



# **CNMC Goldmine Holdings Limited**

## **Pre-Annual General Meeting 2018**

**23 April 2019**

(These presentation slides are available on the Company's corporate website [www.cnmc.com.hk](http://www.cnmc.com.hk))



---

# About CNMC

---



# Asset Portfolio

## 3 projects in Malaysia's Kelantan state

Sokor  
(10km<sup>2</sup>)

### Flagship project

- Producing gold since 2010

KelGold Mining  
(15.5km<sup>2</sup>)

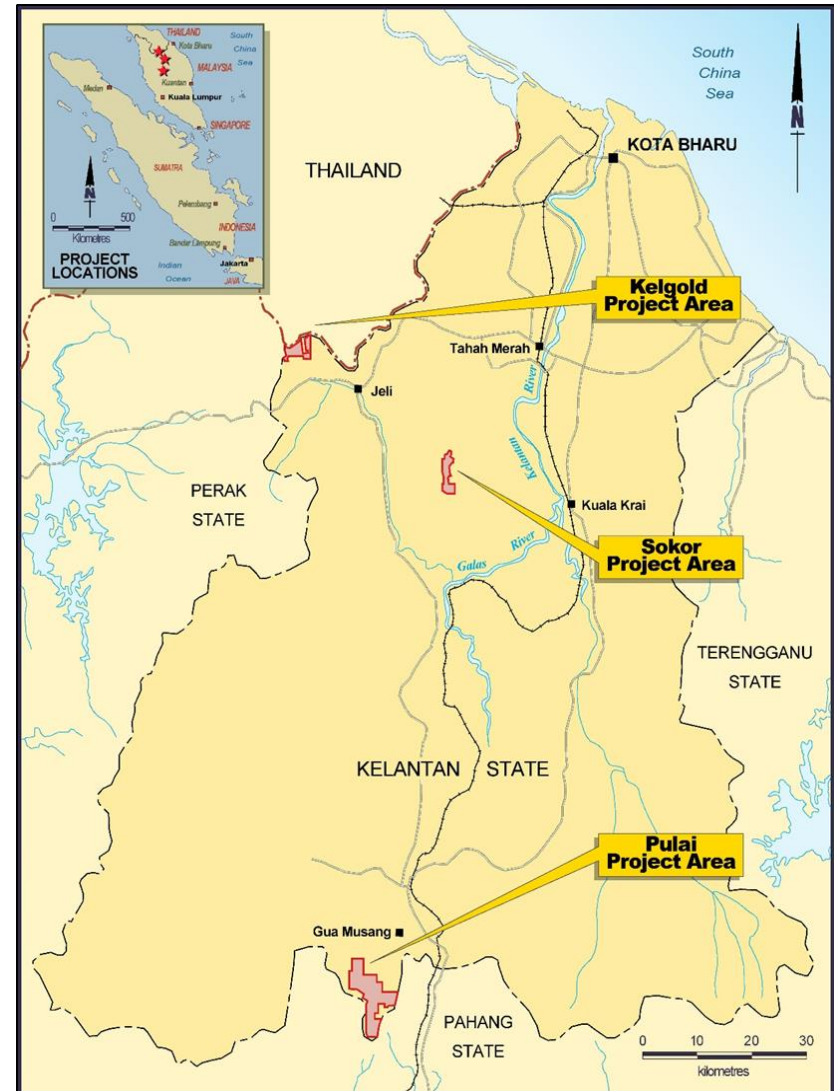
### Greenfield asset

- Acquired in 2017
- In exploration phase

Pulai Mining  
(38.4km<sup>2</sup>)

