

# CNMC GOLDMINE HOLDINGS LIMITED

*2<sup>nd</sup> Quarterly Report*

*June 2014*



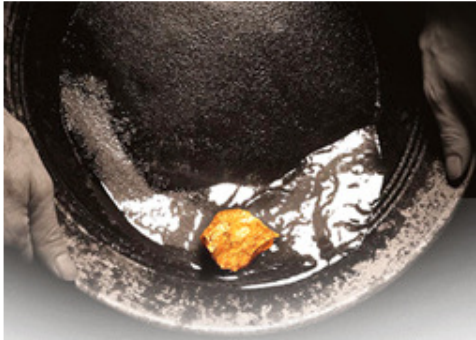
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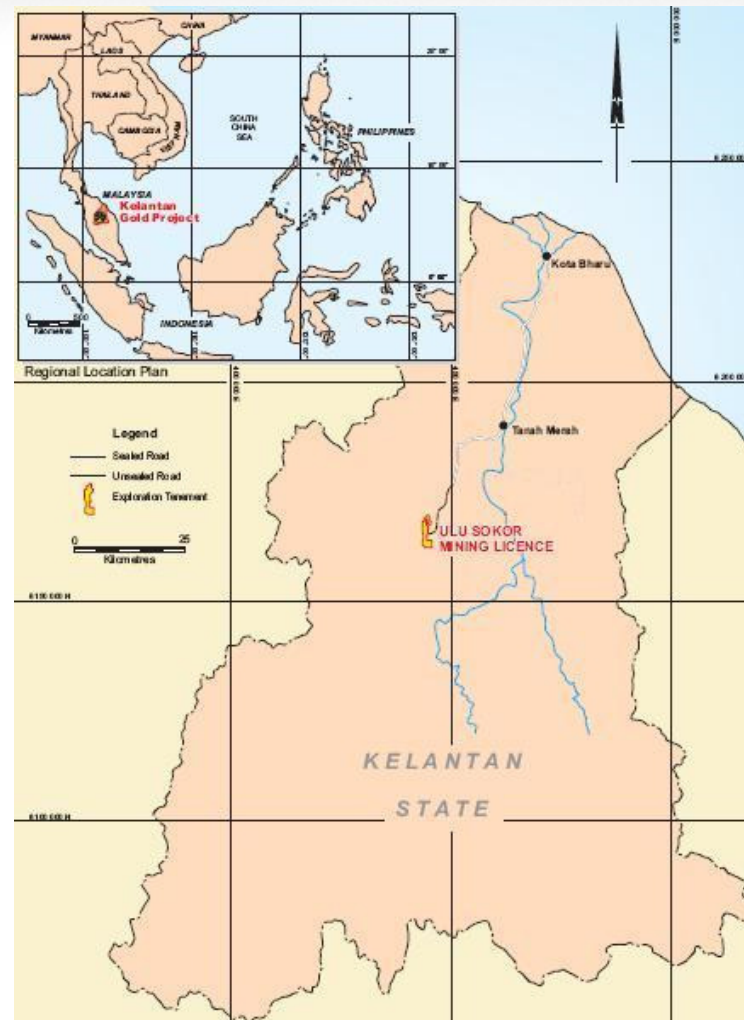
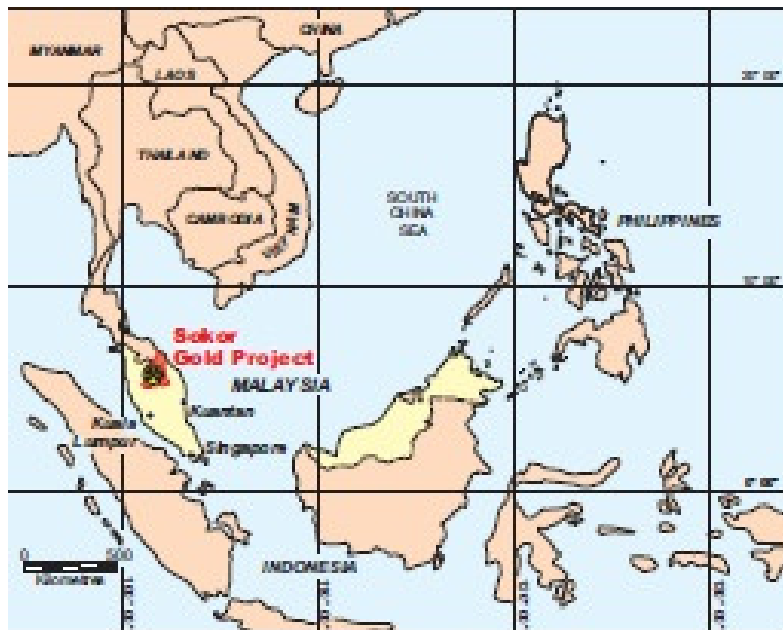
**ABOUT CNMC**

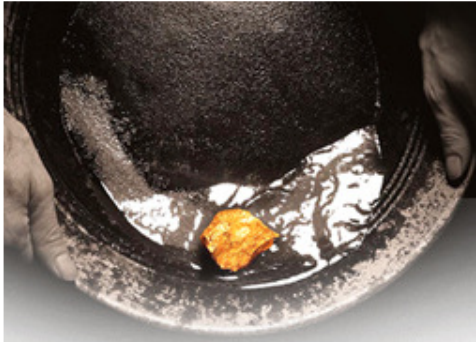


# ABOUT CNMC

## OVERVIEW OF CNMC

- We are a mineral exploration and mining company, focusing on the production and sale of gold.
- Our principal mining activity is in Kelantan, Malaysia.





# ABOUT CNMC

## THE SOKOR GOLD ZONE

The project is a gold exploration and mining project located in Kelantan State, Malaysia

