



# **CNMC Goldmine Holdings Limited**

## **2H 2021 & FY 2021 Results Briefing**

**24 February 2022**

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



# Agenda

- ❑ Recent Developments
- ❑ 2H 2021 Financial Highlights
- ❑ FY2021 Financial Highlights
- ❑ Growth Strategies
- ❑ Outlook
- ❑ Q&A Session

*This announcement has been reviewed by the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.*

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

*The contact person for the Sponsor is Ms Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)*





# Recent Developments



# Recent Developments

## Operations

- On-site workforce capacity at Sokor back to 100% since October 2021, with Kelantan advancing to Phase 3 of Malaysia's National Recovery Plan (80% capacity under Phase 2)



# Recent Developments

## Construction Activities at Sokor

- Construction of a brand new flotation plant for base metals now in the final phase






# Recent Developments

- Construction of two additional underground gold mining facilities is underway







**2H 2021**  
**Financial Highlights**



# 2H 2021 Financial Highlights

Income statement	2H 2021	2H 2020	Change
Revenue (US\$' million)	20.01	13.41	49.2%
Results from operating activities (US\$' million)	2.76	(3.96)	n.m.
Net profit/(loss) (US\$' million)	1.96	(3.70)	n.m.
Net profit/(loss) margin	9.8%	-27.6%	n.m.
Earnings/(Loss) per share (US cents)	0.41	(0.65)	n.m.
Earnings/(Loss) per share (SG cents)	0.55	(0.90)	n.m.