### Brownfield asset

- Acquired in 2017
- In exploration phase
- Producing feldspar



# Production Facilities

**3 production plants at Sokor for processing all types of gold ore**

## **Carbon-in-leach plant**

- For higher-grade ore
- Gold recovery rate of more than 90%



## **Heap leaching plant**

- For low-grade ore
- Gold recovery rate of up to 65%

## **Vat leaching plant**

- For muddier/clayey ore
- Gold recovery rate of up to 80%





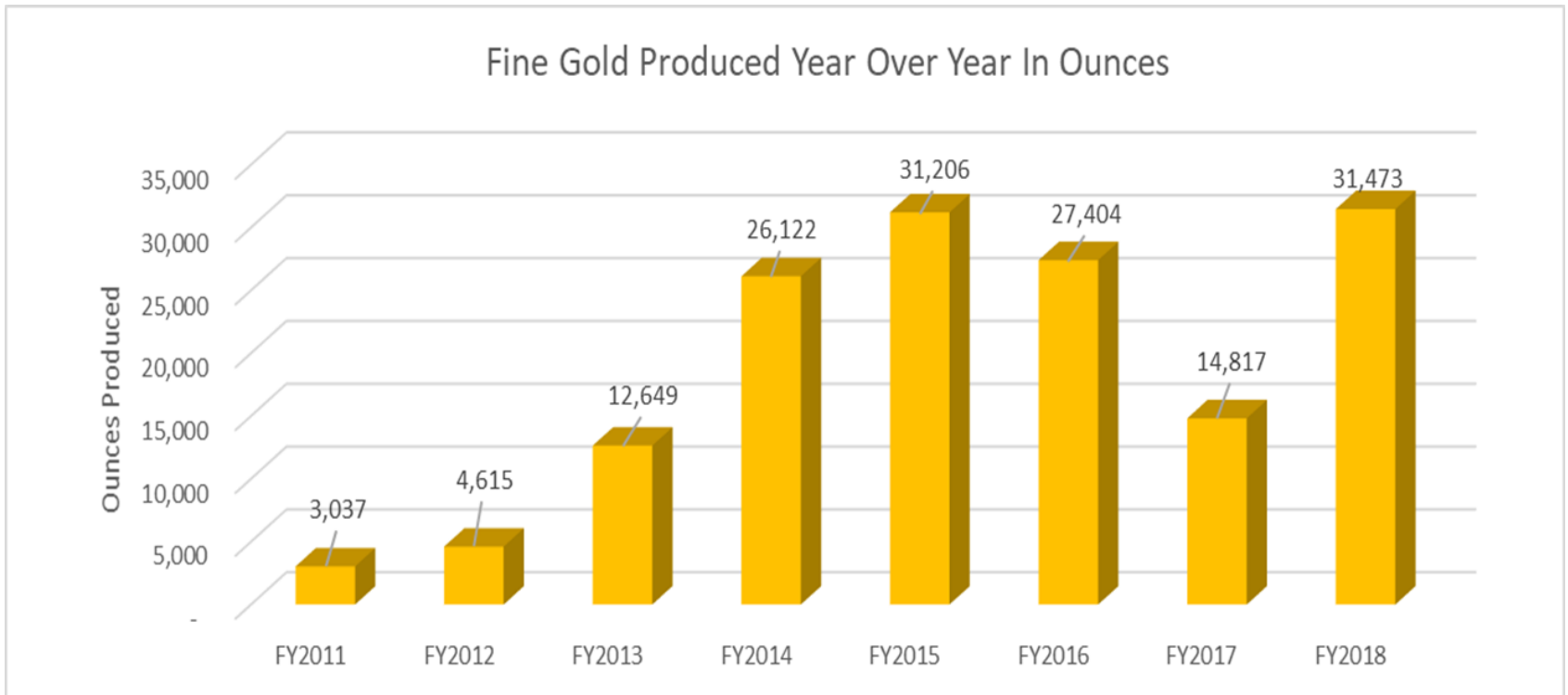
---

# 2018: Year in Review

---

# Operation Review

- Primary focus was on increasing gold production and adding new mineral resources to portfolio to secure new resources for future gold production;