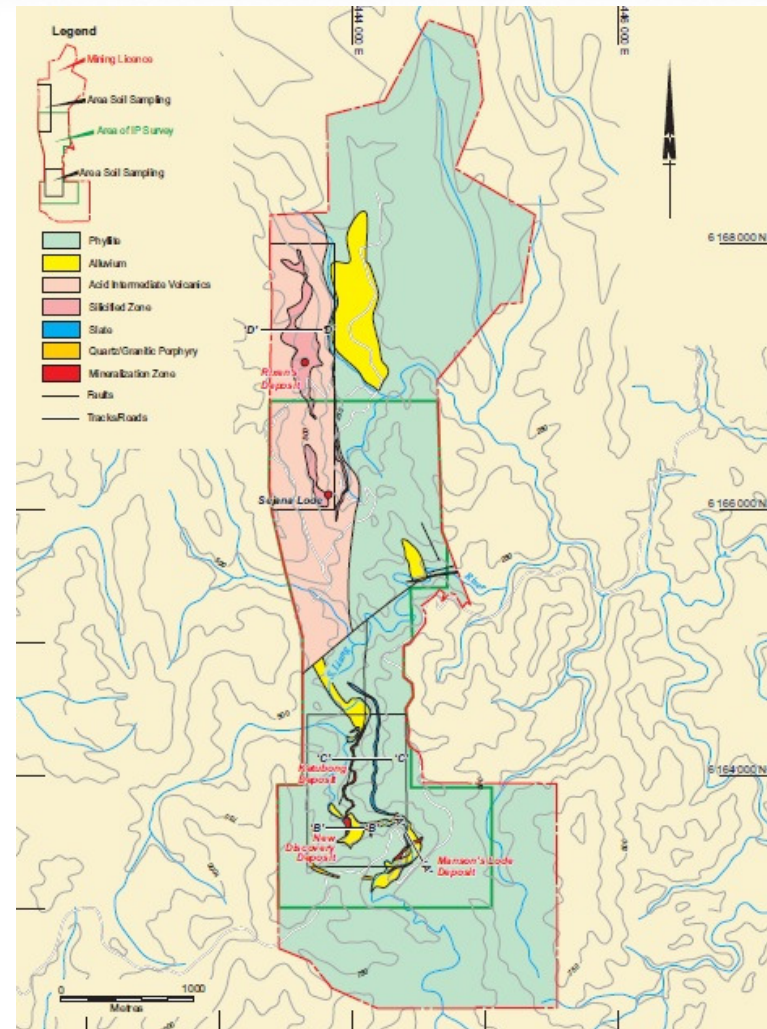
CNMC has –

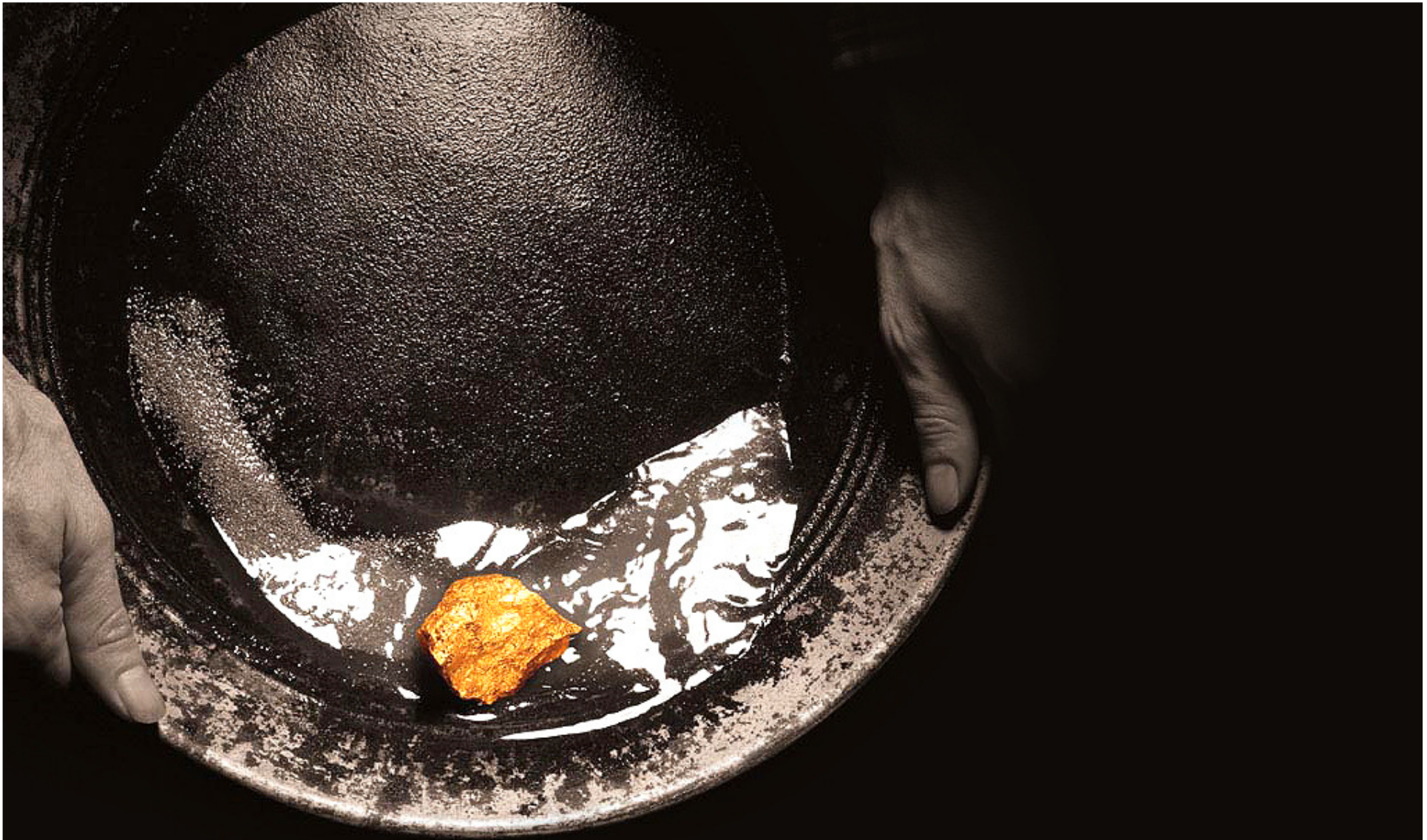
- **Gold mining** for an area of 10km<sup>2</sup> (“Sokor Block”) separate from the exploration area (“Sokor Gold Field Project”)

The mining licences were obtained with full support from Kelantan State Government

## 4 IDENTIFIED AREAS

- Manson’s Lode
- New Discovery
- Sg. Ketubong
- Rixen





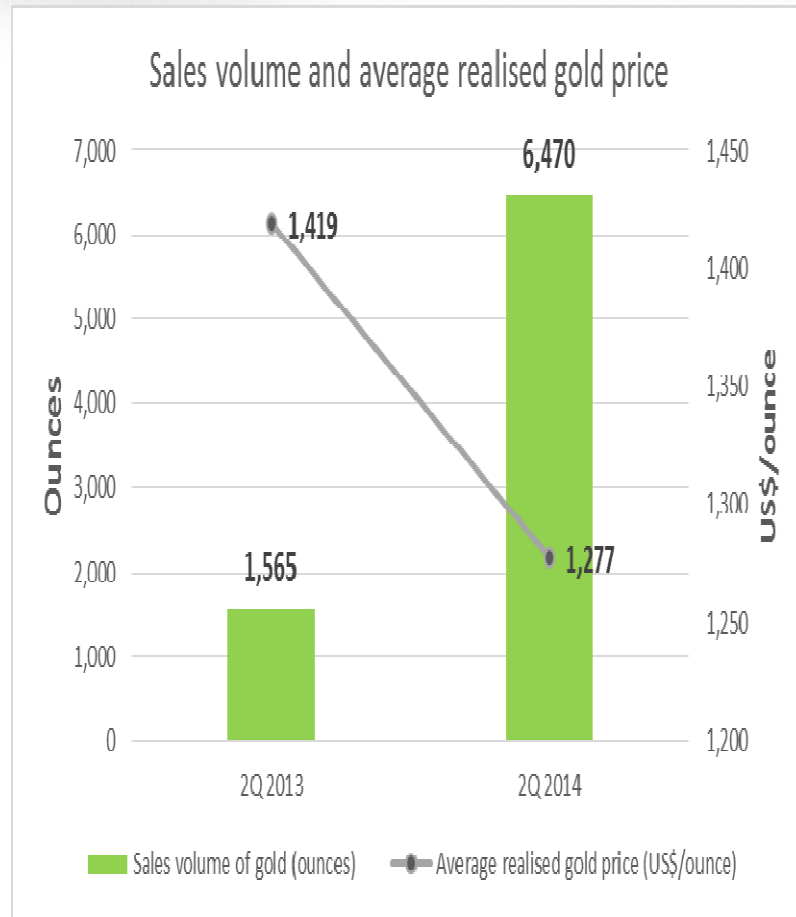
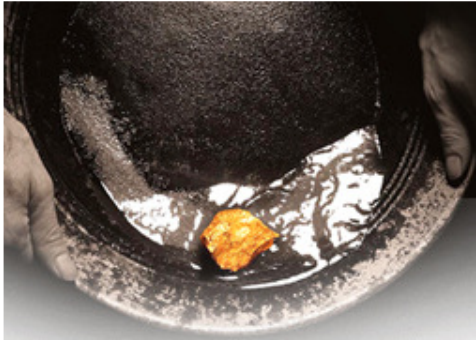
## FINANCIAL HIGHLIGHTS

# FINANCIAL HIGHLIGHTS

| Income statement                      | 2Q 2014           | 2Q 2013           | Change     |
|---------------------------------------|-------------------|-------------------|------------|
| Revenue (US\$' million)               | 8.27              | 2.22              | ↑ 272.2%   |
| Results from operating activities     | 3.88              | 0.18              | ↑ 2055.6%  |
| Net profit after tax                  | 5.50              | 0.12              | ↑ 4483.3%  |
| Net profit after tax margin           | 66.5%             | 5.2%              | ↑ 1178.7%  |
| Earnings per share (US cents)         | 1.09              | 0.01              | ↑ 10800.0% |
| Statement of financial position       | As at<br>30/06/14 | As at<br>31/12/13 | Change     |
| Net assets value* (US\$' million)     | 19.60             | 14.22             | ↑ 37.8%    |
| Net assets value per share (US cents) | 4.81              | 3.49              | ↑ 37.8%    |
| Current ratio                         | 1.88              | 0.83              | ↑ 126.5%   |
| Net debt/equity ratio                 | 0.01              | 0.08              | ↓ 87.5%    |

\* Net asset value represents total assets less total liabilities and non-controlling interest.

