



CNMC Goldmine Holdings Limited

2H2020 & FY 2020 Results Briefing

28 February 2021

(These presentation slides are available on the Company's corporate website www.cnmc.com.hk)

2H2020

Financial Highlights

2H2020 Financial Highlights

Income statement	2H 2020	2H 2019	Change
Revenue (US\$' million)	13.41	18.72	-28.4%
Results from operating activities (US\$' million)	(3.96)	2.37	n.m.
Net (loss)/profit (US\$' million)	(3.70)	2.61	n.m.
Net (loss)/profit margin	-27.6%	13.9%	-41.5%
(Loss)/Earnings per share (US cents)	(0.65)	0.55	n.m.
(Loss)/Earnings per share (SG cents)	(0.90)	0.75	n.m.

**Net asset
value of
US\$39.44m**

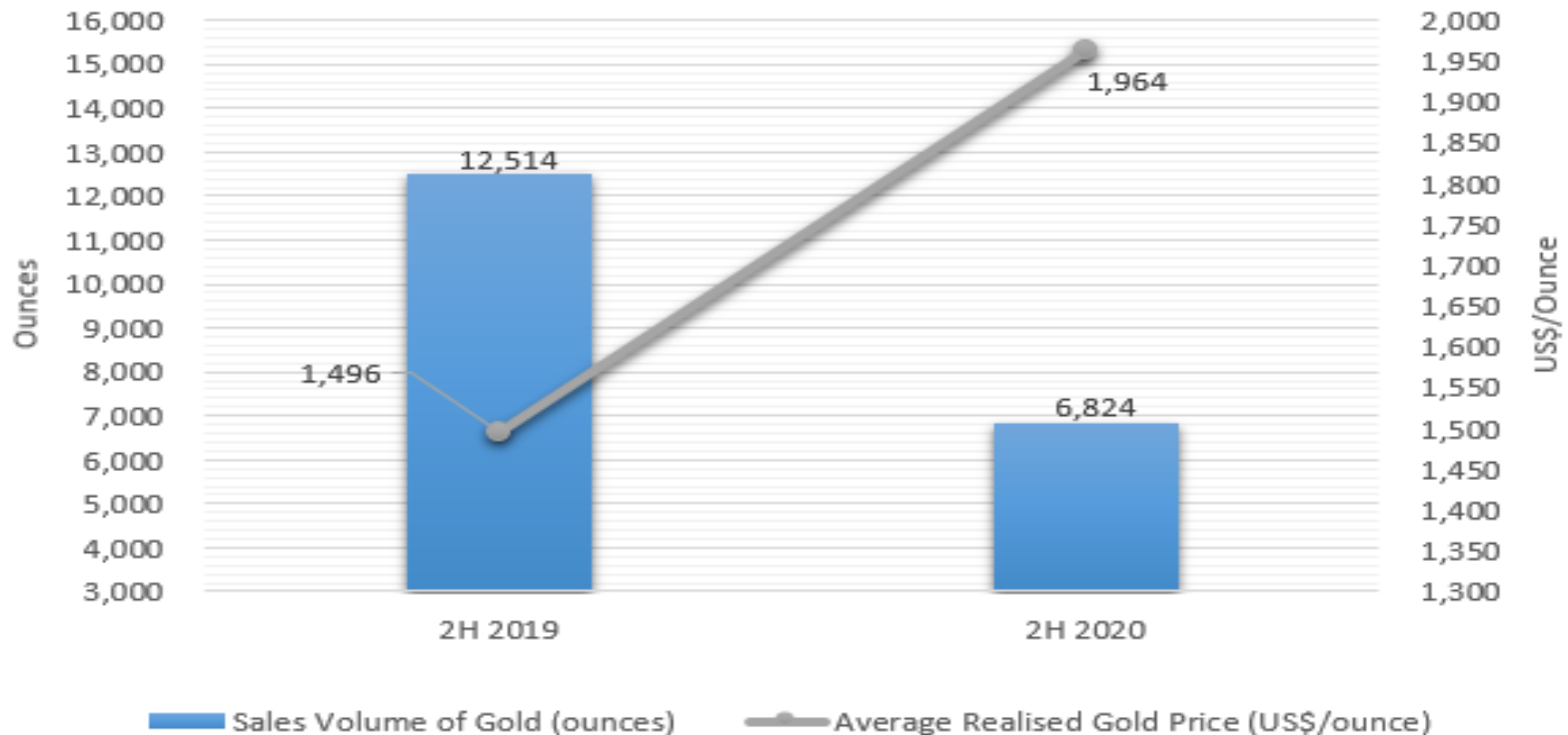
**Current
ratio of 2.82**

**Debt/Equity
ratio of 0.02**

**Net cash
position of
US\$10.44m**

2H2020 Revenue

Sales Volume and Average Realised Gold Price



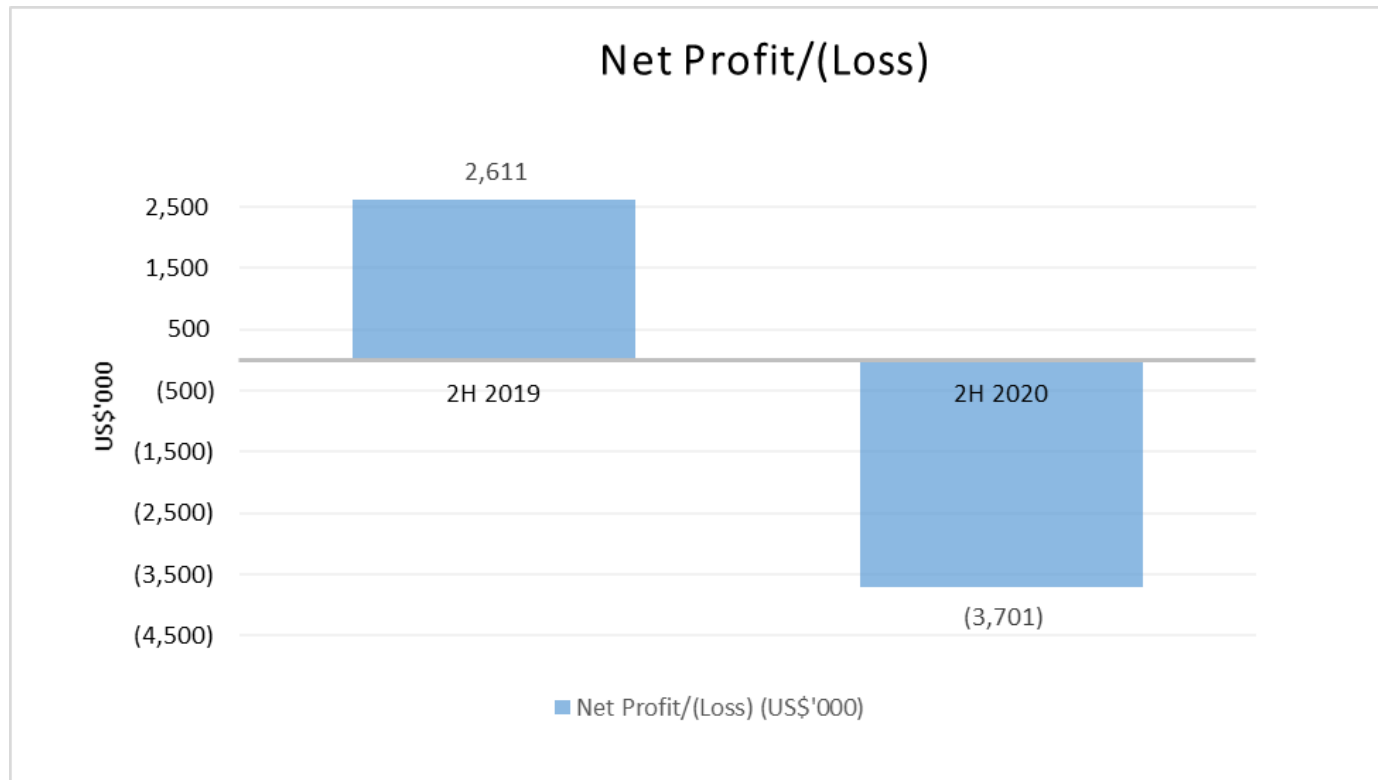
Revenue down 28.4%:

↓ Sales volume of fine gold, from 12,514 ounces to 6,824 ounces

Partly offset by:

↑ Average realised gold price, from US\$1,496/ounce to US\$1,964/ounce

2H2020 Net Profit/(Loss)