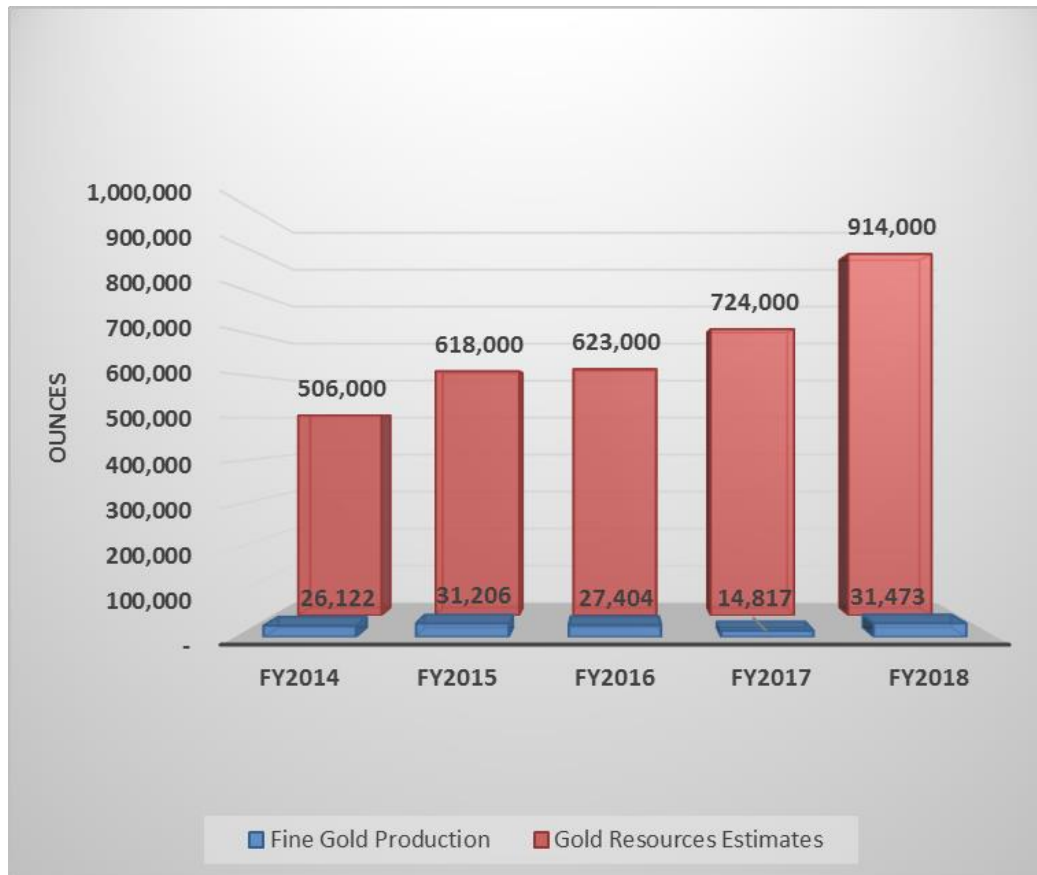


# Operation Review

- Brand new carbon-in-leach plant began commercial production in May 2018 and propelled fine gold production in FY2018 to an all-time record high of 31,473.07 ounces, more than double the 14,816.53 ounces produced in FY2017;



# Operation Review



- Taking into account the depletion from mining and based on the additional drilling of 24 drill holes during FY2018, gold mineral resources for Sokor Project increased by 26% or approximately 190,000 ounces



# JORC-Compliant Gold Resources

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Change from previous update (%)
Measured	Gold	0.41	2.8	37	0.33	2.8	30	-25%
Indicated	Gold	9.22	1.5	438	7.47	1.5	355	56%
Inferred	Gold	8.27	1.7	439	6.70	1.7	355	12%
<b>Total</b>	<b>Gold</b>	<b>17.91</b>	<b>1.6</b>	<b>914</b>	<b>14.50</b>	<b>1.6</b>	<b>740</b>	<b>26%</b>
Measured	Silver	0.34	63	683	0.27	63	553	0%
Indicated	Silver	0.17	74	407	0.14	74	330	0%
Inferred	Silver	0.90	29	838	0.73	29	679	0%
<b>Total</b>	<b>Silver</b>	<b>1.41</b>	<b>42</b>	<b>1,928</b>	<b>1.14</b>	<b>42</b>	<b>1,562</b>	<b>0%</b>
Measured	Lead	0.34	1.5	5,058	0.27	1.5	4,097	0%
Indicated	Lead	0.17	1.5	2,560	0.14	1.5	2,074	0%
Inferred	Lead	0.90	1.7	15,407	0.73	1.7	12,480	0%
<b>Total</b>	<b>Lead</b>	<b>1.41</b>	<b>1.6</b>	<b>23,025</b>	<b>1.14</b>	<b>1.6</b>	<b>18,650</b>	<b>0%</b>
Measured	Zinc	0.34	1.9	6,370	0.27	1.9	5,160	0%
Indicated	Zinc	0.17	2.0	3,365	0.14	2.0	2,726	0%
Inferred	Zinc	0.90	1.5	13,770	0.73	1.5	11,154	0%
<b>Total</b>	<b>Zinc</b>	<b>1.41</b>	<b>1.7</b>	<b>23,505</b>	<b>1.14</b>	<b>1.7</b>	<b>19,039</b>	<b>0%</b>

As at 31 December 2018, total measured, indicated and inferred gold resources for the Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock at Ketubong, New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and for transitional and fresh rock at Ketubong, New Discovery and New Found) are 17.91 million tonnes at 1.6 g/t gold for 914,000 ounces of contained gold.

# Operation Review

- Completed 18 drill holes and 34 exploration trenches in the northern section of 15.5sqkm held by Kelgold Mining Sdn Bhd (“Kelgold”);
- Disclosed Kelgold’s drillhole significant gold intercepts in Independent Qualified Person’s Report;
- Worked with consultants for exploration planning and execution for the 38.4 sqkm exploration and mining concessions held by CNMC Pulai Mining Sdn Bhd.

