

# CNMC Goldmine Holdings Limited

## 1H2023 Results Briefing

14 August 2023

(These presentation slides are available on the Company's corporate website [www.cnmc.com.hk](http://www.cnmc.com.hk) and SGXNet)

# Agenda

- 1H2023 Financial Highlights**
  - Base metals
  - Gold
- Growth Strategies**
- Outlook**
- Q&A Session**

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**1H2023**

**Financial Highlights**

# 1H2023 Financial Highlights

Income Statement	1H2023	1H2022	Change
Revenue (USD mil)	26.23	13.94	88%
Profit before tax (USD mil)	3.27	0.70	367%
Net profit (USD mil)	2.13	0.15	N.M.
Net profit margin (%)	8.1	1.1	7.0
Earnings per share (US cents)	0.42	0.02	N.M.
Earnings per share (SG cents)	0.56	0.03	N.M.

N.M. – Not Meaningful

**Net asset  
value of  
US\$39.82m**

**Current  
ratio of 1.88**

**Debt/Equity  
ratio of  
0.040**

**Net cash  
position of  
US\$6.83m**

# 1H2023 Revenue - Base Metals



	UOM	Revenue	Volume	Price
		US\$'000	UOM	US\$/UOM
Lead in lead concentrate	t	1,555	984.31	1,580
Gold in lead concentrate	oz	6,567	3,918.59	1,676
Silver in lead concentrate	oz	1,903	120,066.01	16
Zinc concentrate	t	1,860	1,096.41	1,697
		<b>11,885</b>		