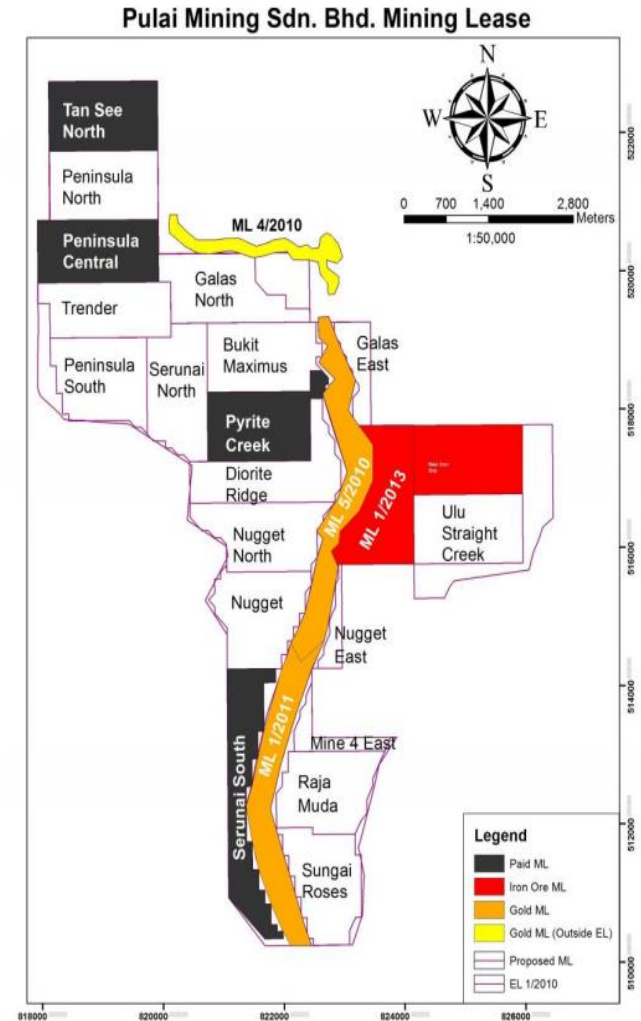
Net loss of US\$3.70 million in 2H 2020 vs net profit of US\$2.61 million in 2H 2019 mainly due to significant drop in production and sales volume of fine gold as a result of Covid-19 pandemic and lower grade ore. An allowance for impairment of exploration and evaluation assets of 51%-owned CNMC Pulai Mining also contributed to the loss.

Impairment for Pulai Mining

An impairment allowance of approximately US\$3.8 million was made against certain exploration and evaluation assets of Pulai Mining, specifically, in light of the uncertainties surrounding and pertaining to the operations. Such uncertainties include the following:

- The outcome of renewal for an exploration licence expired in late last year is still pending to date
- The unfavourable outcome of the renewal for its iron ore mining licences was only made known last year even though the renewal application was made some two years ago. While an appeal has since been filed, the outcome of which is still pending to date
- Uncertainties over the renewal of its feldspar mining license and the commercial and economic viability of feldspar mining following our recent reassessment of the same, especially having regard to the prevailing rates of royalties payable to the authorities on the sale of such minerals, the estimated amount of labour costs and additional capital expenditure, and the geographical demand for such minerals

Notwithstanding the above, revenue and profit contributions from CNMC Pulai has not been significant to date.

