



# CNMC Goldmine Holdings Limited

3 November 2021

# Agenda

- About Us
- Recent Developments
- 1H2021 Financial Highlights
- Growth Strategies
- Outlook
- Q&A Session

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# About Us

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# 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  
(10km<sup>2</sup>)**

### Flagship project

- Gold, silver and base metals
- Producing gold since 2010

**Kelgold  
(11km<sup>2</sup>)**

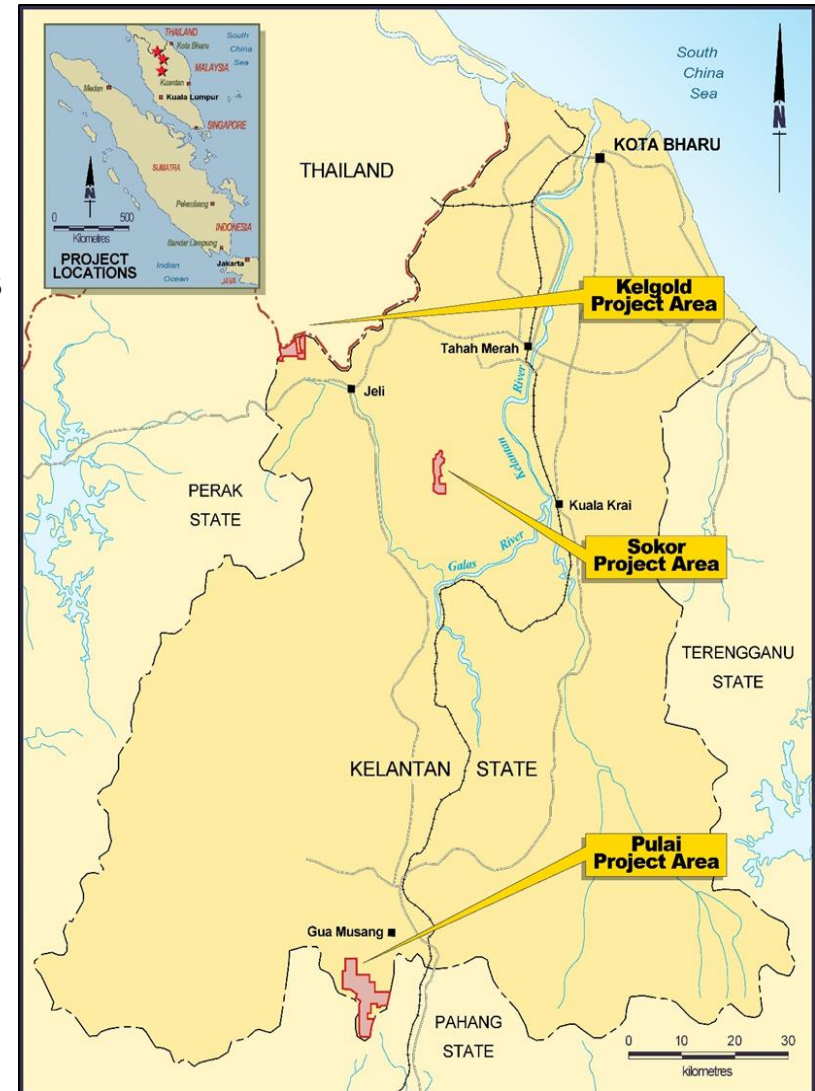
### Greenfield asset

- Acquired in 2017
- In exploration phase
- 30km northwest of Sokor

**Pulai  
(7.2km<sup>2</sup>)**

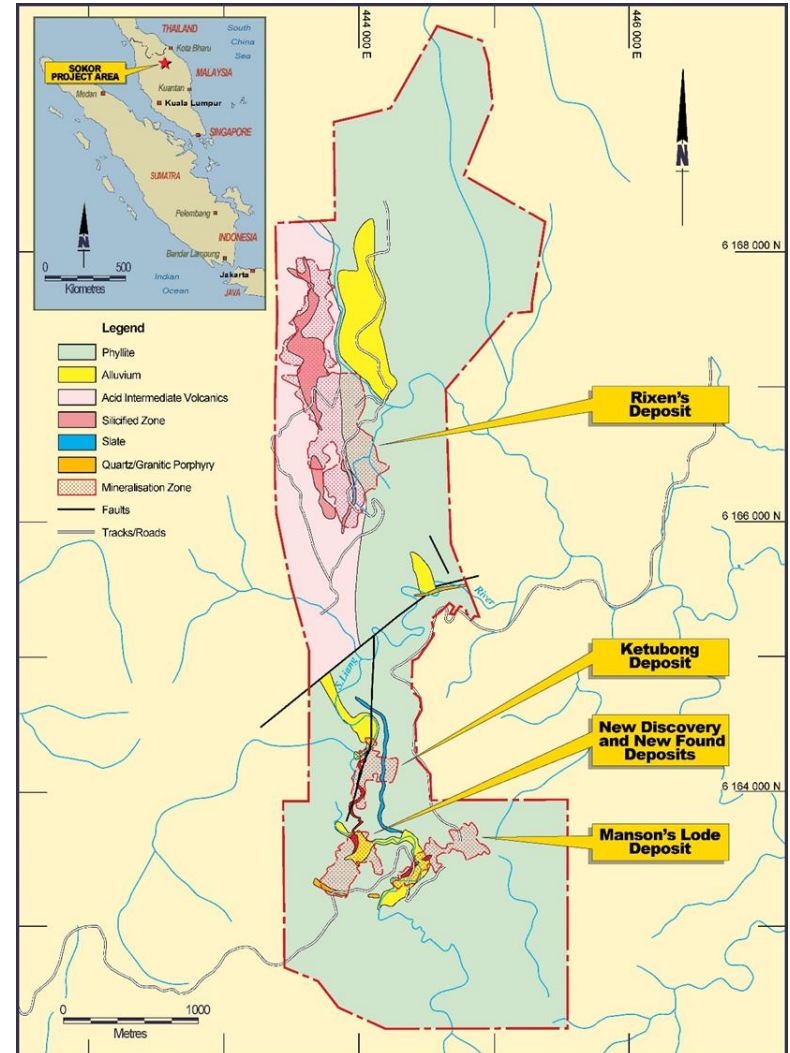