**Net asset  
value of  
US\$40.74m**

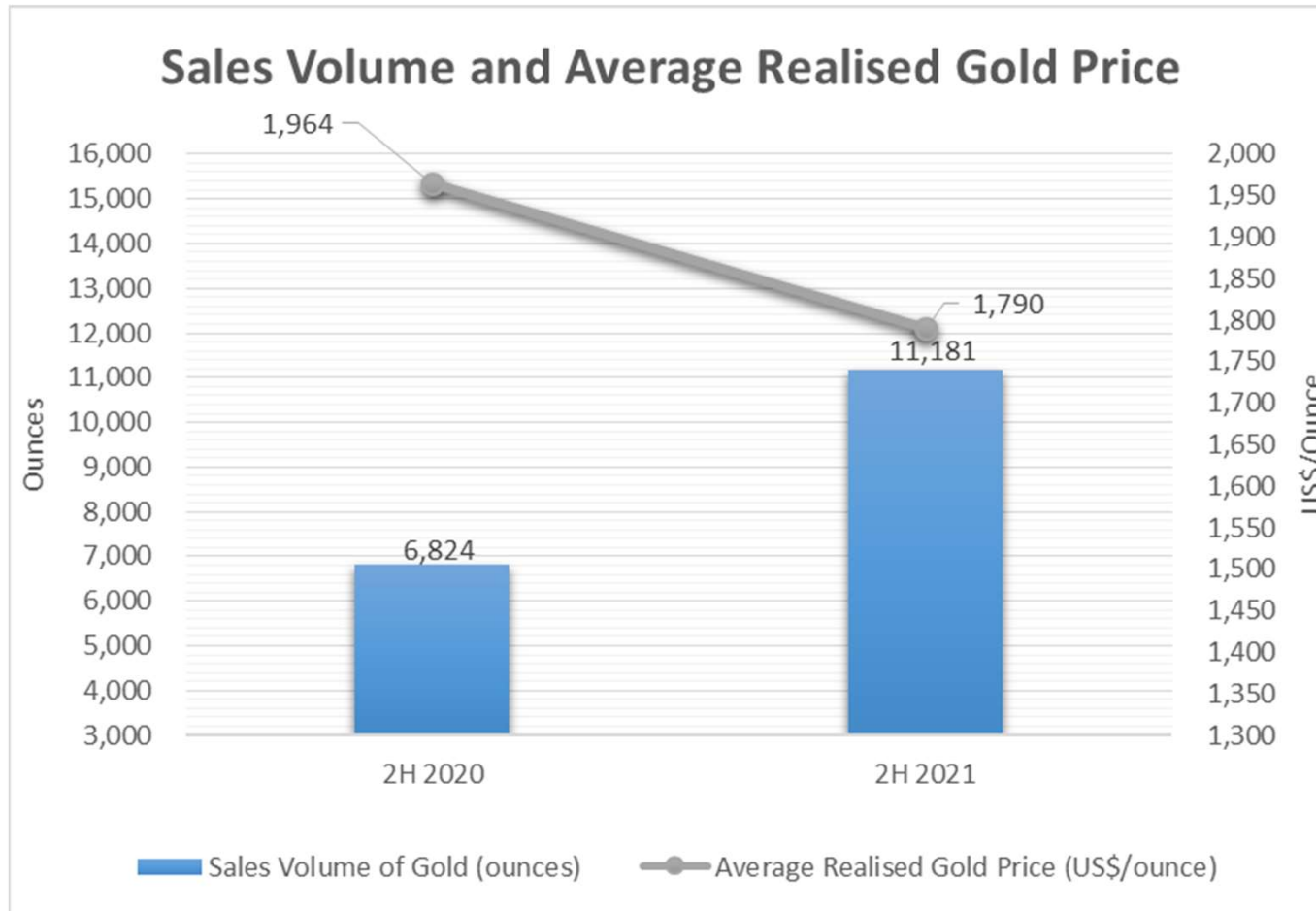
**Current  
ratio of 2.15**

**Debt/Equity  
ratio of 0.02**

**Net cash  
position of  
US\$15.61m**



# 2H 2021 Revenue



**Revenue up 49.3%:**

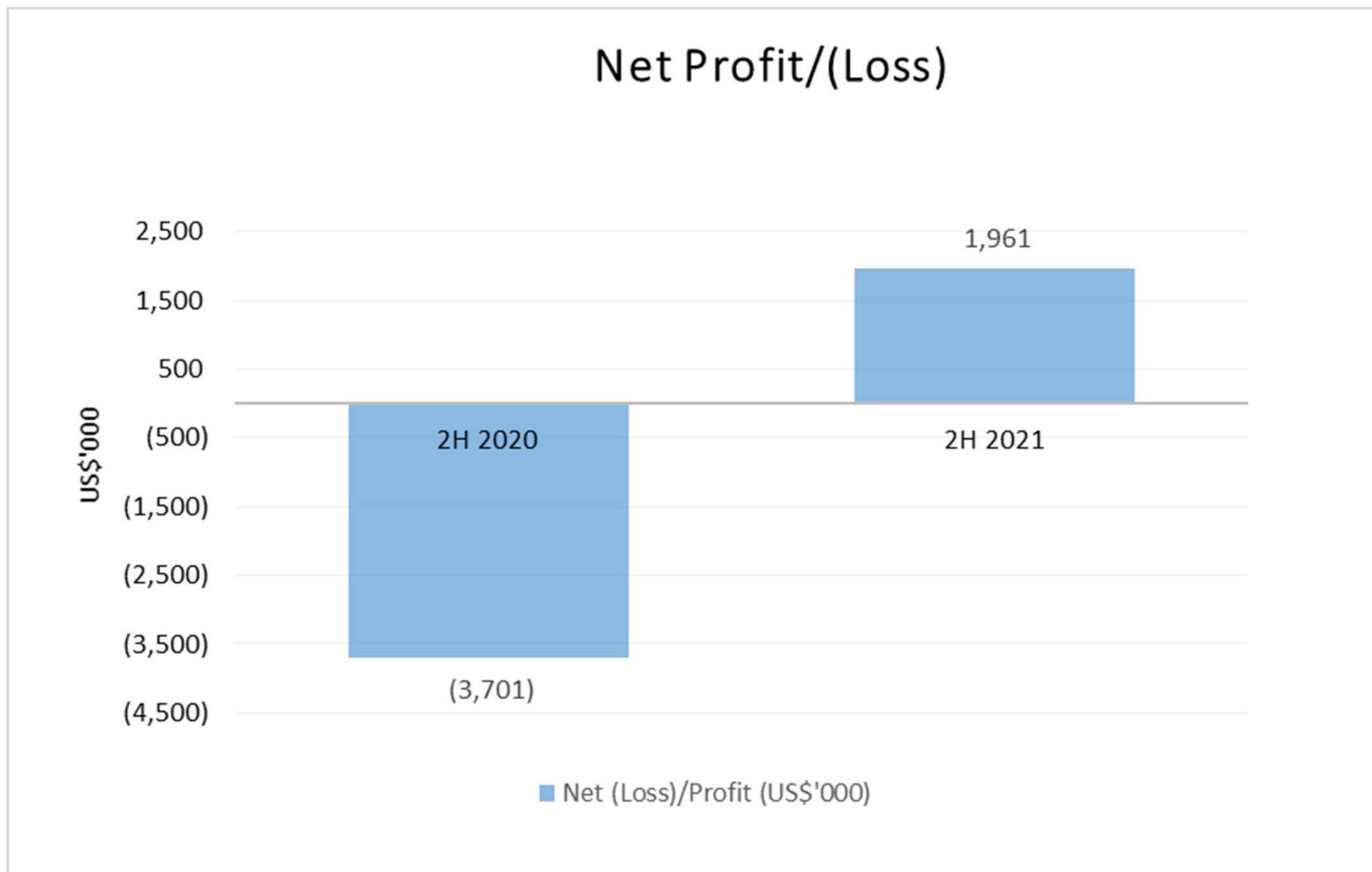
↑ Sales volume of fine gold, from 6,824 ounces to 11,181 ounces

**Partly offset by:**

↓ Average realised gold price, from US\$1,964/ounce to US\$1,790/ounce



# 2H 2021 Net Profit/(Loss)



Net profit of US\$1.96 million in 2H 2021 vs net loss of US\$3.70 million in 2H 2020 mainly due to an increase in production and sales volume of fine gold.