**UOM:** Unit of Measurement

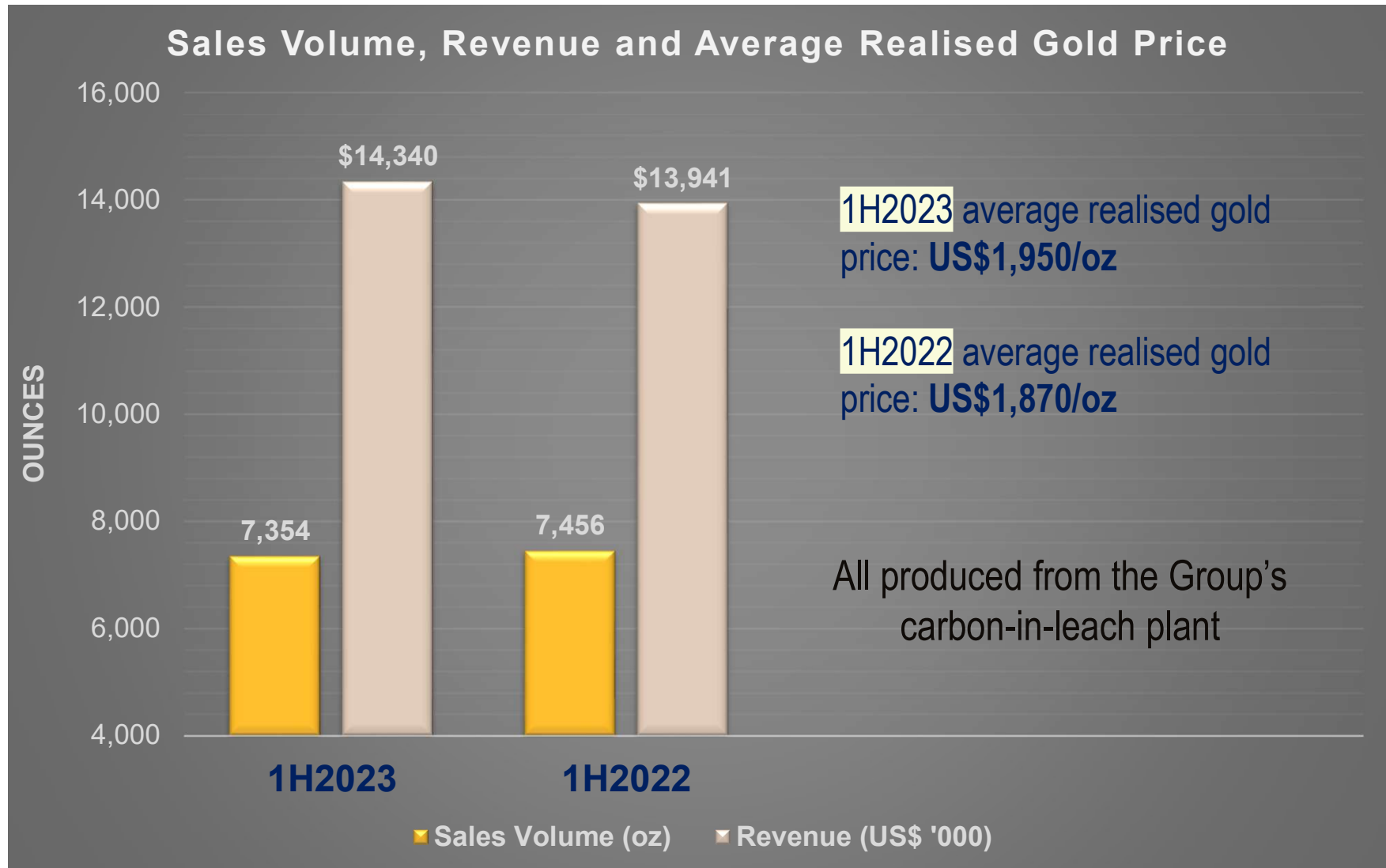
**t:** Tonnes

**oz:** Ounces



All base-metal concentrate are produced from the Group's flotation plant, which started operating in 2022