# HIGHLIGHTS ON REVENUE



## Highlights

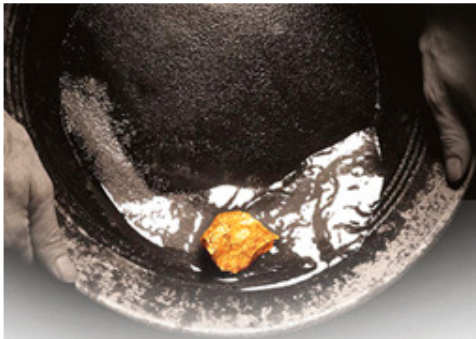
Revenue **↑ 272.2%** mainly due to:

- **↑** sales volume of fine gold, from 1,565 ounces to 6,470 ounces

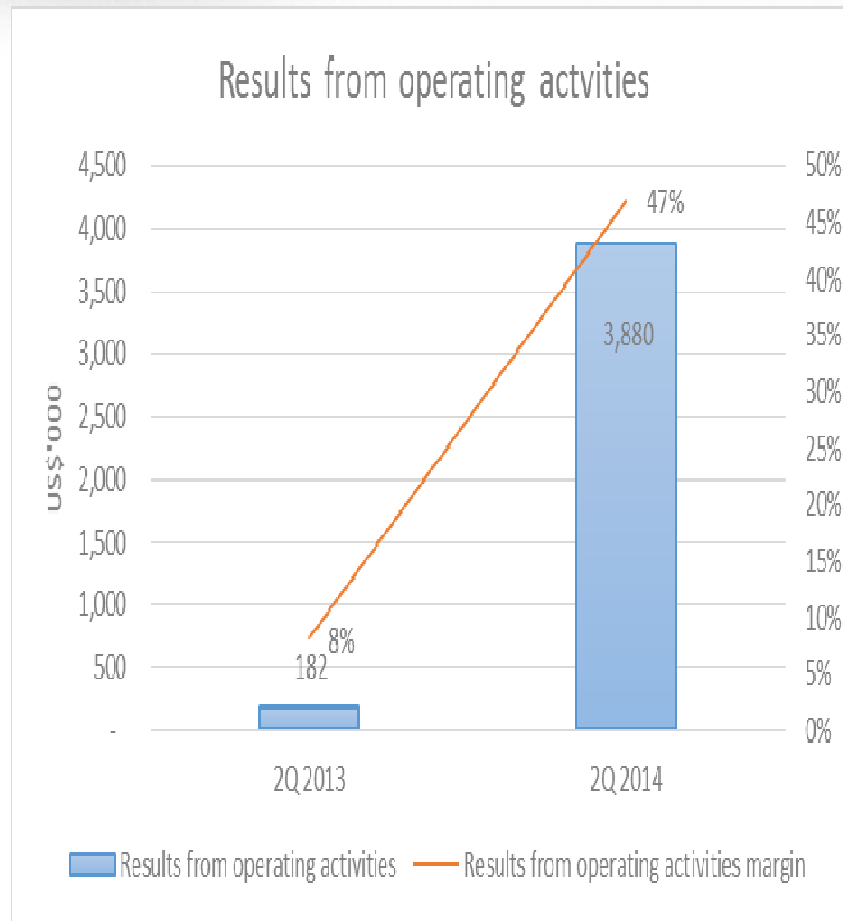
Partly offset by:

- **↓** average realised gold price, from US\$1,419/ounce to US\$1,277/ounce





# HIGHLIGHTS ON RESULTS FROM OPERATING ACTIVITIES

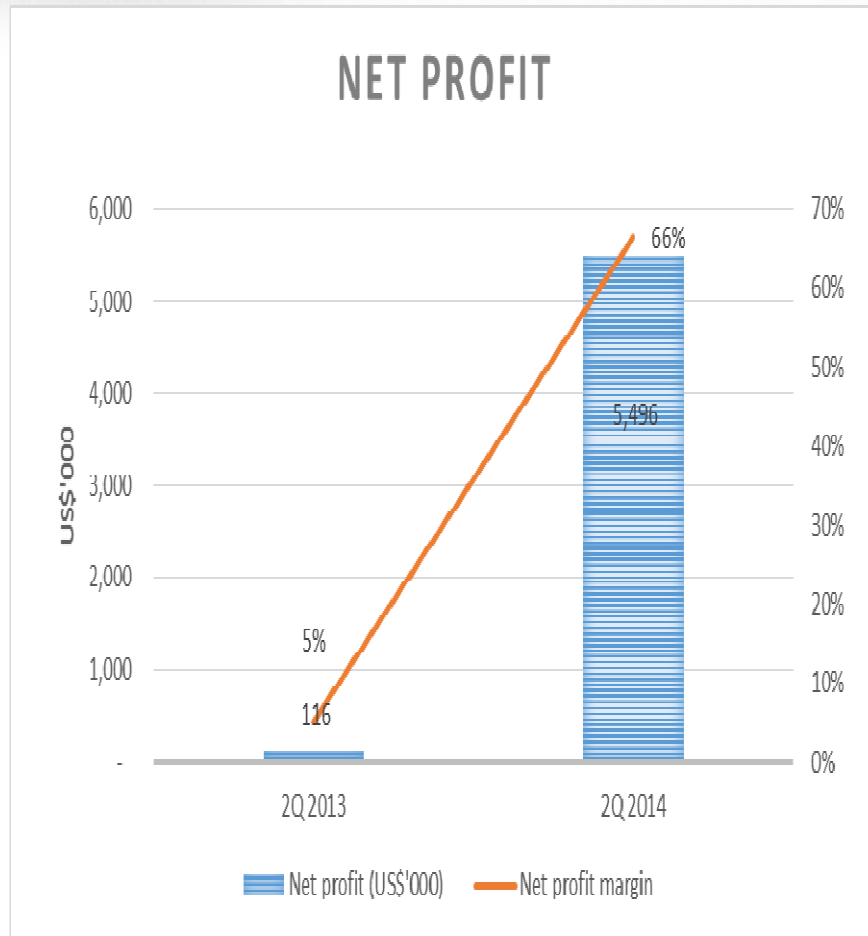
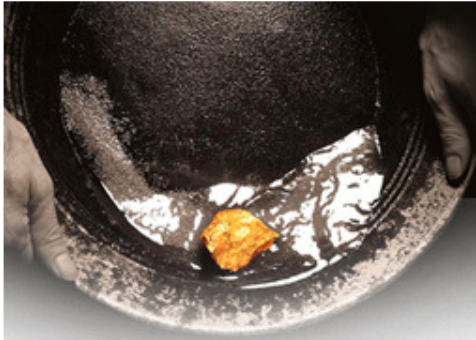


## Highlights

**Results from operating activities ↑ by 2056% mainly due to:**

- ↑ revenue, partly offset by ↑ operating expenses in tandem with rising sales volume of fine gold