Drillhole	Sample no.	From	To	Length	Gold (g/t)
ZK29-1	H131	108.43	109.16	0.73	20.03
ZK29-1	H136	112.97	113.97	1.00	1.74
ZK31-1	H116	106.68	107.68	1.00	1.20
ZK31-1	H117	107.68	108.05	0.37	11.29
ZK31-1	H120	109.05	109.43	0.38	1.31
ZK31-1	H67	64.25	65.25	1.00	1.49
ZK33-1	H82	78.05	79.05	1.00	1.81
ZK33-1	H91	86.83	87.82	1.00	2.29
ZK33-2	H155	172.60	173.60	1.00	4.72
ZK33-3	H162	0.00	1.00	1.00	0.38
ZK33-3	H163	1.00	2.00	1.00	0.76
ZK33-3	H164	2.00	3.00	1.00	2.25
ZK33-3	H165	3.00	4.00	1.00	0.50
ZK33-3	H166	4.00	5.00	1.00	0.99
ZK33-3	H167	5.00	5.70	0.70	0.75
ZK33-3	H168	5.70	6.70	1.00	0.96
ZK33-3	H1	6.70	7.60	0.90	0.16
ZK33-3	H2	7.60	8.40	0.80	0.22
ZK33-3	H3	8.40	9.40	1.00	0.33
ZK35-1	H61	55.50	56.50	1.00	1.43
ZK35-1	H62	56.50	57.50	1.00	3.50
ZK35-1	H63	57.50	58.50	1.00	0.96
ZK35-1	H64	58.50	59.50	1.00	4.38
ZK35-1	H65	59.50	60.50	1.00	0.66
ZK35-1	H66	60.50	61.55	1.05	3.07
ZK35-1	H91	84.28	85.28	1.00	2.09
ZK35-1	H92	85.28	86.28	1.00	0.52
ZK35-1	H93	86.28	87.28	1.00	4.50
ZK35-2	H94	87.09	88.09	1.00	9.18
ZK35-2	H95	88.09	89.09	1.00	0.83
ZK35-2	H132	122.56	123.60	1.04	3.93
ZK35-2	H133	123.60	124.60	1.00	0.57
ZK35-2	H134	124.60	126.00	1.40	2.94
ZK35-2	H135	126.00	126.90	0.90	2.34
ZK35-3	H42	39.12	40.31	1.19	0.40
ZK35-3	H43	40.31	41.26	0.95	0.44
ZK35-3	H44	41.26	41.95	0.69	0.30
ZK35-3	H46	42.59	43.89	1.30	1.02
ZK35-3	H47	43.89	44.89	1.00	1.90
ZK39-2	H63	58.70	59.70	1.00	4.65
ZK101-1	H106	95.56	96.56	1.00	1.50
ZK101-1	H115	104.03	104.70	0.67	1.28



# Financial Review

Income statement	FY2018	FY2017	Change
Revenue (US\$' million)	39.55	19.15	106.5%
Results from operating activities (US\$' million)	4.13	1.78	132.0%
Net profit (US\$' million)	3.01	3.30	-8.8%
Net profit margin	7.6%	17.2%	-9.6%
Net profit (excluding FX Impact and other one-off items) (US\$' million)	5.34	1.37	289.8%
Net profit margin (excluding FX Impact and other one-off items)	13.5%	7.2%	6.3%
Earnings per share (US cents)	0.41	0.68	-39.7%
Earnings per share (SG cents)	0.55	0.94	-41.5%

Note: Other one-off expenses include listing expenses in relation to the dual primary listing on HKEX, share performance expenses which subsequently terminated on 4 July 2018 and reversal of Pulai's tax penalty accrual.

