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PRESS RELEASE FOR 1Q2014

CNMC RECORDED ALMOST A 500% INCREASE IN GOLD PRODUCTION AND A SIX FOLD INCREASE IN REVENUE TO REVERSE A NET LOSS IN 1Q2013 TO A PROFIT AFTER TAX OF US\$1.6 MILLION IN 1Q2014

Highlights:

- Fine gold production surged by 485.4% from 684.99 oz in 1Q2013 to 4,010.15 oz in 1Q2014 while revenue for fine gold increased by 614.1% from US\$0.72 million in 1Q2013 to US\$5.11 million in 1Q2014.
- The Group generated strong cash flow, registering net operating cash inflows of US\$2.6 million in 1Q2014, thereby enabling the Group to redeem S\$1.45 million of convertible bonds in April 2014, prior to maturity date.
- CNMC continued to add new mineral resources to its asset portfolio through exploration in FY2013 and raised JORC compliant gold resources and reserves by 13% and 14% respectively as at 31 December 2013.
- Going forward, the Group intends to further increase its gold production, continue its extensive exploration efforts in the Sokor concession to add to its resources and begin the exploration program at the tin project in Perak, Malaysia.

US\$	3 Months ended 31 March 2014 ("1Q2014")	3 Months ended 31 March 2013 ("1Q2013")	Change %
Revenue	5,114,532	716,266	614.1%
Results from operating Activities	2,183,062	(857,611)	N.M.
Earnings before Interest, Tax and Amortization ("EBITA")	2,686,075	(455,668)	N.M.
Net Profit / (Loss) for the Financial Period	1,551,892	(724,657)	N.M.
Net Profit / (Loss) attributable to owners of the Company	1,261,620	(648,711)	N.M.

SINGAPORE, 14 May 2014 – CNMC Goldmine Holdings Limited (“中色金矿有限公司”) (“CNMC” or the “Company” and together with its subsidiaries, the “Group”), the first Catalist-listed gold mining company on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) is pleased to announce that it had achieved positive set of financial results for the 3 months financial period ended 31 March 2014.

	US\$ / gold ounce sold		
	1Q2014	1Q2013	Increase / (Decrease) %
Production volume of fine gold (ounces)	4,010.15	684.99	485.4
Sales Volume of fine gold (ounces)	4,010.15	437.56	816.5
Revenue – Total (US\$'000)	5,114.53	716.27	614.1
Average selling price – World Gold Council (US\$/ounce)	1,293.10	1,631.8	(20.8)

Production volume of fine gold grew significantly by 485.4% to 4,010.15 ounces in 1Q2014 as compared to 684.99 ounces in 1Q2013. This was mainly attributed to the increased production facilities and higher productivity from the two leaching yards.

Commenting on its fine gold production volume, Mr Chris Lim, Executive Director and Chief Executive Officer of CNMC remarked: **“We are delighted with the latest set of production numbers. Typically, the first and fourth quarters of the year are much more challenging as we have to deal with various factors that may adversely impact our production, such as festive periods, less favorable climate conditions, amongst many other factors. Despite**

these challenges, we managed to achieve a good set of results. We will continue to improve on our production while lowering our costs even further.”

Despite the 20.8% decrease in average selling price of gold in 1Q2014 as compared to 1Q2013, the Group’s revenue from the sales of fine gold surged 614.1% to US\$5.11 million in 1Q2014 from US\$0.72 million in 1Q2013. This was attributed to the significant increase in the production and sales volume of fine gold.

CNMC Continues To Benefit from Healthy Margins

As a result of the significant increase in production activities, total operating expenses increased by US\$1.42 million or 91.0% from US\$1.56 million in 1Q2013 to US\$2.98 million in 1Q2014. However, the Group recorded lower all-in sustaining costs and all-in costs in 1Q2014 as compared to 1Q2013 as the Group continues to enjoy operating leverage from the increased fine gold production. Summarised in the table below is the information on the Group’s all-sustaining costs and all-in costs as recommended by World Gold Council for gold mining companies for 1Q2014 and 1Q2013.

	US\$ / gold ounce sold		
	1Q 2014	1Q 2013	Increase / (Decrease) %
Sales volume of fine gold (ounces)	4,010.15	437.56	816.5
Mining related costs	382	1,659	(77.0)
Royalty and tribute expenses	101	126	(19.8)
Adjusted operating costs¹	483	1,785	(72.9)
General and administrative costs	81	183	(55.7)
Capital expenditure	46	32	43.8
All-in sustaining costs²	610	2,000	(69.5)
Capital exploration (non-sustaining)	12	311	(96.1)
Capital expenditure (non-sustaining)	159	9	n.m.
All-in costs³	781	2,320	(66.3)

¹ Adjusted operating costs includes production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. The increase of gold ounces sold resulted in lower cost per gold ounce sold as fixed costs portion remains constant. These costs may vary from quarter to quarter, depending on the seasonal or cyclical factors, including among others, rainy season and grade of gold extracted from the ore.

