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CGA ANNOUNCES DECEMBER QUARTER PRODUCTION UP BY 22% TO 36,465 OUNCES AND CASH OPERATING COSTS DOWN BY 16% FROM US\$578/OUNCE TO US\$483/OUNCE.

DECEMBER QUARTERLY REPORT

**ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE AND
TORONTO STOCK EXCHANGE**

28 JANUARY 2010

HIGHLIGHTS

- **Production increased by 22% to 36,465 ounces for the quarter**
- **Plant throughput increases materially, exceeding design capacity in the quarter**
- **Average realised gold price of US\$1,104/oz for the quarter, with total proceeds from the sale of gold and silver of US\$39.2M**
- **Cash costs per ounce (excluding taxes) for the quarter by more than 16% to US\$483/ounce**
- **Costs per tonne milled reduced by almost 15% to US\$18.19/t from US\$21.37/t**
- **Plant availability improved to 91.4%**
- **Metallurgical recovery increased to 83.9%**
- **Maiden resource of approximately 620,000 ounces announced for the Segilola Gold Project**
- **Available cash on hand at 31 December was US\$20.1M**

MASBATE PROJECT UPDATE

Production Summary

	Ore Mined (t)	Average Grade Mined (g/t Au)	Ore Milled (t)	Head Grade (g/t Au)	Recovery (%)	Plant Availability (%)	Total Production (oz Au)	Cash Operating Costs (US\$/oz)
December Quarter	791,329	1.38	1,132,361	1.21	83.9	91.4	36,465	483
September Quarter	764,665	1.65	839,503	1.37	82.1	84.6	29,751	578

The operation has made significant progress during the December quarter, nearing steady state by the end of December. Plant throughput has been consistently achieving above design capacity and the focus remains on further optimising throughput. By the end of the quarter, the equivalent annualised throughput rate was in the order of 4.8 Mtpa. The grade reduction reflected the drop in cut off grade and the use of stockpiles to keep the mill fed whilst the mine continues with pioneering and cut back work.

Overall cash operating costs per tonne milled for the quarter was US\$18.19 (US\$21.37 for the September quarter) reflecting improved consistency in mill throughput.

Cash operating costs per ounce also improved materially, reducing to US\$483/ounce, notwithstanding a slightly lower grade fed to the mine as the mine continues in its set up phase, focussing primarily on only the fringes of the orebody where predictability is typically lower.

Mining and Geology

The total movement of 1,793,374 bcm for the quarter contributed 791,329 tonnes of high grade ore and 456,274 tonnes of low grade ore from HMB East, Libra West, Montana, Main Vein and Binstar. During the period, Libra West was completed as planned. An additional starter pit at Binstar was commenced and an additional small mining fleet was brought to site to help scheduling of cut backs, pioneering and stockpile rehandle. The mining fleet is operating to expected productivity rates.

The new local contractor at the tailings dam performed well and the dam lift continues on schedule.

Grade control continued to service the open pits as well as geotechnical support. Jigsaw Geoscience was employed during the quarter to update the structural interpretation of the ore body within the pits and to help with exploration targeting. The results of the visit were very encouraging and a second visit is scheduled for the next quarter.

Milling

The mill throughput for the quarter was 1,132,361 tonnes producing 36,465 ounces of gold and 25,556 ounces of silver from an ore blend consisting of ore from HMB East, Libra West, Montana, Main Vein and Binstar, some oxide material from the dump 90 stockpile was also included in the blend supplementing the high grade ore from the pits. The reconciled head grade was 1.21 g/t.

Metallurgical recovery increased during the quarter from 82.1 % to 83.9%, reflecting an increase in oxide material treated and a more steady state circuit.

Production averaged a feed rate of 597tph which is well above the design of 500tph. All 3 mills were operational throughout the quarter. Debottlenecking initiatives continued on the plant. To date, no issues which would constrain throughput have been noted, and throughput rates up to 6mtpa were achieved this quarter, without exceeding any of the plant's capability.

