

Unaudited Financial Statement and Dividend Announcement For the Third Quarter Ended 30 September 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)	Increase/ (Decrease) %	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)	Increase/ (Decrease) %
Revenue	4,706,428	8,454,845	(44.3)	14,291,544	29,483,058	(51.5)
Other operating income	312,974	1,818	n.m.	1,441,116	880,125	63.7
Changes in inventories	116,073	33,799	243.4	38,956	(346,844)	n.m.
Amortisation and depreciation	(844,919)	(1,209,010)	(30.1)	(2,738,116)	(3,555,040)	(23.0)
Employee benefits expenses	(801,137)	(796,226)	0.6	(2,242,610)	(2,319,247)	(3.3)
Key management remuneration	(782,183)	(671,405)	16.5	(2,299,197)	(1,980,521)	16.1
Marketing and publicity expenses	(58,910)	(373,834)	(84.2)	(211,670)	(430,045)	(50.8)
Office and administration expenses	(66,773)	(46,489)	43.6	(228,630)	(172,644)	32.4
Professional fees	(181,042)	(145,744)	24.2	(658,626)	(406,369)	62.1
Rental expense on operating lease	(289,675)	(226,133)	28.1	(786,224)	(719,171)	9.3
Royalty and tribute fee expenses	(630,622)	(901,779)	(30.1)	(1,905,476)	(2,453,921)	(22.3)
Site and factory expenses	(1,425,929)	(1,329,910)	7.2	(4,220,245)	(4,072,154)	3.6
Travelling and transportation expenses	(66,582)	(90,936)	(26.8)	(206,611)	(190,203)	8.6
Other operating expenses	(10,376)	(461,789)	(97.8)	(16,309)	(101,730)	(84.0)
Results from operating activities	(22,673)	2,237,207	n.m.	257,902	13,615,294	(98.1)
Finance income	179,940	305,799	(41.2)	597,367	753,152	(20.7)
Finance costs	(10,094)	(493)	n.m.	(24,456)	(1,604)	n.m.
Net finance income	169,846	305,306	(44.4)	572,911	751,548	(23.8)
Profit before tax	147,173	2,542,513	(94.2)	830,813	14,366,842	(94.2)
Tax credit/(expenses)	935,215	(295,941)	n.m.	844,162	(662,320)	n.m.
Profit for the period	1,082,388	2,246,572	(51.8)	1,674,975	13,704,522	(87.8)
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss						
Exchange differences arising from consolidation of foreign subsidiaries	9,236	(5,612)	n.m.	52,337	10,285	408.9
Total comprehensive profit for the period	1,091,624	2,240,960	(51.3)	1,727,312	13,714,807	(87.4)
Profit attributable to:						
Owners of the Company	957,300	1,764,808	(45.8)	1,490,515	11,024,172	(86.5)
Non-controlling interests	125,088	481,764	(74.0)	184,460	2,680,350	(93.1)
Profit for the period	1,082,388	2,246,572	(51.8)	1,674,975	13,704,522	(87.8)
Total comprehensive income attributable to:						
Owners of the Company	963,926	1,760,114	(45.2)	1,525,831	11,032,777	(86.2)
Non-controlling interests	127,698	480,846	(73.4)	201,481	2,682,030	(92.5)
Total comprehensive income for the period	1,091,624	2,240,960	(51.3)	1,727,312	13,714,807	(87.4)

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Group					
	Three Months Ended			Nine Months Ended		
	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)	Increase/ (Decrease) %	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)	Increase/ (Decrease) %
Profit for the period is stated after charging/(crediting) the following:						
Finance costs	10,094	493	1,947.5	24,456	1,604	1,424.7
Amortisation and depreciation	844,919	1,209,010	(30.1)	2,738,116	3,555,040	(23.0)
Property, plant and equipment written off	-	-	-	-	100,070	n.m.
Gain on disposal of property, plant and equipment	-	-	-	(149,238)	-	n.m.
(Gain)/Loss on foreign exchange						
- Unrealised	(300,013)	484,053	n.m.	(1,176,612)	(836,176)	40.7
- Realised	8,358	(22,894)	n.m.	(43,776)	(36,426)	20.2