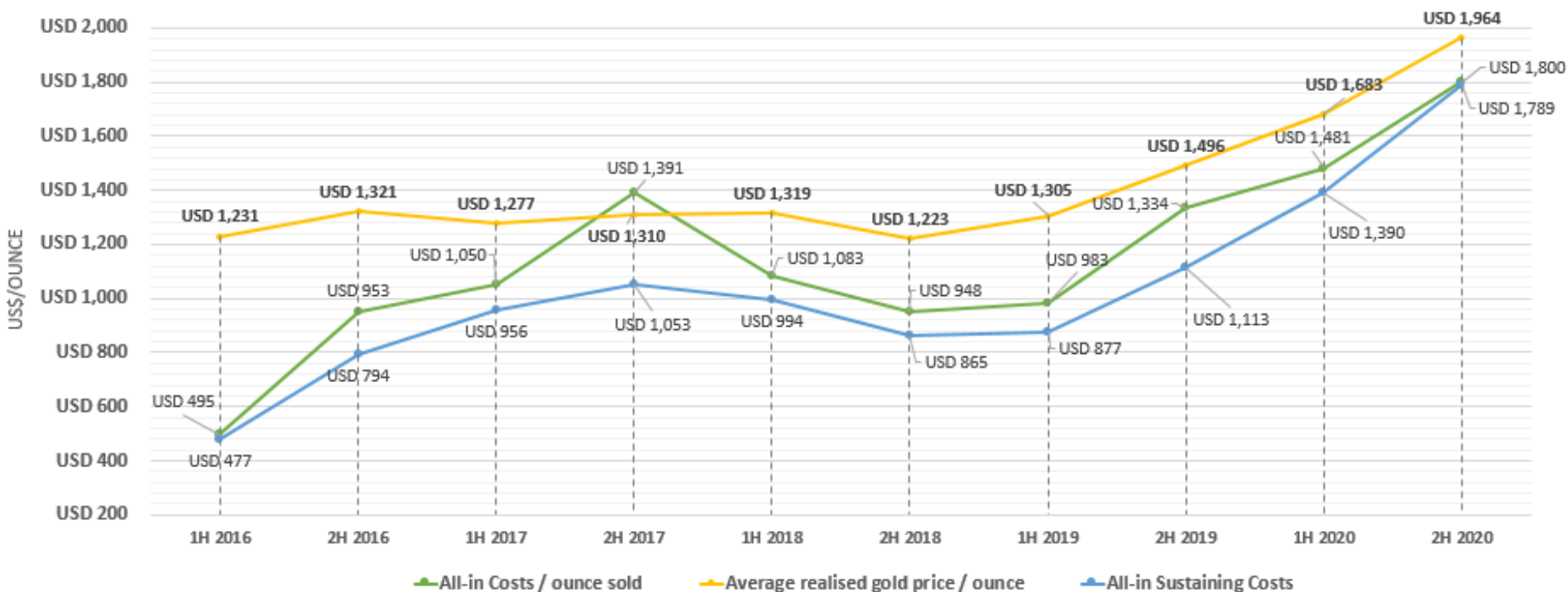


2H2020 Analysis Of All-In Costs And Margin

	2H 2020	2H 2019	Changes
	US\$ / gold ounce sold		%
Mining related costs	1,300	737	76.4%
Royalty and tribute expenses	264	186	41.9%
Adjusted operating costs	1,564	923	69.4%
General and administrative costs	210	177	18.6%
Capital expenditure	15	13	15.4%
All-in sustaining costs	1,789	1,113	60.7%
Capital exploration (non-sustaining)	11	53	-79.2%
Capital expenditure (non-sustaining)	-	168	n.m.
All-in costs (A)	1,800	1,334	34.9%
Average realised gold price (B)	1,964	1,496	31%
All-in Margin (C= B - A)	164	162	1%
All-in Margin (%) (C / B)	8%	11%	-3%