Community Relations

The local communities continue to be a primary focus of the Company, Filminera Resources Corporation and Phil. Gold Processing and Refining Corporation.

Community relations, in line with the Social Development Management Plan, has concentrated on the implementation of projects and programs in infrastructure (4 school building, multi-purpose community building, Chapels, Barangay hall renovations and road maintenance), livelihood assistance (fishing boats and nets, farming technology and implements, livestock propagation, organizing small scale miners association/coops and utilization of recyclable materials), health and sanitation (provision of medicines, community and households toilets, provision of barangay garbage trucks, garbage receptacles and continued health education on proper garbage disposals), education (scholarship, financial assistance to secondary levels students and conduct of values formations/lectures) and religious (support to traditional fiesta celebrations, assist in the Basic Ecclesiastical Community formation and regular support to the Parish).

Safety

There were 3 lost time injuries during the quarter, with a security guard dislocating his shoulder while slipping and 2 members of the site boat crew sustaining burns when their cooker exploded. All incidents were thoroughly investigated and measures were put in place to address.

SEGILOLA GOLD PROJECT UPDATE

The resources estimate of just under 620,000 ounces was prepared by Odessa Resources Pty Ltd, to satisfy the requirements of National Instrument 43-101. A tabulation of the resources above a zero (0 g/t Au) cutoff is shown below.

Resource Estimate for the Segilola Project

	Tonnes	Grade (g/t)	Ounces (Au)
Indicated Resource	3,658,000	4.4	522,000
Inferred Resource	790,200	3.8	97,600

It was also noted that at a cut-off grade of 3.0g/t, in excess of 500,000 ounces reported to resources at a grade of 6.77g/t Au.

Under the terms of the joint venture, following completion of the resources estimate Segilola Mining Limited ("SGL") is entitled to be awarded a further 13.5% interest in the joint venture bringing the current earning to 37.5% (earning a 51% interest). A Feasibility Study based on the project resources was commenced in November, with the following areas currently being addressed.

Environmental Impact Assessment (“EIA”)

Fugro Nigeria Limited (“Fugro”), an appropriately qualified environmental consulting firm based in Nigeria has been commissioned to undertake an EIA and Environmental Management Plan based on the Environmental Baseline Study carried out by Fugro early in 2009.

Metallurgical Testwork

Ammtec Laboratories in Western Australia completed preliminary physical and leach tests on seven (7) composite samples recovered from thirty seven (37) ore intersections in twenty seven (27) diamond drill holes located across the complete mineralised zone. Initial results indicate in excess of ninety five (95%) percent gold recovery at a grind of P80. 106 microns.

Process Plant Flowsheet and Design

R.W. Bourne Consulting Metallurgist and Sedgman / Internet Engineering determined a suitable, simple process flowsheet and have commenced the engineering work required to finalise process plant design to a standard whereby capital and operating costs can be determined to the required level of accuracy.

Tailings Storage Facility (“TSF”) and Water Storage Dam (“WSD”)

Preliminary design work for the TSF and WSD has commenced by DE Cooper and Associates. To secure a reliable, consistent water supply it will be necessary to dam a local creek located 1 kilometre east of the mineralised zone.

Mine Design and Reserves

An independent Perth based Mining Engineer is undertaking the design of an initial open pit mine followed by underground exploitation of the deeper sources should they eventuate. The location of suitable waste dumping sites has been determined.

Application for Additional Tenure

The existing Mining Lease (ML 34) covers only a portion of the mineralisation, the balance is located within ML 41 also owned by the joint venture. An application to enlarge the ML to encompass all of the above infrastructure and utilities has been lodged with the appropriate authority. CGA is on track to deliver the Feasibility Study in the fourth quarter of fiscal 2009/2010.

MKUSHI PROJECT UPDATE

CGA is presently reviewing the options for the project including the possibility of utilising a modular processing facility that would greatly reduce the capital cost. The Company continues to consider its options and progress the optimisation of the project.

