

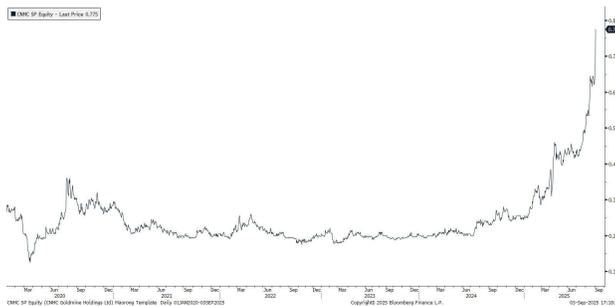
CNMC Goldmine Holdings

03 September 2025

BUY (Maintained)

BBG	CNMC SP	
Market Cap (S\$m)	314.1	
Price (S\$)	0.775	
52-week range (S\$)	0.223-0.78	
Target Price (S\$)	1.13 (Prev: 0.45)	
Shares Outstanding (m)	264.3	
Free Float	65.2%	
Major Shareholder	Innovation China Ltd	26.4%
	Messiah Ltd	8.3%

Source: Company data, Bloomberg, SAC Capital



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CNMC's 1HFY25 Earnings Outshine FY24

CNMC delivered a stellar financial performance in 1HFY25. The Group's 1HFY25 net profit surged 251.4% YoY to US\$19.4 million, exceeding FY24 full year net profit of US\$12.2 million. 1HFY25 revenue increased 78.0% YoY to US\$52.8 million, the highest in any half-year period since CNMC's inception. As at 30 June 2025, the Group had a record amount of US\$37.3 million in net cash, which accounted for 62% of its net asset value. The Group has proposed a 1.5 SG cents per share dividend for 1HFY2025, more than tripling the dividend payout of 0.4 SG cents in 1HFY2024.

Recent capacity expansions further enhance the Group's competitive positioning. The company completed a major upgrade of its processing infrastructure in early 2025, expanding the carbon-in-leach (CIL) plant's capacity by 60% to 800 tonnes of ore per day. Additionally, CNMC is constructing a second underground mining facility at Sokor to tap higher-grade gold ore zones. Once completed, the new underground mine is expected to supplement production volumes and potentially increase the average ore grade mined, thereby raising overall gold output. The combination of expanded processing capacity and new mining fronts gives CNMC a platform for organic growth in the coming years.

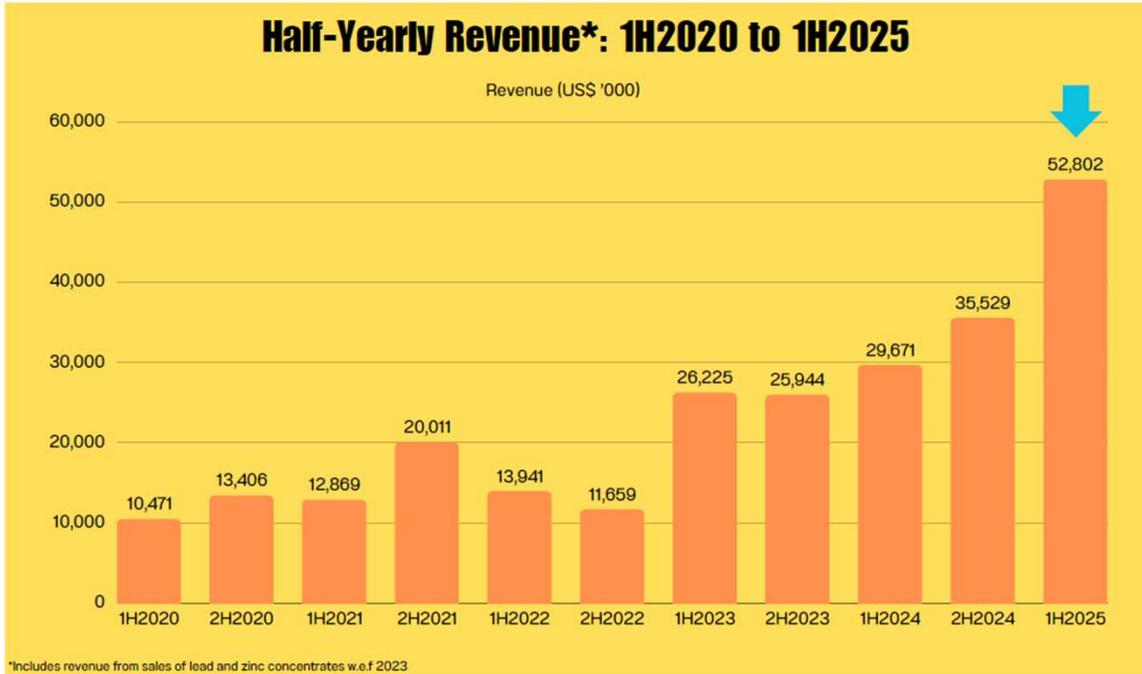
Price of gold has been on a strong upward trajectory, with forecasts from financial institutions projecting it to remain elevated or even reach new highs in the near term. Ongoing geopolitical tensions in Europe and the Middle East, coupled with global trade uncertainties have driven investors to seek safe-haven assets. Federal Reserve Chair, Jerome Powell said that "with policy in restrictive territory, the baseline outlook and the shifting balance of risks may warrant adjusting our policy stance" said at the Jackson Hole Symposium. The anticipated monetary easing cycle by the Federal Reserve and a general softening of the US dollar also make non-yielding assets like gold more attractive. Furthermore, central banks globally have been consistent buyers of gold, reinforcing its status as a store of value and an inflation hedge in an environment of increasing sovereign debt and economic uncertainty.