n.m. -- not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30 September 2017 US\$ (Unaudited)	31 December 2016 US\$ (Audited)	30 September 2017 US\$ (Unaudited)	31 December 2016 US\$ (Audited)
ASSETS				
Non-current assets				
Exploration and evaluation assets	8,149,637	2,200,202	-	-
Mine properties	13,763,068	14,129,175	-	-
Property, plant and equipment	8,508,303	6,383,824	10,482	49,139
Investment in subsidiaries	-	-	12,215,026	8,306,587
Total non-current assets	30,421,008	22,713,201	12,225,508	8,355,726
Current assets				
Inventories	813,868	660,183	-	-
Trade and other receivables	2,698,064	1,396,635	9,111,446	14,595,386
Cash and cash equivalents	20,154,979	26,954,685	219,717	289,721
Total current assets	23,666,911	29,011,503	9,331,163	14,885,107
Total assets	54,087,919	51,724,704	21,556,671	23,240,833
EQUITY				
Share Capital	18,032,233	18,032,233	18,032,233	18,032,233
Treasury shares	(150,918)	(75,092)	(150,918)	(75,092)
Capital Reserve	2,824,635	2,824,635	-	-
Retained earnings/(Accumulated losses)	18,267,555	18,919,936	(3,715,854)	(769,255)
Translation reserves	(34,136)	(69,452)	-	-
	38,939,369	39,632,260	14,165,461	17,187,886
Non-controlling interest	6,719,431	5,914,349	-	-
Total equity	45,658,800	45,546,609	14,165,461	17,187,886
LIABILITIES				
Non-current liabilities				
Loans and borrowings	767,080	57,689	-	-
Deferred tax liabilities	441,990	1,580,834	-	-
Total non-current liabilities	1,209,070	1,638,523	-	-
Current liabilities				
Loans and borrowings	42,441	38,514	-	-
Trade and other payables	6,315,440	2,791,469	7,391,210	5,489,579
Accrued rehabilitation costs	781,865	602,198	-	-
Dividend payable	-	1,029,647	-	563,368
Current tax liabilities	80,303	77,744	-	-
Total current liabilities	7,220,049	4,539,572	7,391,210	6,052,947
Total Liabilities	8,429,119	6,178,095	7,391,210	6,052,947
Total equity and liabilities	54,087,919	51,724,704	21,556,671	23,240,833

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 September 2017		As at 31 December 2016	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
42,441	-	38,514	-

Amount repayable after one year

As at 30 September 2017		As at 31 December 2016	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
32,690	734,390	57,689	-

Details of any collateral

The Group's secured borrowings as at 30 September 2017 comprised finance lease liabilities, which were secured on the Group's motor vehicles. The net carrying amounts of the motor vehicles as at 30 September 2017 amounted to US\$ Nil (31 December 2016: US\$50,555).

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	Three Months ended		Nine Months ended	
	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)	30 September 2017 US\$ (Unaudited)	30 September 2016 US\$ (Unaudited)
Operating activities				
Profit for the period	1,082,388	2,246,572	1,674,975	13,704,522
Adjustments for:				
Depreciation of property, plant and equipment	466,489	658,645	1,634,326	1,939,383
Amortisation of mine properties	352,262	550,365	1,042,882	1,615,657
Amortisation of exploration and evaluation assets	26,168	-	60,908	-
Property, plant and equipment written off	-	-	-	100,070
Gain on disposal of property, plant and equipment	-	-	(149,238)	-
Finance income	(179,940)	(305,799)	(597,367)	(753,152)
Finance costs	10,094	493	24,456	1,604
Unrealised (gain)/loss on foreign exchange	(300,013)	484,053	(1,176,612)	(836,176)
Tax (credit)/expense	(935,215)	295,941	(844,162)	662,320
Operating profit before working capital changes	522,233	3,930,270	1,670,168	16,434,228
Changes in working capital:				
Inventories	(167,244)	49,662	(153,685)	284,931
Trade and other receivables	693,669	(1,229,808)	(1,008,359)	(2,349,520)
Trade and other payables	(499,760)	787,845	1,130,130	1,191,566
Cash generated from operations	548,898	3,537,969	1,638,254	15,561,205
Tax paid	(187,508)	(345,426)	(368,529)	(346,263)
Finance income received	179,940	305,799	597,367	753,152
Finance costs paid	(10,094)	(493)	(24,456)	(1,604)
Net cash generated from operating activities	531,236	3,497,849	1,842,636	15,966,490
Investing Activities				
Purchases of property, plant and equipment	(2,120,292)	(213,790)	(3,475,803)	(880,578)
Proceed from disposal of property, plant and equipment	-	-	149,932	-
Payment for exploration and evaluation assets, and mine properties	(223,244)	(654,641)	(927,778)	(821,534)
Acquisition of subsidiaries, net of cash acquired (Note A)	-	-	(1,406,501)	-
Net cash used in investing activities	(2,343,536)	(868,431)	(5,660,150)	(1,702,112)
Financing activities				
Dividend paid to equity holders of the Company	-	(608,088)	(2,714,247)	(2,888,737)
Dividend paid to non-controlling interests	-	(282,948)	(468,787)	(684,285)
Repayment of borrowings	-	-	(985,556)	-
Share buyback	(75,826)	-	(75,826)	-
Payment of finance lease liabilities	(10,149)	(12,418)	(29,538)	(37,184)
Net cash used in financing activities	(85,975)	(903,454)	(4,273,954)	(3,610,206)
Net (decrease)/increase in cash and cash equivalents	(1,898,275)	1,725,964	(8,091,468)	10,654,172
Cash and cash equivalents at beginning of the period	21,728,175	32,475,788	26,954,685	22,134,539
Effect of exchange rate fluctuations on cash held	325,079	(713,405)	1,291,762	699,636
Cash and cash equivalents in the statement of financial position	20,154,979	33,488,347	20,154,979	33,488,347