CORPORATE

As at 31 December 2009, group available cash was US\$20.1M (including the cash reserves of FRC) after having paid the third interest and principal repayment on the BNP arranged project finance facility for the Masbate Gold Project of US\$4.1M. The outstanding project finance facility has now reduced to US\$70.4M at 31 December 2009.

During the December quarter, the Company closed the placement of 14,705,000 shares at C\$1.70 with clients of BMO Nesbitt Burns Inc and Haywood Securities Inc. The net funds received (after costs) was C\$23.7m.

During the December quarter, 2,185,000 share options were exercised for gross proceeds of A\$1,676,250 and 237,500 Warrants were exercised for gross proceeds of C\$244,625.

At 31 December 2009, the Company had 12,190,000 options and 5,337,500 outstanding warrants on issue. The total issued capital of the Company as at 31 December 2009 was 286,569,476 fully paid ordinary shares.

ABOUT CGA MINING LIMITED

CGA is listed on both the Toronto Stock Exchange and the Australian Securities Exchange. The Masbate Gold Project is the largest gold project in the Philippines and was successfully developed with first gold poured on 12 May 2009. The project, which is currently ramping up to full production, has a total indicated resource base of 4.55M ounces, total inferred resource base of 3.22M ounces with a probable reserve of 3.03M ounces of gold. At steady state operations the project is forecast to produce over 200,000 ounces per annum.

The 4Mtpa plant was constructed by Leighton Contractors Asia Limited ("Leighton") without one lost time injury. The mining contract for the Masbate Gold Project has been awarded to Leighton, the largest mining contractor in the world. CGA is completing a scoping study for the expansion of the plant throughput at Masbate.

CGA has a disciplined acquisition program focused on acquiring new gold projects with a substantial initial resource with the capacity to grow materially and where the development and operational experience of CGA can be applied to enhance shareholder value.

ENQUIRIES

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NATIONAL INSTRUMENT 43-101 AND JORC COMPLIANCE

Mr Geoff.G.Jones, F.Aus.I.M.M.CP Mng, CGA's Consulting Engineer, is acting as the Qualified Person in compliance with NI 43-101 and JORC reporting requirements with respect to this announcement. He has prepared and or supervised the preparation of the scientific or technical information in this announcement and confirms compliance with NI43-101 and JORC requirements.

Further information relating to the Masbate Project is included in the technical report entitled Technical Report on the Mineral Resources of the Masbate Deposit, Masbate Province, Republic of the Philippines for CGA Mining Limited prepared by Mining Associates Pty Ltd and available on SEDAR at www.sedar.com, lodged 8 July 2008.

Andrew James Vigar of Mining Associates Pty Ltd, a qualified person, has verified the resource statement for the Masbate Project as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included numerous site visits, database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

A NI 43-101 compliant report has been lodged on www.sedar.com verifying and supporting the new reserve statement made for the Masbate Project. Mr Daniel Tuffin of Lower Quartile Solution Pty Ltd, a qualified person, has verified the reserve statement for the Masbate Project as disclosed in this announcement, including sampling, analytical and test data underlying the estimate. Verification of the data included database validation of historical drill results and review of sampling and assaying protocols. The qualified person was satisfied with the verification process.

Mr. Alfred John Gillman of Odessa Resources Pty Ltd, an independent qualified person experienced in the style of mineralisation at Segilola, has completed the resource statement for the Segilola Project as disclosed in this announcement, including verification of the sampling, analytical and test data underlying the estimate. Verification also included a site visit, database validation of historical drill results and a review of sampling and assaying protocols. The qualified person was satisfied with all of the protocols used during the drilling, sampling and in the Segilola resource estimate compilation and computation.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This announcement includes certain “forward-looking statements” within the meaning of Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements regarding follow-up drilling plans at Segilola, the completion of a feasibility study, the Segilola mineral resource estimate, the acquisition of an additional 13% interest on the completion of a feasibility study, expansion of the resource at Segilola, anticipated timing for construction and production, and other milestones related to the Masbate Gold Project and other projects, production estimates and CGA’s future operating or financial performance, are forward-looking statements.. Forward-looking statements involve various risks and uncertainties and are based on certain factors and assumptions. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from CGA’s expectations include uncertainties related to fluctuations in gold and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, recovery rates, production estimates and estimated economic return; the need for cooperation of government agencies in the development of CGA’s mineral projects; the need to obtain additional financing to develop CGA’s mineral projects.; the possibility of delay in development programs or in construction projects and uncertainty of meeting anticipated program milestones for CGA’s mineral projects ; and other risks and uncertainties disclosed under the heading “Risk Factors” in CGA’s Annual Information Form for the year ended 30 June 2009 filed with the Canadian securities regulatory authorities on the SEDAR website at www.sedar.com.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CGA Mining Limited

