)	—	(77,585)	—
Exchange difference	164	—	(57,671)	—	(57,507)	—
Trade and other receivables	(4,819)	—	(3,165)	—	(7,984)	—
Cash and cash equivalents	(323)	—	(827)	—	(1,150)	—
Trade and other payables	5,391	—	182,463	—	187,854	—
Net assets and liabilities	(6,892,526)	—	(398,397)	—	(7,290,923)	—
Consideration received, satisfied in cash	(7,009,093)	—	(1)	—	(7,009,094)	—
Cash disposed of	323	—	827	—	1,150	—
Net cash (inflow)/outflow	(7,008,770)	—	826	—	(7,007,944)	—

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

5. Staff costs

Staff costs of the Group and Company were:.

Group	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Wages and salaries	114,541	371,601
Social Security Costs	10,798	22,605
Share-based payments	12,664	—
	138,003	394,206
Average number of employees	7	53

Company	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Wages and salaries	78,843	110,632
Social Security Costs	8,954	12,654
Share-based payments	—	—
	87,797	123,286
Average number of employees	2	3

6. Directors' emoluments

Details of the Directors' emoluments are included in the remuneration report on page ••.

7. Loss attributable to members of the parent Company

The loss dealt with in the financial statements of the parent Company was £1,342,868 (2008: £1,382,298).

8. Tax

	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Current tax	—	—
Deferred tax	—	—
Tax on continuing operations	—	—
Foreign tax on discontinued operation (see note 4)	682,619	—
Tax expense for the year	682,619	—

Until it is probable that sufficient taxable profits will be available to allow all or partial recovery of deferred tax assets of £1,624,418 (2008: £1,334,209), the accounting benefit of tax losses will not be reflected in the accounts.

The charge for the year can be reconciled to the loss per the income statement as follows:

	1 Jan to 31 Dec 2009 £	1 Jan to 31 Dec 2008 £
Loss for the year	(1,036,462)	(1,166,581)
Tax at the UK corporation tax rate of 28% (2008: 30%)	(290,209)	(349,974)
Tax losses carried forward	290,209	349,974
Tax expense for the year	—	—

9. Loss per share

a) Basic loss per share

Basic loss per share is calculated by dividing the profit for the year by the weighted average number of shares in issue during the year. The weighted average number of shares used is 178,509,200 (2008: 131,113,392).

b) Diluted loss per share

International Accounting Standard 33 requires presentation of diluted earnings per share when a company could be called upon to issue shares that would decrease the net profit or increase the net loss per share. For a loss-making company with outstanding options, net loss per share would only be increased by the exercise of out-of-money options. Since it seems inappropriate to assume that option holders would exercise out-of-money options, no adjustment has been made to diluted loss per share for out-of-money share options.

c) Headline loss per share

The Group presents an alternative measure of loss per share after excluding all capital gains and losses from the loss attributable to ordinary Shareholders. The impact of this is as follows:

	2009 £	2008 £
Basic		
Loss per share	(0.010)	(0.009)
Effect of loss on disposal of discontinued operations	0.007	—
Adjusted loss per share	(0.003)	(0.009)

10. Intangible fixed assets

For the year ended 31 December 2009

Group	Goodwill £	Deferred exploration costs £	Total £
Cost and carrying amount			
At 1 January 2009	126,148	7,726,808	7,852,956
Additions	—	88,842	88,842
Disposals	(158,185)	(7,128,129)	(7,286,314)
Impairment charge for the year	—	—	—
Effect of foreign exchange translation	32,037	(687,521)	(655,484)
At 31 December 2009	—	—	—

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

11. Property, plant and equipment
For the year ended 31 December 2009

Group	Fixtures, fittings & software £
Cost	
At 1 January 2009	107,549
Disposals	(107,549)
At 31 December 2009	—
Accumulated depreciation	
At 1 January 2009	24,024
Charge for the year	6,175
Disposals	(30,199)
At 31 December 2009	—
Carrying amount	
At 31 December 2009	**—**
Carrying amount	
At 31 December 2008	83,525