### Brownfield asset

- Acquired in 2017
- In exploration phase
- 100km south of Sokor



# Sokor Gold Field Project

- Spans an area of about 10km<sup>2</sup>
- 5 gold deposit regions identified
- First gold pour on 21 July 2010 via open-pit mining
- More than 5.5 tons of fine gold produced to date
- About 890,000 ounces of JORC-compliant gold resources (including ore reserves) as at 31 December 2020
- Underground gold mining commenced in 3Q2019
- Mining licences obtained with full support of Kelantan State Government



# 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**

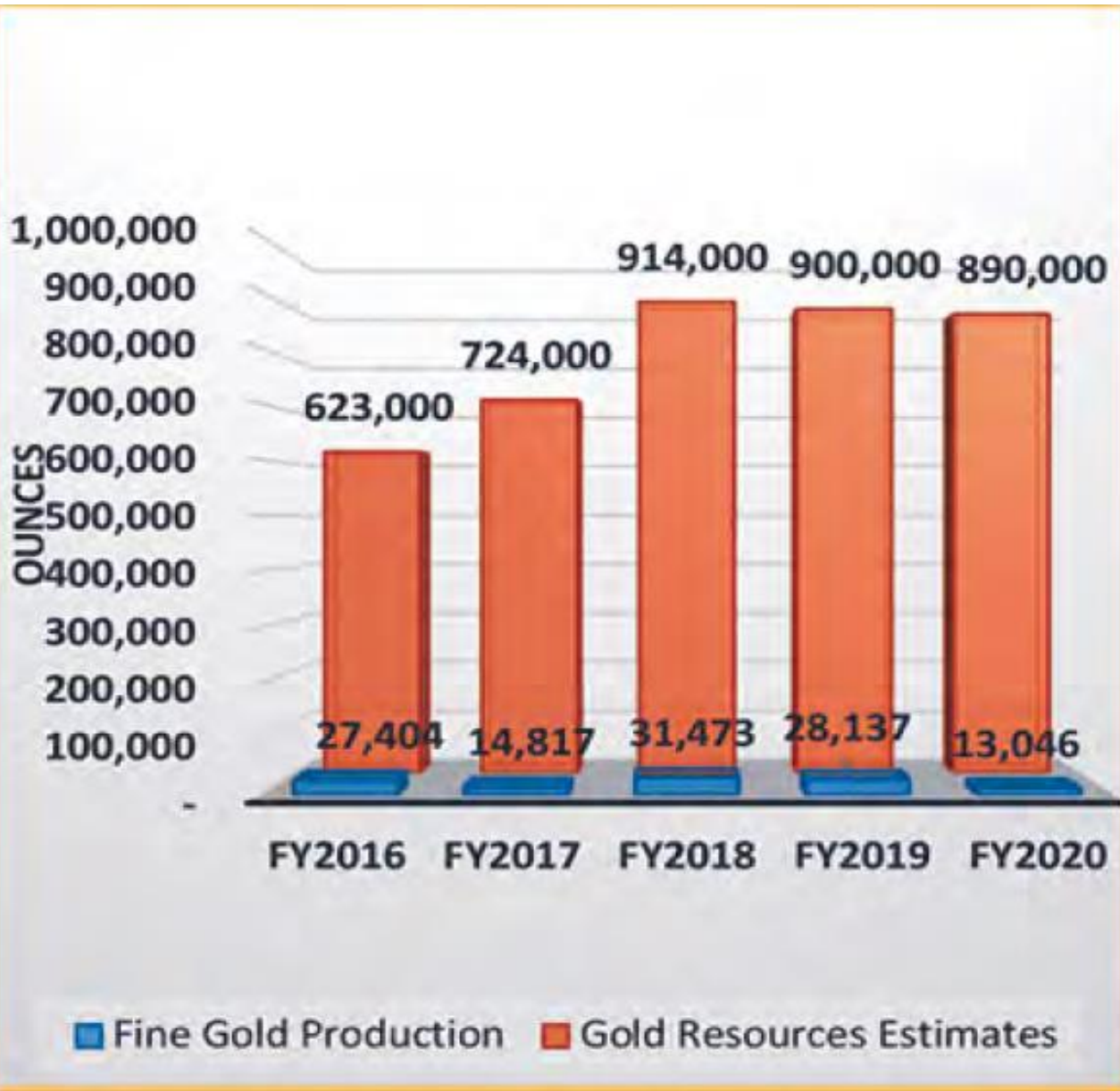
- For low-grade ore
- Gold recovery rate of up to 65%