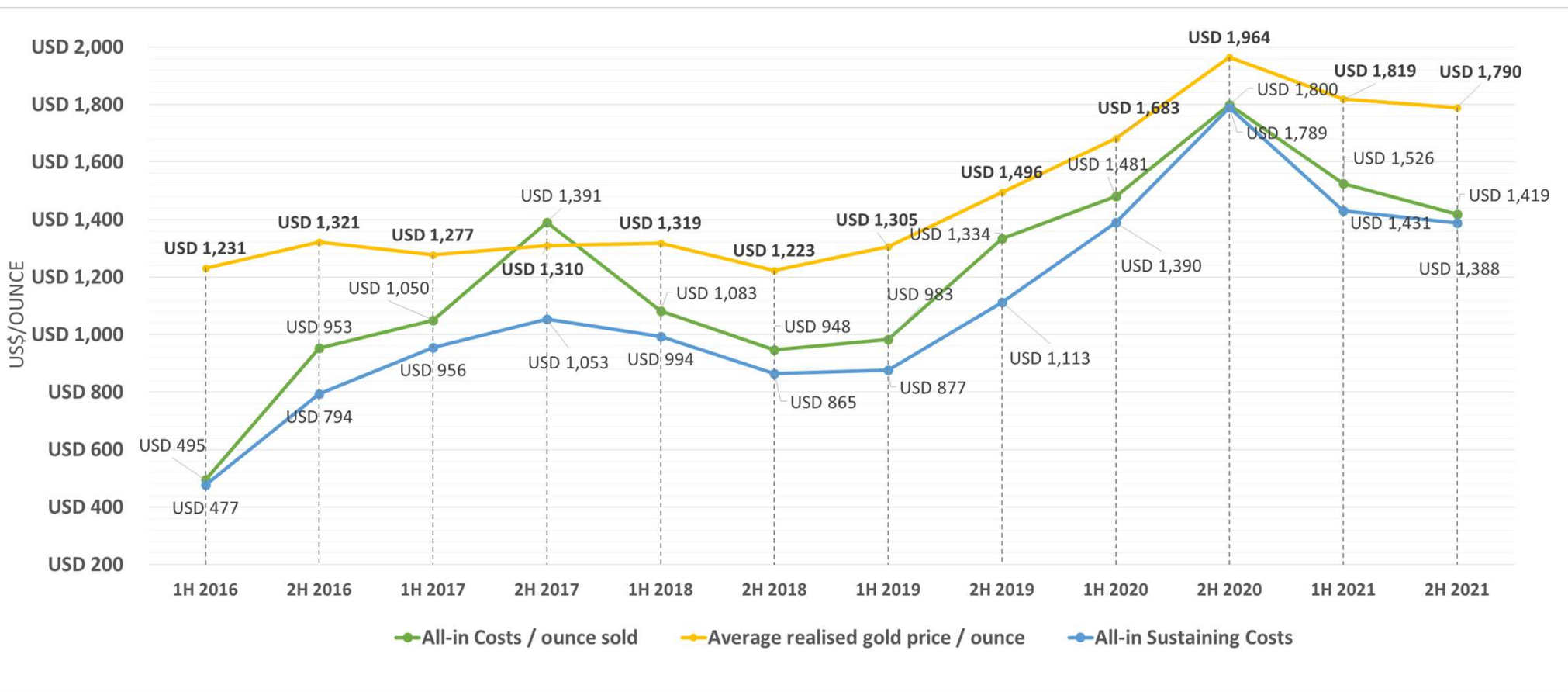
# 2H 2021 Analysis Of All-In Costs And Margin

	2H 2021	2H 2020	Changes
	US\$ / gold ounce sold		%
Mining related costs	869	1,300	-33.2%
Royalty and tribute expenses	230	264	-12.9%
<b>Adjusted operating costs</b>	<b>1,099</b>	<b>1,564</b>	<b>-29.7%</b>
General and administrative costs	250	210	19.0%
Capital expenditure	39	15	160.0%
<b>All-in sustaining costs</b>	<b>1,388</b>	<b>1,789</b>	<b>-22.4%</b>
Capital exploration (non-sustaining)	5	11	-54.5%
Capital expenditure (non-sustaining)	26	-	n.m.
<b>All-in costs (A)</b>	<b>1,419</b>	<b>1,800</b>	<b>-21.2%</b>
<b>Average realised gold price (B)</b>	<b>1,790</b>	<b>1,964</b>	<b>-9%</b>
<b>All-in Margin (C= B - A)</b>	<b>371</b>	<b>164</b>	<b>126%</b>
<b>All-in Margin (%) (C / B)</b>	<b>21%</b>	<b>8%</b>	<b>13%</b>

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.