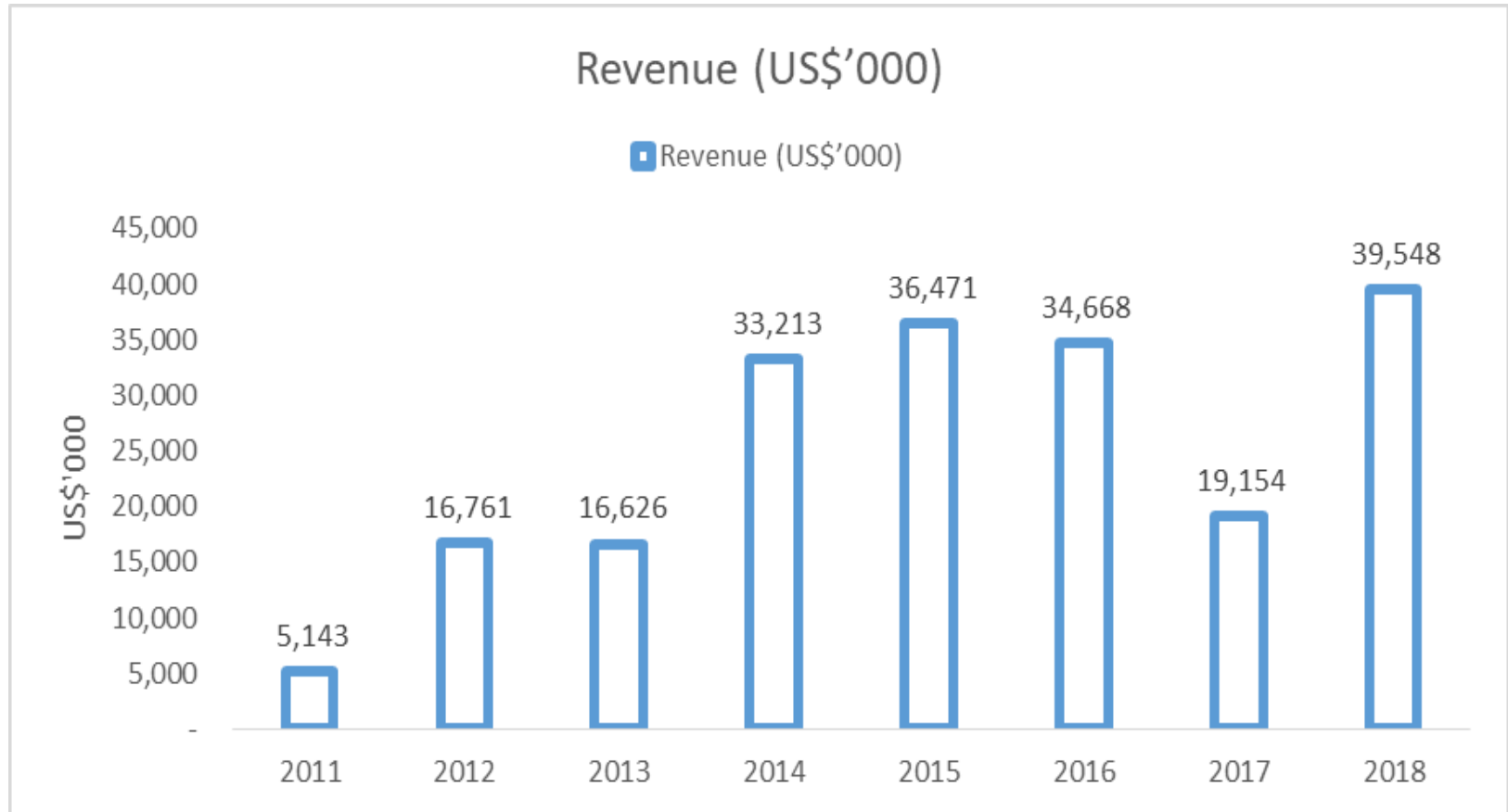
**Net asset value of US\$41.63 million**

**Current ratio of 2.25**