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

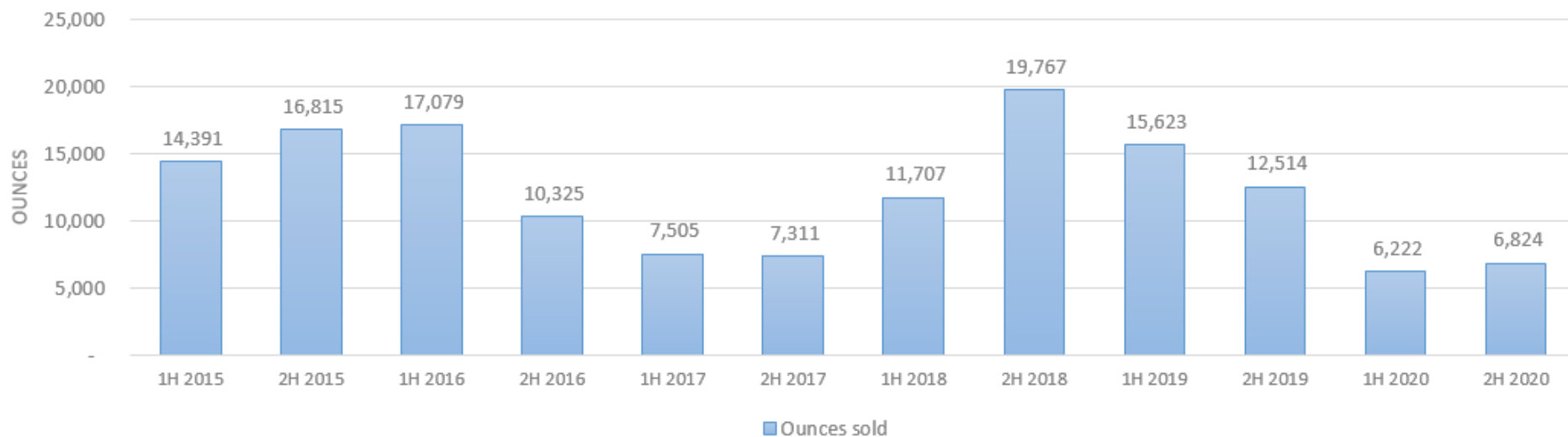
Summary Of All-In Costs And Margin



All-in costs of US\$1,800/ounce in 2H 2020 up 34.9% from US\$1,334/ounce in 2H 2019, mainly due to drop in production and sales volume of fine gold as a result of Movement Control Order and lower grade ore.

Half-yearly Production Volume

Fine gold sold



FY 2020

Financial Highlights

FY 2020 Financial Highlights

Income statement	FY 2020	FY 2019	Change
Revenue (US\$' million)	23.88	39.10	-38.9%
Results from operating activities (US\$' million)	(5.13)	6.41	n.m.
Net (loss)/profit (US\$' million)	(4.78)	5.47	n.m.
Net (loss)/profit margin	-20.0%	14.0%	-34.0%
(Loss)/Earnings per share (US cents)	(0.87)	1.09	n.m.
(Loss)/Earnings per share (SG cents)	(1.20)	1.49	n.m.

