



CNMC Goldmine Holdings Limited

1H2020 Results Briefing

14 August 2020

(These presentation slides are available on the Company's corporate website www.cnmc.com.hk)

1H2020 Financial Highlights

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Income statement	1H2020	1H2019	Change
Revenue (US\$' million)	10.47	20.38	-48.6%
Results from operating activities (US\$' million)	(1.16)	4.04	n.m.
Net (loss)/profit (US\$' million)	(1.08)	2.86	n.m.
Net (loss)/profit margin	-10.3%	14.0%	n.m.
Net (loss)/profit (excluding FX Impact) (US\$' million)	(0.42)	2.80	n.m.
Net (loss)/profit margin (excluding FX Impact)	-4.0%	13.7%	n.m.
(Loss)/Earnings per share (US cents)	(0.22)	0.54	n.m.
(Loss)/Earnings per share (SG cents)	(0.31)	0.73	n.m.

**Net asset
value of
US\$42.17
million**

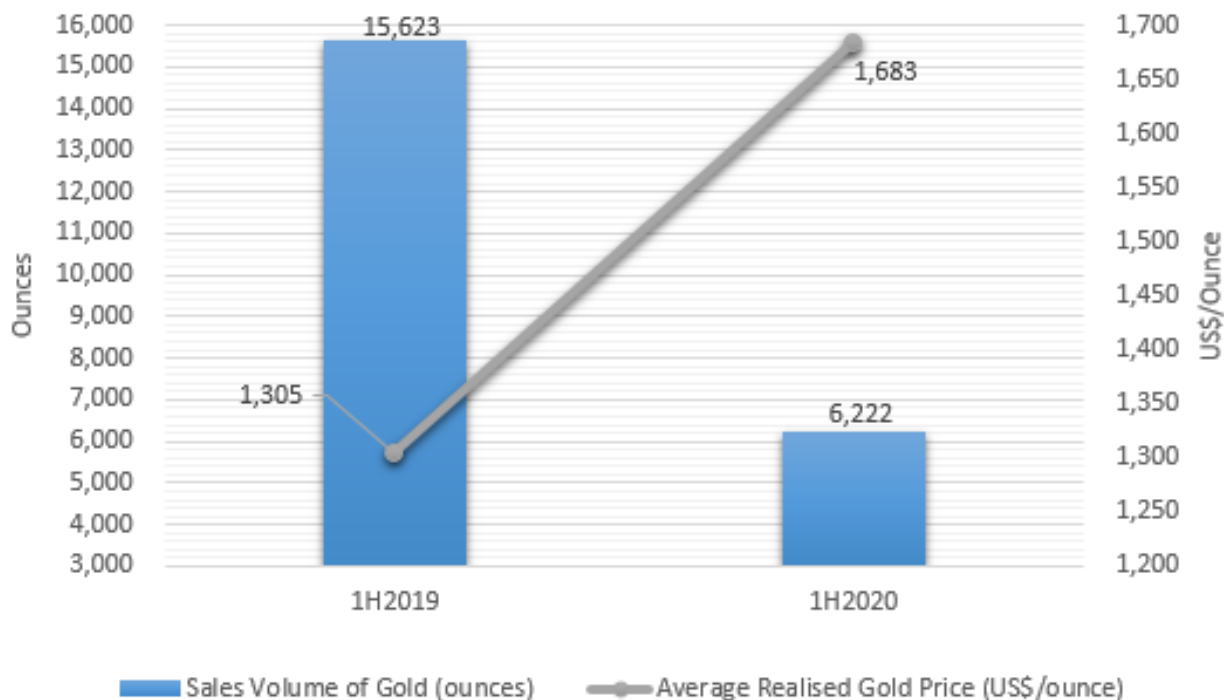
**Current
ratio of
2.40**

**Debt/Equity
ratio of
0.02**

**Net cash
position of
US\$10.31
million**

1H2020 Revenue

Sales Volume and Average Realised Gold Price



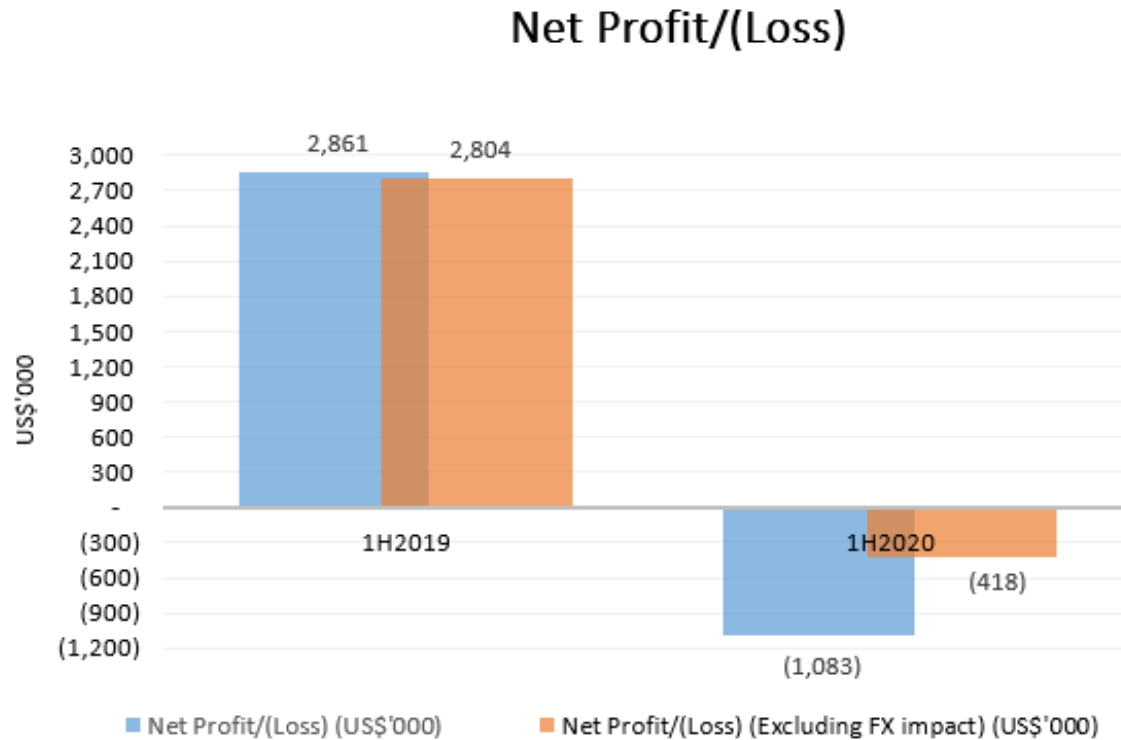
Revenue down 48.6%:

↓ Sales volume of fine gold, from 15,623 ounces to 6,222 ounces

Partly offset by:

↑ Average realised gold price, from US\$1,305/ounce to US\$1,683/ounce

1H2020 Net Profit/(Loss)



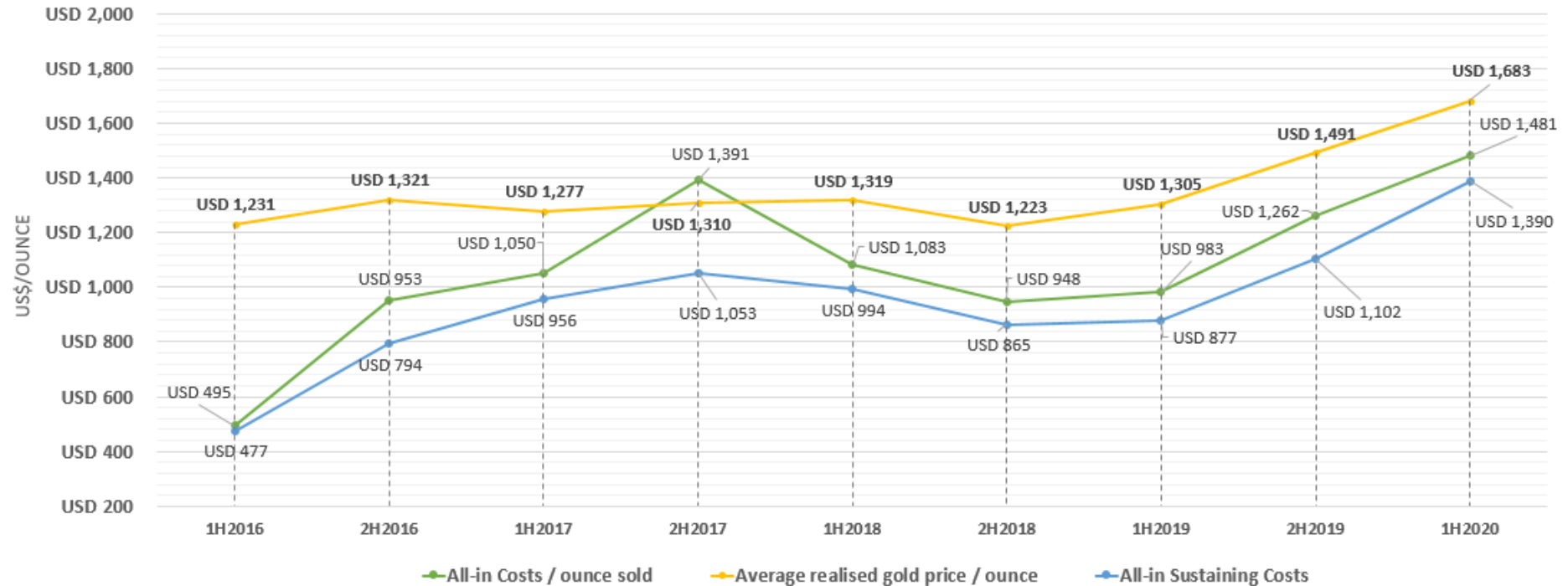
Net loss of US\$1.08 million in 1H2020 vs net profit of US\$2.86 million in 1H 2019 mainly due to significant drop in production and sales volume of fine gold as a result of Covid-19 fallout and lower grade ore. All mining activities stopped from 18 March 2020 to 5 May 2020 due to Malaysia's Movement Control Order ("MCO").