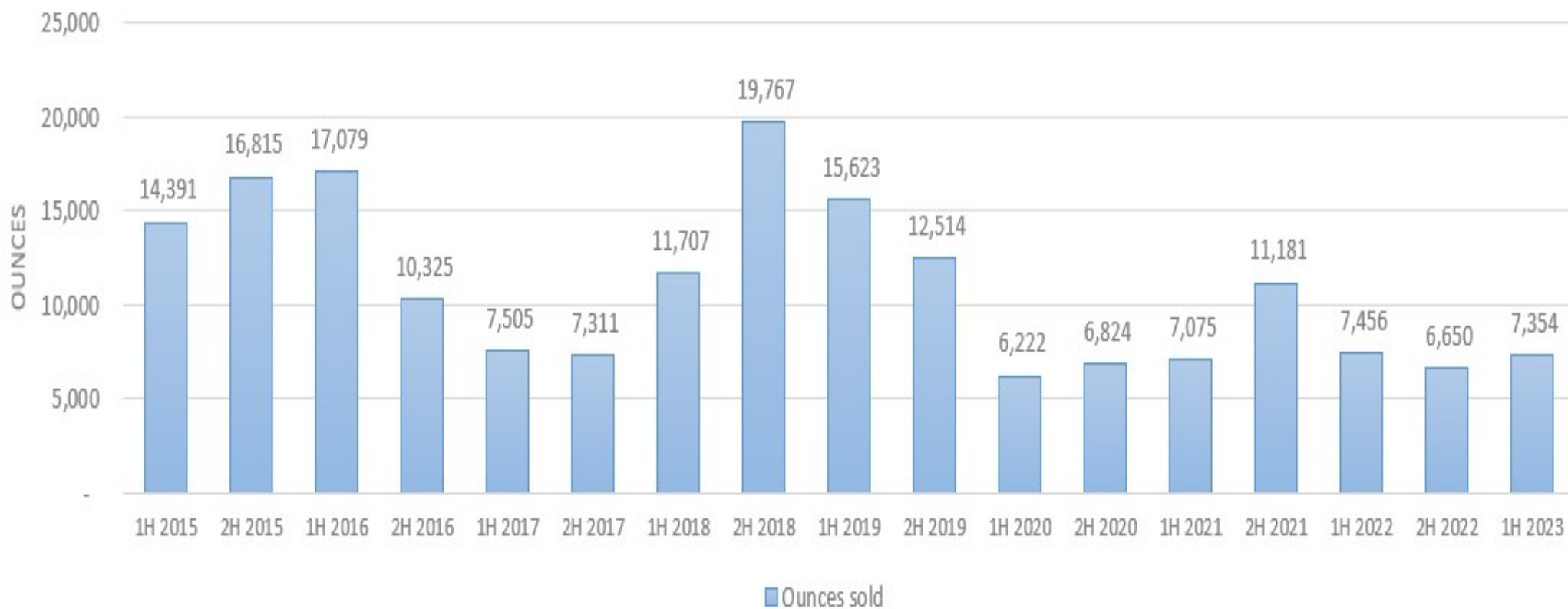
# 1H2023 Revenue - Gold



Revenue up 3% as higher average realised gold price offset lower sales volume

# Half-yearly Gold Production Volume

## Fine gold sold



# Analysis of All-In Costs for Gold Production

	US\$ / gold ounce sold		
	1H2023	1H2022	Change (%)
<b>Sales volume of fine gold (ounces)</b>	<b>7,354.30</b>	<b>7,455.66</b>	<b>(1.4)</b>
Mining related costs	792	613	29.2
Royalty and tribute expenses	251	254	(1.2)
<b>Adjusted operating costs</b>	<b>1,043</b>	<b>867</b>	<b>20.3</b>
General and administrative costs	257	231	11.3
Capital expenditure	61	46	32.6
<b>All-in sustaining costs</b>	<b>1,361</b>	<b>1,144</b>	<b>19.0</b>
Capital exploration (non-sustaining)	7	21	(66.7)
Capital expenditure (non-sustaining)	47	115	(59.1)
<b>All-in costs</b>	<b>1,415</b>	<b>1,280</b>	<b>10.5</b>



# 1H2023 Revenue – Gold and Base Metals

	UOM	1H 2023			1H 2022			Movement		
		Revenue US\$'000	Volume UOM	Price US\$/UOM	Revenue US\$'000	Volume UOM	Price US\$/UOM	Revenue	Volume	Price
Gold	oz	14,340	7,354.30	1,950	13,941	7,455.66	1,870	3%	-1%	4%
Lead in lead concentrate	t	1,555	984.31	1,580	-	-	-	100%	100%	100%
Gold in lead concentrate	oz	6,567	3,918.59	1,676	-	-	-	100%	100%	100%
Silver in lead concentrate	oz	1,903	120,066.01	16	-	-	-	100%	100%	100%
Zinc concentrate	t	1,860	1,096.41	1,697	-	-	-	100%	100%	100%
		<u>26,225</u>			<u>13,941</u>					
Gold equivalent ounces <sup>1</sup>		<u>26,225</u>	<u>13,448.88</u>	<u>1,950</u>	<u>13,941</u>	<u>7,455.66</u>	<u>1,870</u>	88%	80%	4%