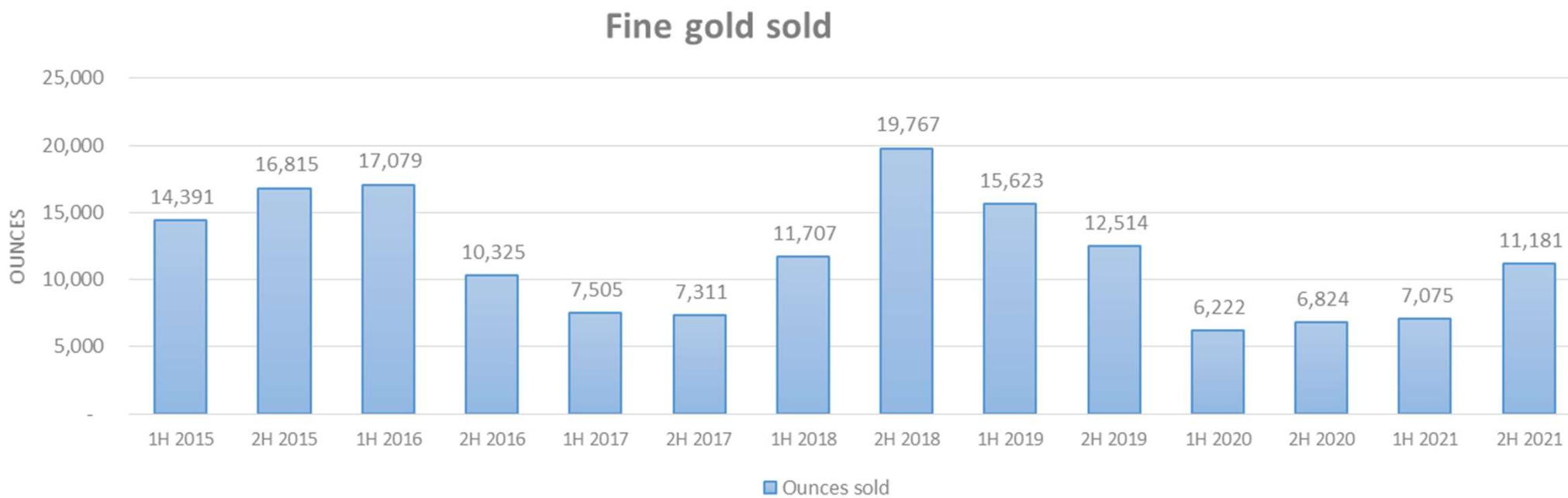


# Summary Of All-In Costs And Margin



All-in costs of US\$1,419/ounce in 2H 2021 drop 21.2% from US\$1,800/ounce in 2H 2020, mainly due to economies of scale arising from the higher production and sale volume of fine gold. The overall decrease was partly offset by higher capital expenditure resulting from the on-going construction of an underground mining facility.

# Half-yearly Production Volume





---

**FY 2021**

**Financial Highlights**

---



# FY 2021 Financial Highlights

Income statement	FY 2021	FY 2020	Change
Revenue (US\$' million)	32.88	23.88	37.7%
Results from operating activities (US\$' million)	3.05	(5.13)	n.m.
Net profit/(loss) (US\$' million)	2.06	(4.78)	n.m.
Net profit/(loss) margin	6.3%	-20.0%	n.m.
Earnings/(Loss) per share (US cents)	0.42	(0.87)	n.m.
Earnings/(Loss) per share (SG cents)	0.56	(1.20)	n.m.