1H2020 Analysis Of All-In Costs And Margin

	1H2020	1H2019	Changes
	US\$ / gold ounce sold		%
Mining related costs	933	552	69.0%
Royalty and tribute expenses	217	166	30.7%
Adjusted operating costs	1,150	718	60.2%
General and administrative costs	235	134	75.4%
Capital expenditure	5	25	-80.0%
All-in sustaining costs	1,390	877	58.5%
Capital exploration (non-sustaining)	11	9	22.2%
Capital expenditure (non-sustaining)	80	97	-17.5%
All-in costs (A)	1,481	983	50.7%
Average realised gold price (B)	1,683	1,305	29%
All-in Margin (C= B - A)	202	322	-37%
All-in Margin (%) (C / B)	12%	25%	-13%

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

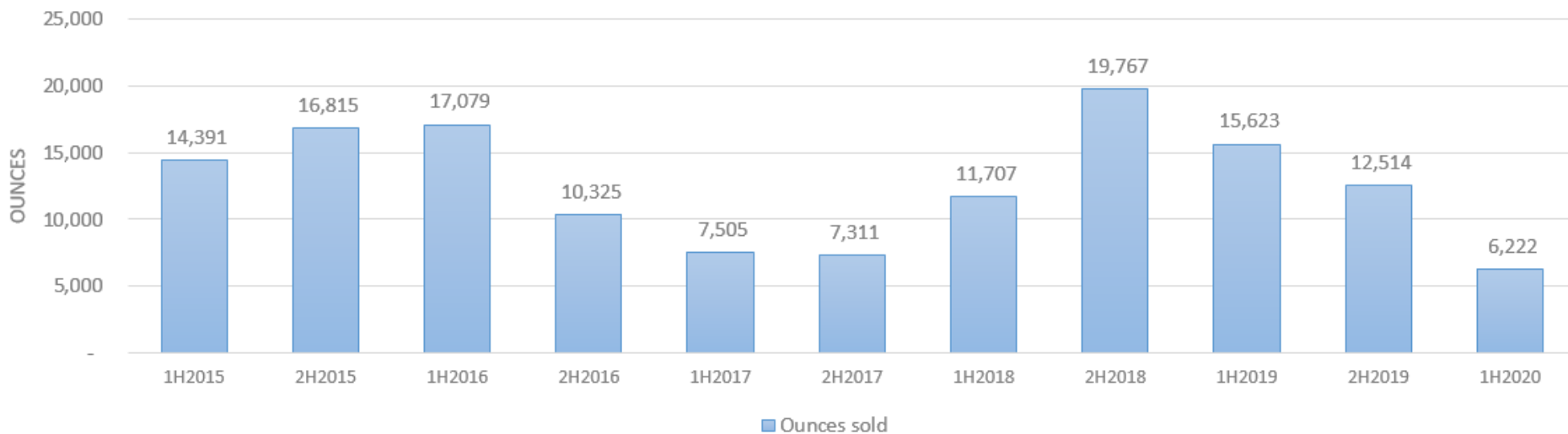
Summary Of All-In Costs And Margin



All-in costs of US\$1481/ounce in 1H2020 were 49.7% higher than all-in costs of US\$983/ounce in 1H 2019, mainly due to drop in production and sales volume of fine gold as a result of the MCO and lower grade ore.

Half-yearly Production Volume

Fine gold sold



Recent Corporate Developments

Recent Developments

Covid-19

- Underground mining halted since January 2020 due to coronavirus outbreak
 - ❑ Many underground mining workers returned to Hubei for CNY celebrations in January but could not come back to Kelantan because of travel restrictions
 - ❑ Hiring new workers not feasible as it will take substantial time and resources to put together an experienced, fully-equipped underground mining crew
 - ❑ Unable to deploy some of CNMC's open-pit mining crew to underground mining operations as they do not have the full expertise to mine underground

Recent Developments

Covid-19

- Open-pit mining operations stopped from 18 March to 5 May 2020 due to Malaysia's movement control order
 - ❑ On-site team have been doing their utmost to ramp up gold production ever since they resumed open-pit mining and ore processing operations on 6 May 2020

Sharp rise in silver, lead and zinc resources

- Unmined silver, lead and zinc resources as at 31 December 2019 up by 74%, 58% and 84% respectively vs a year ago
 - ❑ Higher grades for all 3 metals



Immediate Focus



Immediate Focus

Underground Mining

- First batch of Chinese expatriate expected back in Kelantan by end-August
 - ❑ Underground mining crew expected back in Kelantan by September, barring any unforeseen circumstances
 - ❑ Upon arrival in Malaysia, all workers to be quarantined for 14 days before they can travel to Kelantan
- Construction of underground mining infrastructure, followed by actual underground mining, to begin as soon as possible upon workers' return

Immediate Focus

Open-Pit Mining

- Recently discovered a zone at Sokor that contains better grade gold ore near the surface

Feldspar Production

- Plan to produce feldspar inhouse after existing production agreement with a third-party contractor ends in November
 - Feldspar is a mineral used for making glass and ceramics
 - Inhouse production expected to yield higher profit margins over the long term
 - 23.7 million tonnes of inferred JORC-compliant feldspar resources with average grade of 6.8% sodium oxide and 2.8% potassium oxide, as at 31 December 2019