## **Vat leaching plant**

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



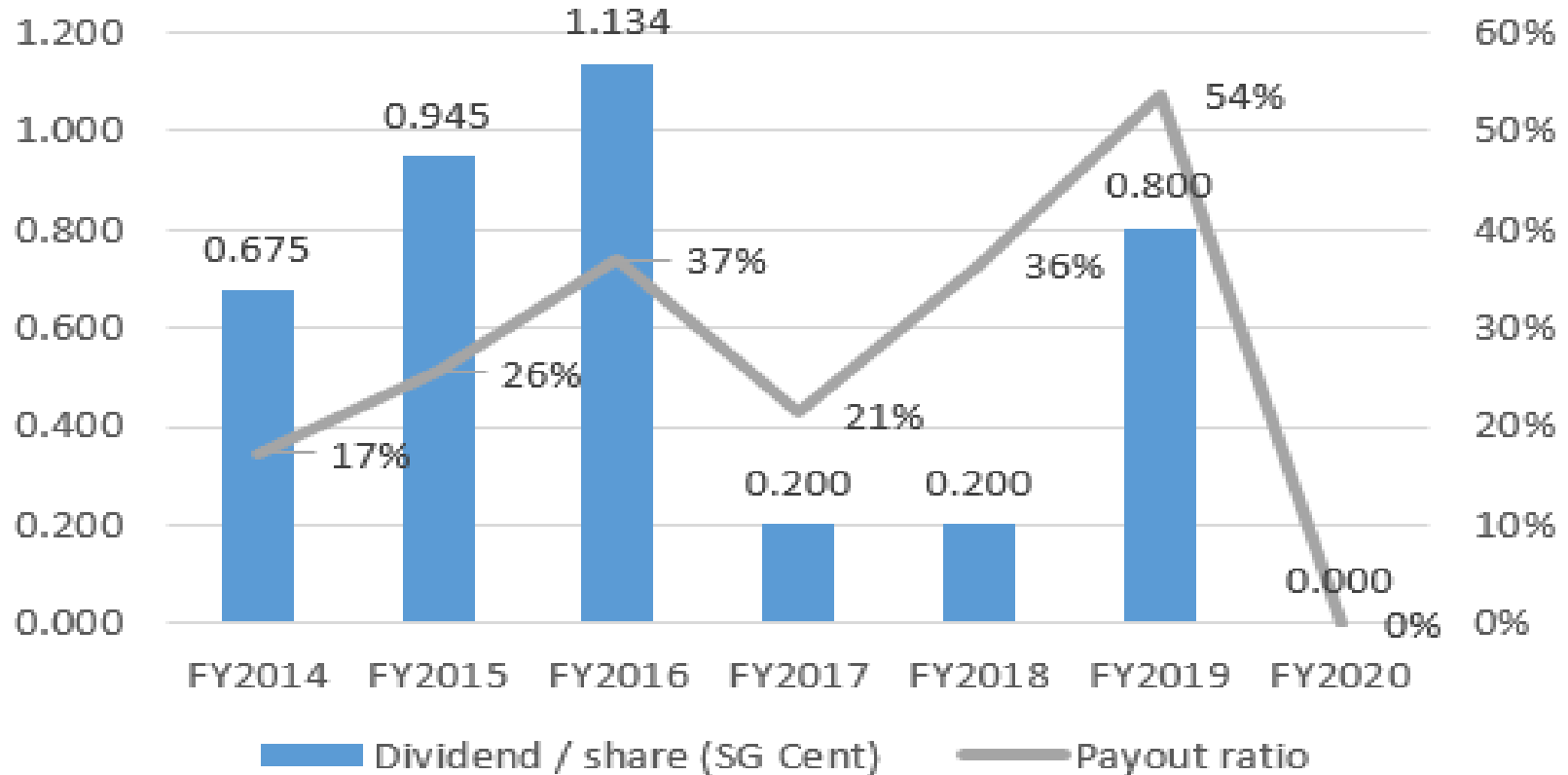
# Gold Resources & Production





# Dividend Payouts

## Dividend Payout Ratio



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# Recent Developments

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# Recent Developments

## Operations

- 52 days of cessation of all on-site operations in 1H2021 due to Covid-19 restrictions
- Mining activities resumed with restrictions in Kelantan eased since 12 July 2021 (on-site workforce capacity back at 100% since October 2021)
- Construction has started for flotation plant for extraction of silver, lead and zinc

# Recent Developments

## Corporate

- Share buyback started 20 August 2021
- Maximum number of shares authorized for purchase: 40,769,300 (10% of CNMC's issued shares)

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# **1H2021 Financial Highlights**

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# 1H2021 Financial Highlights

Income statement	1H2021	1H2020	Change
Revenue (US\$' million)	12.87	10.47	22.9%
Results from operating activities (US\$' million)	0.29	(1.16)	n.m.
Net profit/(loss) (US\$' million)	0.10	(1.08)	n.m.
Net profit/(loss) margin	0.8%	-10.3%	n.m.
Net profit/(loss) (excluding FX Impact) (US\$' million)	0.64	(0.42)	n.m.
Net profit/(loss) margin (excluding FX Impact)	5.0%	-4.0%	n.m.
Earnings/(Loss) per share (US cents)	0.01	(0.22)	n.m.
Earnings/(Loss) per share (SG cents)	0.01	(0.31)	n.m.