**Debt/Equity ratio of 0.02**

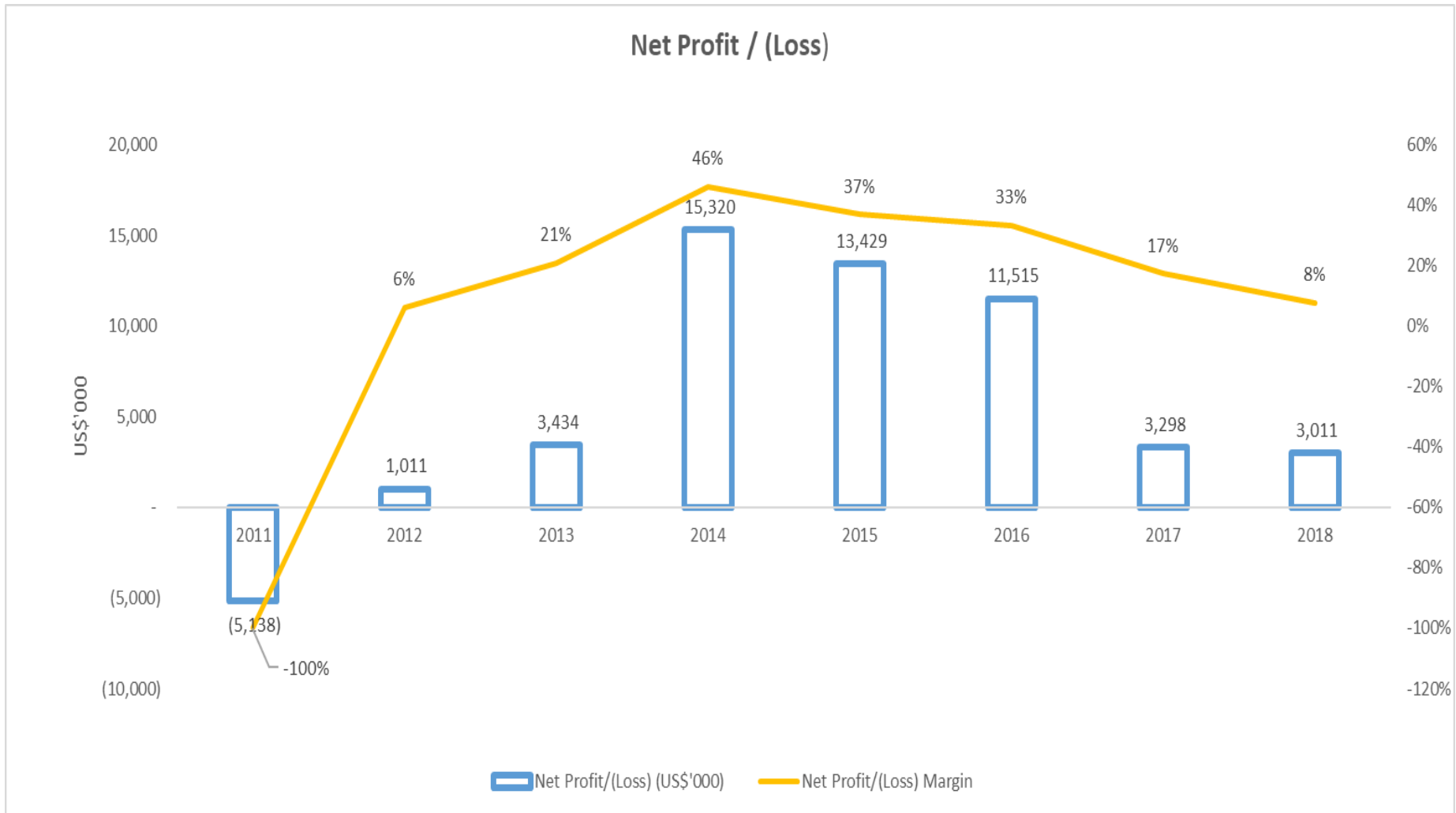
**Net cash position of US\$17.1 million**