Growth Strategies

Growth Initiatives For Sokor

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



Growth Initiatives For Sokor

- Further boost gold production:
 - *Additional gold de-absorption and smelting facility next to the existing carbon-in-leach (CIL) plant to scale up operations and boost production efficiency;*
 - *Underground mining 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:
 - *Renegotiate with our suppliers and service providers to better manage operating expenses;*
 - *Built permanent heap leaching pads designed for continuous leaching, to enhance gold recovery and reduce ore transportation costs; and*
 - *Liaising with relevant authorities to erect a power line to reduce dependence on third-party suppliers of diesel, one of CNMC's main mining consumables.*

Growth Initiatives For Sokor

- Diversify mining portfolio:
 - *Currently constructing a flotation facility for processing approximately 500 tonnes of ore a day to monetise silver, lead and zinc resources.*



Additional Growth Drivers

- Expedite exploration at the two Kelantan-based mining assets acquired in 2017 with a view to preparing them for production:
 - *KelGold has rights to explore for gold, iron ore and other minerals at a 15.5km² site in Kelantan.*
 - *CNMC Pulai which is 51%-owned by CNMC; licences to explore for and mine gold, iron ore and feldspar in 38.4km² brownfield site*
- Continue to explore acquisition opportunities in Malaysia:
 - *In-house team regularly reviews potential deals*



Outlook

Outlook

- Current global environment favourable for gold and silver prices;
- New source of income from sales of lead and zinc concentrate once flotation plant starts commercial operation in 2021 (subject to award of commercial operation permits from relevant authorities); and
- Potential enhanced source of income from direct sales of feldspar

Stock Data & Dividend

Stock Data & Dividend

(SGX: 5TP) (Reuters: CNMC.SI) (Bloomberg: CNMC:SP)	11 August 2020
Price per share	S\$0.335
Market capitalisation	S\$136.58 Million
Share issued	407.69 Million
P/E ratio (Note 1)	76.14
Dividend Yield (Note 2)	2.39%

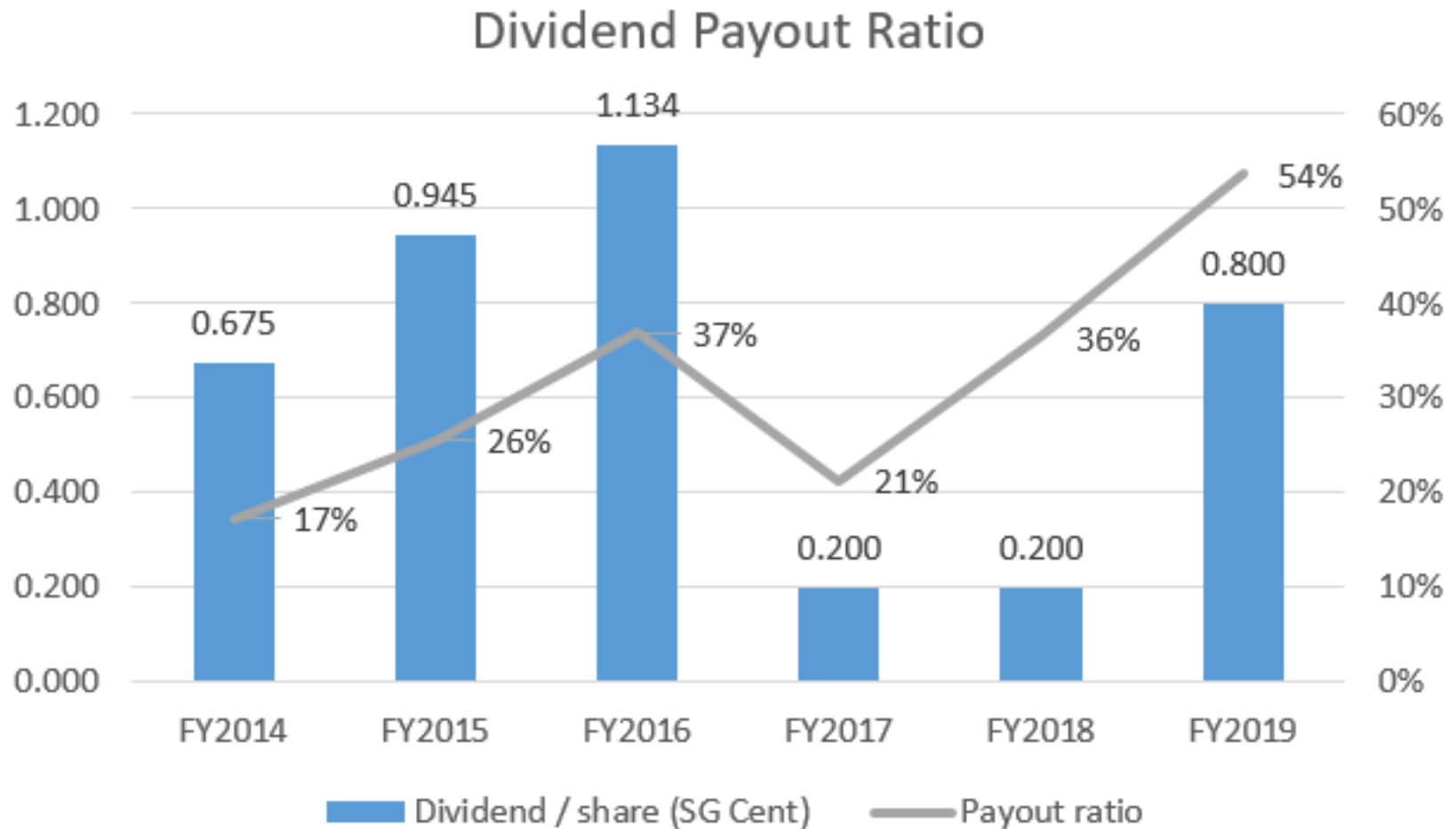
Note 1 :

Market price per share @ 11 August 2020 / Trailing (loss)/earnings per share (S\$) for the year ended 30 June 2020.