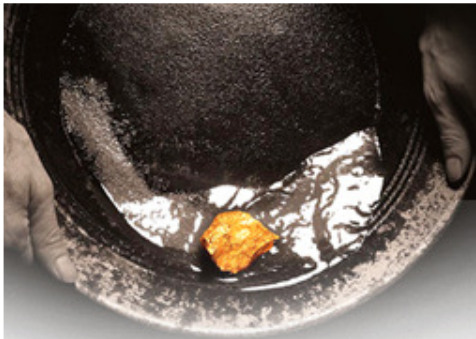
# HIGHLIGHTS ON NET PROFIT AFTER TAX



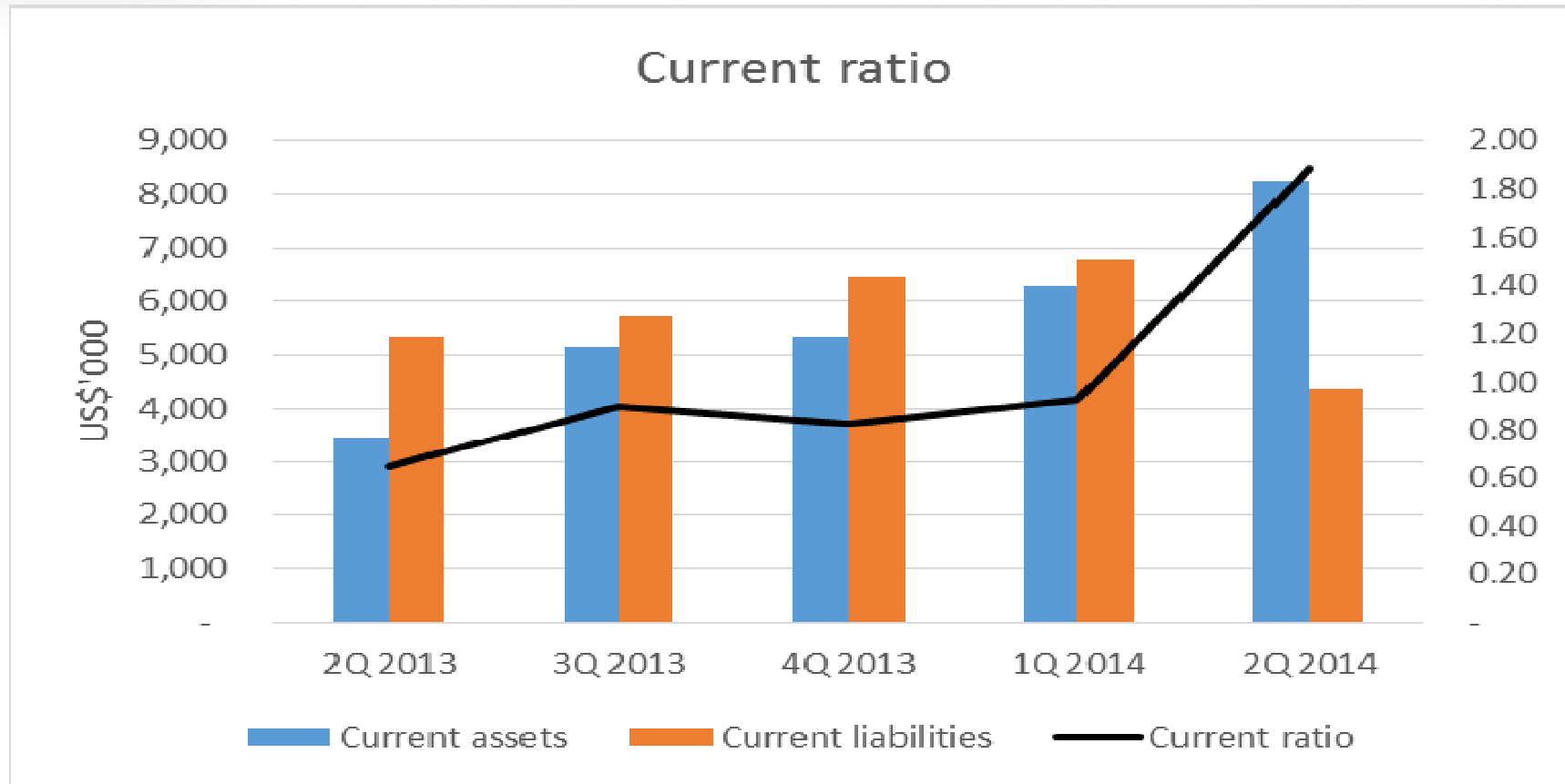
## Highlights

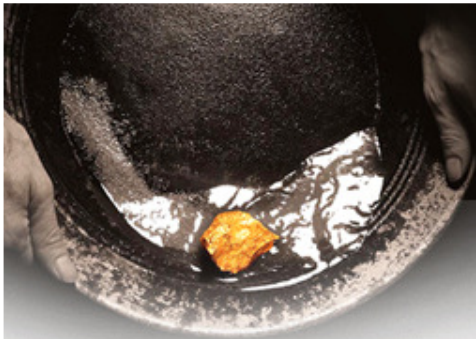
**Net profit ↑ by 4483% mainly due to:**

- ↑ revenue and reversal of over-provision of tax expense in FY 2013, arising from the tax exemption granted in May 2014, effective from July 2013