During the three month period ended 30 September 2017 (“3Q 2017”), the Group acquired property, plant and equipment at an aggregate cost of US\$2,700,493, compared to US\$213,790 for the corresponding three month period ended 30 September 2016 (“3Q 2016”). As at 30 September 2017, a total consideration of US\$580,201 for the acquisitions made in 3Q 2017 had yet to be paid, compared to US\$ Nil for the acquisitions made in 3Q 2016.

The Group also acquired exploration and evaluation assets, as well as mine properties in 3Q 2017 at an aggregate cost of US\$632,316 (3Q 2016: US\$5,411,545), of which US\$ Nil (3Q 2016: US\$5,089,939) was in relation to the one-time 21-year mining lease extension processing fee and US\$47,169 (3Q 2016: US\$128,345) related to accrued rehabilitation cost. As at 30 September 2017, a total consideration of US\$361,903 for the acquisitions made in 3Q 2017 is yet to be paid, compared to US\$4,006,559 for the acquisitions made in 3Q 2016.

As at 30 September 2017, the Group’s cash and cash equivalents amounted to US\$20.15 million (30 September 2016: US\$33.49 million), comprising currencies denominated in MYR, SGD and USD. Please refer to item 8(b) on cash flows analysis for further details.

The Group has no bank loans other than hire purchase facilities.

Note A

On 24 February 2017, the Company completed the subscription of new shares representing 51% of the enlarged issued and paid-up share capital of CNMC Pulai Mining Sdn. Bhd. (formerly known as Pulai Mining Sdn. Bhd.) (“CNMC Pulai”) for an aggregate consideration of RM13.8 million. Following the completion of the aforesaid acquisition, CNMC Pulai completed the acquisition of shares representing 70% of the issued and paid-up share capital of Sumberjaya Land & Mining Sdn. Bhd. at an aggregate consideration of RM4.5 million.

On 16 May 2017, the Company completed the acquisition of 100% of the issued and paid-up share capital of Kelgold Mining Sdn. Bhd. (“Kelgold”). The total consideration for this acquisition was RM2.5 million (approximately US\$566,000), of which RM750,000 (approximately US\$170,000) had been paid as of 30 June 2017.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group (Unaudited)	Share capital US\$	Treasury Shares US\$	Capital reserve US\$	Translation reserves US\$	Retained earnings US\$	Total attributable to equity holders of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 1 January 2016	18,032,233	(75,092)	2,824,635	(60,624)	12,773,507	33,494,659	4,551,057	38,045,716
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	9,259,364	9,259,364	2,198,586	11,457,950
Other comprehensive income for the period								
Exchange difference	-	-	-	13,299	-	13,299	2,598	15,897
Total comprehensive income for the period	-	-	-	13,299	9,259,364	9,272,663	2,201,184	11,473,847
Transactions with owners, recognized directly in equity								
2015 Final and special dividend declared and paid	-	-	-	-	(1,761,742)	(1,761,742)	-	(1,761,742)
2016 First dividend declared by subsidiary to non-controlling interest	-	-	-	-	-	-	(277,362)	(277,362)
Total transaction with owners	-	-	-	-	(1,761,742)	(1,761,742)	(277,362)	(2,039,104)
Balance as at 30 June 2016	18,032,233	(75,092)	2,824,635	(47,325)	20,271,129	41,005,580	6,474,879	47,480,459
Total comprehensive income for the period:								
Profit for the period	-	-	-	-	1,764,808	1,764,808	481,764	2,246,572
Other comprehensive income for the period								
Exchange difference	-	-	-	(4,694)	-	(4,694)	(918)	(5,612)
Total comprehensive income for the period	-	-	-	(4,694)	1,764,808	1,760,114	480,846	2,240,960
Transactions with owners, recognized directly in equity								
2016 First interim dividend declared and paid	-	-	-	-	(608,088)	(608,088)	-	(608,088)
Total transaction with owners	-	-	-	-	(608,088)	(608,088)	-	(608,088)
Balance as at 30 September 2016	18,032,233	(75,092)	2,824,635	(52,019)	21,427,849	42,157,606	6,955,725	49,113,331