# Revenue: FY2011 TO FY2018

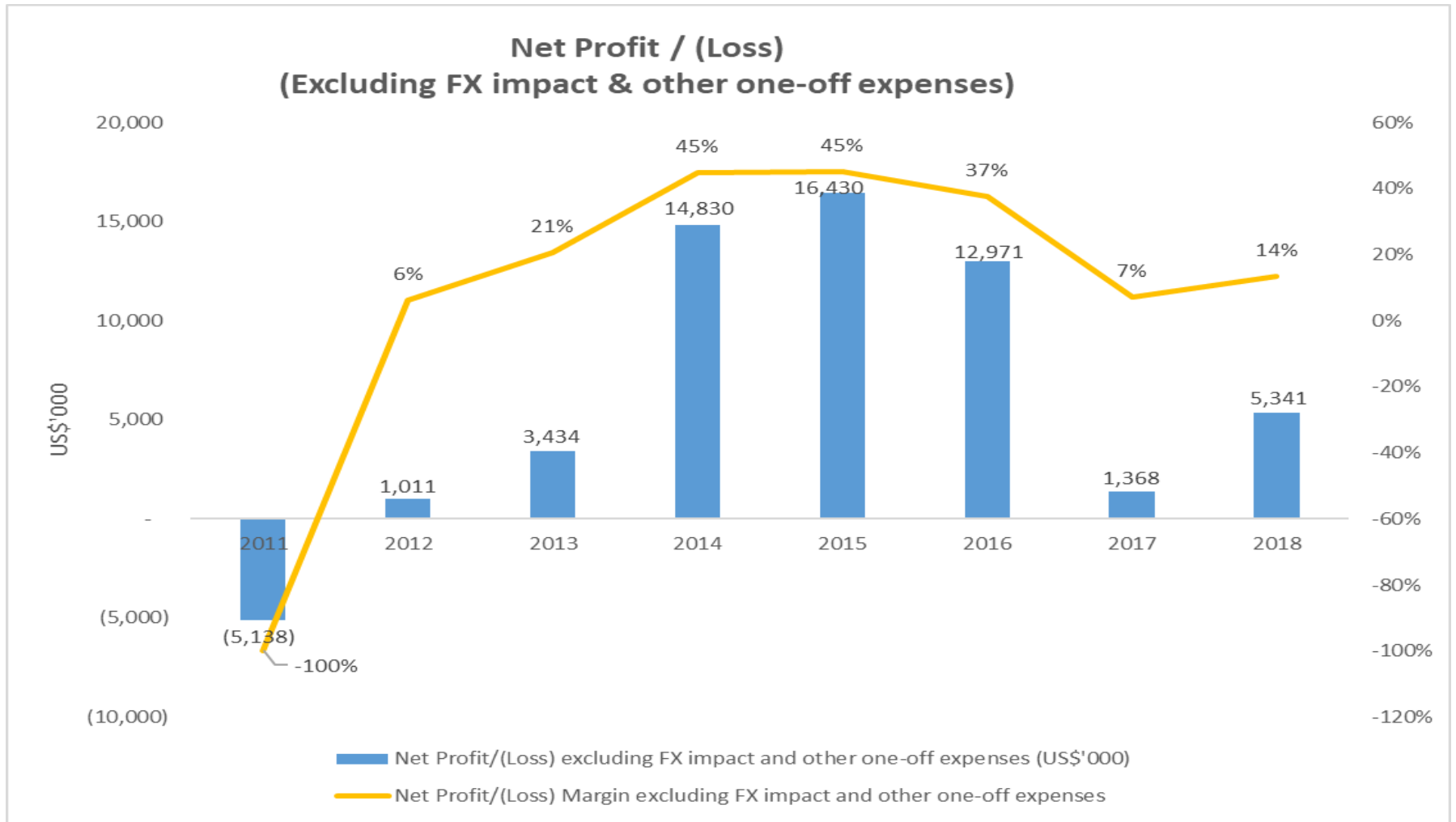




# Net Profit / (Loss): FY2011 TO FY2018



# Net Profit / (Loss): FY2011 TO FY2018



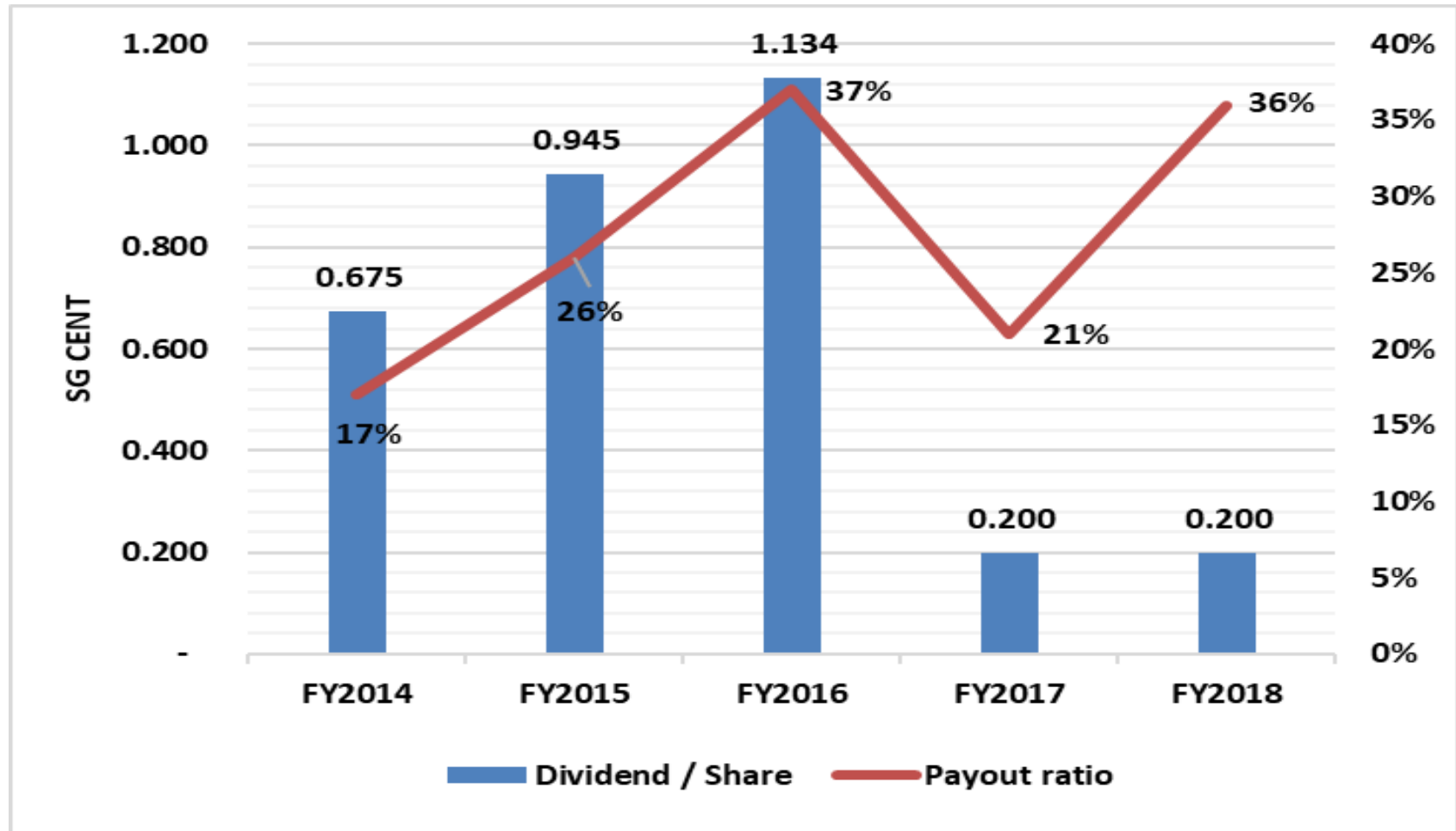


# Analysis Of All-In Costs And Margin

	2018	2017	Changes
	US\$ / gold ounce sold		%
Mining related costs	561	635	-11.7%
Royalty and tribute expenses	164	174	-5.7%
<b>Adjusted operating costs</b>	<b>725</b>	<b>809</b>	<b>-10.4%</b>
General and administrative costs	133	118	12.7%
Capital expenditure	125	346	-63.9%
<b>All-in sustaining costs</b>	<b>983</b>	<b>1,273</b>	<b>-22.8%</b>
Capital exploration (non-sustaining)	31	78	-60.3%
Capital expenditure (non-sustaining)	36	16	125.0%
<b>All-in costs (A)</b>	<b>1,050</b>	<b>1,367</b>	<b>-23.2%</b>
<b>Average realized gold price (B)</b>	<b>1,257</b>	<b>1,293</b>	<b>-3%</b>
<b>All-in Margin (C= B - A)</b>	<b>207</b>	<b>(74)</b>	<b>n.m.</b>
<b>All-in Margin (%) (C / B)</b>	<b>16%</b>	<b>-6%</b>	<b>n.m.</b>

All-in sustaining costs include adjusted operating costs and sustaining capital expenditure, corporate general and administrative expenses, exploration expense, reflecting the full cost of gold production from current operations.

# Dividend Payout Ratio Track Record





---

# Expansion Plans

---

# Growth Initiatives For Sokor

- Ultimate objective is to enable the Group to:
  - *Further boost gold production;*
  - *Better manage operating expenses; and*
  - *Diversify mining portfolio to include lead and zinc production*





# Growth Initiatives For Sokor

- Further boost gold production:
  - *Additional gold de-absorption and smelting facility next to the existing CIL plant to scale up operations and boost production efficiency;*
  - *Underground mining to begin in 2019 to complement existing open-pit mining to ensure continuous supply of high-grade ore to CIL plant; and*
  - *Exploring the possibility of expanding CIL plant as part of efforts to double production capacity.*

# Growth Initiatives For Sokor

- Better manage operating expenses:
  - *Two new heap leaching pads to enable continuous leaching and eliminate the process of removing ore from the pads after being processed; and*
  - *Studying the feasibility of installing a power line to reduce dependence on third-party suppliers of diesel, one of CNMC's main mining consumables.*
- Diversify mining portfolio:
  - *To build a flotation facility for processing approximately 500 tonnes of ore a day to monetise silver, lead and zinc resources.*