² All-in sustaining costs includes adjusted operating costs and sustaining capital expenditure, corporate general and administrative expenses, exploration expense, reflecting the full cost of gold production from current operations.

³ Include all-in sustaining costs and non-sustaining costs. Non-sustaining costs are those costs incurred for the new operations and costs related to construction of the new production facility and the third leaching pad for the existing operations where these projects will materially increase production in future.

The all-in sustaining costs of US\$610 per ounce and all-in costs of US\$781 per ounce in 1Q2014 remain comparable to that in 4Q2013 of US\$610 per ounce and US\$761 per ounce respectively. The Group's relatively lower cost structure as compared to the global average all-in cost of US\$1,200 per ounce⁴, has enabled CNMC to enjoy healthy margins even at the current lower gold prices.

As a result, the Group reported an EBITA of US\$2.69 million in 1Q2014, reversing from a loss of US\$0.46 million in 1Q2013. Similarly, the Group reversed a net loss of US\$0.72 million in 1Q2013 to post a registered net profit of US\$1.55 million in 1Q2014.

Moving forward, the Group will continue to increase its production volume and explore ways to lower its production costs.

Healthy Cash flow

The Group has displayed strong cash flow generation by achieving net operating cash inflows of US\$2.6 million in 1Q2014 reversing a net cash used in operating activities of US\$1.21 million in 1Q2013.

From investing activities, the net cash used in 1Q2014 amounted to US\$0.87 million which comprised payments to acquire property, plant and equipment as well as exploration and evaluation assets.

Accordingly, the Group had fully redeemed the S\$1.45 million of convertible bonds prior to maturity in July 2014 which will allow the Group to reduce interest expenses.

⁴ Source from "Gold Survey 2013 Update 2" prepared by Thomson Reuters GFMS.

Outlook

Going forward, the Group intends to further enhance its production targets, continues its exploration efforts in the Sokor concession and begins exploration work at its latest tin project in Perak, Malaysia.

For FY2014, the Group will have three leaching yards in operation, giving CNMC an estimated combined processing capacity of 1 million tonnes of ore per annum. Additionally, with the accumulated experience and acquired know-how from China National Gold, the Group will continue to further strengthen its production capabilities.

In addition to higher production targets, the management is also focusing efforts on increasing its resource and reserve numbers. In FY2013, the Group had successfully raised JORC compliant gold resources and reserves by 13% and 14% respectively. As at 31 December 2013, the updated total Measured, Indicated and Inferred gold resources for the Sokor Project stood at 9,140,000 tonnes at a gold grade of 1.6 g/tonne making a total of 465,000 ounces of contained gold.

The exploration works in FY2013 also revealed that Manson's Lode JORC compliant Mineral Resources as at 31 December 2013 contained significant amount of silver, lead and zinc, amounting to 650,000 tonnes with an average grade of 59 g/tonne of silver, 1.5% lead and 1.5% zinc for a total of 1,230,000 ounces of contained silver, 9,720 tonnes of contained lead, and 9,880 tonnes of contained zinc. At an appropriate time, the Group will commence extraction work to monetize these resources.

For FY2014, the Group has already begun geological investigation with more targeted drilling programs aiming to further expand its resource and reserve numbers. Barring unforeseen circumstances, the Group is cautiously optimistic on the progress of its geological works and believes that it could yield positive results over the next 12 months.

Further commenting on its latest financial performance and prospects, Chris Lim also remarked: **“With good cash flow generation, the Group will be able to explore new minerals to be added to our asset portfolio and add more value to our shareholders. Going forward, we will continue to drive our production numbers, lower costs and expand our resources base.”**

#End of Release#

Note: This press release is to be read in conjunction with the related announcement filed by CNMC Goldmine Holdings Limited on SGXNET.

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").

The Company and its subsidiaries (the "Group"), with its headquarters in Singapore, started its operations in 2006 and is principally engaged in the business of exploration and mining of gold and the processing of mined ore into gold dores. Currently, the Group is focusing on the development of the Sokor Gold Field Project which is located in the State of Kelantan, Malaysia. The first gold pour was achieved on July 21, 2010.

The Sokor Gold Field Project covers an area of 10km² and there are 4 identified gold deposits namely, Manson's Lode Vein, New Discovery Vein, Sg. Ketubong Target and Rixen Target. As of December 2013, this project has JORC compliant gold resources (inclusive of ore reserves) of 9.14 million tonnes at a grade of 1.6 g/t in the Measured, Indicated and Inferred categories for a total of 465,000 oz Au.

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

ISSUED ON BEHALF OF CNMC GOLDMINE HOLDINGS LIMITED

BY CAPITAL ACCESS COMMUNICATIONS PTE LTD:

Neo Aik Kee

Email: aikkee@capitalaccess.com.sg

Mobile: +65 9703 0504

Edwin Lee

Email: edwinlee@capitalaccess.com.sg

Mobile: +65 9660 7361

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The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 62298088.