ABN

88 009 153 128

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$US'000	Year to date (3 months) \$US'000
1.1	Receipts from product sales	39,209	67,903
1.2	Payments for		
	(a) exploration and evaluation	(830)	(1,882)
	(b) development (including working capital expenditure)	(3,880)	(5,656)
	(c) production	(16,977)	(34,276)
	(d) administration	(1,411)	(2,665)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3	5
1.5	Interest and other costs of finance paid	(3,284)	(4,721)
1.6	Income taxes paid		
1.7	Other - annual insurance and other taxes	(4,070)	(11,605)
	- inventory and creditors movements	(3,841)	(3,841)
Net Operating Cash Flows		4,919	3,262
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(106)	(193)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities	(4,843)	(9,281)
1.11	Loans repaid by other entities		
1.12	Other		
Net investing cash flows		(4,949)	(9,474)
1.13	Total operating and investing cash flows (carried forward)		

1.13	Total operating and investing cash flows (brought forward)	(31)	(6,213)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	24,009	24,085
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(3,381)	(6,687)
1.18	Dividends paid		
1.19	Other (capital raising costs)	(1,223)	(1,223)
	Net financing cash flows	19,405	16,175
	Net increase (decrease) in cash held	19,375	9,963
1.20	Cash at beginning of quarter/year to date	12,912	9,964
1.21	Exchange rate adjustments to item 1.20	(251)	(514)
1.22	Cash at end of quarter*	32,036	32,036

*an additional US\$2,623,961 in cash is held by Filminera Resources Corporation

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$US'000
1.23	Aggregate amount of payments to the parties included in item 1.2	302
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payment of directors' fees, salaries, taxes, and superannuation.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$US'000	Amount used \$US'000
3.1 Loan facilities	-	80,375
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$US'000
4.1 Exploration and evaluation	1,648
4.2 Development – capex, excluding operational expenditure.	-
Total	1,648

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$US'000	Previous quarter \$US'000
5.1 Cash on hand and at bank	31,490	12,541
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (AUD account)	546	371
Total: cash at end of quarter (item 1.22)*	32,036	12,912

*an additional US\$2,623,961 in cash is held by Filminera Resources Corporation

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	n/a	n/a	n/a	n/a
6.2 Interests in mining tenements acquired or increased	n/a	n/a	n/a	n/a

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.


	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	286,569,476	286,569,476		
7.4 Changes during quarter (a) Increases through issues 1,695,000 340,000 150,000 14,705,000 237,500 (b) Decreases through returns of capital, buy-backs	1,695,000 340,000 150,000 14,705,000 237,500	1,695,000 340,000 150,000 14,705,000 237,500	A\$0.65 A\$0.90 A\$1.79 C\$1.70 C\$1.03	A\$0.65 A\$0.90 A\$1.79 C\$1.70 C\$1.03
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options and Warrants (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
7.8 Issued during quarter-options				
7.9 Exercised during quarter <i>Options</i>	235,000	235,000	A\$0.90	30 September 2012
<i>Warrants</i>	50,000	50,000	C\$1.03	22 November 2010
7.10 Expired during quarter	-	-		

7.11	Debentures (totals only)	-	-
7.12	Unsecured notes (totals only)	25,000	

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX](#) (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: ...28 January 2010.....

(Company secretary)

Print name: .Hannah Hudson.....

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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