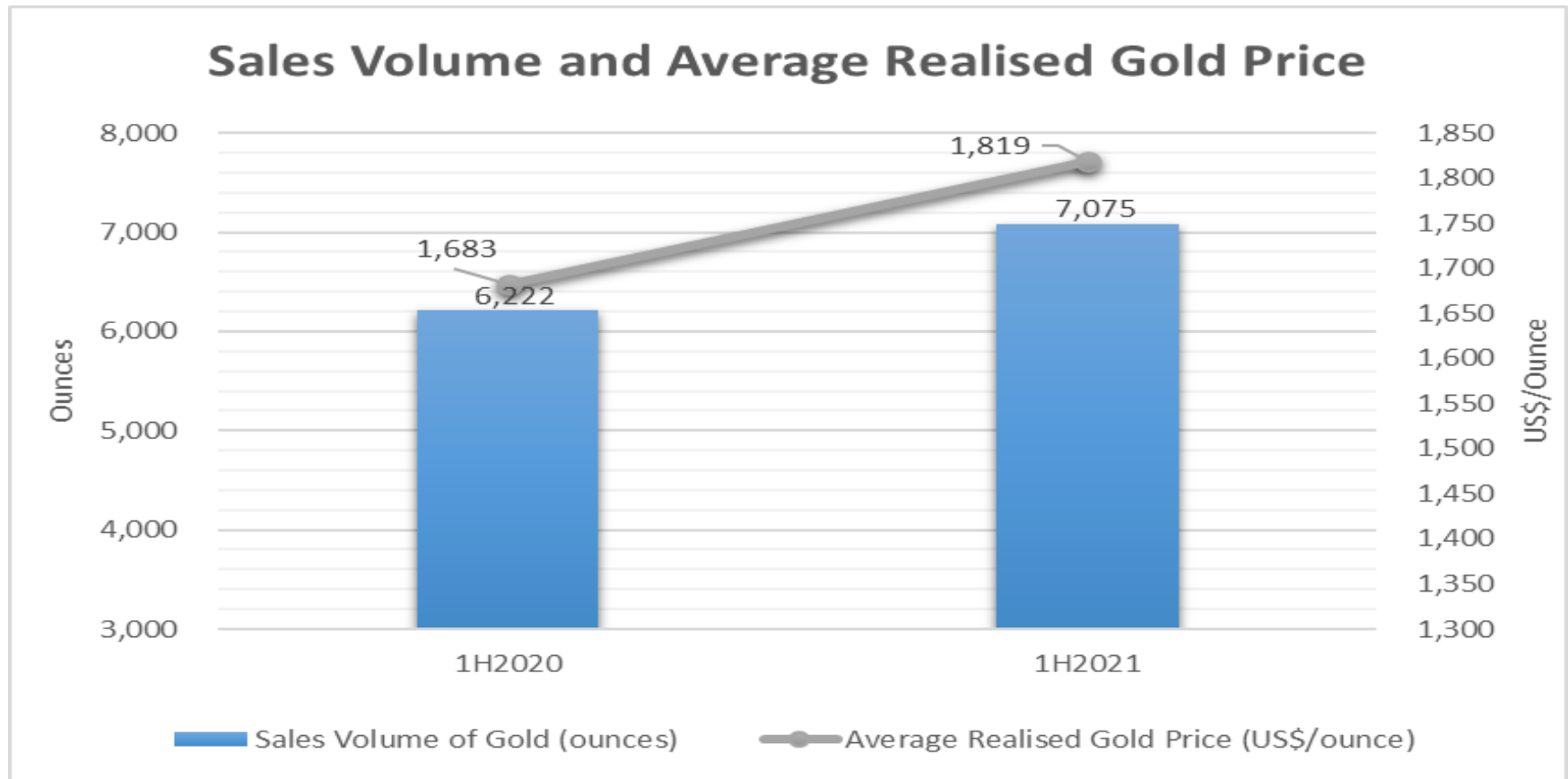
**Net asset  
value  
US\$39.56m**

**Current  
ratio 2.86**

**Debt/Equity  
ratio 0.02**

**Net cash  
position  
US\$12.36m**

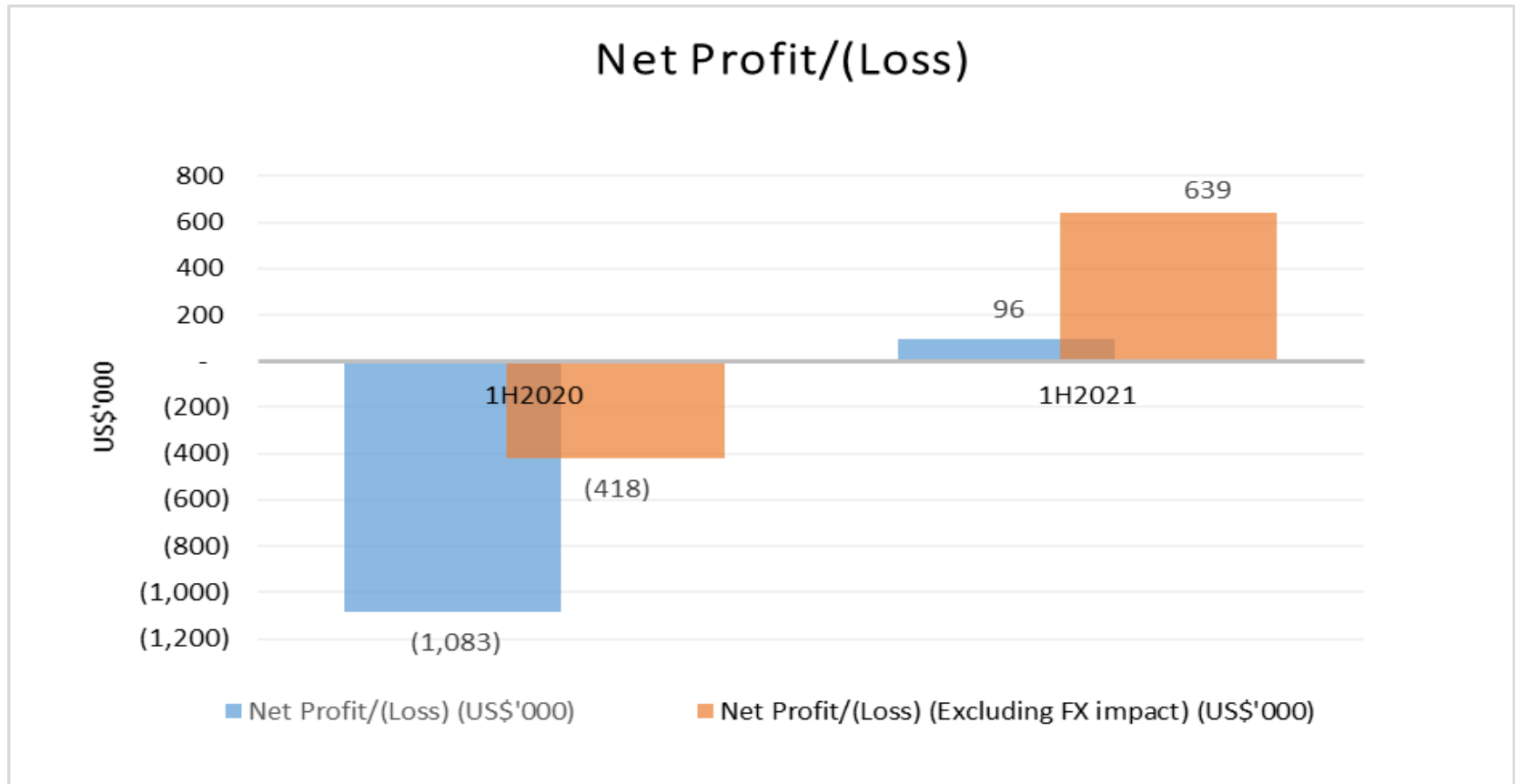
# 1H2021 Revenue



## Revenue up 22.9%

- ↑ Sales volume of fine gold, from 6,222 ounces to 7,075 ounces
- ↑ Average realised gold price, from US\$1,683/ounce to US\$1,819/ounce