**Net asset  
value of  
US\$40.74m**

**Current  
ratio of 2.15**

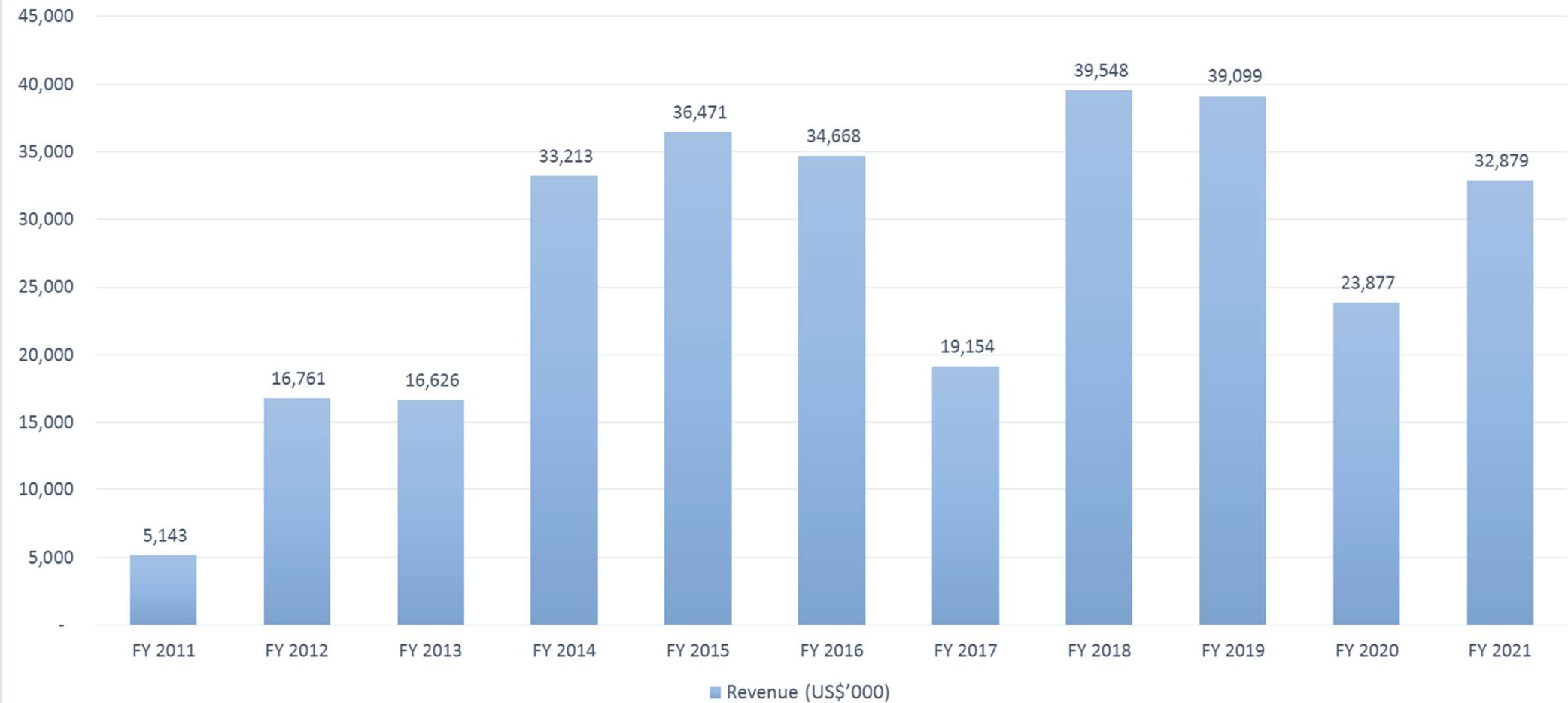
**Debt/Equity  
ratio of 0.02**

**Net cash  
position of  
US\$15.61m**

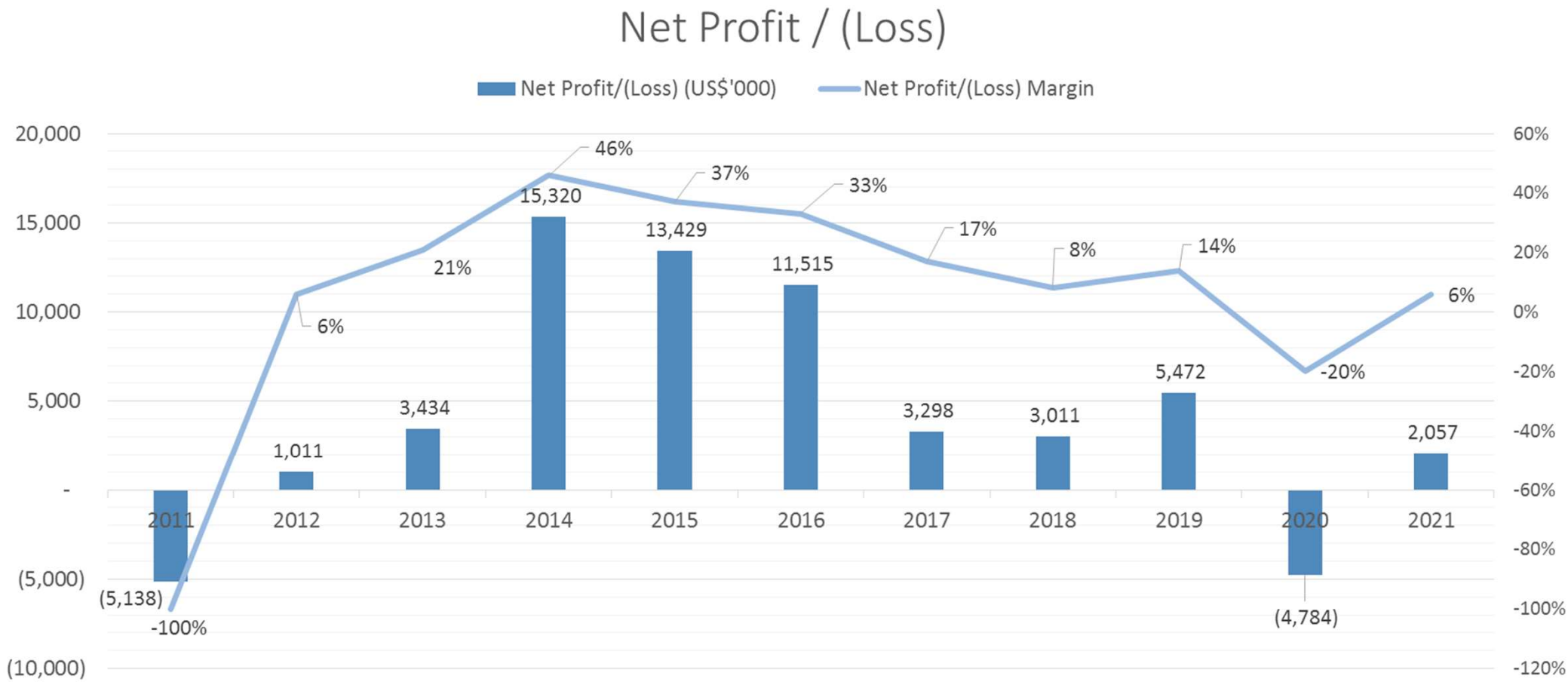


# REVENUE: FY 2011 TO FY 2021

Revenue (US\$'000)