12. Investment in subsidiaries
For the year ended 31 December 2009

Company	**Year ended 31 Dec 2009 £**	Year ended 31 Dec 2008 £
Cost and carrying amount		
Opening balance	**370,370**	150,850
Additions	**—**	219,520
Disposals	**(36,634)**	—
Closing balance	**333,736**	370,370
Net book value		
Closing balance	**333,736**	370,370

12. Investment in subsidiaries continued

The investments represent the whole of the share capital of:

(i) Nexon Asia Group Limited is registered in the British Virgin Islands. At 31 December 2009 it has capital and reserves of £1,041,576 (2008: (£7,914)) and for 2009 made a profit of £93,895 (2008: £1,390,332).

(ii) Central China Minerals Limited is registered in the British Virgin Islands. At 31 December 2009 it had capital and reserves of £1 (2008: (£973)) and for 2009 made a loss of nil (2008: (£32)).

(iii) CCG Mining Company Ltd, formerly CCG Hubei Mining Company Ltd, was registered in the British Virgin Islands and disposed of by the Company on 23 December 2009. At date of disposal, it had consolidated capital and reserves of (£711,728) (2008: £93) and for 2009 made a consolidated loss of £183,079 (2007: (£473,522)).

(iv) CCG Copper Limited (BVI) is registered in the British Virgin Islands. At 31 December 2009 it had consolidated capital and reserves of (£890,015) (2008: 310,832) and for 2009 made a loss of £989,911 (2008: (£272,129)).

(v) GGG Mining, formerly CCG Xinjiang Limited (BVI) is registered in the British Virgin Islands. At 31 December 2009 it had capital and reserves of (£922) (2008: £1) and for 2009 made a loss of £939 (2008: 40,942)).

(vi) CCG Korea Limited is registered in the British Virgin Islands. At 31 December 2009 it had capital and reserves of (£1,644) (2008: £1) and for 2009 made a loss of £1,673 (2008: (£46,181)).

(vii) United Kingdom Central China Goldfields plc Beijing Representative Office (CCG Beijing) is registered in the People's Republic of China and is treated as an office of Central China Goldfields plc and not as a separate subsidiary.

(viii) Chengdu Zhongcheng Mining Technology Development Company Limited, wholly owned by CCG Copper Limited, is registered in the People's Republic of China. At 31 December 2009 it had consolidated capital and reserves of £3,156,948 (2008: £1,436,746) and for 2009 made a profit of £2,287,612 (2008: (£167,119)).

Chengdu Zhongcheng Mining Technology Development Company Limited held 75% of Lhasa Tianli Mining Company Limited, which was disposed of on 5 August 2009. At date of disposal, it had capital and reserves of £946,989 (2008: (£1,209,153)) and for 2009 spent £23,615 on operating activities (2008: (£110,590)).

13. Marketable Securities

For the year ended 31 December 2009

Group and Company	Year ended 31 Dec 2009 £	Year ended 31 Dec 2008 £
Cost and carrying amount		
Opening balance	—	428,266
Additions	—	—
Disposals	—	(411,417)
Impairment charge for the year	—	(13,207)
Effect of foreign exchange translation	—	(3,642)
Closing balance	—	—
Net book value		
Closing balance	—	—

Whilst the investment had been impaired in 2008, the market value at 31 December 2009 was £2,273.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

14. Other receivables

	Group 2009 £	Group 2008 £	**Company 2009 £**	Company 2008 £
Receivables due from Group undertakings	**—**	—	**3,927,407**	5,233,945
Prepayments and other receivables	**2,296,578**	3,763,815	**14,729**	8,453
	2,296,578	3,763,815	**3,942,136**	5,242,398

Included in prepayments and other receivables of the Group at 31 December 2009, is £2,281,849 receivable from the sale of the Nimu project (RMB 24,850,000) (2008: nil).