Note 2 :

Dividend yield is based on interim dividend of 0.20 Singapore cent per share, a final dividend of 0.20 Singapore cent per share, and special dividend of 0.40 Singapore cent per share.

Dividend Payout Ratio Track Record



Peer Comparison

How CNMC Compares with Other Gold Miners Listed on SGX

Company	Ticker	Exchange	Market cap (mil)	Operating status	Profitable: (latest full year) Yes/No	Latest annual output (oz)	Trailing P/E	P/B	Dividend yield (%)	Share price YTD gain/loss (%)
CNMC	5TP	Singapore	S\$136.6	Production, exploration	Yes	28,137	76.1	2.3	2.4	24.1
Anchor Resources	43E	Singapore	S\$9.2	Exploration	No	N.A.	N.A.	70	N.A.	-22.2
Wilton Resources	5F7	Singapore	S\$92.2	Production, exploration	No	885	N.A.	5.7	N.A.	44.0
LionGold Corp	A78	Singapore	S\$64.4	Production, exploration	Yes	41,830	16.2	1.8	N.A.	0.0

Source: Companies, ShareInvestor.com

All figures based on close of trading on 11 August 2020



About CNMC

About CNMC

- Involved in exploration and mining of gold, and processing of mined ore into gold dores
- Commenced operations in 2007; first Catalist-listed gold producer on SGX-ST (listed in October 2011)
- Current flagship project – Sokor Gold Field in Kelantan, Malaysia
- CNMC founded by Prof Lin Xiang Xiong, Chief Advisor for China International Trade to Kelantan State Government



Asset Portfolio

3 projects in Malaysia's Kelantan state

Sokor
(10km²)

Flagship project

- Producing gold since 2010

KelGold
Mining
(15.5km²)

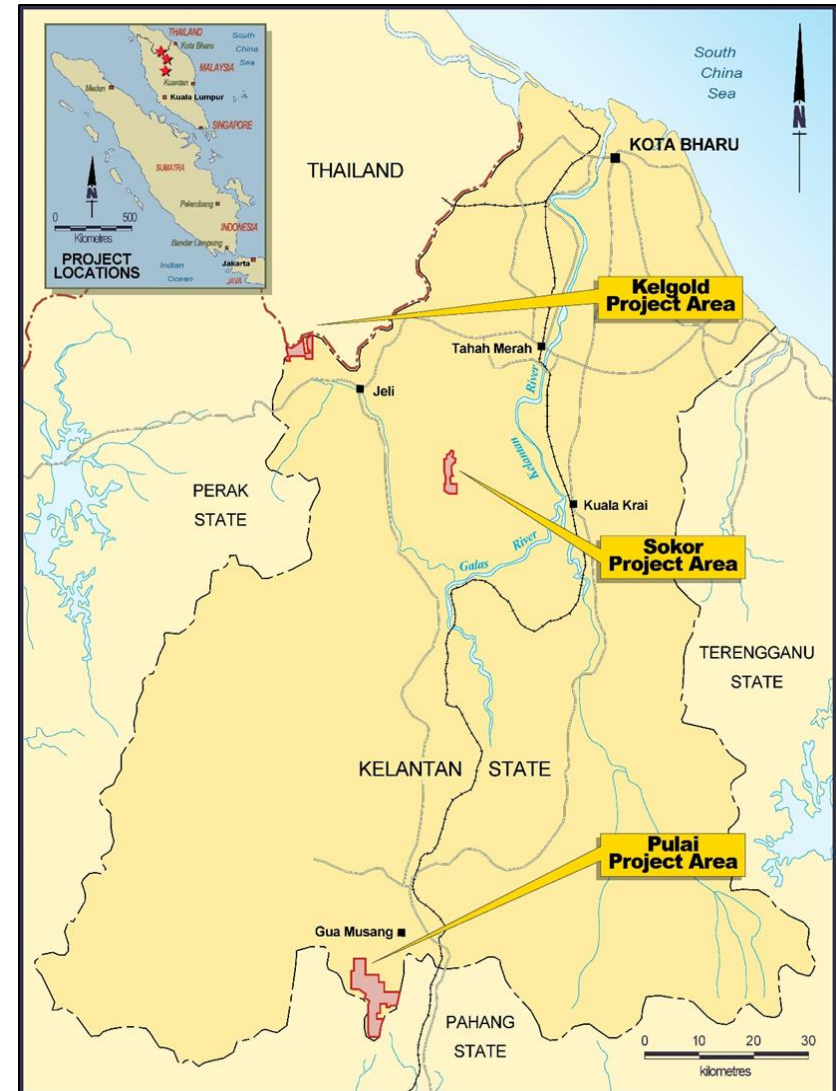
Greenfield asset

- Acquired in 2017
- In exploration phase

Pulai
Mining
(38.4km²)