Group (Unaudited)	Share capital US\$	Treasury Shares US\$	Capital reserve US\$	Translation reserves US\$	Retained earnings US\$	Total attributable to equity holders of the Company US\$	Non-controlling interests US\$	Total equity US\$
Balance as at 1 January 2017	18,032,233	(75,092)	2,824,635	(69,452)	18,919,936	39,632,260	5,914,349	45,546,609
<u>Total comprehensive income for the period:</u>								
Profit for the period	-	-	-	-	533,215	533,215	59,372	592,587
Other comprehensive income for the period								
Exchange difference	-	-	-	28,690	-	28,690	14,411	43,101
Total comprehensive income for the period	-	-	-	28,690	533,215	561,905	73,783	635,688
<u>Transactions with owners, recognized directly in equity</u>								
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	603,601	603,601
2016 Final and special dividend declared and paid	-	-	-	-	(2,142,896)	(2,142,896)	-	(2,142,896)
Total transaction with owners	-	-	-	-	(2,142,896)	(2,142,896)	603,601	(1,539,295)
Balance as at 30 June 2017	18,032,233	(75,092)	2,824,635	(40,762)	17,310,255	38,051,269	6,591,733	44,643,002
<u>Total comprehensive income for the period:</u>								
Profit for the period	-	-	-	-	957,300	957,300	125,088	1,082,388
Other comprehensive income for the period								
Exchange difference	-	-	-	6,626	-	6,626	2,610	9,236
Total comprehensive income for the period	-	-	-	6,626	957,300	963,926	127,698	1,091,624
<u>Transactions with owners, recognized directly in equity</u>								
Share buyback	-	(75,826)	-	-	-	(75,826)	-	(75,826)
Total transaction with owners	-	(75,826)	-	-	-	(75,826)	-	(75,826)
Balance as at 30 September 2017	18,032,233	(150,918)	2,824,635	(34,136)	18,267,555	38,939,369	6,719,431	45,658,800

Company	Share capital US\$	Treasury shares US\$	Accumulated losses US\$	Total equity US\$
Balance as at 1 January 2016	18,032,233	(75,092)	(1,228,256)	16,728,885
Profit for the period	-	-	816,157	816,157
2015 Final and special dividend declared and paid	-	-	(1,761,742)	(1,761,742)
Balance as at 30 June 2016	18,032,233	(75,092)	(2,173,841)	15,783,300
Loss for the period	-	-	(232,966)	(232,966)
2016 First interim dividend declared and paid	-	-	(608,088)	(608,088)
Balance as at 30 September 2016	18,032,233	(75,092)	(3,014,895)	14,942,246
Balance as at 1 January 2017	18,032,233	(75,092)	(769,255)	17,187,886
Loss for the period	-	-	(632,127)	(632,127)
2016 Final and special dividend declared and paid	-	-	(2,142,896)	(2,142,896)
Balance as at 30 June 2017	18,032,233	(75,092)	(3,544,278)	14,412,863
Loss for the period	-	-	(171,576)	(171,576)
Share buyback	-	(75,826)	-	(75,826)
Balance as at 30 September 2017	18,032,233	(150,918)	(3,715,854)	14,165,461

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share capital (S\$)	Share capital (US\$)
As at 30 June 2017	407,293,000	22,890,024	18,032,233
As at 30 September 2017	406,913,100	22,890,024	18,032,233

As at 30 September 2017, the Company held 779,900 ordinary shares as treasury shares (30 September 2016: 400,000). The total number of issued shares of the Company (excluding treasury shares) as at 30 September 2017 and 30 September 2016 was 406,913,100 and 407,293,000 respectively.

Save as stated above, the Company did not have any outstanding options, convertible securities, treasury shares or subsidiary holdings as at 30 September 2017 and 30 September 2016.

The percentage of the aggregate number of treasury shares held against the total number of shares issued as at 30 September 2017 was 0.2% (30 September 2016: 0.1%).

1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	Company As at 30 September 2017 (Unaudited)	Company As at 31 December 2016 (Audited)
Total number of issued shares	407,693,000	407,693,000
Treasury shares	(779,900)	(400,000)
Total number of issued shares, excluding treasury shares	406,913,100	407,293,000

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. No treasury shares had been sold, transferred, cancelled or used in any other manner as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the audited financial statements for the year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group adopted a number of new Financial Reporting Standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2017. The adoptions of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group for the current financial period reported on.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	Three months ended 30 September (Unaudited)		Nine months ended 30 September (Unaudited)	
	2017	2016	2017	2016
Profit attributable to owners of the Company (US\$)	957,300	1,764,808	1,490,515	11,024,172
Weighted average number of ordinary shares	407,114,350	407,293,000	407,232,797	407,293,000
Basic earnings per ordinary share:				
- US cents	0.24	0.43	0.37	2.71
- SG cents ⁽¹⁾	0.33	0.59	0.52	3.72

Note:-

- (1) Basic/diluted earnings per ordinary share translated at an exchange rate of USD/SGD 1.3935 and 1.3740 for period ended 30 September 2017 and 30 September 2016 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	Group		Company	
	30 September 2017 (Unaudited)	31 December 2016 (Audited)	30 September 2017 (Unaudited)	31 December 2016 (Audited)
	Net asset value (US\$) ⁽¹⁾	38,939,369	39,632,260	14,165,461
Number of shares at the end of the period	406,913,100	407,293,000	406,913,100	407,293,000
Net asset value per share:				
- US cents	9.57	9.73	3.48	4.22
- SG cents ⁽²⁾	12.99	14.07	4.72	6.10

Note:-

- (1) Net asset value represents total assets less total liabilities and non-controlling interests.