# NET PROFIT / (LOSS): FY 2011 TO FY 2021



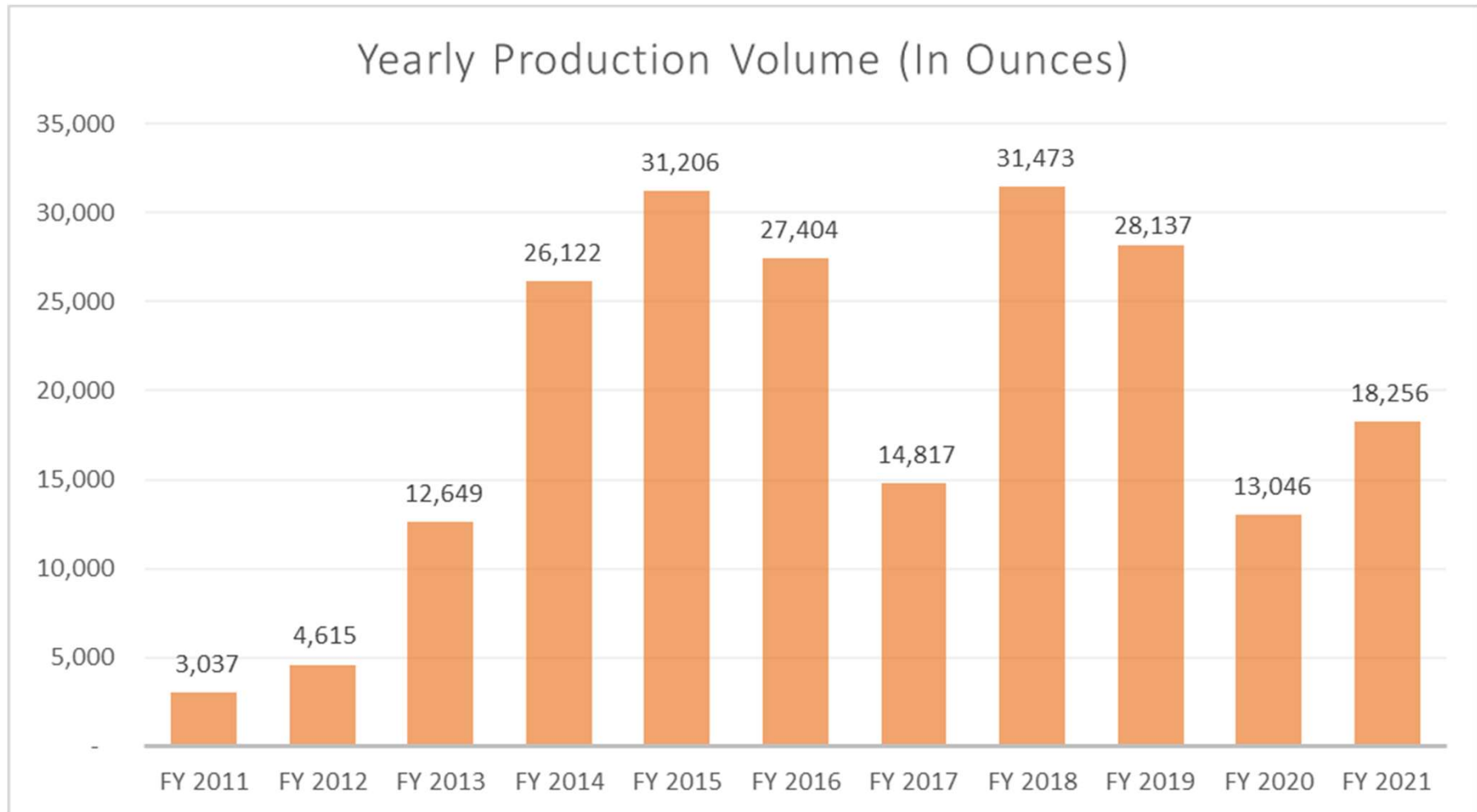


# Analysis Of All-In Costs And Margin

	FY 2021	FY 2020	Changes
	US\$ / gold ounce sold		%
Mining related costs	896	1,125	-20.4%
Royalty and tribute expenses	245	241	1.7%
<b>Adjusted operating costs</b>	<b>1,141</b>	<b>1,366</b>	<b>-16.5%</b>
General and administrative costs	240	222	8.1%
Capital expenditure	60	38	57.9%
<b>All-in sustaining costs</b>	<b>1,441</b>	<b>1,626</b>	<b>-11.4%</b>
Capital exploration (non-sustaining)	9	12	-25.0%
Capital expenditure (non-sustaining)	33	12	175.0%
<b>All-in costs (A)</b>	<b>1,483</b>	<b>1,650</b>	<b>-10.1%</b>
<b>Average realised gold price (B)</b>	<b>1,801</b>	<b>1,830</b>	<b>-2%</b>
<b>All-in Margin (C= B - A)</b>	<b>318</b>	<b>180</b>	<b>77%</b>
<b>All-in Margin (%) (C / B)</b>	<b>18%</b>	<b>10%</b>	<b>8%</b>

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.