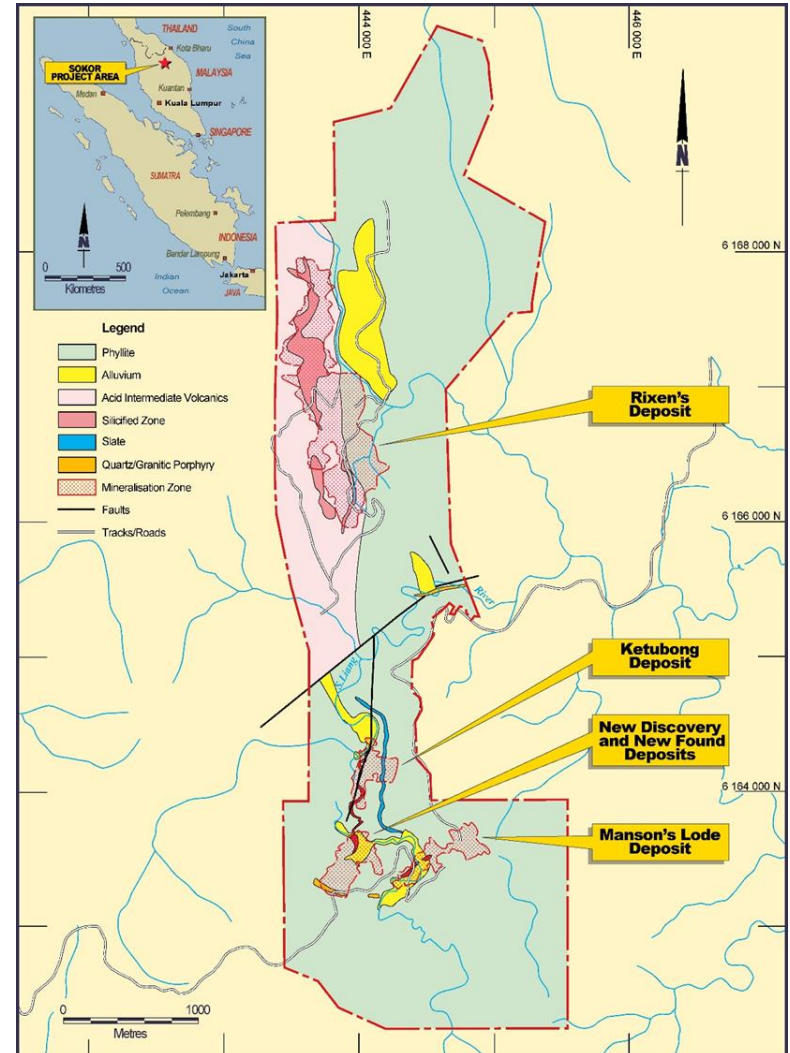
Brownfield asset

- Acquired in 2017
- In exploration phase
- Producing feldspar

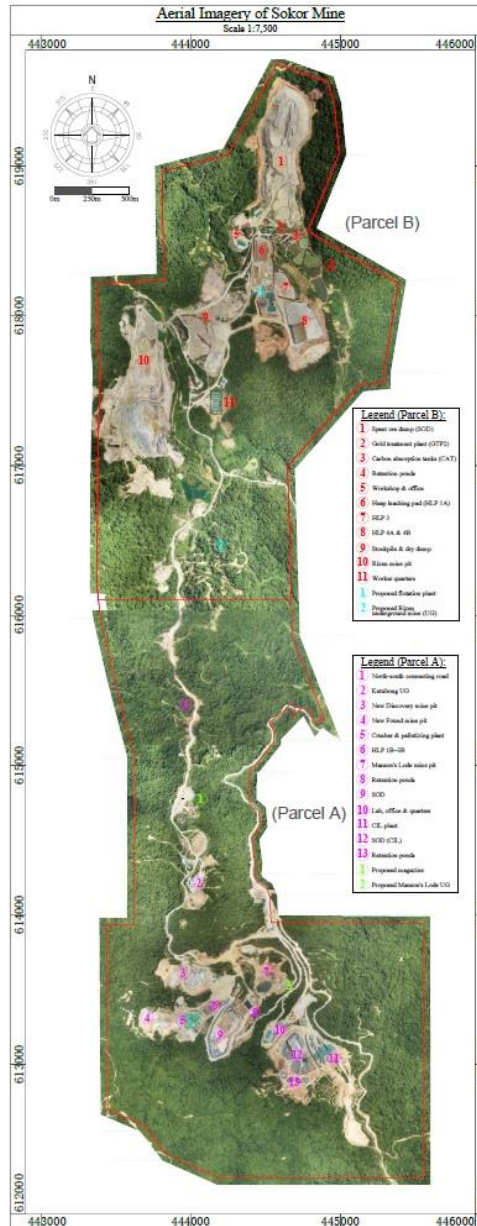


Sokor Gold Field Project

- Spanning an area of 10km², Sokor has approximately 900,000 ounces of JORC-compliant gold resources (including ore reserves) as at 31 December 2019
- Achieved first gold pour on 21 July 2010
- Produced more than 5.5 metric tonnes of fine gold bullion since production commenced
- Five identified areas: Manson's Lode, New Discovery, New Found, Sg. Ketubong, Rixen
- Mining licences obtained with full support from Kelantan State Government



