

CNMC Goldmine Receives Approval To Build Production Plant For Base Metals

- Gold production up by 13.7% at 7,075 ounces despite production stop of 52 days as a result of MCO restrictions in 1H2021

SINGAPORE, 13 August 2021 – CNMC Goldmine Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) has received regulatory approval to build a flotation plant for commercial production of silver, lead and zinc, thereby paving the way for it to diversify its income stream even as it seeks to mine more gold after multiple disruptions in the first half of 2021.

The Group, which mines gold in Malaysia’s Kelantan state, had to stop production for 64 days from 16 January 2021 to 6 February 2021 and again from 1 June 2021 to 12 July 2021 (or a total of 52 days during 1H2021), as a surge in Covid-19 cases nationwide triggered repeated lockdowns that upended many businesses and industries.

Despite the uncertain challenges, the Group managed to turn in an after-tax profit of US\$0.1 million for the first six months of 2021 (“**1H2021**”), reversing a loss of US\$1.1 million for the same period last year (“**1H2020**”). Had the unrealised foreign-exchange losses been disregarded in both periods, a net profit of US\$0.64 million for 1H2021 compared to a net loss of US\$0.42 million for 1H2020 would be recorded. Such unrealised foreign exchange losses mainly arose from the weakening of the Malaysian ringgit, in which most of the Group’s cash and bank balances are denominated, against the US dollar.

The turnaround came as the Group produced and sold more gold in 1H2021, with revenue up by 22.9% at US\$12.87 million from US\$10.47 million in 1H2020. Higher gold prices in 1H2021 also lifted its selling prices, which averaged US\$1,818.95 per ounce compared to US\$1,682.92 over the corresponding period last year.

All-in costs of production per ounce of gold edged up to US\$1,526 from US\$1,481, driven mainly by higher royalty and tribute expenses.

Even as it seeks to increase gold exploration and production activities following the easing of Covid-19 restrictions in Kelantan since 12 July 2021, the Group intends to expand its portfolio of minerals by monetising its silver, lead and zinc resources.

Mr Chris Lim, the Company’s CEO, said: “We have just received the greenlight from the authorities in Malaysia to proceed with the construction of a flotation plant at our flagship Sokor gold field in Kelantan. Once ready, this facility is expected to diversify our existing

gold-centric portfolio and provide additional revenue streams to support our overall growth.”

The Company had previously said commercial production of silver, lead and zinc could begin this year, but now expects this to be pushed back as construction of the flotation plant could require more time in view of the uncertain Covid-19 situation in Malaysia.

Financial Highlights

US\$	1H2021	1H2020	Change (%)
Revenue	12,868,592	10,470,879	22.9
EBITDA	2,704,530	939,950	187.7
Results from Operations	285,789	(1,164,406)	N.M.
Net Profit / (Loss)	96,087	(1,083,017)	N.M.
Net Profit / (Loss) excluding unrealised FX loss	638,642	(417,780)	N.M.
Profit / (Loss) Attributable to Owners	35,023	(903,164)	N.M.

N.M. – Not Meaningful

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Media & Investor Contact

Frankie Ho
 M: 9858 7990
 Email: frankie@outreachcomms.com

About CNMC Goldmine Holdings Limited **(Bloomberg: CNMC:SP; Reuters: CNMC.SI)**

CNMC Goldmine Holdings Limited (the “Company”) is the first Catalyst-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 2020, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 18.16 million tonnes at a grade of 1.5 g/t in the Measured, Indicated and Inferred categories for a total of 890,000 ounces. The project achieved its first gold pour on 21 July 2010. The Company also owns CNMC Pulai Mining Sdn. Bhd. and Kelgold Mining Sdn. Bhd., both of which are in Kelantan.

For more information on the Company, please visit www.cnmc.com.hk



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

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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 Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.