# 1H2021 Net Profit/(Loss)



Net profit of US\$0.10 million in 1H2021 vs net loss of US\$1.08 million in 1H2020 due mainly to increase in production and sales volume of fine gold and higher average realised gold price.

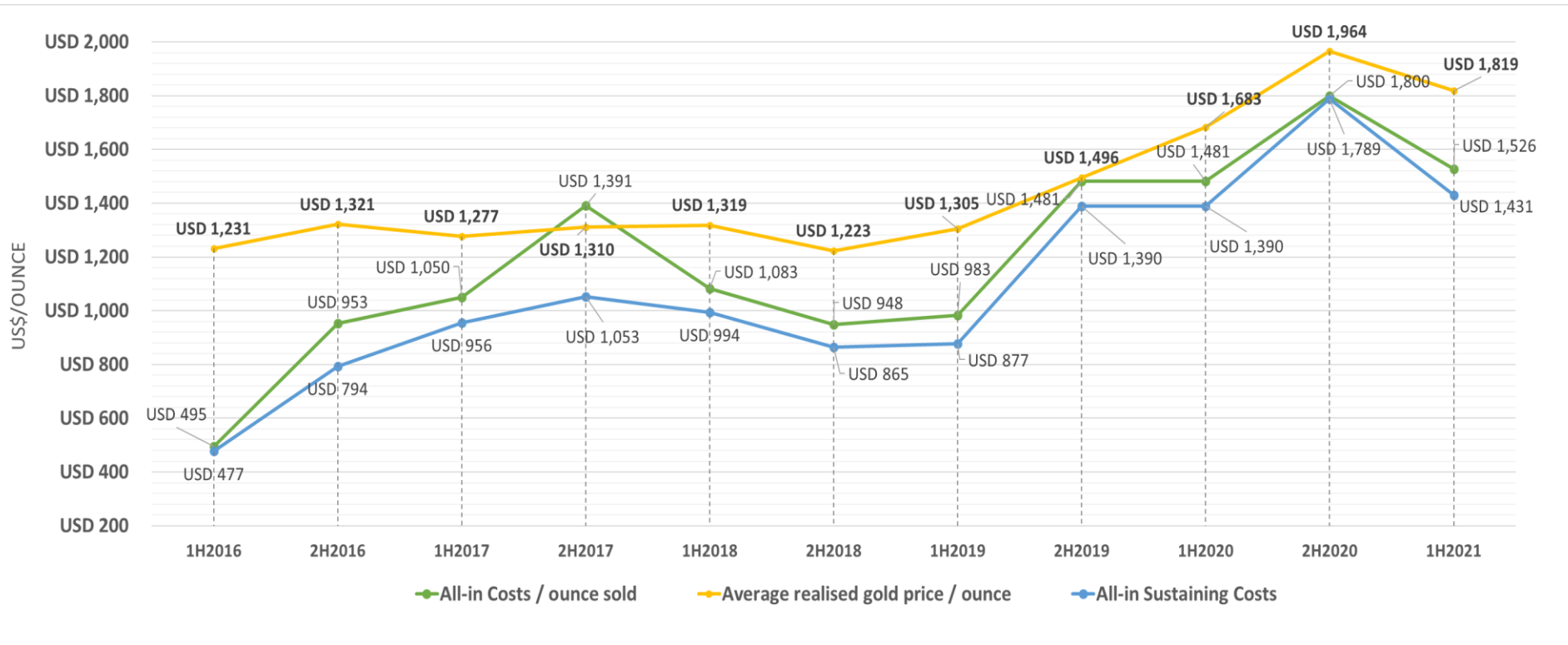


# Analysis Of All-In Costs & Margin

	1H2021	1H2020	Changes
	US\$ / gold ounce sold		%
Mining related costs	937	933	0.4%
Royalty and tribute expenses	268	217	23.5%
<b>Adjusted operating costs</b>	<b>1,205</b>	<b>1,150</b>	<b>4.8%</b>
General and administrative costs	225	235	-4.3%
Capital expenditure	1	5	-80.0%
<b>All-in sustaining costs</b>	<b>1,431</b>	<b>1,390</b>	<b>2.9%</b>
Capital exploration (non-sustaining)	8	11	-27.3%
Capital expenditure (non-sustaining)	87	80	8.8%
<b>All-in costs (A)</b>	<b>1,526</b>	<b>1,481</b>	<b>3.0%</b>
<b>Average realised gold price (B)</b>	<b>1,819</b>	<b>1,683</b>	<b>8%</b>
<b>All-in Margin (C= B - A)</b>	<b>293</b>	<b>202</b>	<b>45%</b>
<b>All-in Margin (%) (C / B)</b>	<b>16%</b>	<b>12%</b>	<b>4%</b>