Aerial View of Sokor Project



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%

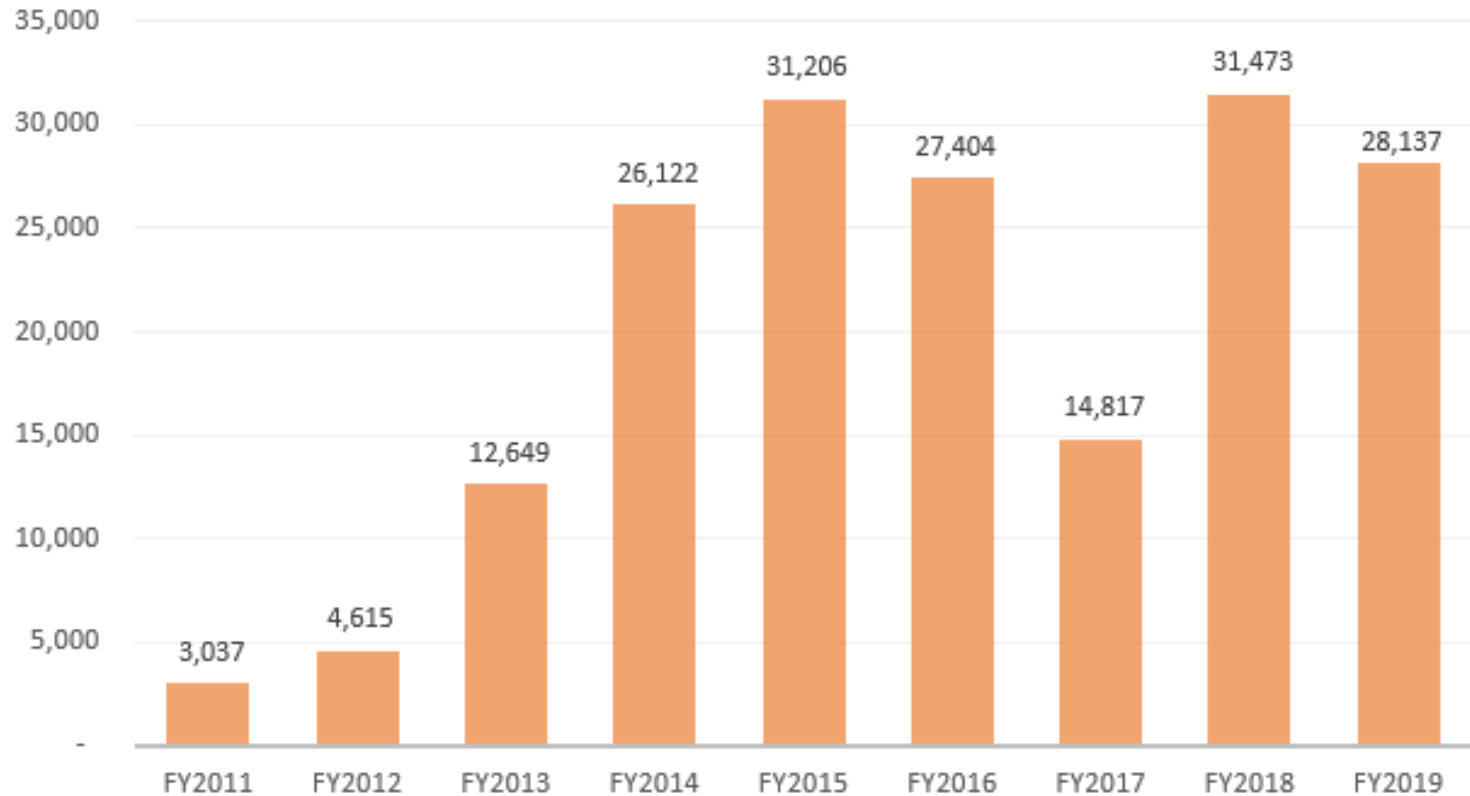
Vat leaching plant

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



Fine-Gold Production

Fine Gold Produced Year Over Year In Ounces



- Commenced gold production in July 2010 and has since successfully produced more than 179,000 ounces (5 metric tonnes) of fine gold

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	0.38	2.6	30	0.31	2.6	30	-12%
Indicated	Gold	9.44	1.6	480	7.65	1.6	390	10%
Inferred	Gold	6.50	1.8	380	5.26	1.8	310	-13%
Total	Gold	16.32	1.7	900	13.27	1.7	730	-1%
Measured	Silver	0.38	69	860	0.31	69	690	25%
Indicated	Silver	0.16	66	340	0.13	66	280	-16%
Inferred	Silver	1.17	57	2,150	0.95	57	1,740	156%
Total	Silver	1.72	61	3,350	1.39	61	2,710	74%
Measured	Lead	0.38	2.0	7,570	0.31	2.0	6,130	50%
Indicated	Lead	0.16	1.6	2,610	0.13	1.6	2,120	2%
Inferred	Lead	1.17	2.2	26,160	0.95	2.2	21,190	70%
Total	Lead	1.72	2.1	36,340	1.39	2.1	29,430	58%
Measured	Zinc	0.38	2.1	7,960	0.31	2.1	6,450	25%
Indicated	Zinc	0.16	1.8	2,960	0.13	1.8	2,400	-12%
Inferred	Zinc	1.17	2.8	32,390	0.95	2.8	26,240	135%
Total	Zinc	1.72	2.5	43,320	1.39	2.5	35,090	84%

