

CNMC Reports 47% Rise in Net Profit for First 9 Months of 2016; Marginal Profit Drop in 3Q2016 with Lower Revenue and Higher Costs Arising from Stop-Work Order

- **Strong net cash balance of US\$33.37M as at 30 September 2016**

US\$ (million)	3Q2016	3Q2015	Change (%)	9M2016	9M2015	Change (%)
Revenue	8.45	9.95	(15.0)	29.48	27.17	8.5
Results from operating activities	2.24	2.33	(3.9)	13.62	9.38	45.1
Earnings before interest, taxation, depreciation, amortisation	3.45	3.29	4.9	17.17	12.19	40.9
Net profit	2.25	2.38	(5.6)	13.70	9.35	46.6
Net profit attributable to owners of the Company	1.76	1.83	(3.6)	11.02	7.40	49.0

SINGAPORE, 7 November 2016 – A temporary stop-work order issued by authorities in Kelantan crimped output and drove up production costs for CNMC Goldmine Holdings Limited (“CNMC” or the “Company”) in the third quarter of 2016 (“3Q2016”), but the gold miner said today it still managed to make a profit and bolster its cash holdings during those three months.

CNMC had to halt operations at its flagship Sokor gold field (“Sokor”) for seven days after regulators issued the stop-work order on 19 July 2016 to review its application for large-scale operation status and the extension of Sokor’s mining lease.

The Company took another 14 days to restart the entire production process after the stop-order order was lifted on 25 July 2016. The application was approved in August 2016, allowing CNMC to mine for unlimited amounts of ore at Sokor until 31 December 2034.

As a result of the temporary production halt, output fell 24.3% to 6,284.68 ounces of fine gold in 3Q2016 from 8,304.67 ounces in the same period last year (“3Q2015”). The decline was offset by a 12.3% rise in average selling price to US\$1,345.31 per ounce of gold and drove revenue down 15.0% to US\$8.45 million.

The stop-work order also drove up production costs. The Company’s all-in cost of production climbed to US\$728 per ounce of gold in 3Q2016 from US\$564 an ounce in 3Q2015. The increase was mainly due to partial payment of a one-time processing fee payable to the Kelantan state government for the extension of Sokor’s mining lease.



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Total operating expenses rose 20.5% to US\$5.76 million in 3Q2016, driven mainly by increases in amortisation and depreciation, marketing and publicity, and staff remuneration. The higher amortisation costs relate mostly to the one-time processing fee for Sokor's mining lease extension. The one-time processing fee, which has been capitalised, will be amortised over the course of the new lease.

With the lower revenue and higher expenses, CNMC turned in a net profit of US\$2.25 million in 3Q2016, compared to US\$2.38 million in 3Q2015. Net profit attributable to shareholders slipped 3.6% to US\$1.76 million.

Earnings per share for the quarter amounted to 0.43 US cent, compared to 0.45 US cent for 3Q2015. Net asset value per share increased to 10.35 US cents as at 30 September 2016 from 8.22 US cents as at 31 December 2015.

The Company managed to generate net cash of US\$3.50 million from operations in 3Q2016. It had US\$33.49 million in cash and cash equivalents as at 30 September 2016, nearly double the US\$18.31 million at the end of 3Q2015.

For the first nine months of 2016 ("9M2016"), CNMC made a net profit of US\$13.70 million, up 46.6% from the same period last year ("9M2015"). The increase was driven by the Group's strong performance in the first two quarters of 2016. Revenue for 9M2016 rose 8.5% to US\$29.48 million.

Mr Chris Lim, CNMC's Chief Executive Officer, said: "Operations are back to normal at Sokor and we remain focused on production and managing costs. Still, all-in costs for the final three months of this year are expected to go up further as we recognise the rest of the one-time processing fee for the lease extension."

The proposed acquisition of a 51% stake in Pulai Mining Sdn Bhd ("Pulai Mining"), which is authorised to mine for gold, iron ore and feldspar in an area in Kelantan almost four times the size of Sokor, could underpin CNMC's long-term prospects, Mr Lim added.

Pulai Mining, which signed a share subscription agreement with CNMC on 25 August 2016, has exploration and mining licences with a combined license area of approximately 3,841.3 hectares (or 38.41 Square Kilometres) for gold, feldspar and iron ore in the State of Kelantan, Malaysia.

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

CNMC Goldmine Holdings Limited (“CNMC” or “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 dorés.

The Company is currently focused on developing the Sokor Gold Field Project, located in the State of Kelantan, Malaysia. Spanning an area of 10km², the project has identified four gold deposit regions, namely Manson’s Lode, New Discovery, Sg. Ketubong and Rixen.

As of December 2015, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 13.83 million tonnes at a grade of 1.4 g/t in the Measured, Indicated and Inferred categories for a total of 618,000 ounces. The project achieved its first gold pour on 21 July 2010.

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

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 Catalyst. The Sponsor has not verified the contents of this press release.

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