Potential risks include (i) volatility in gold prices, a sharp decline in gold prices would likely prompt a reevaluation of the stock's fair value and could lead to underperformance, (ii) operational risks related to mining activities, (iii) regulatory and environmental risks and (iv) foreign exchange risk.

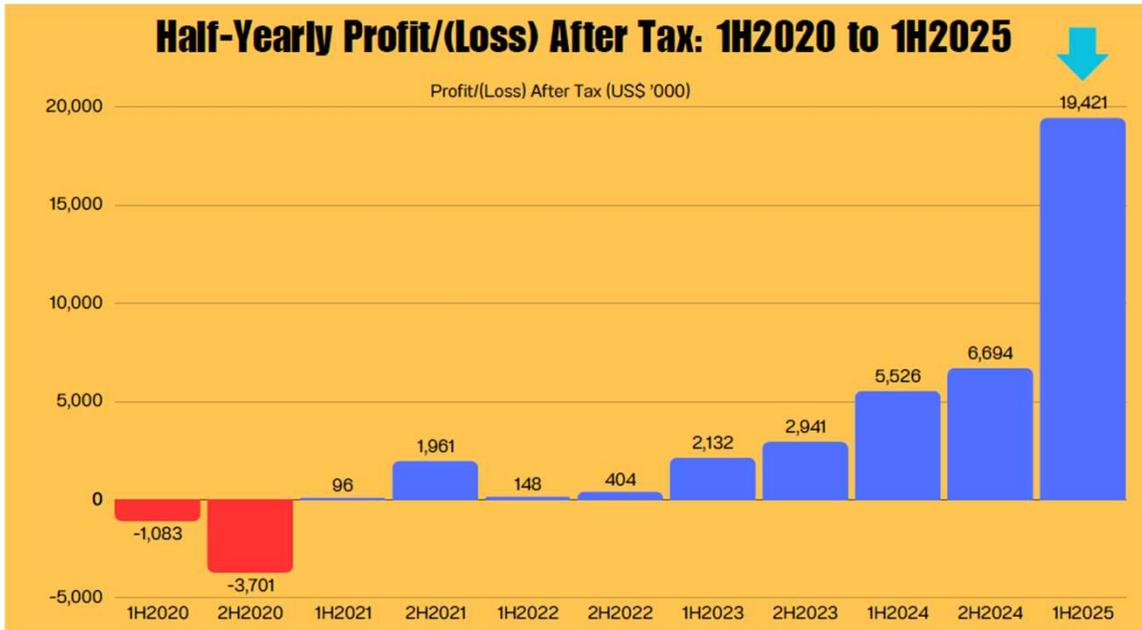
Given CNMC's strong earnings momentum and increased gold production and higher gold prices, we lifted our FY25 and FY26 net profit forecast to US\$39.3 million and US\$45.8 million, respectively. We maintain our **BUY recommendation** and raise our target price to **S\$1.13**, derived from applying a 40% discount to the peer mean PER of 18.4x to CNMC's forward EPS. This represents an upside of 46% from current levels.