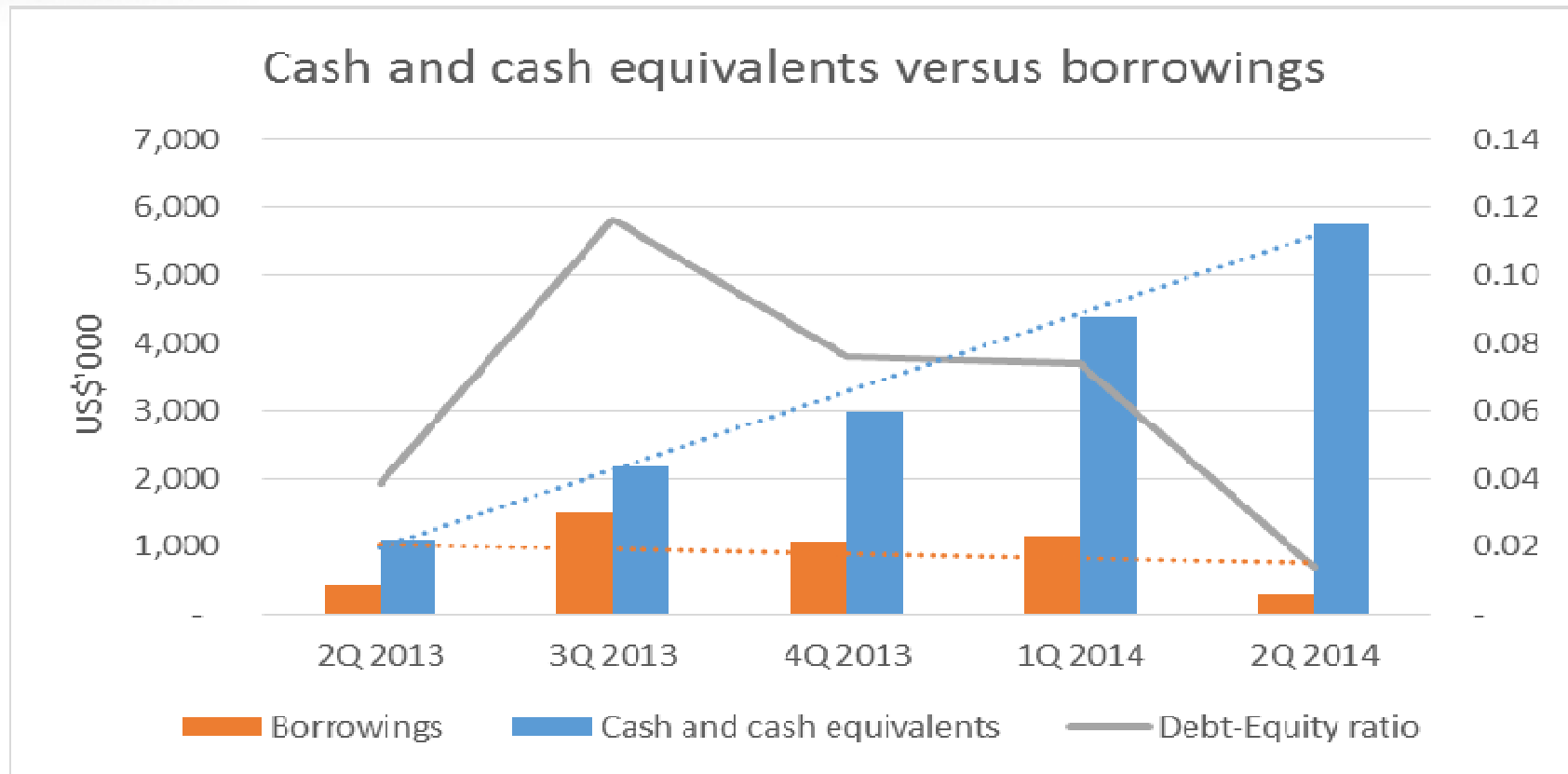


## CURRENT ASSETS, CURRENT LIABILITIES & CURRENT RATIO



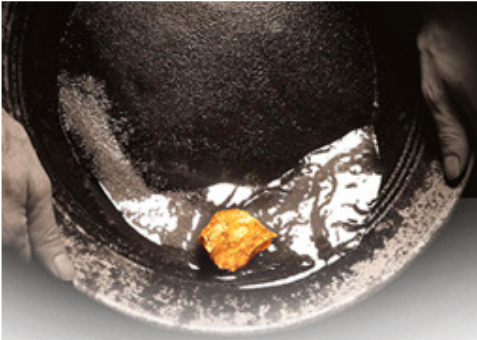


## CASH AND CASH EQUIVALENTS VERSUS BORROWINGS



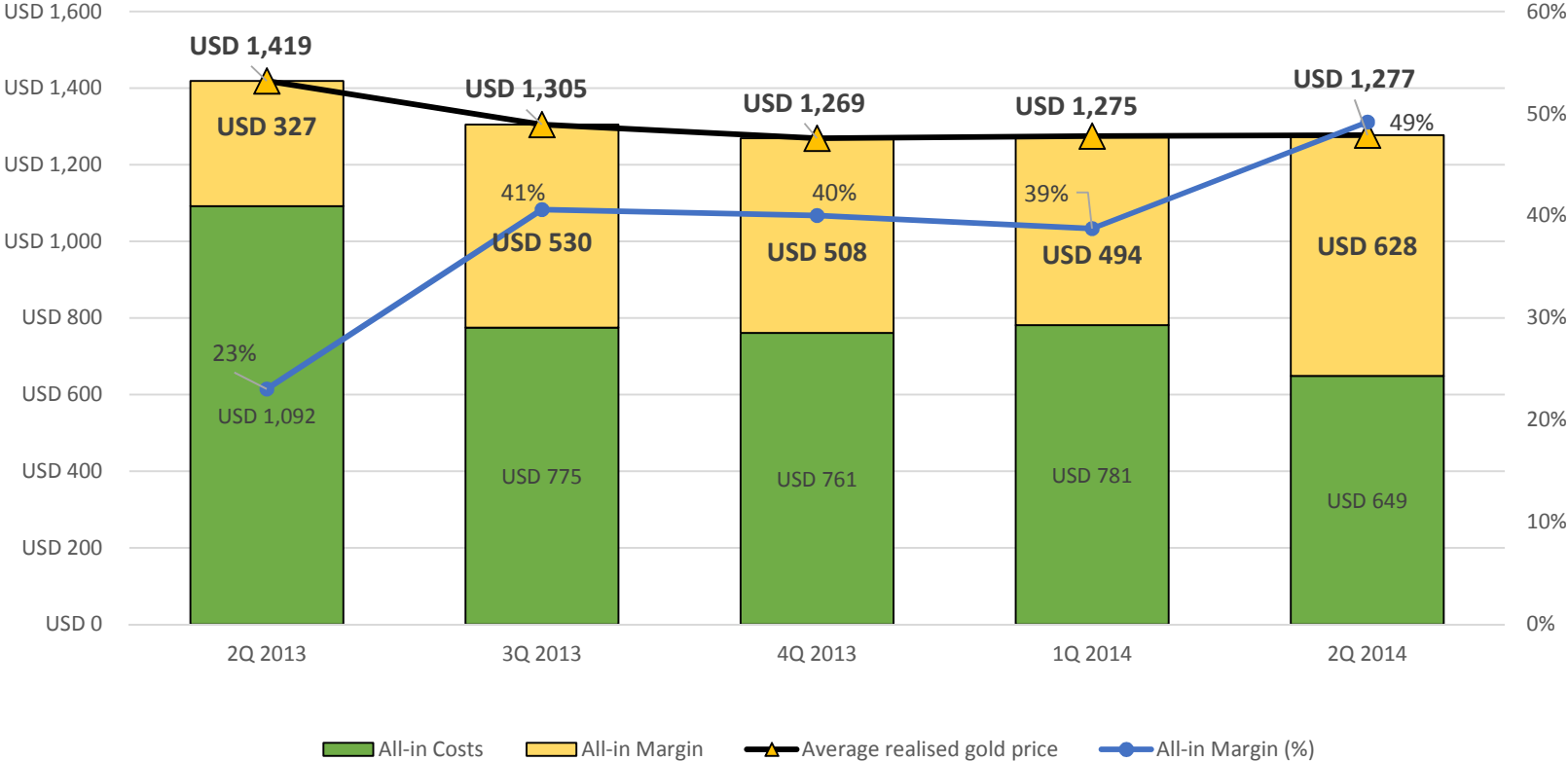
## SUMMARY OF ALL-IN COSTS AND MARGIN

|                                      | 2Q 2014                | 2Q 2013 | Changes |
|--------------------------------------|------------------------|---------|---------|
|                                      | US\$ / gold ounce sold |         | %       |
| Mining related costs                 | 373                    | 736     | -49%    |
| Royalty and tribute expenses         | 98                     | 109     | -10%    |
| Adjusted operating costs             | 471                    | 845     | -44%    |
| General and administrative costs     | 54                     | 49      | 10%     |
| Capital expenditure                  | 60                     | 110     | -45%    |
| All-in sustaining costs              | 585                    | 1,004   | -42%    |
| Capital exploration (non-sustaining) | 26                     | 48      | -46%    |
| Capital expenditure (non-sustaining) | 38                     | 40      | -5%     |
| All-in costs (A)                     | 649                    | 1,092   | -41%    |
| Average realized gold price (B)      | 1,277                  | 1,419   | -10%    |
| All-in Margin (C= B - A)             | 628                    | 327     | 92%     |
| All-in Margin (%) (C / B)            | 49%                    | 23%     | 113%    |



# SUMMARY OF ALL-IN COSTS AND MARGIN

All-in Margin in US\$/ cost gold ounce sold





## NON-GAAP MEASURE METRICS BY WGC

Adjusted operating costs, all-in sustaining costs and all-in non-sustaining costs were recommended by the World Gold Council for gold mining companies in end June 2013.

- **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.

