



Securities Investors Association (Singapore)

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Issuer: CNMC Goldmine Holdings Limited

Security: CNMC Goldmine Holdings Limited

Meeting details:

Date: 30 April 2019

Time: 3.00 p.m.

Venue: 745 Lorong 5 Toa Payoh, #04-01 The Actuary, Singapore 319455

Company Description

CNMC Goldmine Holdings Limited is a Singapore-based investment holding and management company. The Company is a gold producer. Its segments include Gold mining, which is engaged in exploration, development, mining and marketing of gold, and Other operations, which include investment holding company and provision of corporate services. The Company, together with its subsidiaries, is principally engaged in the business of exploration, mining of gold and the processing of mined ore into gold dores. The Company is focused on the development of its Sokor Gold Field Project. The Sokor Gold Field covers an area of approximately 2,370 acres and it is located in the District of Tanah Merah, Kelantan, Malaysia. The Sokor Gold Field Project is a region covering an area of approximately 10 square kilometers with over four identified gold deposits, such as Manson's Lode Vein, New Discovery Vein, Sg. Ketubong Target and Rixen Target. The Company's operations are located in Malaysia.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5TP)

Q1. Would the board/management provide shareholders with better clarity on the mining operations and exploration? Specifically:

- (i) Carbon-in-leach (“CIL”) plant: Would management help shareholders understand when it would make the decision on the CIL expansion plans?**
As noted in the JORC report, as of December 2018, 149 kt of ore material had been processed through the CIL plant, with the plant achieving an average recovery of 88% over the commercial operation period from May to December 2018. **Is management further optimising the recovery rate to achieve a rate of 95%?** The company has highlighted that the CIL plant boasts a gold recovery rate of up to 95%.
- (ii) Cyanide: How is the group handling the cyanide solution that is used in the CIL process? What is the board’s oversight of the safeguards and the group’s compliance with environmental requirements?**
- (iii) Heap leach pad: When will the second new heap leach pad be completed? What is the projected yield recovery of the “enhanced heap leaching system”?**
- (iv) National grid power line: Has management completed the cost-benefit analysis of the installation of a national grid power line to Sokor? If carried out, what will be the set-up cost and how much savings does it provide over diesel? When will the group be making its decision?**
- (v) All-in costs: The group’s all-in costs have increased steadily from the low base of US\$600-725/ounce in FY2014/2015. With the new plants in operation, how much savings can be achieved?**

Q2. In January 2019, Barrick Gold completed its merger and Randgold and proposed to acquire Newmont Mining. Newmont, on the other hand, is trying to acquire Goldcorp.

- (i) Has the board/management considered the impact of the mega-mergers of the tier 1 gold miners?**
- (ii) What is the spill-over impact, if any, as the miners divest some of their marginal mines? Are there any opportunities as a result of the dynamics changing in the industry?**
- (iii) If there is further consolidation in the junior/small gold miners, how will the group be affected?**
- (iv) Has the board considered if there is any value to the group to diversify its portfolio?**

Q3. On 20 December 2018, the Listing Committee of the Stock Exchange of Hong Kong informed the company that it is not suitable for listing on the Main Board of SEHK based on its application.

One of the factors included the minimum market capitalisation requirement of HK\$500 million.

- (i) Has the board re-evaluated its plans for a dual listing on the SEHK? What are the company's next steps?**
- (ii) Having spent substantial time and attention on the application, what has management learnt about the group from this journey?**
- (iii) Having already spent approximately US\$2 million on the application, how much more and how long would it take should the company want to re-submit its application?**
- (iv) How critical is the listing to the group's sustained growth?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=CNMC%20Goldmine%20Holdings%20Ltd&cid=6708,4568>

The company's response could be found here: -----