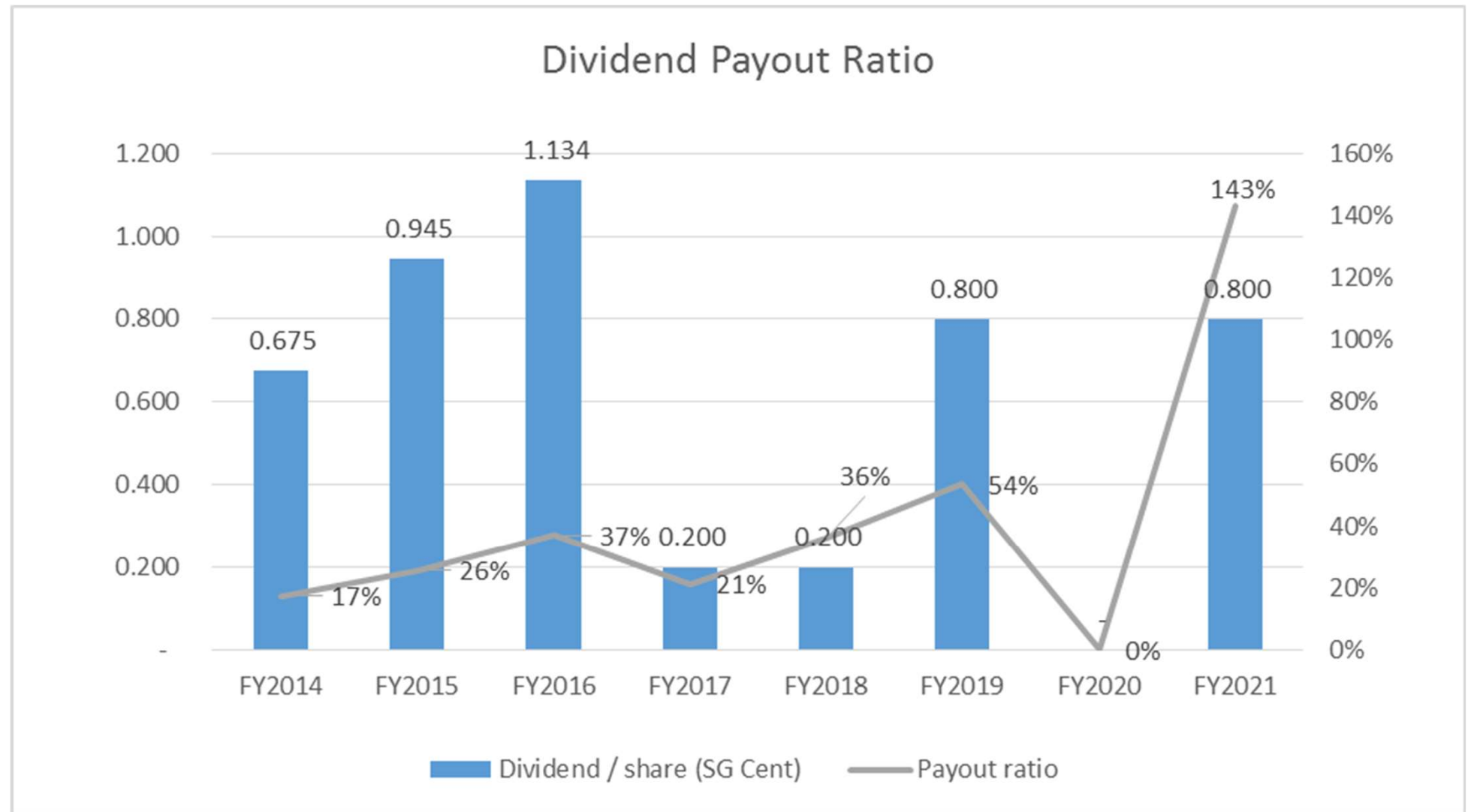
# Yearly Production Volume



- Commenced gold production in July 2010 and has since successfully produced more than 210,000 ounces (6 metric tonnes) of fine gold



# Dividend Payout Ratio Track Record







# **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

- Construction of a two additional underground gold mining facility is now underway
- When completed, these facilities will enable the extraction of more higher-grade gold ore to support the current operation as well as potential expansion of the existing carbon-in-leach (CIL) plant
- CIL plant's current processing capacity of 500 tonnes of gold ore per day can potentially be doubled to 1,000 tonnes per day



# Growth Initiatives For Sokor

## Diversify mining portfolio

- Construction of a flotation plant to process ore containing silver, lead and zinc is now in the final phase
- Flotation plant will be able to process about 550 tonnes of ore daily
- Trial production expected to start in 2Q2022, barring any unforeseen circumstances



# Growth Initiatives For Sokor

## Better manage operating expenses

- Renegotiating terms with suppliers and service providers to better manage overheads
- Longer-term plan is to install a national grid power line at Sokor to reduce reliance on diesel generators, which are less cost-effective





# Outlook



# Outlook

## Gold

- Gold's safe-haven status boosted by growing concerns over possible invasion of Ukraine by Russia
- Interest rate hikes by central banks to fight inflation not necessarily negative for gold prices: World Gold Council (WGC)

*“Our analysis shows that gold has performed well into central bank hiking cycles and has been an effective inflation hedge. Coupled with healthy jewellery and central bank demand, and the potential for market volatility in a vastly changing world, the strategic rationale for gold in a portfolio – particularly as a portfolio hedge – remains compelling.”*