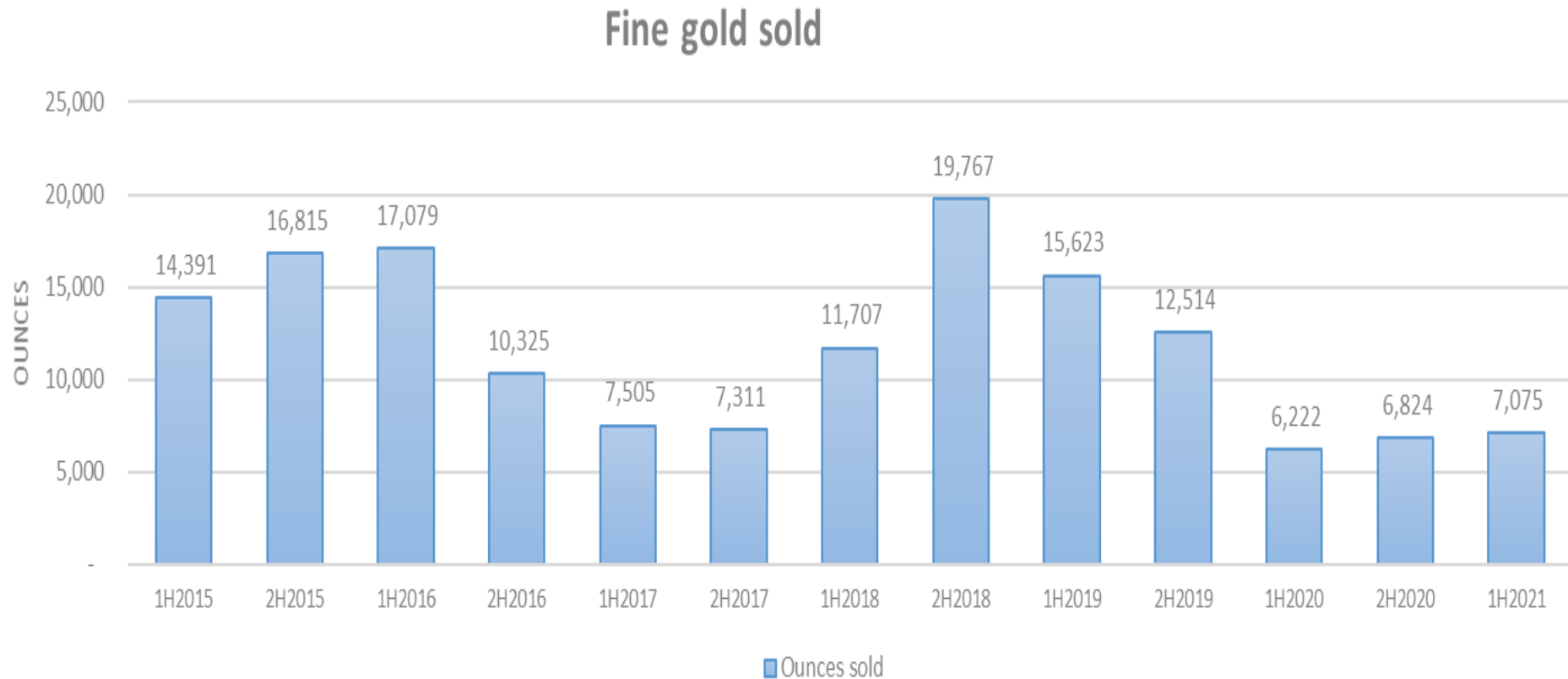
All-in sustaining costs include adjusted operating costs and sustaining capex, corporate general and admin expenses and exploration expenses, reflecting full cost of gold production from current operations.

# Summary Of All-In Costs & Margin



All-in costs of US\$1,526/ounce in 1H2021 up 3% from US\$1,481/ounce in 1H2020, mainly due to higher royalty and tribute expenses, resulting from higher sales of gold dore bars as well as adjustments to gold price for benchmark computation of royalty and tribute expenses.