- (2) Net asset value per share translated at an exchange rate of USD/SGD 1.3574 and 1.4459 for period ended 30 September 2017 and 31 December 2016 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors;

Revenue

Illustrated below is the summary of the financial performance of the Group for 3Q 2017 and the comparative financial performance for 3Q 2016:

	3Q 2017	3Q 2016	Increase / (Decrease) %
Production volume of fine gold (ounces)	3,691.82	6,284.68	(41.3)
Sales volume of gold (ounces)	3,691.82	6,284.68	(41.3)
Revenue – Total (US\$'000)	4,706.43	8,454.85	(44.3)
Average realised gold price (US\$/ounce)	1,274.83	1,345.31	(5.2)

The Group's revenue decreased 44.3 % to US\$4.71 million in 3Q 2017 from US\$8.45 million in 3Q 2016. The fall was due to a decrease in the production and sales volume of fine gold in 3Q 2017 compared to 3Q 2016, as a result of lower ore grades.

Other income or expenses

In 3Q 2017, the Group recorded net other operating income of US\$0.30 million, compared to net other operating expenses of US\$0.46 million in 3Q 2016. This was due to an unrealised foreign exchange gain of US\$0.30 million in 3Q 2017, mainly arising from MYR-denominated cash deposits, compared to an unrealised foreign exchange loss of US\$0.48 million in 3Q 2016. The unrealised foreign exchange gain was mainly due to the appreciation of MYR against USD.

Operating expenses

Operating expenses comprised mainly costs incurred for changes in inventories, site and factory expenses, amortisation costs for mine properties, amortisation costs for exploration and evaluation assets, depreciation expenses for property, plant and equipment, rental expense on operating lease, royalty and tribute fees paid to the Kelantan State authorities, remuneration for employees and management, and other general administrative expenses.

Total operating expenses decreased by US\$0.73 million to US\$5.03 million in 3Q 2017 from US\$5.76 million in 3Q 2016.

The decrease was mainly due to the following:-

- decrease of US\$0.36 million in depreciation and amortisation due to lower production; and
- decrease of US\$0.27 million in royalty and tribute expenses due to lower production.

Non-FRS Performance Measures

The Group adopts adjusted operating costs per ounce, all-in sustaining costs per ounce and all-in costs per ounce as non-FRS performance measures in accordance with the World Gold Council guidelines. The Company believes these performance measures better define the total costs associated with its gold production. However, these performance measures have no standardised meaning. Accordingly, they are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with FRS. The Company reports these measures on sales volume of fine gold.

Summarised below is the information on the Group's all-in sustaining costs and all-in costs in 3Q 2017 and 3Q 2016:

	US\$ / gold ounce sold		Increase / (Decrease) %
	3Q 2017	3Q 2016	
Sales volume of fine gold (ounces)	3,691.82	6,284.68	(41.3)
Mining related costs	615	399	54.1
Royalty and tribute expenses	171	96	78.1
Adjusted operating costs⁽¹⁾	786	495	58.8
General and administrative costs	145	95	52.6
Capital expenditure	11	6	83.3
All-in sustaining costs⁽²⁾	942	596	58.1
Capital exploration (non-sustaining)	26	9	188.9
Capital expenditure (non-sustaining)	578	28	n.m.
Partial payment for the 21-year mining lease extension	-	95	n.m.
All-in costs⁽³⁾	1,546	728	112.4

- (1) Adjusted operating costs include production costs such as mining production and maintenance costs, royalties, and operating costs such as storage, net of by-product credits. The decrease of gold ounces sold resulted in higher 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 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.
- (3) Include all-in sustaining costs and non-sustaining costs. Non-sustaining costs are costs incurred for the new operations and costs related to construction of the new production facility for the existing operations where these projects will materially increase production in future.

The all-in costs of US\$1,546 per ounce in 3Q 2017 were higher than the all-in costs of US\$728 per ounce in 3Q 2016. This was mainly due to lower production and sales volume of fine gold arising from lower ore grades mined and the construction of a carbon-in-leach ("CIL") plant.

