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CNMC GOLDMINE HOLDINGS LIMITED
中色金矿有限公司

CNMC Goldmine's 3Q2019 Earnings[1] Up More Than 8-Fold on Higher Gold Prices, Absence of Listing Expenses and Tax Reversal

- Profit for first 9 months of 2019 exceeds full-year profit for 2017 and 2018
- Interim dividend of 0.2 Singapore cent per share declared

US$	3Q2019	3Q2018	Change (%)	9M2019	9M2018	Change (%)
Revenue	11,114,756	11,530,854	(3.6)	31,497,687	26,941,945	16.9
Results from operations	2,270,958	1,320,344	72.0	6,311.118	1,361,510	363.5
EBITDA	3,417,032	2,342,746	45.9	9,861,537	4,964,328	98.6
Net profit	2,344,368	630,178	272.0	5,205,704	1,061,179	390.6
Profit attributable to owners	1,983,494	235,611	741.9	4,196,326	427,018	882.7

SINGAPORE, 12 November 2019 – CNMC Goldmine Holdings Limited ("**CNMC**", and together with its subsidiaries, the "**Group**") announced today a more than eight-fold increase in earnings for the third quarter of 2019 ("**3Q2019**") as it sold its gold bars at record prices, the absence of listing expenses and the one-off tax reversal.

Financial Highlights

Profit attributable to shareholders rose to US$1.98 million in 3Q2019 from US$0.24 million in the same quarter last year ("**3Q2018**"). This is the gold producer's highest quarterly profit so far this year and brings its earnings for the first nine months of 2019 to US$4.20 million, surpassing its full-year earnings of US$1.68 million for 2018 and US$2.78 million for 2017.

The Group sold its gold bars in 3Q2019 at an average price of US$1,494.95 per ounce, the highest since production at its flagship Sokor gold field began in 2010. The record selling price, compared to US$1,205.02 in 3Q2018 was offset by a 22.3% drop in production volume to 7,434.85 ounces of gold owing to a delay in the extraction of higher-grade ore via underground mining. The resultant effect of these fluctuations had led to a 3.6% slide in revenue to US$11.11 million.

Total expenses in 3Q2019 fell 13.4% to US$8.84 million as the Group incurred lower costs for diesel, repair and maintenance, and royalty and tributes. A smaller unrealised foreign-exchange loss, as well as an absence of expenses for CNMC's proposed dual-listing exercise in Hong Kong last year, also contributed to the drop in total expenses.

[1] Earnings refer to profit attributable to owners

The Group's all-in cost of production, however, rose to US$1,137 per ounce of gold in 3Q2019 from US$952 in 3Q2018. This was mainly due to the lower gold output and higher capital expenditure for underground mining and for additional mining infrastructure.

Besides higher gold prices and lower expenses, the Group's bottom line also benefited from a smaller tax bill in 3Q2019 as it received a one-time refund of withholding tax on management fees for prior years and relevant reversal of tax provisions made previously.

With the improved earnings, the Group has declared an interim dividend of 0.2 Singapore cent per share as an appreciation to its shareholders. As at 30 September 2019, it had US$16.74 million in cash and cash equivalents.

Outlook

The Group will continue to push ahead with plans to increase gold production, expand its income streams and manage expenses. It expects to commence extraction of high-grade gold ore in the first quarter of 2020, after it resolves certain technical issues recently encountered in underground mining involving weak rock masses and the discovery of water underground.

In the meantime, CNMC will continue to liaise with the relevant Malaysian federal authorities to secure relevant approvals for its proposed flotation plant, which will be used for the production of silver, lead and zinc. It expects to start generating revenue from the sale of these metals in 2021, subject to the award of commercial operation permits and barring any unforeseen circumstances.

CNMC is also working closely with Malaysian authorities to obtain the relevant approvals and permits to install a national grid power line at Sokor. The power line, when completed, will enable the Group to reduce its power bill substantially as it will not need to rely on diesel generators for electricity.

Mr Chris Lim, the Group's CEO, said: "Our financial performance so far this year has been encouraging. We are doubling down on efforts to ensure our expansion plans are executed well so that we can sustain the growth momentum."

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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 doré bars.

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

As at 31 December 2018, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 17.91 million tonnes at a grade of 1.6 g/t in the Measured, Indicated and Inferred categories for a total of 914,000 ounces. The project achieved its first gold pour on 21 July 2010.

The Company also owns a 51% stake in CNMC Pulai Mining Sdn. Bhd., which is authorised to mine gold, iron ore and feldspar on an approximately $38.4km^2$ brownfield site in Kelantan. CNMC Pulai Mining Sdn. Bhd. has 11 exploration and mining licences. The Company also owns KelGold Mining Sdn. Bhd., which has rights to explore for gold, iron ore and other minerals in Kelantan.

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

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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"), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

This press release has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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