**Net asset
value of
US\$39.44m**

**Current
ratio of 2.82**

**Debt/Equity
ratio of 0.02**

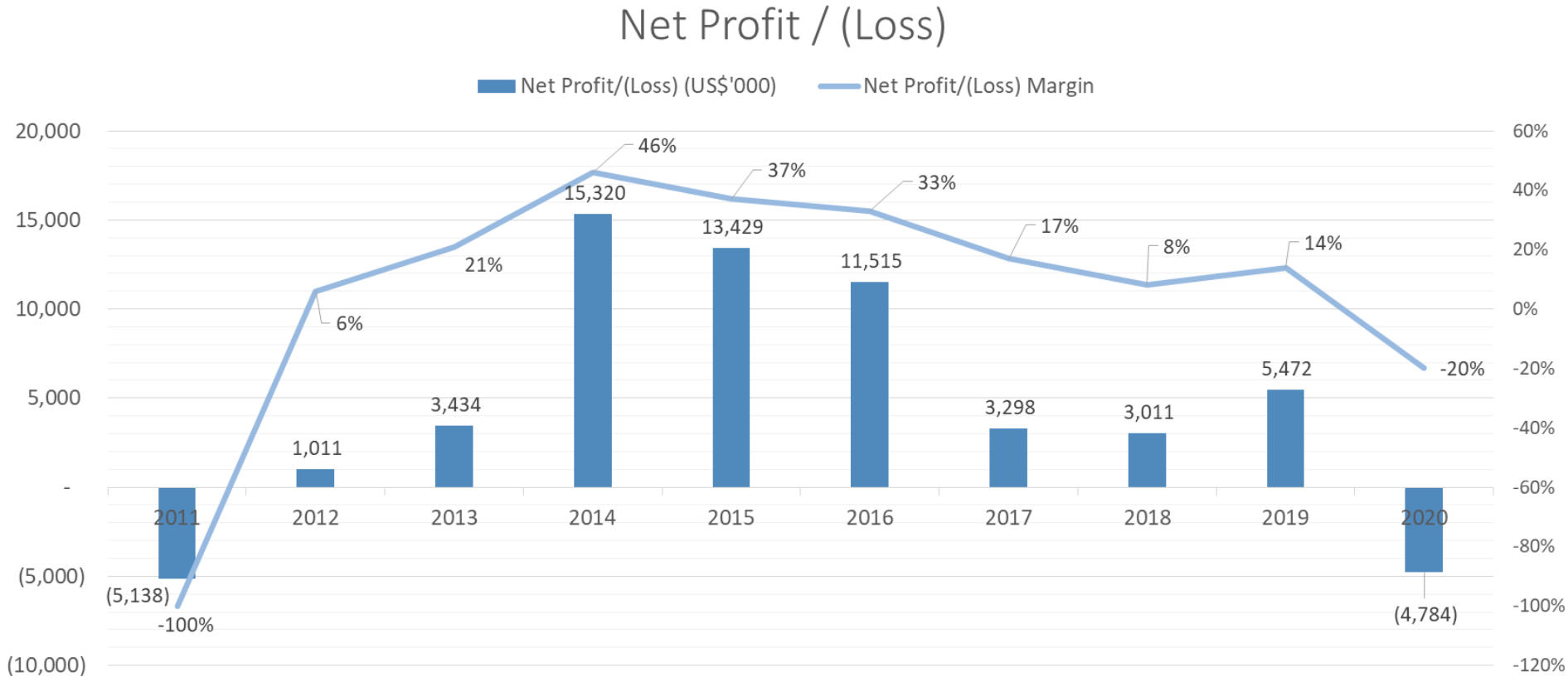
**Net cash
position of
US\$10.44m**

REVENUE: FY 2011 TO FY 2020

Revenue (US\$'000)



NET PROFIT / (LOSS): FY 2011 TO FY 2020



Analysis Of All-In Costs And Margin

	FY 2020	FY 2019	Changes
	US\$ / gold ounce sold		%
Mining related costs	1,125	634	77.4%
Royalty and tribute expenses	241	175	37.7%
Adjusted operating costs	1,366	809	68.9%
General and administrative costs	222	153	45.1%
Capital expenditure	38	47	-19.1%
All-in sustaining costs	1,626	1,009	61.1%
Capital exploration (non-sustaining)	12	45	-73.3%
Capital expenditure (non-sustaining)	12	112	-89.3%
All-in costs (A)	1,650	1,166	41.5%
Average realised gold price (B)	1,830	1,390	32%
All-in Margin (C= B - A)	180	224	-20%
All-in Margin (%) (C / B)	10%	16%	-6%

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

Recent Corporate Developments

Recent Developments

Underground Mining at Sokor

- Started in November 2020, with first batch of gold bars produced in December
- Gold production in December accounted for 46% of total 2H2020 output
- Carbon-in-leach (CIL) plant running at more optimal levels: both open-pit and underground operations feeding higher-grade gold ores to CIL facility



Recent Developments

Tax Status

- Application to be reinstated into Malaysia's Pioneer Status Incentive Scheme has been unsuccessful
- Under this scheme, CNMC's main operating subsidiary was fully exempted from taxes for 5 years until 30 June 2018 for profits generated from the sale of gold bars
- Outcome not expected to have material impact as provisions already made following the cessation of the tax exemption in 2018

Growth Strategies

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 the possibility of expanding CIL 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:
 - *Currently constructing a flotation facility for processing approximately 500 tonnes of ore a day to monetise silver, lead and zinc resources.*





Outlook

Outlook

- ❑ Slight pullback in gold prices lately due to:
 - Higher US Treasury yields (US economic indicators turning positive)
 - Resilient US dollar
 - Growing risk appetite (evident in run-up in stock markets)
 - Increased interest in cryptocurrencies, especially Bitcoin

- ❑ Outlook for gold for foreseeable future still favourable given low interest rates and loose monetary policy globally