Finance income and costs

Finance income and costs comprised interest income from fixed deposits and interest expense on finance lease. The Group generated net finance income of US\$0.17 million in 3Q 2017, mainly due to the interest income earned from placement of fixed deposit.

Tax credit

The tax credit stems mainly from a partial reversal of deferred tax liability due to better clarity in the tax treatment relating to mining tax allowance under the Malaysia tax laws and regulation in the current reporting period, following the extension of our mining lease from 2018 to 2034.

Profit after tax

The Group's profit after tax declined 51.8% or US\$1.17 million to US\$1.08 million in 3Q 2017 from US\$2.25 million in 3Q 2016 due to the reasons stated above. Excluding the unrealised foreign exchange gain of US\$0.30 million and tax credit of US\$0.93 million, the Group made a loss of US\$0.15 million in 3Q 2017.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The comparative performance of the assets and liabilities listed below is based on financial statements as at 31 December 2016 and 30 September 2017.

Assets

Exploration and evaluation assets increased by US\$5.95 million to US\$8.15 million as at 30 September 2017 from US\$2.20 million as at 31 December 2016, due mainly to assets of US\$5.00 million acquired and recognised in connection with the newly acquired subsidiaries, and exploration and evaluation activities of US\$0.92 million undertaken during the period. The increase was partially offset by amortisation expenses of US\$0.06 million.

Mine properties decreased by US\$0.37 million to US\$13.76 million as at 30 September 2017 from US\$14.13 million as at 31 December 2016. The decrease was due to amortisation expenses of US\$1.04 million, partially offset by the increase in rehabilitation costs of US\$0.14 million and drilling costs of US\$0.53 million.

Property, plant and equipment increased by US\$2.13 million to US\$8.51 million as at 30 September 2017 from US\$6.38 million as at 31 December 2016, mainly due to the construction of the CIL plant.

Trade and other receivables increased by US\$1.31 million to US\$2.70 million as at 30 September 2017 from US\$1.39 million as at 31 December 2016. This was mainly due to an increase in trade receivables from US\$0.12 million as at 31 December 2016 to US\$0.74 million as at 30 September 2017. The Group subsequently received full payment for the balance of US\$0.74 million in October 2017.

Liabilities

Total liabilities increased by US\$2.25 million to US\$8.43 million as at 30 September 2017 from US\$6.18 million as at 31 December 2016. This was mainly due to:

- An increase in loans and borrowings of US\$0.71 million, mainly arising from the newly acquired subsidiaries; and
- An increase in trade and other payables of US\$3.52 million, mainly arising from the acquisition of new subsidiaries, and accrual of performance bonuses.

The increase in total liabilities was partly offset by the Company's payment of the 2nd interim dividend of S\$733,127 (equivalent to US\$571,351) for the financial year ended 31 December 2016 and the Group's payment of the 3rd interim dividend of US\$468,787 to non-controlling interests for the financial year ended 31 December 2016 and the decrease in deferred tax liabilities of US\$1.14 million.

As at 30 September 2017, the Group had positive working capital of US\$16.45 million compared to US\$24.47 million as at 31 December 2016.

Cash flows

Net cash generated from operating activities amounted to US\$0.53 million in 3Q 2017 compared to US\$3.50 million in 3Q 2016. The net operating cash inflow was mainly due to an operating profit before working capital changes of US\$0.52 million, adjusted for working capital inflows of US\$0.03 million, mainly attributable to the decrease in trade and other receivables of US\$0.69 million, partially offset by the increase in inventories of US\$0.16 million, and decrease in trade and other payables of US\$0.50 million.

Net cash used in investing activities in 3Q 2017 amounted to US\$2.34 million, comprising payments to acquire property, plant and equipment as well as mine properties and exploration and evaluation assets.

Net cash used in financing activities in 3Q 2017 amounted to US\$0.09 million, comprising share buyback of US\$0.08 million.

As at 30 September 2017, the Group had cash and cash equivalents of US\$20.15 million, representing a decline of US\$13.34 million from US\$33.49 million as at 30 September 2016.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

As recently announced, the CIL plant began trial operation on 6th November 2017. The CIL plant is the Group's third gold-ore processing facility in Kelantan. Barring unforeseen circumstances, the new facility will enable the Group to process higher-grade gold ore at higher yield ratios, boost gold production and optimize overall gold output, which is presently limited at its heap leaching facility which is best suited to the processing of lower ore grades.

The CIL plant, which will have an initial daily processing capacity of about 500 tonnes of ore, is expected to be fully operational for commercial production once operational processes are fine-tuned, if need be, following the trial operation.

The bulk of the capital expenditure for the CIL plant has been spent and was recognised in the 3Q2017 financial accounts. As such, the Group expects its all-in cost of production in 4Q2017 to be lower than the US\$1,546 per ounce recorded in 3Q2017.

