

CNMC Goldmine's 2018 Core Earnings Up 4-Fold as Gold Production Hits New High

- *Full-year revenue at all-time high of US\$39.55m on record output*
- *Net cash from operations swells to US\$4.34m in 4Q2018*
- *All-in cost of production in 4Q2018 down 23% at US\$945 per ounce of gold*
- *Final tax exempt dividend of 0.2 Singapore cent per share proposed*

US\$	4Q2018	4Q2017	Change (%)	FY2018	FY2017	Change (%)
Revenue	12,605,676	4,862,032	159.3	39,547,621	19,153,576	106.5
Results from operations	2,771,291	1,526,978	81.5	4,132,801	1,784,880	131.5
EBITDA	4,205,719	2,414,763	74.2	9,170,047	5,349,873	71.4
Net profit	1,949,937	1,623,078	20.1	3,011,116	3,298,053	(8.7)
Net profit excluding: - Reversal of tax penalty accrual - Unrealised FX loss/gain - HK listing expenses - Share-based expenses	1,786,066	927,211	92.6	5,341,138	1,367,703	290.5
Profit attributable to owners	1,254,192	1,286,949	(2.5)	1,681,210	2,777,464	(39.5)

SINGAPORE, 26 February 2019 – A surge in gold production to an all-time high lifted CNMC Goldmine Holdings Limited's ("CNMC", and together with its subsidiaries, the "Group") 2018 revenue to a new record compared to 2017, and quadrupled core earnings which excluded one-time expenses relating to the unsuccessful dual listing exercise in Hong Kong ("Hong Kong Dual Listing"), and unrealised impact from volatile foreign exchange translation.

Revenue for the 12 months ended 31 December 2018 ("FY2018") more than doubled to US\$39.55 million from US\$19.15 million a year earlier ("FY2017") as the gold miner produced a record 31,473.07 ounces of fine gold, up from 14,816.53 ounces in FY2017.

The key driver behind the output increase was the Group's carbon-in-leach ("CIL") plant, which began commercial production in May last year. The CIL facility, used for processing higher-grade ore, is one of three production plants the Group operates at its flagship Sokor gold field in Malaysia's Kelantan state.

The spike in revenue boosted the Group's core net profit, which comprises earnings excluding the impact of foreign-exchange translation, expenses of US\$1.99 million for the Hong Kong Dual Listing, as well as other expense and credit which were one-off in nature, to US\$5.34 million in FY2018 from US\$1.37 million in FY2017.



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Including these non-operating items, profit attributable to shareholders came in at US\$1.68 million in FY2018, compared to US\$2.78 million in FY2017. Tax expenses of US\$1.58 million also affected the bottom line last year. The Group's income from gold sales was fully exempted from tax for five years until June 2018 under Malaysia's Pioneer Status Incentive Scheme. It is currently seeking clarification from the relevant authorities on its tax status.

With the rise in gold output yielding economies of scale, the Group managed to bring down all-in production costs to US\$1,050 per ounce of gold in FY2018 from US\$1,367 in FY2017. Its all-in cost of production for the fourth quarter of 2018 ("**4Q2018**") was even lower, at US\$945 an ounce compared to US\$1,236 for 4Q2017.

For 4Q2018, revenue rose to US\$12.61 million, the second-highest in any quarter, from US\$4.86 million for 4Q2017. This gave rise to a core net profit of US\$1.79 million, up from US\$0.93 million a year earlier. With the improved performance, the Group generated US\$4.34 million in net cash from operations during the quarter, up from just US\$20,316 in 4Q2017.

After taking into account an unrealised foreign-exchange loss, expenses for the Hong Kong Dual Listing, and higher tax expenses due to the lapse of the Pioneer Status Incentive Scheme in June 2018, the Group ended up with a profit attributable to shareholders of S\$1.25 million in 4Q2018, compared with S\$1.29 million in 4Q2017.

A final tax exempt dividend of 0.2 Singapore cent per share has been proposed.

Mr Chris Lim, CNMC's Chief Executive Officer, said: "We delivered in 2018 what we could not in the previous year, when we had to endure a lull in gold production due to low ore grades, because we were planning and constructing our CIL plant to process higher grade ore. While output reached a record high in 2018, we will endeavour to continue to expand gold resources at Sokor through ongoing exploration so as to support our planned increase in gold production."

As at 15 October 2018, the total measured, indicated and inferred gold mineral resources for the Sokor Project is estimated at 785,000 ounces as at 15 October 2018, up from 724,000 ounces as at 31 December 2017, according to Optiro Pty Ltd, an independent Australia-based mining consulting firm hired by CNMC to estimate the Mineral Resource and Ore Reserves at Sokor.



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“This increase in gold resources, after factoring in what has been taken out from the ground, bodes well for our production outlook. We also expect the various initiatives we previously highlighted, such as adding new production capacity and diversifying our mining portfolio to include silver, lead and zinc, to keep us on a path of sustainable growth.” Mr Lim said.

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Media & Investor Contact Information

WeR1 Consultants Pte Ltd

Tel: (65) 6737 4844

Frankie Ho - frankieho@wer1.net

Jordan Teo - jordanteo@wer1.net

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 10km², the project has identified five gold deposit regions, namely Manson’s Lode, New Discovery, New Found, Sg. Ketubong and Rixen.

As at 31 December 2017, the Sokor Gold Field Project had a total gold resources (inclusive of ore reserves) of 15.62 million tonnes at a grade of 1.6 g/t in the Measured, Indicated and Inferred categories for a total of 785,000 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 38.4km² 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.

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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The contact person for the Sponsor is Ms Keng Yeng Pheng, Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).