15. Other payables

	Group 2009 £	Group 2008 £	**Company 2009 £**	Company 2008 £
Trade payables	**25,025**	120,291	**18,707**	17,345
Payables due to Minority Shareholders	**—**	3,989,193	**—**	—
Non-trade payables and accrued expenses	**699,956**	75,807	**28,044**	68,992
	724,981	4,185,291	**46,751**	86,337

Included in payables, non-trade payables and accrued expenses of the Group at 31 December 2009 is £671,912 — being a tax liability in Chengdu Zhongcheng Mining Technology Development Company Limited on its recognised gain on disposal of its subsidiary, Lhasa Tianli Mining Company Limited.

16. Related party transactions

No individual party had overall control of the Company or Group during the period and no transactions were undertaken with related parties, either during the current or comparative financial years, being of a nature requiring disclosure under IFRSs.

17. Share capital

	2009 £	2008 £
Authorised share capital		
500,000,000 ordinary shares of £0.01 each	**5,000,000**	5,000,000

	2009 No.	2009 £	2008 No.	2008 £
Called up, allotted and fully paid				
Ordinary shares of £0.01 each	**183,367,191**	**1,833,672**	145,533,858	1,455,339

Issue of shares
During 2009, 13,833,333 1p ordinary shares at 1.5 pence and 24,000,000 1p ordinary shares at 1.25 pence were issued.

Share Warrants
The Group has 15,067,250 (2008: 15,067,250) share purchase warrants outstanding at a weighted average exercise price of 10.06 pence (2008: 10.06 pence), which are listed below:

(i) 12,455,000 (2008: 12,455,000) warrants at an exercise price of 10 pence, exercisable at any time during the period commencing on 30 March 2005 ("AIM Admission Date") and expiring on the fifth anniversary thereof;

(ii) 2,612,250 (2008: 2,612,250) arranger warrants issued to Loeb Aron & Company Ltd exercisable at a price of 10.4 pence per share at any time during the five year period following the AIM Admission Date.

Share Options
At 31 December 2009, the total number of options outstanding and exercisable was 9,400,000 (2008: 10,000,000) and was exercisable as follows:

(i) 400,000 (2008: 400,000) share options exercisable at 19p per share on or before 23 February 2012;

(ii) 6,150,000 (2008: 6,950,000) share options exercisable at 16p per share on or before 23 February 2012;

(iii) 250,000 (2008: 250,000) share options exercisable at 8.5p per share on or before 13 March 2010;

(iv) 1,600,000 (2008: 2,400,000) share options exercisable at 6p per share on or before 13 March 2010;

(v) 1,000,000 (2008: nil) share options exercisable at 3.5p per share on or before 6 October 2014.

During the year ended 31 December 2009, the Company issued 1,000,000 share options exercisable at 3.5p per share on or before 6 October 2014 and 1,600,000 share options lapsed as follows:

(i) 800,000 (2008: 1,600,000) share options, originally exercisable at 16p on or before 23 February 2012;

(ii) 800,000 (2008: 1,670,000) share options, originally exercisable at 6p on or before 13 March 2010.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

18. Reserves
For the year ended 31 December 2009

Group	Warrant reserve £	Share option reserve £	Share premium account £	Retained losses £	Translation reserve £
At 1 January 2009	492,329	310,400	8,105,920	(4,707,240)	1,649,176
Loss for the year	—	—	—	(1,719,081)	—
Premium arising on issue of equity shares	—	—	129,167	—	—
Grant of share options	—	12,664	—	—	—
Movement during the year	—	—	—	—	(751,001)
Effect of discontinued operations	—	—	—	174,841	(174,841)
Cost of lapsed warrants/options	—	(55,646)	—	55,646	—
Issue costs	—	—	(21,967)	—	—
At 31 December 2009	**492,329**	**267,418**	**8,213,120**	**(6,195,834)**	**723,334**