Outside of Sokor, the Group will continue exploration work in 4Q 2017 at its greenfield asset in Kelantan held by its wholly-owned subsidiary, Kelgold. Kelgold completed geochemistry soil sampling and one drillhole in 3Q2017, during which it discovered a few gold anomaly zones.

In 3Q2017, the Group completed nine drillholes which found potential for iron ore at its brownfield asset in Kelantan held by its 51%-owned CNMC Pulai. While the initial results were promising, the Group had to put on hold iron ore exploration and drilling activities for CNMC Pulai as the Company awaits the results of an analysis being carried out in Australia of some samples collected . Notwithstanding the temporary halt in exploration and drilling activities in 4Q2017, the Group is committed to locating mineral resources at the CNMC Pulai site and to securing a JORC-compliant report on these resources.

The Group continues to seek synergistic mining projects as it has built up a good complement of experience and technologies.

11. Dividend

(a) **Current Financial Period Reported On:** Any dividend declared for the current financial period reported on?

None.

(b) **Corresponding Period of the Immediately Preceding Financial Year:** Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) **Date payable:**

Not applicable.

(d) **Books closure date:**

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommend for 3Q 2017.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a general mandate from its shareholders for IPT.

In 3Q 2017, the Group did not enter into any IPT of more than S\$100,000 in value.

Additional Disclosure Required for Mineral, Oil and Gas companies**14a. Rule 705 (6)(a) of the Catalyst Listing Manual****i. Use of funds/cash for the quarter:-**

In 3Q 2017, funds/cash was mainly used for the following production activities, as compared to the projections:-

Purpose	Amount (US\$ million) Actual Usage	Amount (US\$ million) Projected Usage
Exploration and evaluation activities	1.09	1.46
Payments for plant and machinery	2.44	2.17
Payments for diesel and other production materials	1.47	1.41
Royalty and tribute fees to government	0.66	0.73
Rental of equipment	0.26	0.23
Upkeep of equipment and motor vehicles	0.24	0.45
General working capital	0.84	0.84
Total	7.00	7.29

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter (financial period from 1 October 2017 to 31 December 2017 ("4Q 2017")), the Group's use of funds/cash for production activities is expected to be as follows:-

Purpose	Amount (US\$ million)
Exploration and evaluation activities	0.73
Payments for plant and machinery	1.23
Payments for diesel and other production materials	1.59
Royalty and tribute fees to government	0.64
Rental of equipment	0.32
Upkeep of equipment and motor vehicles	0.25
General working capital	1.53
Total	6.29

The Group's exploration plans from 1 October 2017 to 31 December 2017 are as follows:-

(a) Geological Investigation

In 4Q 2017, the Geology Department will focus on exploration activities on two concessions: Sokor area and Kelgold concession. Diamond drilling and trenching will be employed. Details are as follows:

Sokor concession:

- i) Diamond drilling in Rixen deposit to expand the eastern boundary of orebody.
- ii) Further study on the lead-zinc orebody at Sg. Amang area before carrying out diamond drilling.

Kelgold concession:

- i) Trenching activity will be carried out at the northern anomaly zone.
- ii) Reconnaissance survey will be conducted at southern anomaly zone before proceeding with trenching.

Pulai concession:

Exploration and drilling activities in Pulai concession are temporarily on hold in 4Q 2017 while awaiting results of samples analysis from Australia.

Rock chip and float samples will be routinely collected and tested by the Group's in-house laboratory. The geological investigation points and drillhole collars will be accurately surveyed by Real Time Kinematic (RTK) satellite investigation, using *CHC X91* GNSS receivers.

(b) Diamond drilling program

Diamond core drilling will be fulfilled by Sinomine Resource Exploration Sdn. Bhd., using one diamond rig capable of drilling NQ drill core size to 1,000 meters in depth.

Drilling activity for 4Q 2017 will be carried out in Sokor concession. Table 1 shows the drilling plan for Sokor concession.

Table 1. Drilling plan for Sokor concession, 2 holes in total with footage of 485m.

Drillholes	Designed locations		Designed depths (m)	Dip(°)	Remarks
	Easting	Northing			
ZKSA12-3	444939	617772	203.0	60	Sg. Amang
ZKR145-7	444225	616432	282.0	80	Rixen

14b. Rule 705 (6)(b) of the Catalist Listing Manual

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the information provided in item 14a above to be false or misleading in any material aspect.

15a. Rule 705 (7)(a) of the Catalist Listing Manual

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;

In 3Q 2017, the Group capitalised a total of US\$0.28 million for exploration and evaluation expenditures incurred during the financial period.

The Group carried out the following exploration activities in 3Q 2017:-

(a) Geological Investigation

Sokor concession:

The focus of exploration in Sokor was to expand the resources of Rixen and Ketubong deposits. The department reevaluated previous workings and discovered the southern part of Rixen deposit to be still expandable, as the orebody is dipping deep into east. Seven drillholes were conducted to track the expansion of Rixen deposit and two drillholes at Ketubong deposit.