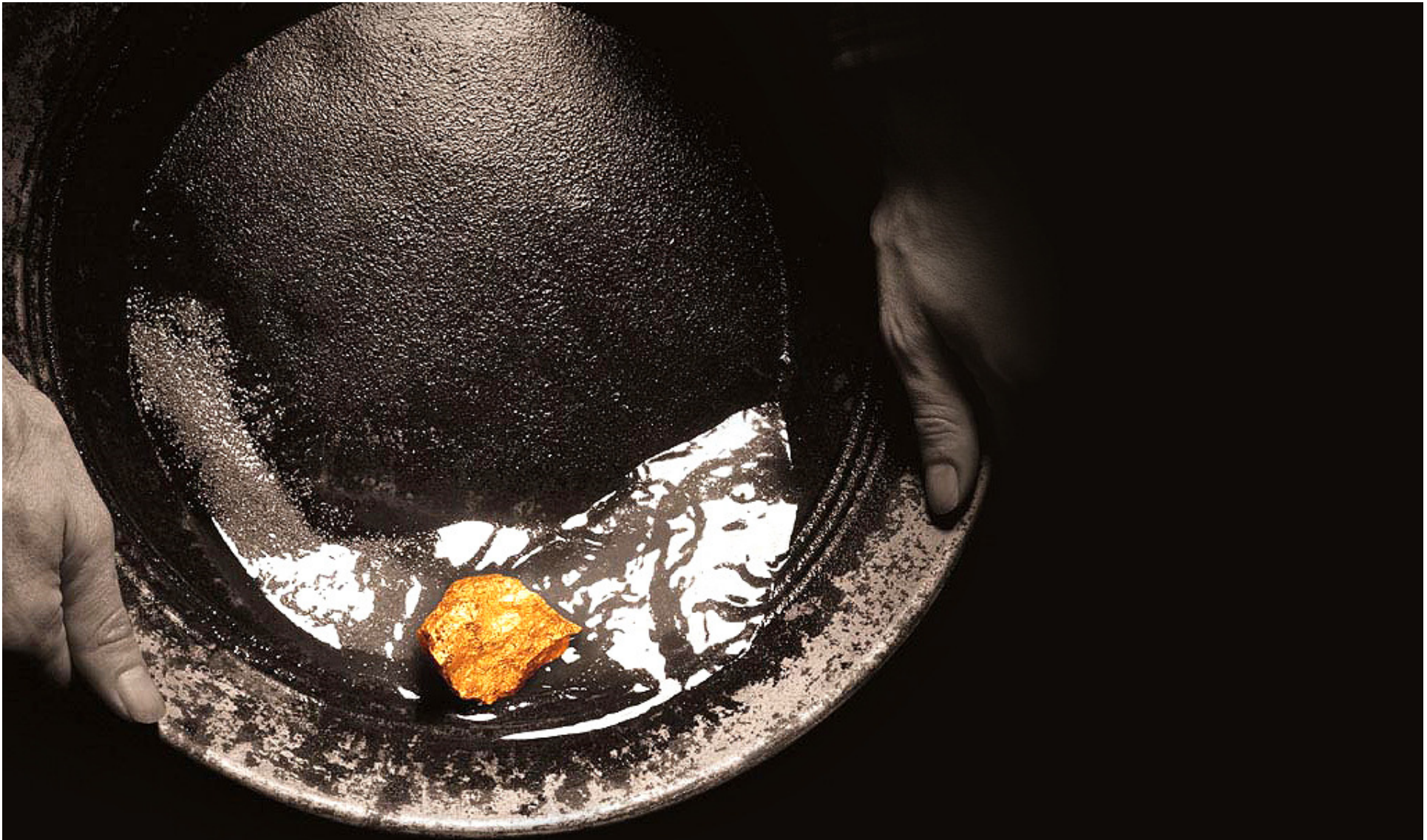


## NON-GAAP MEASURE METRICS BY WGC

- **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.
- **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.

This non-generally accepted accounting principles measure metrics are intended to provide greater clarity into comparing the costs associated with producing gold across gold mining companies.





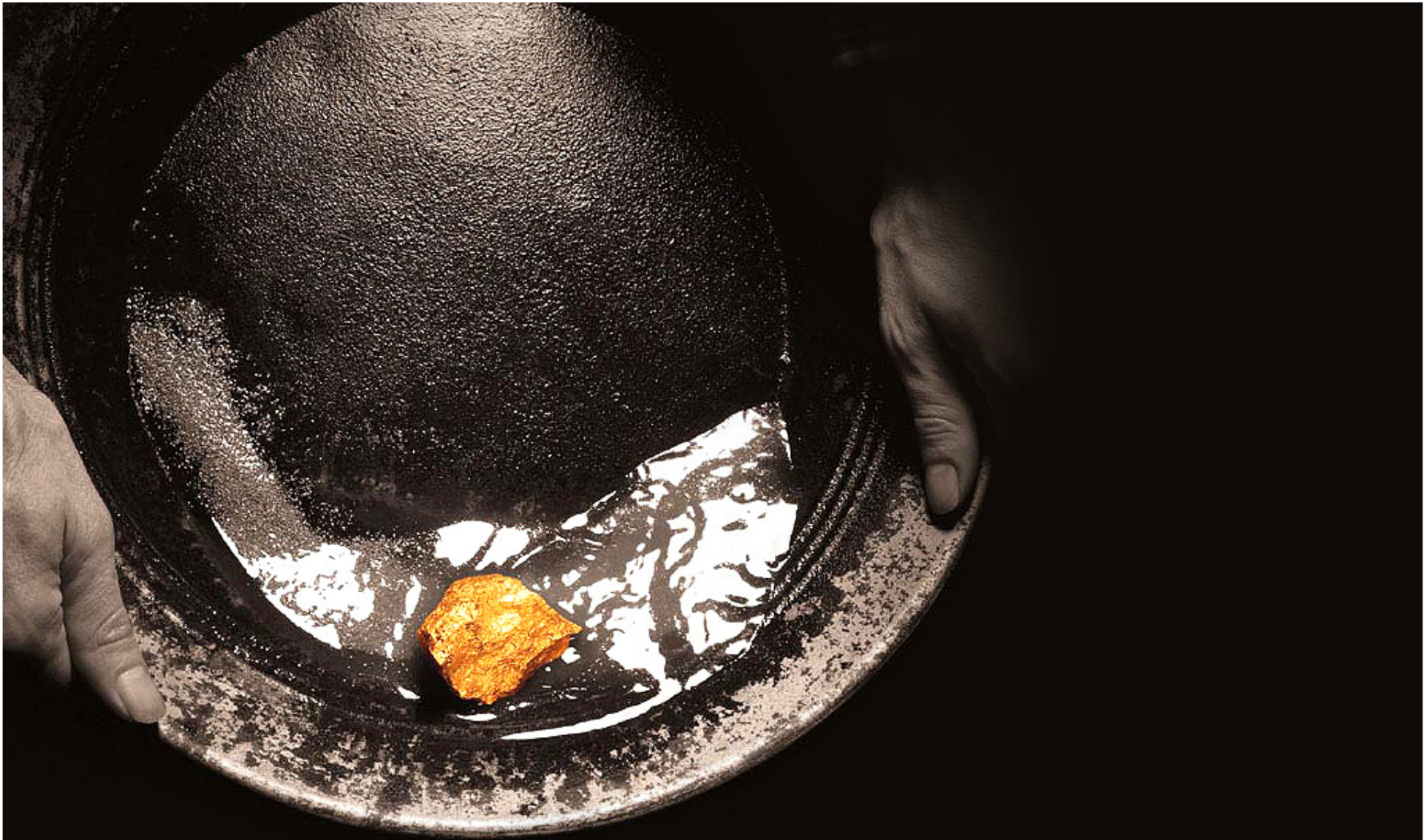
**JORC COMPLIANT GOLD RESOURCE**

# JORC COMPLIANT GOLD RESOURCE

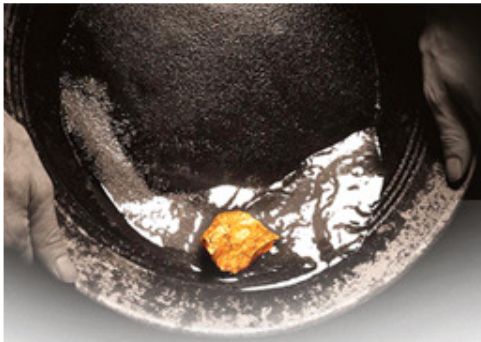
As at 31 December 2013, the total Measured, Indicated and Inferred gold Mineral Resources for the Sokor Gold Project (above a 0.3 g/t gold cut-off grade at *Rixen* and a 0.5 g/t gold cut-off grade at *Manson's Lode, New Discovery and Ketubong*) is 9.14 million tonne at 1.6g/t gold with contained gold of 465,000 ounces. The total Measured, Indicated and Inferred gold resources for the Sokor Gold Project, previously reported in December 2012, was 7.8 million tonne at 1.6 g/t gold with contained gold of 410,000 ounces.