**- *The Relevance of Gold as a Strategic Asset* by WGC, published on 20 Jan 2022**

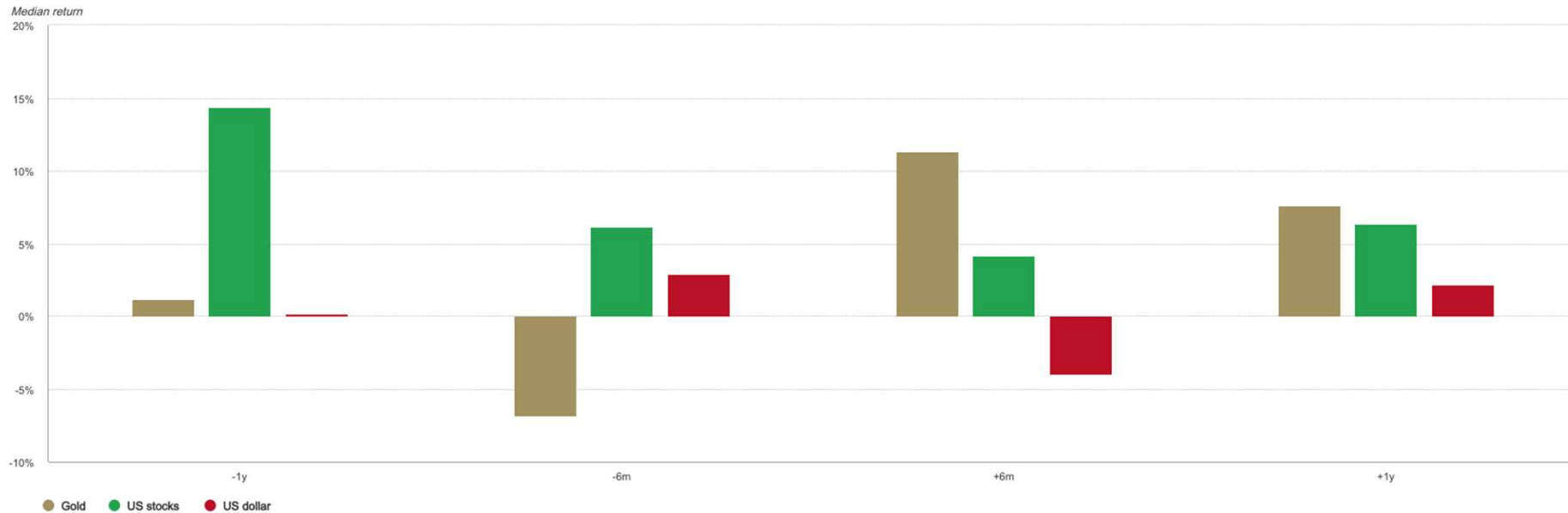


# Outlook

GOLDHUB

## Gold has typically outperformed following the first rate hike of a Fed tightening cycle

Median return of gold, US stocks, and the US dollar over the past four Fed tightening cycles\*



\*Median returns based on the past four tightening cycles starting in February 1994, June 1999, June 2004, and December 2015. US dollar performance based on the Fed trade-weighted dollar index prior to 1997 and the DXY index thereafter, due to data availability.

Source: Bloomberg, ICE Benchmark Administration, World Gold Council

# Outlook

## Base metals

- New source of income from sales of lead and zinc concentrate once flotation plant starts commercial operation
- Prices of base metals have been rallying as producers are forced to reduce output amid soaring energy costs worldwide



# Outlook

## Covid-19 situation in Malaysia

- Malaysia's ability to contain Covid-19 will be a key determinant of our financial performance in the foreseeable future
- About 80% of entire population in Malaysia fully vaccinated
- Rising vaccination and booster take-up rates, coupled with mandatory measures such as safe distancing, mask-wearing and regular self-tests, suggest Malaysia is now better placed to deal with the pandemic



---

# Q&A Session

---



# Disclaimer

The materials used herein and this presentation (collectively, the “Presentation”) have been prepared by CNMC Goldmine Holdings Limited (“CNMC”) solely for use at the presentation to be made to qualified investors and investment professionals. By viewing the Presentation, or by reading the materials used at the Presentation, you agree to be bound by the following limitations:

- The Presentation is strictly confidential and may not be copied, published, distributed or transmitted or disclosed by recipients to third parties.
- The Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities or an inducement to enter into any investment activity, nor shall any part or all of the Presentation form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities.
- The Presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in our opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, viewers of the Presentation are cautioned not to place undue reliance on these forward-looking statements.
- The Presentation is only directed at qualified investors and investment professionals and other persons should not rely on or act upon the Presentation or any of its contents.
- The Presentation does not constitute a recommendation regarding the securities of the Company. By attending this presentation you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company.
- The Presentation reflects the affairs of the Company as at the date it is presented to the investors. Any further discussions of the Company or any of their respective affiliates with any of the recipients shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date.





# Thank You

Media and Investor Contact

Frankie Ho

M: 9858 7990

Email: [frankie@outreachcomms.com](mailto:frankie@outreachcomms.com)