Company	Warrant reserve £	Share option reserve £	Share premium account £	Retained losses £
At 1 January 2009	492,329	310,400	8,105,920	(4,792,658)
Loss for the year	—	—	—	(1,342,868)
Premium arising on issue of equity shares	—	—	129,167	—
Grant of share options	—	12,664	—	—
Cost of lapsed warrants/options	—	(55,646)	—	55,646
Issue costs	—	—	(21,967)	—
At 31 December 2009	**492,329**	**267,418**	**8,213,120**	**(6,079,880)**

Warrant reserve

	Warrants in issue	Warrant reserve £
Group and Company		
At 31 December 2009	**15,067,250**	**492,329**
Group and Company		
At 31 December 2008	15,067,250	492,329

Stock Option Reserve

	Stock options in issue	Stock option reserve £
Group and Company		
At 31 December 2009	**9,400,000**	**267,418**
Group and Company		
At 31 December 2008	10,000,000	310,400

(i) Share options granted during the year ended 31 December 2009 were valued by the Directors using the Black–Scholes valuation model, based upon the following assumptions:
- Term range of three years
- Expected dividend yield of nil
- Risk-free interest rate of 2%
- Share price volatility of 50%
- Current share price of 4 pence.

19. Share-based payments

Equity-settled share option scheme

The Company has a share option scheme for all employees of the Group. Options are exercisable at a price equal to the average quoted market price of the Company's shares on the date of grant. If the options remain unexercised after a period of five years from the date of grant the options expire.

Details of the share options outstanding during the year are as follows:

	2009 Number of share options	2009 Weighted average exercise price	2008 Number of share options	2008 Weighted average exercise price
Outstanding at beginning of period	**10,000,000**	**13.5p**	12,520,000	12.7p
Granted during the period	**1,000,000**	**3.5p**	750,000	16.0p
Forfeited during the period	**(1,600,000)**	**11.0p**	(3,270,000)	10.9p
Exercise during the period	**—**		—	
Expired during the period	**—**		—	
Outstanding at the end of the period	**9,400,000**	**12.9p**	10,000,000	13.5p
Exercisable at the end of the period	**9,400,000**		10,000,000	

The options outstanding at 31 December 2009 had a weighted average exercise price of 12.9p (2008: 13.5p), and a weighted average remaining contractual life of 1.3 years (2008: 2.6 years). The aggregate of the estimated fair values of the outstanding options is £1,212,250 (2008: £1,353,250).

The inputs into the Black–Scholes model are as follows:

	2009	2008
Weighted average share price	**2.88p**	4p
Weighted average exercise price	**3.50p**	16p
Expected volatility	**50%**	50%
Expected life	**5**	2.6 years
Risk-free rate	**5%**	2%
Expected dividend yields	**—**	—

Expected volatility was determined based on management's best estimate. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

In 2009, the Group recognised total expenses of £12,664 (2008: £1,540) relating to equity-settled share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

20. Financial instruments

Group and Company

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 17 and 18.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

Categories of financial instruments

	Group Carrying value		Company Carrying value	
	2009	2008	**2009**	2008
	£	£	**£**	£
Financial assets				
Loans and receivables				
(including cash and cash equivalents)	**6,059,020**	3,818,960	**4,439,674**	5,278,844
Financial liabilities				
Payables	**696,937**	4,126,648	**18,707**	27,693

Financial risk management objectives

The Group's financial function provides services to the business, and monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for any purpose.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. There has been no change to the Group's exposure to market risks or to the manner in which it measures and manages the risk.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Assets	
	2009	2008
	£	£
Cash denominated in foreign currency	**3,264,904**	18,699

20. Financial instruments continued

Foreign currency sensitivity analysis

The Group is exposed to the currency of the People's Republic of China (CNY).

The following table details the Group's sensitivity to a 20% increase and decrease in sterling against the renminbi. twenty per cent is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 20% change in foreign currency rates. A negative number below indicates a decrease in profit where sterling strengthens 20% against the relevant currency. For a 20% weakening of sterling against the relevant currency, there would be an equal and opposite impact on the profit and the balances below would be positive.

