

## CNMC to Set Up 3<sup>rd</sup> Leaching Plant to Boost Gold Recovery

- *Plant's carbon-in-leach ("CIL") technology can be highly effective in extracting gold from mineral ores*
- *With a strong cash balance of US\$24.99 million as at 31 March 2017, CNMC has been planning for its CIL plant since early last year to boost gold recovery rates.*

	1Q2017 US\$	1Q2016 US\$	Change %
<b>Revenue</b>	4,725,436	8,403,925	(43.8)
<b>Results from operating activities</b>	(17,712)	5,663,596	N.M.
<b>Earnings before interest, taxation, depreciation, amortization</b>	937,301	6,689,692	(86.0)
<b>Net profit</b>	68,776	5,606,226	(98.8)
<b>Net profit attributable to owners of the Company</b>	54,834	4,554,575	(98.8)

*N.M. – Not Meaningful*

**SINGAPORE, 15 May 2017** – CNMC Goldmine Holdings Limited (“CNMC” or the “Company”) announced today that it is building its third processing plant at its flagship Sokor gold field in Malaysia’s Kelantan state in a major effort to enhance gold recovery and boost production.

Targeting to be operational later this year, the CIL plant will be able to process at least 500 tonnes of ore a day, barring any unforeseen circumstances. This may be easily expanded to 1,000 tonnes of ore a day, if required. CNMC’s existing heap-leaching and vat-leaching plants at Sokor have a combined processing capacity of 1.2 million tonnes of ore a year. CIL is a proven efficient method of extracting gold from ground ore, and the recovery rate may be as high as 95%, based on industry norms. CNMC’s gold recovery rate for its current heap leach facility averages at about 65%. The Company, which has US\$24.99 million in cash and cash equivalents as at 31 March 2017, will fund the construction of the CIL plant using internal resources.

The CIL investment is the latest move by CNMC to expand production after lower ore grades at Sokor dented revenue in the first three months of 2017 (“1Q2017”). The Company’s gold output and sales volume declined 49.5% to 3,669.90 ounces in 1Q2017 from the same period last year (“1Q2016”).



Company Registration No.: 201119104K

While it was able to sell its gold bars at a higher price of US\$1,287.62 per ounce in 1Q2017, compared to US\$1,155.76 an ounce in 1Q2016, the reduced output and sales volume brought overall revenue down by 43.8% to US\$4.73 million for 1Q 2017. It also drove up its all-in production costs in 1Q2017 to US\$983 per ounce from US\$487 per ounce a year earlier.

As forewarned in a profit guidance issued on 28 April 2017, the Company ended up with a substantially smaller bottom line in 1Q2017 because of the lower ore grades. Net profit came in at US\$68,776 for 1Q 2017, compared to US\$5.61 million for 1Q2016. Net profit attributable to shareholders amounted to US\$54,834 compared to US\$4.55 million a year earlier.

Apart from lower revenue, CNMC's net profit was also impacted by a smaller unrealised foreign-exchange gain of US\$314,558 in 1Q2017. It had an unrealised foreign-exchange gain of US\$1.96 million in 1Q2016.

Earnings per share for 1Q2017 came in at 0.01 US cent, compared to 1.12 US cents for 1Q2016. Net asset value per share inched up to 9.75 US cents as at 31 March 2017 from 9.73 US cents as at 31 December 2016.

Mr Chris Lim, CNMC's Chief Executive Officer, said: "We are mindful of investors' concerns about ore grades at Sokor and believe the new leaching plant will help address this issue. CIL technology is effective in extracting gold from certain type of mineral ores."

Besides gold, the Company will also seek to monetize other minerals at Sokor, according to Mr Lim. As disclosed in a recently released Qualified Person's Report issued by Australian mining consulting firm Optiro Pty Ltd, Sokor has a resource estimate of 1.96 million ounces of silver, 22,678 tonnes of lead and 21,448 tonnes of zinc in the ground as at 31 December 2016.

**### End ###**

#### **Media & Investor Contact Information**

WeR1 Consultants Pte Ltd  
3 Phillip Street, #12-01, Royal Group Building  
Singapore 048693  
Tel: (65) 6737 4944 | Fax: (65) 6737 4944  
Frankie Ho - [frankieho@wer1.net](mailto:frankieho@wer1.net)  
Grace Yew - [graceyew@wer1.net](mailto:graceyew@wer1.net)



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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 dorés.

The Group is currently focused on developing the Sokor Gold Field Project, located in the State of Kelantan, Malaysia. Spanning an area of 10km<sup>2</sup>, the project has identified five gold deposit regions, namely Manson’s Lode, New Discovery, New Found, Sg. Ketubong and Rixen.

As of December 2016, the Sokor Gold Field Project had JORC-compliant gold resources (inclusive of ore reserves) of 13.25 million tonnes at a grade of 1.5 g/t in the Measured, Indicated and Inferred categories for a total of 623,000 ounces. The project achieved its first gold pour on 21 July 2010.

On 24 February 2017, the Company completed the acquisition of a 51% stake in Pulai Mining Sdn. Bhd. (“Pulai Mining”), which is authorised to mine gold, iron ore and feldspar on an approximately 38.4km<sup>2</sup> brownfield site in Kelantan. Pulai Mining has 11 exploration and mining licences.

For more information on the Company, please visit [www.cnmc.com.hk](http://www.cnmc.com.hk)

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

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*The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*