Pulai concession:

Nine drillholes were completed at the northern anomaly of iron ore prospect, based on previous workings and magnetic survey results. Some magnetite anomalies and outcrops are visible on the southern part.

A single drillhole was conducted at Peninsula area to verify the assumption on orebody dimension. Three drillholes were conducted at this area with gold mineralized segments observed. More geological works need to be carried out to fully understand the mineralization style in this area.

Kelgold concessions:

Geochemistry soil sampling was completed in 3Q 2017. They covered an area of 1550 Ha in Jeli area. A total of 3201 samples were collected over a 60.4 km distance. Gold anomaly zones were identified through this soil sampling program.

Based on the soil sampling results, the geology department carried out trenching activities to verify gold anomalies. Sixteen trenches were completed at the eastern, northern and middle parts covering an area of 1550 Ha with total length of 1427m.

(b) Drilling Program

In 3Q 2017, twenty drillholes were completed in the following three concessions with a total footage of 3211.99m.

Sokor concession:

Ten drillholes were completed in 3Q 2017 with a total footage of 2072.09m. Drillholes details are shown in Table 2.

Table 2: Completed drillholes in Sokor concession for 3Q 2017.

Drillhole	Designed locations		Completed depths (m)	Dip(°)	Remarks
	Easting	Northing			
ZKK1-4	444199	614280	190.35	75	Nil
ZKK103-3	444219	614392	188.02	60	Nil
ZKT0-3	445375	612683	120.23	65	Nil
ZKR137-6	443883	616516	136.45	80	Nil
ZKR149-8	444225	616356	196.55	80	Nil
ZKR145-6	444133	616416	229.45	80	Nil
ZKR137-8	444128	616517	256.35	80	Nil

ZKR161-8	444035	616216	249.97	80	Nil
ZKR149-9	444225	616356	241.03	80	Nil
ZKR129-8	444229	616614	263.69	80	Nil

Pulai concession:

Nine drillholes were completed in 3Q 2017 with a total footage of 877.45m. Drillholes details are shown in Table 5. ZKPF drillholes were for potential iron ore prospect while ZKP06-01 was conducted in Peninsula block for gold prospecting.

Table 3: Completed drillholes in Pulai concession for 3Q 2017.

Drillhole	Designed locations		Completed depths (m)	Dip(°)	Remarks
	Easting	Northing			
ZKPF0-1	436388	516886	108.35	90	Iron prospect
ZKPF0-2	436388	516983	112.05	90	Iron prospect
ZKPF0-3	436388	516786	125.15	90	Iron prospect
ZKPF0-5	436388	516686	94.80	90	Iron prospect
ZKPF0-7	436388	516586	80.15	90	Iron prospect
ZKPF2-1	436488	516886	85.95	90	Iron prospect
ZKPF2-2	436488	516986	84.20	90	Iron prospect
ZKPF1-3	436288	516786	53.05	90	Iron prospect
ZKP06-01	818904	512281	133.75	60	Peninsula block

Kelgold concession:

One drillhole was completed in 3Q 2017 with a total footage of 262.45m. Drillhole details are shown in Table 4.

Table 4: Completed drillhole in Kelgold concession for 3Q 2017.

Drillhole	Designed locations		Completed depths (m)	Dip(°)	Remarks
	Easting	Northing			
ZK54-1	415324	634393	262.45	50	Nil

(c) Half core sampling and analysis

A total of 929 half-core samples and 470 rock chip/soil samples were analyzed by our in-house laboratory. A total of 664 half-core samples and 94 rock chips were collected from Sokor concession; 111 half-core samples and 376 rock chips from Kelgold concession; and 154 half-core samples were collected from Pulai concession.

15b. Rule 705 (7)(b) of the Catalist Listing Manual

Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

The Company had on 13 April 2017 despatched the qualified person's report on the updated mineral resource and ore reserve estimates as at 31 December 2016 ("QPR 2016") to update shareholders on its resource and reserve information. The QPR 2016 is contained in the Company's annual report for FY2016 ("AR 2016"). A soft copy of the AR 2016 is available for download on SGXNET and the Company's website.

There are no material updates on the QPR 2016 as at 30 September 2017.

16. Confirmation pursuant to Rule 705(5) of the Catalist Listing Manual

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results for the third quarter ended 30 September 2017 to be false or misleading in any material aspect.

17. Confirmation pursuant to Rule 720(1) of the Catalist Listing Manual

The Company has procured undertakings from all its directors and executive officers under Rule 720(1).

By Order of the Board

Lim Kuoh Yang
Chief Executive Officer

10 November 2017

This announcement 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 announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, 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.

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