	USD currency impact	
	2009	2008
	£	£
Loss	**(544,151)**	(7,800)

The Group's sensitivity to foreign currency has increased during the current period, due to the inclusion of cash held in the CCG Copper Group of subsidiaries.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes the principal cash flows. All amounts are repayable within one year.

	Group		Company	
	2009	2008	**2009**	2008
	£	£	**£**	£
Non-interest bearing	**724,981**	4,185,291	**46,751**	86,337

The Group and Company has no financial derivatives.

NOTES TO THE FINANCIAL STATEMENTS continued
YEAR ENDED 31 DECEMBER 2009

21. Subsidiaries

Details of the Company's subsidiaries at 31 December 2009 were as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Nexon Asia Group Ltd	BVI	100%	100%	Holding company
CCG Copper Ltd	BVI	100%	100%	Holding company
Central China Minerals Ltd	BVI	100%	100%	Holding company
GGG Mining Ltd, previously CCG Xinjiang Ltd (i)	BVI	100%	100%	Holding company
CCG Korea Ltd	BVI	100%	100%	Holding company
Zhongcheng Ltd (ii)	PRC	100%	100%	Holding company
CCG Beijing (iii)	PRC	100%	100%	Representative office

(i) CCG Xinjiang Ltd changed its name to GGG Mining Limited during the year ended 31 December 2009.

(ii) Chengdu Zhongcheng Mining Technology Development Company Limited (Zhongcheng) is a 100%-owned subsidiary of CCG Copper (BVI) Limited. Zhongcheng Ltd disposed of its 75% interest in Lhasa Tianli Mining Company Limited during the year ended 31 December 2009.

(iii) United Kingdom Central China Goldfields plc Beijing Representative Office is a representative office of the Company and not a subsidiary in the Group.

22. Post-balance sheet events

In June 2010, the Company decided not to exercise its option on its Cikoleang project. As a result, project expenses at year end have been written off.

In February 2010, the Company signed an Option Agreement over the Bullabulling Project in Western Australia. Part of the consideration paid was by the issue of 14,044,944 shares at 4 pence per share. In April 2010, the Company exercised this Option and acquired 50% of Bullabulling.

In March 2010, 1,850,000 options and 15,067,250 warrants expired. In April 2010, the Company granted 6,850,000 options exercisable at 4 pence at any time until 23 April 2015.

NOTICE OF ANNUAL GENERAL MEETING

Please note that this document is important and requires your immediate attention. If you are in any doubt as to the action to be taken, please consult an independent adviser immediately.

If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the Annual General Meeting of the Company on 9 August 2010 at 11 am, you should send this document, together with the accompanying Form of Proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee.

Company Number: 05277251

NOTICE OF ANNUAL GENERAL MEETING
CENTRAL CHINA GOLDFIELDS plc
(the "Company")

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of the Company will be held at Andaz Liverpool Street, 40 Liverpool Street, London, EC2M 7QN on 9 August 2010 at 11 am in order to consider and, if thought fit, pass resolutions 1 to 7 as Ordinary Resolutions and resolutions 8 to 10 as Special Resolutions:

Ordinary Resolutions

1. To re-elect as a Director Paul McGroary who is retiring in accordance with Article 114 of the Company's Articles of Association and who, being eligible is offering himself for re-election.

2. To re-elect as a Director Peter Ruxton who was appointed as a Director following the last Annual General Meeting of the Company and who is retiring in accordance with Article 85 of the Company's Articles of Association and who, being eligible, is offering himself for re-election.

3. To re-elect as a Director Ciceron Angeles who was appointed as a Director following the last Annual General Meeting of the Company and who is retiring in accordance with Article 85 of the Company's Articles of Association and who, being eligible, is offering himself for re-election.