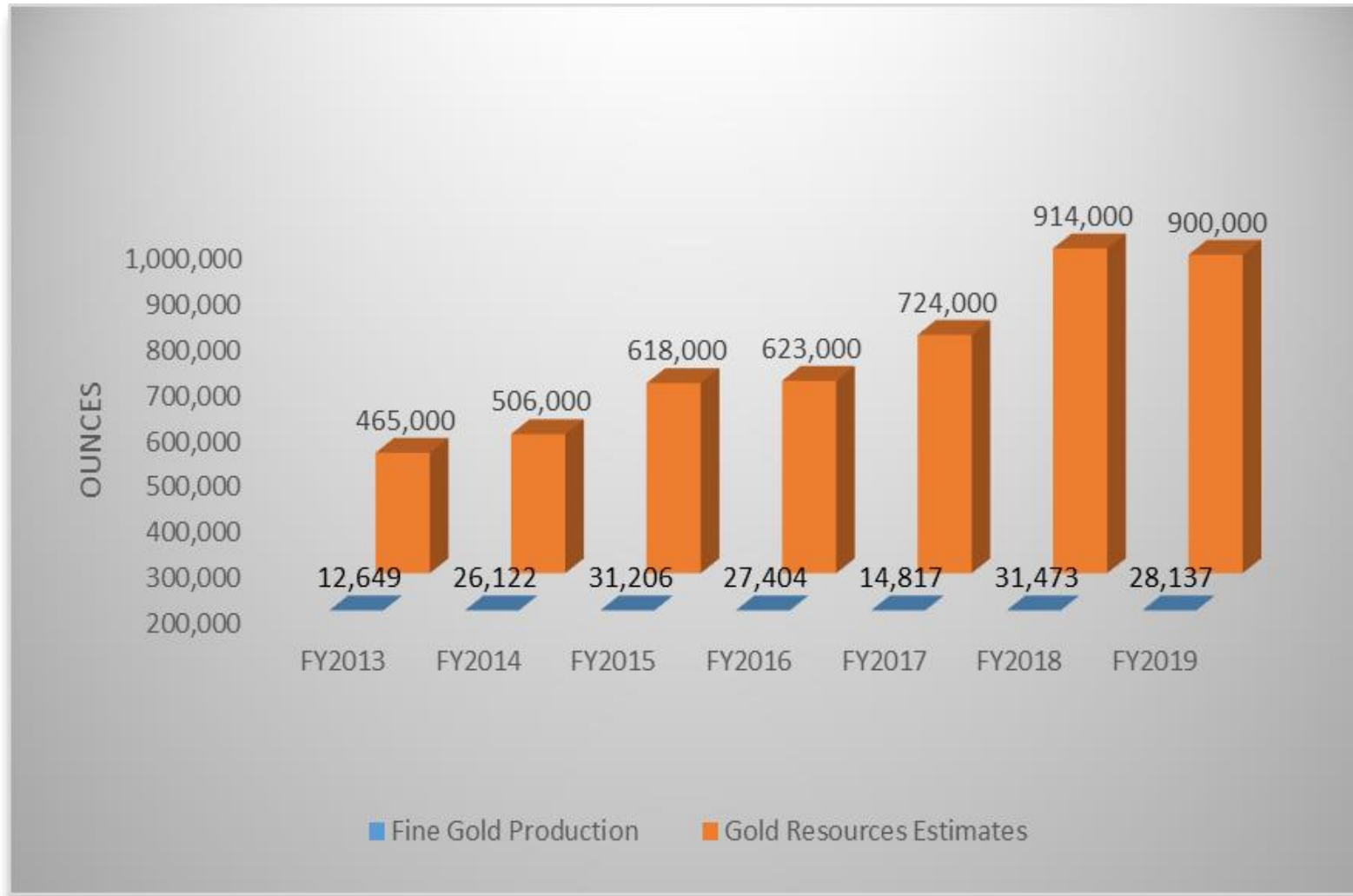
**Inconsistencies in totals are due to rounding.*

Table extracted from Sokor Project – updated Mineral Resources and Ore Reserves Estimate as at 31 December 2019.

As at 31 December 2019, total Measured, Indicated and Inferred gold resources for Sokor Project (above a 0.17 g/t gold cut-off grade at Rixen and for oxide rock at New Discovery and New Found and above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong, and at New Discovery and New Found for transitional and fresh rock) amounted to **16.32 million tonnes at 1.7 g/t gold for 900,000 ounces of contained gold** (31 December 2018: 17.91 million tonnes at 1.6 g/t gold with contained gold of 914,000 ounces).

Resources and Production

Gold Resources Versus Fine Gold Production



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