- ❑ Growing expectations of a commodities super-cycle

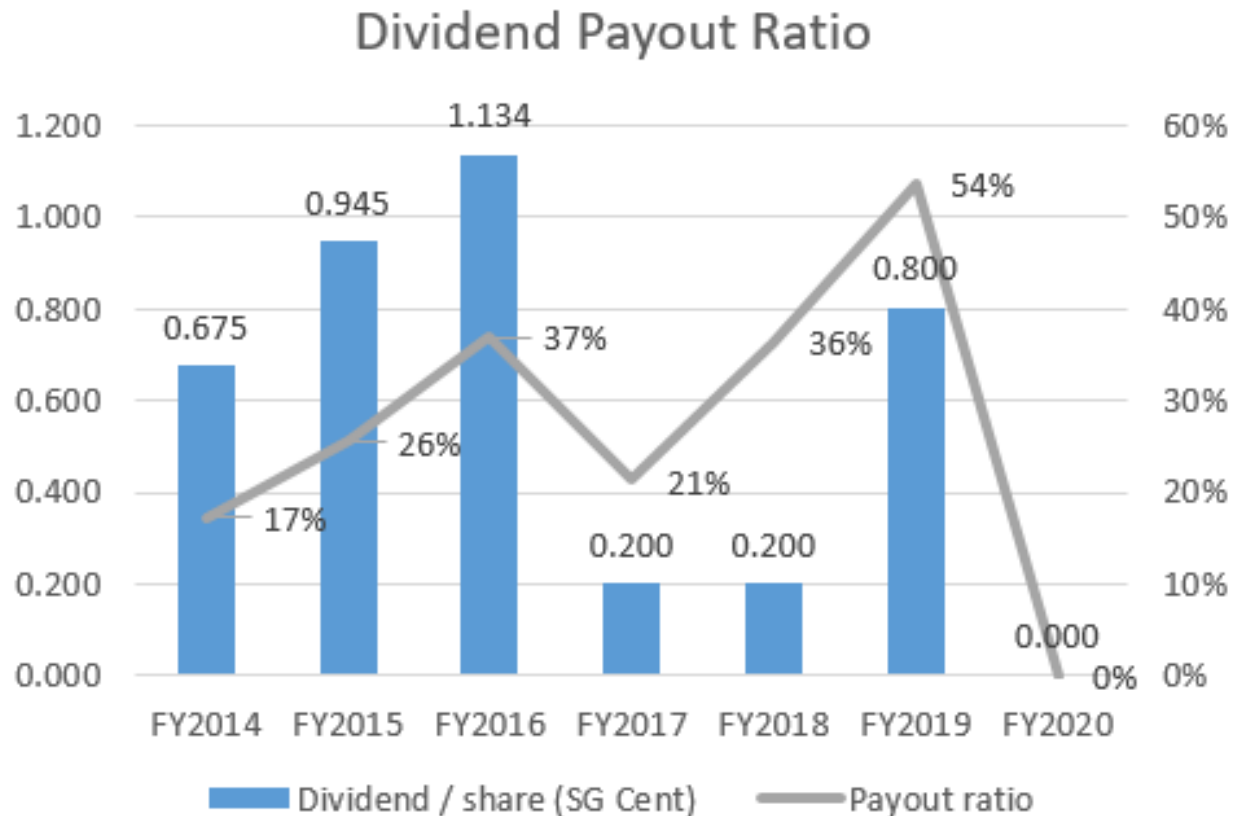
- ❑ New source of income from sales of lead and zinc concentrate once flotation plant starts commercial operation in 2021 (subject to award of operation permits from relevant authorities)

Stock Data & Dividend

Stock Data & Dividend

(SGX: 5TP) (Reuters: CNMC.SI) (Bloomberg: CNMC:SP)	22 February 2021
Price per share	S\$0.23
Market capitalisation	S\$93.77 Million
Share issued	407.69 Million
P/E ratio	N.A.
Dividend yield	N.A.

Dividend Payout Ratio Track Record



Peer Comparison

How CNMC Compares with Other Gold Miners Listed on SGX

Company	Ticker	Exchange	Market cap (mil)	Operating status	Profitable: (latest full year) Yes/No	Latest gold annual output (oz)	Trailing P/E	P/B	Dividend yield (%)	Share price YTD gain/loss (%)
CNMC	5TP	Singapore	S\$93.8	Production, exploration	No	13,046	N.A.	1.8	N.A.	-19.3
Golden Energy and Resources	AUE	Singapore	S\$355.3	Production, exploration	Yes	N.A.*	18.2	0.7	8.5	-5.6
Shen Yao (ex-LionGold)	A78	Singapore	S\$130.8	Production, exploration	Yes	42,697	29.6	2.8	N.A.	33.3
Wilton Resources	5F7	Singapore	S\$76.8	Production, exploration	No	885	N.A.	42.8	N.A.	0

* Completed acquisition of Australia's Ravenswood gold mine in 1H2020

Sources: Companies, ShareInvestor.com. All figures based on close of trading on 22 February 2021



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