4. To re-elect as a Director Michael Short who was appointed as a Director following the last Annual General Meeting of the Company and who is retiring in accordance with Article 85 of the Company's Articles of Association and who, being eligible, is offering himself for re-election.

5. To receive, consider and adopt the Directors' report and accounts of the Company for the period ended 31 December 2009.

6. To reappoint Edwards Veeder of Brunswick Square, Union Street, Oldham, OL1 1DE, as Auditor of the Company and to authorise the Directors to determine their remuneration.

7. That the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company ("Rights") up to an aggregate nominal amount of £5,000,000, provided that this authority shall, unless previously revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 12 months from the date of passing this resolution, but so that the Directors may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of that offer or agreement as if the authority hereby conferred had not expired.

   This authority is in substitution for all previous authorities conferred on the Directors in accordance with Section 80 of the Companies Act 1985, or Section 551 of the Act.

Special Resolutions

8. That, subject to the passing of Resolution 7, the Directors be given the general power to allot equity securities (as defined by Section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by Resolution 7 or by way of a sale of treasury shares, as if Section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

   8.1 the allotment of equity securities in connection with an offer by way of a rights issue:

      8.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and

      8.1.2 to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

   8.2 the allotment (otherwise than pursuant to paragraph 8.1 above) of equity securities up to an aggregate nominal amount of £5,000,000.

NOTICE OF ANNUAL GENERAL MEETING continued

The power granted by this resolution will, unless renewed, varied or revoked by the Company, expire at the conclusion of the next Annual General Meeting of the Company following the date of the passing of this resolution or (if earlier) 12 months from the date of passing this resolution, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution revokes and replaces all unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

9. That:

   9.1 the Articles of Association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association; and

   9.2 with immediate effect the Articles of Association of the Company be amended by deleting all the provisions of the Company's Memorandum of Association which, by virtue of section 28 of the 2006 Act, are to be treated as provisions of the Company's Articles of Association.

10. That the name of the Company be changed to GGG Resources plc.

By Order of the Board

Cobbetts (Secretarial) Limited
Secretary
Registered Office: c/o Cobbetts LLP, 58 Mosley Street, Manchester, M2 3HZ
Dated 25 June 2010

Notes:

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy to attend and vote on a poll instead of him. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company.

2. Completion and return of the form of proxy will not preclude ordinary Shareholders from attending or voting at the meeting, if they so wish.

3. To be effective, this proxy form must be lodged with the Company's Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, United Kingdom not later than 48 hours before the time of the meeting or any adjournment thereof, together, if appropriate, with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or, where the proxy form has been signed by an officer on behalf of a corporation, a notarially certified copy of the authority under which it is signed.

4. In the case of a joint holding, a proxy need only be signed by one joint holder. If more than one such joint holder lodges a proxy only that of the holder first on the register of members will be counted. Any alterations made to this proxy should be initialled.

5. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

6. In the case of a corporation this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorised.

7. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

8. A copy of the balance sheet and every document required by law to be annexed to it, which are to be laid before the above mentioned meeting, are enclosed. The register of interests of the Directors in the share capital of the Company and copies of contracts of service of Directors with the Company will be available for inspection at the registered office of the Company during normal business hours (Saturdays and public holidays excepted) from the date of this notice until the conclusion of the Annual General Meeting.

9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Annual General Meeting is 11 am on 6 August 2010 (being not more than 48 hours prior to the time fixed for the Meeting) or, if the Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned Meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Meeting.

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION

It is proposed in resolution 9 to adopt the New Articles in order to update and replace the Current Articles primarily to take account of changes in English Company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised in this Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in this Appendix.

The proposed New Articles marked to show all the changes that will be made to the Current Articles in the event that resolution 9 is passed are available for inspection, as noted in these Explanatory Notes, and are available on the Company's website at http://www.ccgoldfields.com.

The Company's Objects

The provisions regulating the operations of the Company are currently set out in the company's memorandum and articles of association. The Company's memorandum contains, among other things, the objects clause which sets out the scope of the activities the Company is authorised to undertake. This is drafted to give a wide scope.