**Sokor Project – Mineral Resource statement as at 31 December 2013 (inclusive of Ore Reserves)**

| Category     | Mineral type  | Gross attributable to licence |                                  |  | Gross attributable to CNMC |                                  |  | Change from previous update (%) |
|--------------|---------------|-------------------------------|----------------------------------|--|----------------------------|----------------------------------|--|---------------------------------|
|              |               | 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) |                                 |
| Measured     | Gold          | 0.53                          | 3.3                              | 55   | 0.43                       | 3.3                              | 45   | +1                              |
| Indicated    | Gold          | 4.64                          | 1.4                              | 210  | 3.76                       | 1.4                              | 170  | +19                             |
| Inferred     | Gold          | 3.97                          | 1.5                              | 200  | 3.22                       | 1.5                              | 160  | +11                             |
| <b>Total</b> | <b>Gold</b>   | <b>9.14</b>                   | <b>1.6</b>                       | <b>465</b>                                   | <b>7.41</b>                | <b>1.6</b>                       | <b>375</b>                                   | <b>+13</b>                      |
| Measured     | Silver        | 0.33                          | 64                               | 680  | 0.27                       | 64                               | 550  | +7                              |
| Indicated    | Silver        | 0.16                          | 48                               | 235  | 0.13                       | 48                               | 190  | 0                               |
| Inferred     | Silver        | 0.16                          | 60                               | 315  | 0.13                       | 60                               | 260  | +877                            |
| <b>Total</b> | <b>Silver</b> | <b>0.65</b>                   | <b>58</b>                        | <b>1,230</b>                                 | <b>0.53</b>                | <b>58</b>                        | <b>1,000</b>                                 | <b>+36</b>                      |
| Measured     | Lead          | 0.33                          | 1.7                              | 5,590  | 0.27                       | 1.7                              | 4,530  | +16                             |
| Indicated    | Lead          | 0.16                          | 1.0                              | 1,580  | 0.13                       | 1.0                              | 1,280  | +23                             |
| Inferred     | Lead          | 0.16                          | 1.6                              | 2,550  | 0.13                       | 1.6                              | 2,070  | +1,046                          |
| <b>Total</b> | <b>Lead</b>   | <b>0.65</b>                   | <b>1.5</b>                       | <b>9,720</b>                                 | <b>0.53</b>                | <b>1.5</b>                       | <b>7,880</b>                                 | <b>+54</b>                      |
| Measured     | Zinc          | 0.33                          | 1.7                              | 5,620  | 0.27                       | 1.7                              | 4,550  | +13                             |
| Indicated    | Zinc          | 0.16                          | 0.9                              | 1,440  | 0.13                       | 0.9                              | 1,170  | +27                             |
| Inferred     | Zinc          | 0.16                          | 1.7                              | 2,820  | 0.13                       | 1.7                              | 2,290  | +1,539                          |
| <b>Total</b> | <b>Zinc</b>   | <b>0.65</b>                   | <b>1.5</b>                       | <b>9,880</b>                                 | <b>0.53</b>                | <b>1.5</b>                       | <b>8,010</b>                                 | <b>+57</b>                      |



**SHARE PERFORMANCE**



# SHARE PERFORMANCE

CNMC Goldmine Holdings Ltd (SGX:5TP)

**0.305** 0.000 (0.00%)

Aug 8 - Close  
SGX real-time data - Disclaimer  
Currency in SGD

|           |                         |           |         |      |
|-----------|-------------------------|-----------|---------|------|
| Range     | 0.29 - 0.31             | Dividend  | 0.00    | 0.68 |
| 52 week   | 0.20 - 0.34             | EPS       | 0.01    |      |
| Open      | 0.31                    | Shares    | 407.69M |      |
| Vol / Avg | 569,000.00 / 531,967.00 | Beta      | -       |      |
| Mkt cap   | 124.35M                 | Inst. own | -       |      |
| P/E       | 21.90                   |           |         |      |

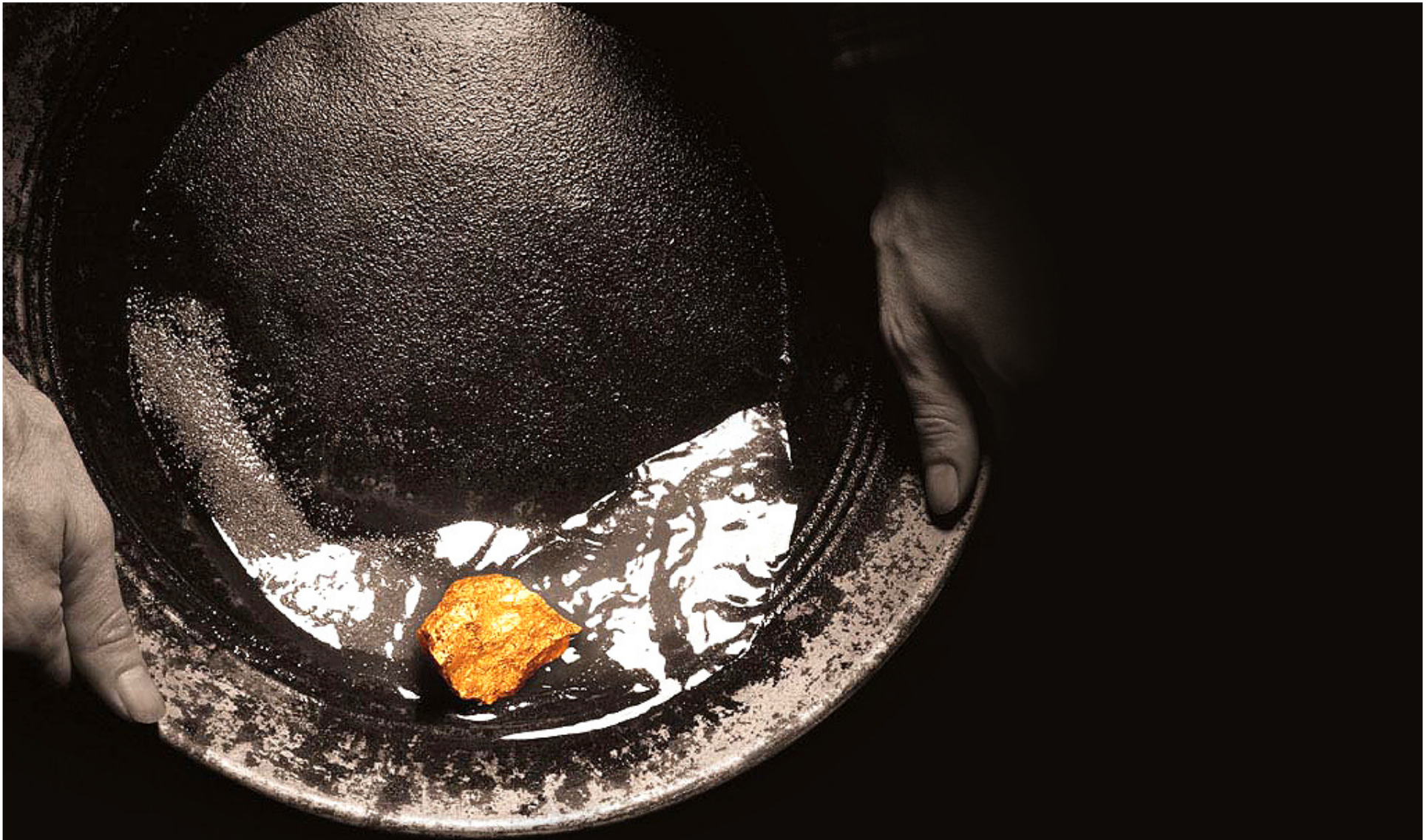
5TP 0.305 0.00%

Compare:    S20  L23  5FH  A78  500  K13  A8F  NF1  A13

Zoom: [1d](#) [5d](#) [1m](#) [3m](#) [6m](#) [YTD](#) [1y](#) [5y](#) [10y](#) [All](#)

