

CNMC Goldmine Reports Higher 1H2022 Earnings

- All-in cost of production per ounce of gold down 16% at US\$1,280

US\$	1H2022	1H2021	Change (%)
Revenue	13,940,611	12,868,592	8.3
Profit After Tax	147,789	96,087	53.8
Profit Attributable to Owners	76,117	35,023	117.3

SINGAPORE, 12 August 2022 – CNMC Goldmine Holdings Limited and its subsidiaries (the “Group”) turned in higher earnings for the first six months of 2022 (“1H2022”) despite unrealised foreign-exchange losses arising from a weak Ringgit Malaysia (“MYR”), writing off a heap leaching pad, suffering a 3-week production lockdown due to an onsite Covid outbreak, and paying more for energy.

The gold miner, which operates in Malaysia’s Kelantan state, holds most of its cash and bank balances in MYR, while its financial statements are presented in US dollar. The Group recorded an unrealised foreign-exchange loss of US\$661,429 in 1H2022 as the MYR weakened against the US dollar after a series of interest rate hikes by the Federal Reserve this year.

Other impediments it faced in 1H2022 included a US\$404,480 write-off for a heap leaching pad due to soil instability issues, and higher diesel prices amid a global energy crunch.

Despite the aforesaid factors, the Group managed to generate a profit attributable to shareholders of US\$76,117 for 1H2022, compared to US\$35,023 for the same period last year (“1H2021”). The increase came as revenue rose 8.3% to US\$13.94 million as it produced more gold bars and sold them at higher prices. The all-in cost of production for every ounce of gold declined 16.1% from US\$1,526 in 1H2021 to US\$1,280 in 1H2022 (excluding the expenditure incurred in 1H2022 relating to the processing of the Group’s lead and zinc ores).

In seeking to boost current gold output, the Group is building two additional underground mining facilities at its flagship 10km² Sokor gold mine. Underground gold mining at Sokor started two years ago and ores extracted from underground mining usually contain higher gold grades than those from open-pit mining.

Barring any unforeseen circumstances, the Group is on track to begin commercial production of base metals later this year. It began trial production of lead and zinc in June 2022 using a newly-built flotation plant, which can process about 550 tonnes of base-metal ore daily once it is fully operational.

Mr Chris Lim, the Group's CEO, said, "The macro environment is becoming much more challenging with inflation soaring and interest rates rising quickly in many places. Economists are even warning of a recession if conditions continue to worsen. Against this backdrop, we believe gold will be relevant as a safe haven asset and diversification strategy for investors. We are also on our way to becoming a diversified mining company as we expect to begin commercial production of base metals in the not-too-distant future."

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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 "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 2021, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 14.99 million tonnes at a grade of 1.7 g/t in the Measured, Indicated and Inferred categories comprising a total of 800,000 ounces of contained gold. 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

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The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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