The Companies Act 2006 significantly reduces the constitutional significance of a company's memorandum. The Companies Act 2006 provides that a memorandum will record only the names of the original subscribers and the number of shares each subscriber has agreed to take in the company. Under the Companies Act 2006 the objects clause and all other provisions which are currently contained in a company's memorandum are now deemed to be contained in a company's articles of association unless the company passes a special resolution to the contrary.

Further, the Companies Act 2006 states that, unless a company's articles provide otherwise, a company's objects are unrestricted. This abolishes the need for companies to have objects clauses. The Company is proposing to remove its objects clause together with all other provisions of its memorandum which, by virtue of the Companies Act 2006, are now treated as forming part of the Company's articles of association to allow it to have the widest possible scope for its activities. Resolution 9.1 confirms the removal of these provisions for the Company. As the effect of this resolution will be to remove the statement currently in the Company's memorandum of association regarding limited liability, the New Articles also contain an express statement regarding the limited liability of Shareholders.

Change of Name

Previously, a company could only change its name by special resolution. Under the Companies Act 2006 a company can now change its name by other means provided for by its articles. To take advantage of this provision, the New Articles enable the Directors to pass a resolution to change the Company's name.

Authorised Share Capital and Unissued Shares

The Companies Act 2006 abolishes the requirement for a company to have an authorised share capital. A consequence of resolution 9.1 would be the removal of this limitation from the Company's constitution and the New Articles reflect this. Directors will still be limited as to the number of shares they can at any time allot because an allotment authority continues to be required under the Companies Act 2006, save in respect of employee share schemes.

Redeemable Shares

Previously, if a company wished to issue redeemable shares, it needed to include in its articles the terms and manner of redemption. The Companies Act 2006 enables directors to determine such matters instead provided they are so authorised by the articles. The New Articles contain such an authorisation. The Company has no plans to issue redeemable shares but if it did so the Directors would need Shareholders' authority to issue new shares in the usual way.

Authority to Purchase Own Shares, Consolidate and Subdivide Shares, and Reduce Share Capital

Under the Companies Act 1985, a company required specific enabling provisions in its articles to purchase its own shares, to consolidate or subdivide its shares and to reduce its share capital or other undistributable reserves as well as shareholder authority to undertake the relevant action. The Current Articles include these enabling provisions. Under the Companies Act 2006, however, a company only requires shareholder authority to do any of these things and it is no longer necessary for articles to contain enabling provisions. Accordingly, the relevant enabling provisions have not been included in the New Articles.

EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION continued

Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors of a company to make provision for a person employed or formerly employed by the company or any of its subsidiaries in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company or that subsidiary, may only be exercised by the directors if they are so authorised by the company's articles or by the company in general meeting. The New Articles provide that the Directors may exercise this power.

Use of Seals

A Company no longer requires authority in its articles to have an official seal for use abroad. Accordingly, the relevant authorisation has not been included in the New Articles.

For consistency with the Companies Act 2006 changes to the execution of documents by companies, the New Articles provide an alternative option for affixing a seal. Under the New Articles, when the seal is affixed to a document it may be signed by one authorised person in the presence of a witness, whereas previously the requirement was for signature by either a Director and the Secretary or two Directors or such other person or persons as the Directors may approve.

Suspension of Registration of Share Transfers

The Current Articles permit the Directors to suspend the registration of transfers. Under the Companies Act 2006 share transfers must be registered as soon as practicable. The power in the Current Articles to suspend the registration of transfers is inconsistent with this requirement. Accordingly, this power has not been included in the New Articles.

Vacation of Office by Directors

The Current Articles specify the circumstances in which a Director must vacate office. The New Articles update these provisions to reflect the approach taken on mental and physical incapacity in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

General

Generally, the opportunity has been taken to update some of the language and drafting in the New Articles with the intention of making the drafting of some of the existing provisions more clear.

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