Jun 28, 2013 - Aug 08, 2014 +0.03 (8.77%)





**MILESTONES ACHIEVED IN 2014**



## MILESTONES ACHIEVED IN 2014

➤ **28<sup>th</sup> February 2014**

**CNMC Produced Another Record Single Gold Pour of 2,314.42 Ounces of Gold Doré Bars**

*(Produced 2,314.42 ounces of gold dore bars, as compared to the previous record of 2,130.74 ounces, this reflects an increase of approximately 8.6%)*

➤ **11<sup>th</sup> April 2014**

**Qualified Person's Report on Updated Mineral Resources and Ore Reserves Estimates as at 31 Dec 2013**

*(As at 31 Dec 2013, the total Measured, Indicated and Inferred gold Mineral Resources for the Sokor Gold Project (above a 0.3 g/t gold cut-off grade at Rixen and a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong) is 9.14 million tonne at 1.6g/t gold with contained gold of 465,000 ounces)*

➤ **14<sup>th</sup> April 2014**

**Early Redemption of Convertible Loan**

*(Early redemption of convertible loan of an aggregate principal amount of S\$1.45 million)*

➤ **15<sup>th</sup> May 2014**

**Pioneer Status Incentive from The Malaysian Investment Development Authority**

*(Tax exemption of 100% on statutory income for a period of 5 years in relation to the production of gold doré bar beginning from 1 July 2013 until 30 June 2018)*



## MILESTONES ACHIEVED IN 2014

➤ **20<sup>th</sup> May 2014**

**Commencement of Production at CNMC's Third Leach Yard**

*(Construction of the third leach yard with leaching capacity of up to 600,000 tonnes, has been completed and commenced production)*

➤ **4<sup>th</sup> June 2014**

**CNMC Utilises Orepack Drillspacing Optimiser Program**

*(Employed OREpack™ Drillspacing Optimiser Program to achieve the best mineral resource block model quality at optimal cost)*

➤ **9<sup>th</sup> July 2014**

**Record Gold Pour in the Month of June 2014**

*(Produced 4,356.47 ounces of gold dore bars in the month of June, which is the highest record to date for monthly output surpassing previous record of 3,419.51 ounces, this reflects an increase of approximately 27.4%)*

➤ **18<sup>th</sup> July 2014**

**CNMC Produced More Than One Metric Tonne of Gold Bullion at Sokor Gold Project**

*(Produced 2,586.75 ounces of gold dore bars, as compared to the previous record of 2,314.42 ounces, this reflects an increase of approximately 11.7%. With this production, the Company's Sokor Gold Project has to date produced more than one metric tonne of gold bullion since gold production commenced in July 2010)*



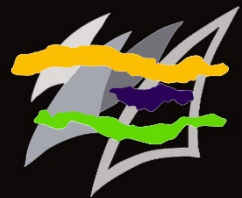
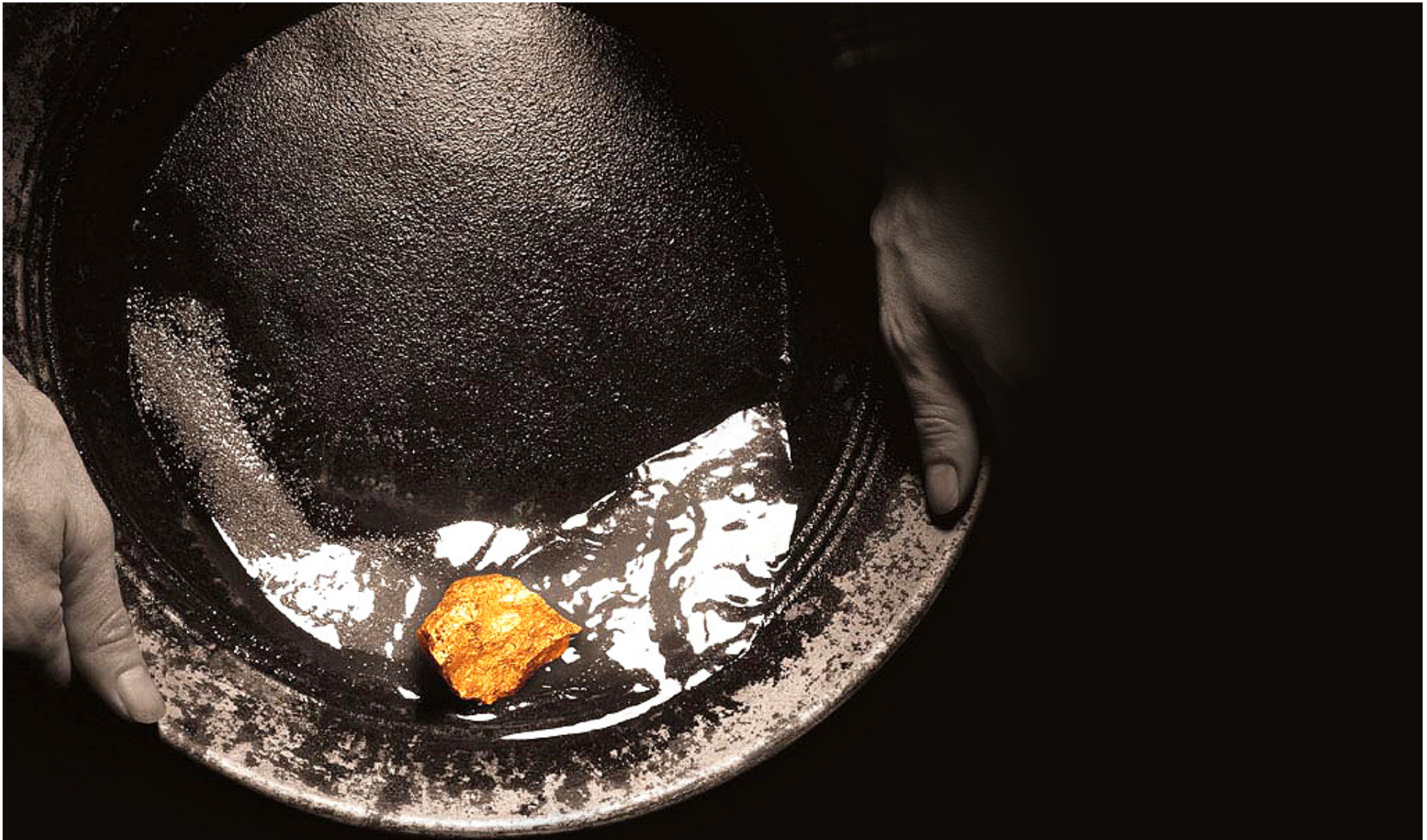
**PLANS FOR 2014**





# PLANS FOR 2014

- **Continue Gold Production Expansion Programs:**
  - Increase leaching capacity and enhance gold recovery process with the aim of increasing gold production
  
- **Cost Optimization Programs:**
  - Further streamline production process to reduce wastage of raw material thereby reducing gold production cost to enhance profitability
  - Leverage economies of scale from increased production capacity to lower material costs from key suppliers
  
- **Accelerate Exploration Activities:**
  - To increase gold resources and reserves in Sokor Gold Project
  - To increase silver, lead and zinc resources and reserves in Sokor Gold Project
  
- **Portfolio Expansion Programs:**
  - To explore opportunities in the acquisition and development of other mining projects in Malaysia and highly prospective exploration and mining projects located in SE Asia and Australasia



**THANK YOU**