

CNMC Proposes 20% Dividend Increase, On Track To Secure Its Second Mining Project In Kelantan

- Total dividend of 1.134 Singapore cents a share for FY2016 vs 0.945 Singapore cent for FY2015
- Strong cash position of US\$26.95 million as at 31 December 2016

US\$ (million)	4Q2016	4Q2015	Change (%)	FY2016	FY2015	Change (%)
Revenue	5.19	9.30	(44.2)	34.67	36.47	(4.9)
Results from operating activities	(2.31)	4.60	n.m.	11.30	13.98	(19.1)
(Loss)/earnings before interest, taxation, depreciation, amortisation	(1.34)	5.77	n.m.	15.83	17.96	(11.9)
Net (loss)/profit	(2.19)	4.08	n.m.	11.52	13.43	(14.2)
Net (loss)/profit attributable to owners of the company	(1.94)	3.27	n.m.	9.09	10.67	(14.8)

n.m. – not meaningful

SINGAPORE, 21 February 2017 – CNMC Goldmine Holdings Limited (“**CNMC**” or the “**Company**”) proposed today a new record full-year dividend for shareholders even as it recorded a smaller profit for 2016 on the back of lower gold production due to unexpected lower ore grade and higher operating costs from long-term mining lease extension.

In releasing its results for the fourth quarter (“**4Q2016**”) and 12 months ended 31 December 2016 (“**FY2016**”), the Kelantan-focused gold miner said it intends to issue a special dividend of 0.534 Singapore cent a share, and a final dividend of 0.2 Singapore cent a share. The dividends proposed are subject to the approval of shareholders at the forthcoming annual general meeting in April 2017.

Together with a first and second interim dividend totalling 0.4 Singapore cent distributed in September 2016 and January 2017, the entire payout for FY2016 will amount to 1.134 Singapore cents a share. This is 20% more than the 0.945 Singapore cent declared for the previous year (“**FY2015**”), which at the time was CNMC’s biggest annual dividend since its public listing in 2011.

CNMC ended FY2016 with a net profit of US\$11.52 million, down 14.2% from FY2015 mainly due to lower revenue in the second half of the year (“**2H2016**”) and higher operating expenses. Net profit attributable to shareholders declined 14.8% to US\$9.09 million.



Company Registration No.: 201119104K

Included in the FY2016 profit is an unrealised foreign-exchange loss of US\$1.46 million due to the depreciation of the Malaysian ringgit (in which the bulk of CNMC's cash deposits is denominated) against the US dollar.

Revenue for FY2016 slipped 4.9% to US\$34.67 million as less gold was produced because of lower ore grades in 4Q2016 and a temporary stop-work order issued in July 2016 by the Kelantan authorities. As previously disclosed, mining activity at the Sokor gold field ("**Sokor**") was halted for seven days to facilitate a regulatory review of CNMC's applications to mine for unlimited amounts of ore and to extend Sokor's lease for 21 years. The applications were approved in August 2016.

Operating expenses for FY2016 rose 11.5% to US\$21.84 million, driven mainly by amortisation costs, management and staff remuneration, royalty and tribute fees, and changes in inventories.

For FY2016, CNMC's all-in costs of production increased to US\$819 per ounce of gold from US\$608 for the previous year.

For 4Q2016, CNMC turned in a net loss of US\$2.19 million, as compared to a net profit of US\$4.08 million for the last quarter of 2015 ("**4Q2015**"). The outcome was largely due to an unrealised foreign-exchange loss of US\$2.29 million in 4Q 2016 stemming from the Malaysian ringgit's weakness against the US dollar, compared to an unrealised foreign-exchange gain of US\$0.68 million in 4Q 2015 and a 44.2% drop in revenue to US\$5.19 million.

While the Company managed to sell gold at a higher average price of US\$1,283.29 per ounce in 4Q2016 compared to US\$1,092.68 per ounce in 4Q2015, the amount of gold it produced fell 52.5% to 4,040.58 ounces because of lower ore grades.

The lower-quality ore was a reason for CNMC's higher production costs in 4Q2016. Its all-in costs of production went up to US\$1,228 per ounce of gold from US\$555 in 4Q2015. Production costs in 4Q2016 were also driven up by higher royalty and tribute expenses and payments in relation to the 21-year extension of Sokor's mining lease.

"We will double down on efforts to minimise production costs even as we seek to increase our mining activities. Having already paid the entire processing fee for Sokor's lease extension upfront at one go and barring unforeseen circumstances, we expect our all-in cost to be reduced with the absence of this one-time processing fee payment in future," said Mr Chris Lim, CNMC's Chief Executive Officer.



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The Company is also on track to secure its second mining project in Kelantan following the recent completion of due diligence for the subscription of a 51% stake in Pulai Mining Sdn Bhd (“**Pulai Mining**”), which is authorised to mine for gold, iron ore and feldspar. Spanning 38.4km², Pulai Mining’s brownfield project is nearly four times the size of Sokor.

Upon Pulai Mining becoming our subsidiary, CNMC will commence geological exploration to find mineral resources that comply with the internationally accepted Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

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About CNMC Goldmine Holdings Limited (Bloomberg: CNMC:SP; Reuters: CNMC.SI)

CNMC Goldmine Holdings Limited (“CNMC” or “the Company”) is the first Catalist-listed gold mining company on the Singapore Exchange Securities Trading Limited (the “SGX-ST”). Headquartered in Singapore, the Company and its subsidiaries (the “Group”) started operations in 2006 and are principally engaged in the exploration and mining of gold and the processing of mined ore into gold dorés.

The Company is currently focused on developing the Sokor Gold Field Project, located in the State of Kelantan, Malaysia. Spanning an area of 10km², the project has identified four gold deposit regions, namely Manson’s Lode, New Discovery, Sg. Ketubong and Rixen.

As of December 2015, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 13.83 million tonnes at a grade of 1.4 g/t in the Measured, Indicated and Inferred categories for a total of 618,000 ounces. The project achieved its first gold pour on 21 July 2010.



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For more information on the Company, please visit www.cnmc.com.hk

This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release.

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