CNMC
CNMC GOLDMINE HOLDINGS LIMITED
中色金矿有限公司

Company Registration No.: 201119104K

CNMC Goldmine's 1Q2018 Production and Sales up for First Time in Nearly 2 Years

- ***Production and sales volume highest since 3Q2016***
- ***Strong balance sheet with cash and cash equivalents of US$17.9 million and no bank loans as at 31 March 2018***

US$	1Q2018	1Q2017	Change (%)
Revenue	6,095,261	4,725,436	29.0
Results from operating activities	428,360	(17,712)	N.M.
Earnings before interest, taxation, depreciation, amortization	1,584,767	937,301	69.1
Net profit	613,331	68,776	791.8
Net profit attributable to owners of Company	528,345	54,834	863.5

N.M. – Not Meaningful

SINGAPORE, 14 May 2018 – CNMC Goldmine Holdings Limited ("**CNMC**", and together with its subsidiaries, the "**Group**") reported today a near 8-fold increase in net profit for the first three months of 2018 ("**1Q2018**") and a stronger Malaysian ringgit against the US dollar yielded a foreign-exchange gain.

Revenue increased 29.0% to US$6.10 million in 1Q2018 from the same period last year ("**1Q2017**"). In 1Q2018, CNMC produced and sold 4,518.50 ounces of fine gold, the highest since the third quarter of 2016 and 23.1% more than in 1Q2017.

The increased output included contributions from the newly-built carbon-in-leach ("**CIL**") plant, which produced its first bar of gold in March 2018 and officially opened on 2 May 2018. The Group sold its gold bars in 1Q2018 at an average price of US$1,348.96 per ounce compared to US$1,287.62 in 1Q2017.

CNMC's all-in cost of production for every ounce of gold rose to US$1,156 in 1Q2018 from US$983 in 1Q2017. This was mainly due to mining expenses incurred during the trial operation of the CIL plant, purchases of mining consumables and equipment, as well as costs for the construction of a laboratory at the CIL plant. Production costs are expected to decline in the quarters ahead now that the new plant is fully operational. This is CNMC's third processing plant at its flagship Sokor gold mine in Malaysia's Kelantan state. The plant is expected to boost gold output in 2018 after more than a year of below-average production due to low ore grades.

The higher revenue, together with an unrealised foreign-exchange gain of US$0.90 million, increased the gold producer's net profit attributable to shareholders to US$0.53 million in 1Q2018 from US$0.05 million in 1Q2017. Earnings per share increased to 0.17 Singapore cent from 0.01 Singapore cent.

Excluding the unrealised gain on foreign currency exchange of US$0.90 million in 1Q 2018 (1Q 2017: US$0.31 million), the Group would have recorded a loss of US$0.29 million in 1Q 2018 compared to a loss of US$0.25 million in 1Q 2017. The Group had only two weeks of economic benefit from the CIL plant in 1Q2018, during which trial production yielded 863 ounces of gold dore bars[1].

CNMC's functional currency is the US dollar, which weakened in 1Q2018 against the Malaysian Ringgit, in which most of the Group's expenses are denominated. As such, higher operating expenses were recorded in US dollar terms. However, this impact was mitigated by the unrealized currency gain in 1Q2018 arising from the revaluation of Ringgit-denominated net monetary assets to US dollar terms.

Conversely, if the US dollar were to strengthen against Malaysian Ringgit, with all other variables being constant, the Group's operating expenses would be expected to decrease. Accordingly, these recurrent foreign-exchange gains or losses play a key role in determining the Group's operational results.

Mr Chris Lim, CNMC's Chief Executive Officer, said: "Having invested substantial resources and effort in laying the groundwork last year to improve gold production, we are glad that the results so far are encouraging. Our 1Q2018 performance validates what we have been telling investors all this while: that barring any unforeseen circumstances we should fare better this year than in 2017 as production is expected to head higher with the CIL plant now fully up and running."

End

[1] A crude gold, silver bullion, usually produced at the mine site which is then sent to a refiner where the silver and gold are parted and the gold is refined to commercial-grade gold bullion.

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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 "SGXST"). 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 $10km^2$, 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 JORC-compliant gold resources (inclusive of ore reserves) of 13.86 million tonnes at a grade of 1.6 g/t in the Measured, Indicated and Inferred categories for a total of 724,000 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 $38.4km^2$ 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

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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.

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release. The Sponsor has also not drawn on any specific technical expertise in its review of this press release.

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