# Half-Yearly Production Volume



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# Growth Strategies

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# 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:
  - *Exploring possibility of expanding carbon-in-leach plant as part of efforts to double production capacity*
- Better manage operating expenses:
  - *Renegotiate with our suppliers and service providers to better manage operating expenses*

# Growth Initiatives For Sokor

- Diversify mining portfolio:
  - *Construction has begun for flotation facility with processing capacity of approximately 500 tonnes of ore a day to monetise silver, lead and zinc resources*





# Outlook



# Outlook

## Base metals

- New source of income expected from sales of lead and zinc concentrate once flotation plant starts commercial operation
- Prices of base metals have been rallying as producers are forced to reduce output amid soaring energy costs worldwide\*

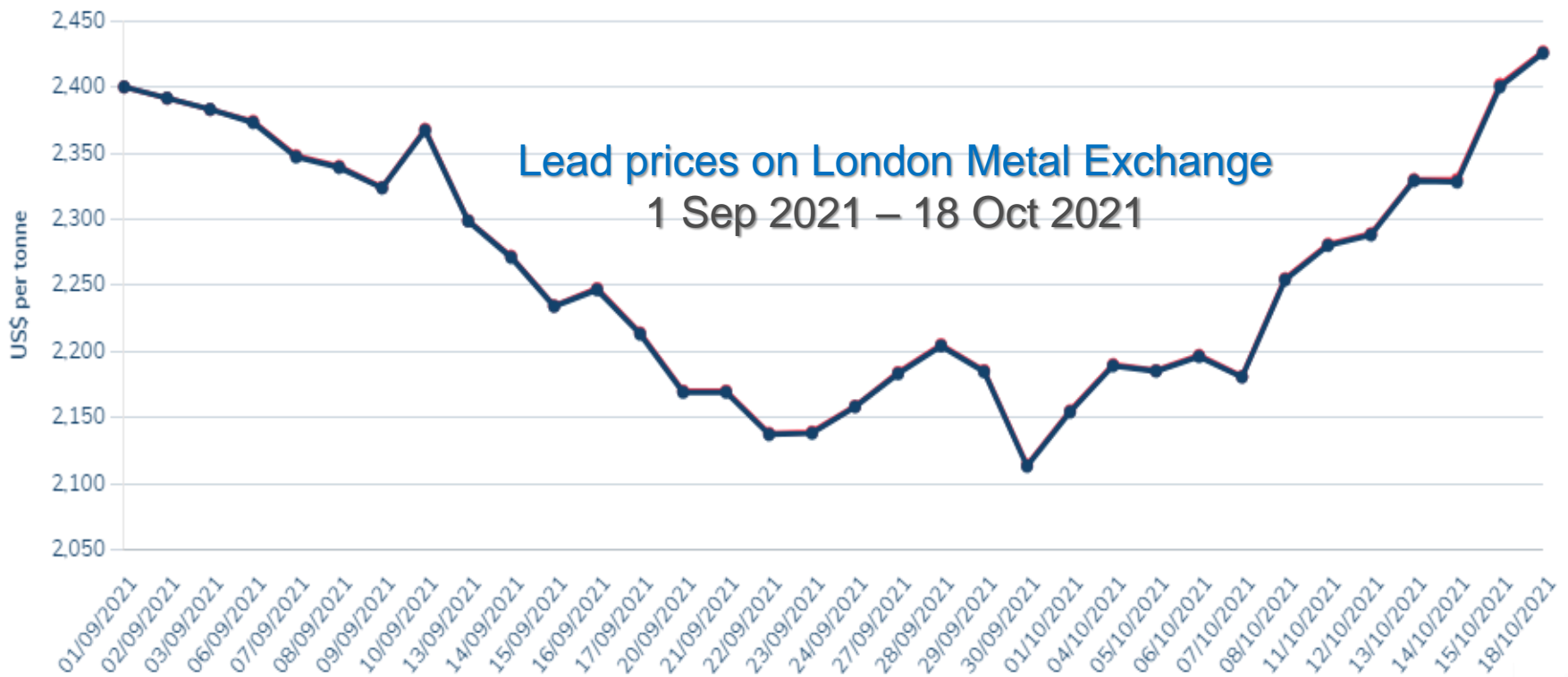


\*This statement reflect current market trend and are not guarantees of future performance and undue reliance should not be placed on them.

# Outlook

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# Outlook

## Covid-19 situation in Malaysia

- Malaysia's ability to contain Covid-19 will be a key determinant of our financial performance in the foreseeable future
- More than 70% of entire population in Malaysia fully vaccinated
- Inter-state travel now allowed across Malaysia
- Kelantan now in Phase 3 of Malaysia's 4-phase National Recovery Plan

# Outlook

## Underground mining

- Underground mining remains a key area of focus as it can potentially yield higher-grade gold ore vs open-pit mining

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# Q&A Session

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