**UOM:** Unit of Measurement

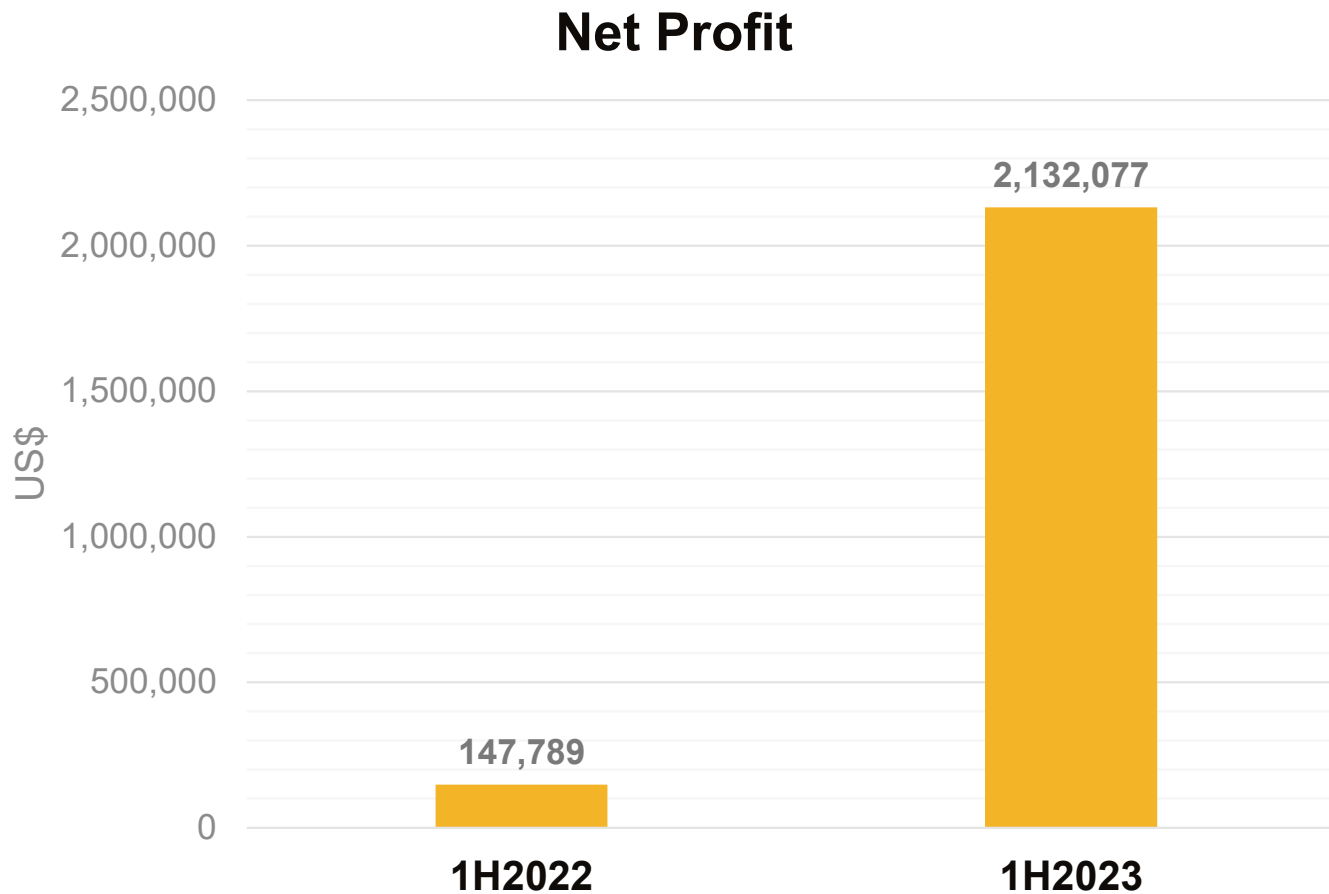
**T:** Tonnes

**Oz:** Ounces

<sup>1</sup> Gold Equivalent Ounces ("GEO"), which are provided to assist the reader, are based on the price assumption, by referencing the average realised gold price during the period. The GEO formula = "Total Revenue" divided by "realised average selling price for gold"

- Base metals concentrate accounted for over 45% or US\$11.89 million of revenue for 1H2023
- 1H2023 revenue of US\$26.23 million has exceeded total revenue of US\$25.60 million for the whole of FY2022

# 1H2023 Net Profit



Net profit of US\$2.13 million in 1H2023 vs US\$0.15 million in 1H2022 mainly due to maiden revenue from base metals and higher gold prices



# Growth Strategies

# Growth Initiatives For Sokor

## Further boost gold production

- Construction of two additional underground gold mining facilities is underway
- One is expected to be ready later this year; the other should come on stream in 2024 barring any unforeseen circumstances
- Both facilities will enable the extraction of more higher-grade gold ore to support current operations



# Growth Initiatives For Sokor

## Ramp up production of base metals

- Working with engineers to explore the feasibility to expand the production capacity of the flotation plant beyond the current production capacity of about 550 tonnes of base-metal ore a day
- Contributions from base metals can help mitigate any volatility in earnings from gold sales



# Growth Initiatives For Sokor

## Tighter cost controls

- Using more energy-efficient power generators in attempt to reduce fuel consumption and carbon emissions
- Reducing fuel usage may help lower site and factory expenses, which are currently one of the biggest cost item for the Group



# Outlook

# Outlook

- Gold prices have generally been resilient so far this year (even going above US\$2,000 an ounce on a few occasions)
- US central bank last raised interest rates on 26 July 2023 and now appears to be less determined than at the start of the year to hike rates further given the slowdown in US inflation in recent months. This is expected to bode well for gold prices in the foreseeable future



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# Q&A Session

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