# Company Outlook

1

Barring unforeseen circumstances, revenue to increase in 2019 compared to 2018, driven by higher gold production

2

Potential new source of income in production and sales of silver, lead and zinc once flotation plant starts commercial operation

# Peer Comparison

## How CNMC Compares with Other Gold Miners Listed on SGX

Company	Ticker	Exchange	Market cap (mil)	Operating status	Profitable: Yes/No	Latest annual output (oz)	P/E	P/B	Dividend yield (%)	Share price YTD gain/loss (%)
<b>CNMC</b>	5TP	Singapore	S\$88	Production, exploration	Yes	31,473	39.1	1.5	0.9	0
<b>Anchor Resources</b>	43E	Singapore	S\$20	Exploration	No	N.A.	N.A.	4.9	N.A.	-21.7
<b>Wilton Resources</b>	5F7	Singapore	S\$80	Production, exploration	No	529	N.A.	4.3	N.A.	-5.7

Source: Companies, MarketWatch, ShareInvestor.com

All figures based on close of trading on 16 April 2019

# Disclaimer

The materials used herein and this presentation (collectively, the “Presentation”) have been prepared by CNMC Goldmine Holdings Limited (“CNMC”) solely for use at the presentation to be made to qualified investors and investment professionals. By viewing the Presentation, or by reading the materials used at the Presentation, you agree to be bound by the following limitations:

- The Presentation is strictly confidential and may not be copied, published, distributed or transmitted or disclosed by recipients to third parties.
- The Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities or an inducement to enter into any investment activity, nor shall any part or all of the Presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities.
- The Presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in our opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, viewers of the Presentation are cautioned not to place undue reliance on these forward-looking statements.
- The Presentation is only directed at qualified investors and investment professionals and other persons should not rely on or act upon the Presentation or any of its contents.
- The Presentation does not constitute a recommendation regarding the securities of the Company. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.
- The Presentation reflects the affairs of the Company as at the date it is presented to the investors. Any further discussions of the Company or any of their respective affiliates with any of the recipients shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.