

## CNMC's Carbon-In-Leach Plant Starts Trial Operation

- *New plant to reverse production decline of past four quarters caused by low ore grades*
- *All-in production costs expected to decline from 4Q2017*

US\$	3Q2017	2Q2017	Change (%)	3Q2017	3Q2016	Change (%)
<b>Revenue</b>	4,706,428	4,859,680	(3.2)	4,706,428	8,454,845	(44.3)
<b>Results from operating activities</b>	(22,673)	298,287	N.M.	(22,673)	2,237,207	N.M.
<b>Earnings before interest, taxation, depreciation, amortization</b>	822,246	1,236,471	(33.5)	822,246	3,446,217	(76.1)
<b>Net profit</b>	1,082,388	523,811	106.6	1,082,388	2,246,572	(51.8)
<b>Net profit attributable to owners of the Company</b>	957,300	478,381	100.1	957,300	1,764,808	(45.8)

*N.M. – Not Meaningful*

**SINGAPORE, 10 November 2017** – CNMC Goldmine Holdings Limited (“**CNMC**” or the “**Company**”) said today its newly constructed carbon-in-leach (“**CIL**”) plant is in the process of conducting trial operation, marking a major milestone in its efforts to ramp up gold output after poor ore grades dented production in the last four quarters.

The CIL facility, which kick started initial trial production on 6th November 2017, will enable CNMC to extract and process at least 500 tonnes of higher-grade ore daily at its flagship Sokor gold field in Kelantan upon completion of trial production. Construction of the plant began in May 2017 and was entirely funded using internal resources. It was completed within the budget of RM25 million set by the Company’s board of directors.

With the bulk of the CIL plant’s capital expenditure spent in the three months ended 30 September 2017 (“**3Q2017**”), CNMC’s all-in cost of production is expected to decline for the final quarter of 2017 (“**4Q2017**”).

“We spent the last few months putting together this new plant with the goal of turning around the decline in production since the fourth quarter of 2016. CIL technology is widely proven to be effective in extracting gold from ground ore, with recovery rates of up to 95%. We believe output at the Sokor gold field will increase once the plant goes into commercial production,” said Mr Chris Lim, CNMC’s Chief Executive Officer.



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As disclosed on 6<sup>th</sup> November 2017, the Company has stockpiled about 18,000 tonnes of ore for processing at the new facility to prepare for a production ramp-up and in anticipation of the year-end monsoon season.

CNMC's revenue in 3Q2017 nearly halved to US\$4.71 million from US\$8.45 million in the same period last year ("**3Q2016**") as lower ore grades crimped production and sales. All-in production costs in 3Q2017 rose to US\$1,546 per ounce of gold from US\$728 per ounce in 3Q2016, due mainly to lower gold output and higher capital expenditure for the construction of the CIL plant.

As a result, the Company incurred an after-tax loss of US\$0.15 million in 3Q2017. But after including an unrealised foreign-exchange gain of US\$0.30 million and a tax credit of US\$0.93 million, it ended 3Q2017 with a net profit of US\$1.08 million. It had made a net profit of US\$2.25 million in 3Q2016.

On a quarter-on-quarter basis, revenue in 3Q2017 was marginally lower. CNMC produced 3,691.82 ounces of gold and sold them at an average price of US\$1,274.83 per ounce in 3Q2017, compared to 3,835.50 ounces of gold and an average price of US\$1,267.03 in the second quarter of 2017 ("**2Q2017**"). Net profit doubled in 3Q2017 over 2Q2017, boosted by a tax credit.

All-in production costs in 3Q2017 were higher than the US\$1,115 per ounce in 2Q2017 mainly because of higher non-sustaining one-off capital expenditure for the CIL plant.

The Company had about US\$20.15 million in cash and cash equivalents as at 30 September 2017, compared to US\$21.73 million as at 30 June 2017 and US\$33.49 million as at 30 September 2016.

Even as it prepares to ramp up production at Sokor, CNMC is continuing exploration work at its greenfield asset in Kelantan held by its wholly-owned subsidiary KelGold Mining Sdn Bhd ("**KelGold**"). KelGold completed geochemistry soil sampling and one drill hole in 3Q2017, during which it identified a number of gold anomaly zones.

Exploration and drilling activities at the brownfield asset held by CNMC Pulai Mining Sdn Bhd ("**CNMC Pulai**") have been put on hold for the rest of the year as the Company awaits the results of an analysis being carried out in Australia of some samples collected. The Company is committed to locating mineral resources at the CNMC Pulai site and to securing a JORC-compliant report on these resources.



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

CNMC Goldmine Holdings Limited (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 dores.

The Group is focused on developing the Sokor Gold Field Project, located in the State of Kelantan, Malaysia. Spanning an area of 10km<sup>2</sup>, the project has identified five gold deposit regions, namely Manson’s Lode, New Discovery, New Found, Sg. Ketubong and Rixen.

As at 31 December 2016, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 13.25 million tonnes at a grade of 1.5 g/t in the Measured, Indicated and Inferred categories for a total of 623,000 ounces. The project achieved its first gold pour on 21 July 2010.

On 24 February 2017, the Company completed the acquisition of a 51% stake in CNMC Pulai Mining Sdn. Bhd. (“CNMC Pulai Mining”), which is authorised to mine gold, iron ore and feldspar on an approximately 38.4km<sup>2</sup> brownfield site in Kelantan. CNMC Pulai Mining has 11 exploration and mining licences. The Company also owns KelGold Mining Sdn. Bhd., which has rights to explore gold, iron ore and other minerals in one concession site in Kelantan.

For more information on the Company, please visit [www.cnmc.com.hk](http://www.cnmc.com.hk)

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*This press release has been prepared by CNMC Goldmine Holdings Limited (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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