FY ended 31 Dec (US\$m)	FY22	FY23	FY24	FY25E	FY26E
Revenue	25.6	52.2	65.2	109.9	128.7
EBIT	1.6	7.8	17.5	54.0	63.1
Net profit	0.6	5.1	12.2	39.3	45.8
EPS (S\$ cents)	0.0	1.4	3.2	10.3	12.0
Dividend per share (S\$ cents)	0.2	0.9	1.4	3.5	4.1
Net cash / (debt)	(0.0)	8.9	19.1	44.3	73.8
Valuation					
Net profit margin (%)	2.2%	9.7%	18.7%	35.8%	35.6%
EV/EBITDA (x)	47.5	24.1	12.2	4.4	3.4
P/E (x)	1,873.7	57.0	23.9	7.5	6.5
P/B (x)	6.1	5.7	4.8	3.4	2.5
Dividend yield (%)	0.3%	1.2%	1.8%	4.5%	5.3%
ROE (%)	1.3%	10.8%	22.5%	50.7%	43.9%

CNMC Goldmine Holdings

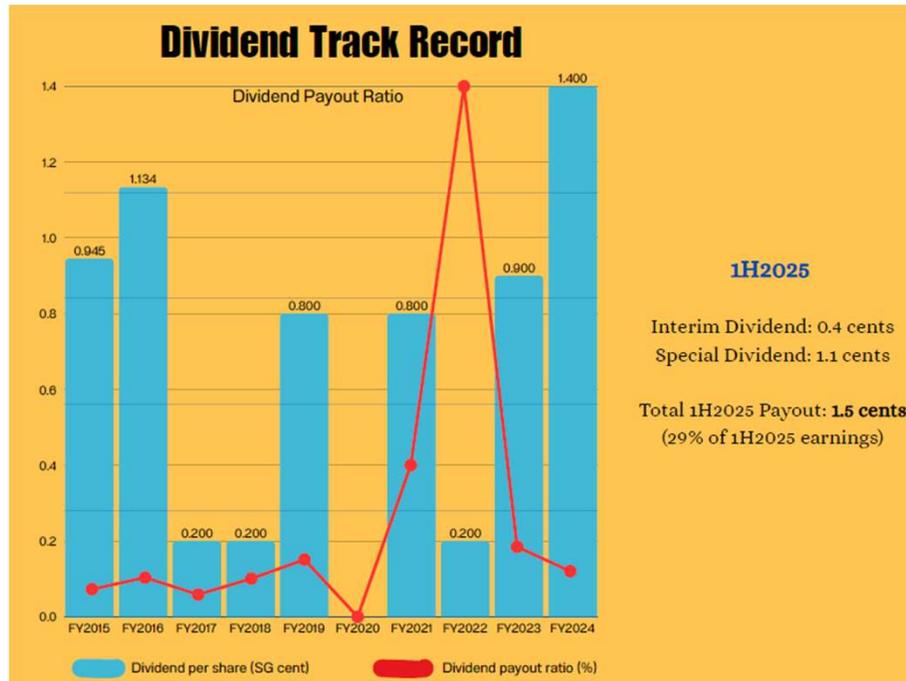


Source: Company



Source: Company

CNMC Goldmine Holdings



Source: Company

1H2025 Revenue Breakdown

	UOM	1H2025			1H2024			Movement		
		Revenue US\$'000	Volume UOM	Price US\$/UOM	Revenue US\$'000	Volume UOM	Price US\$/UOM	Revenue	Volume	Price
Gold	oz	37,758	11,811.48	3,197	21,202	9,357.02	2,266	78%	26%	41%
Lead in lead concentrate	t	2,263	1,581.64	1,431	1,484	971.44	1,528	52%	63%	-6%
Gold in lead concentrate	oz	6,753	2,614.54	2,583	3,279	1,744.20	1,880	106%	50%	37%
Silver in lead concentrate	oz	3,520	162,417.45	22	1,957	106,311.46	18	80%	53%	22%
Zinc concentrate	t	2,508	1,612.67	1,555	1,749	1,038.57	1,684	43%	55%	-8%
		<u>52,802</u>			<u>29,671</u>					
Gold equivalent ounces ¹		52,802	16,516.11	3,197	29,671	13,094.00	2,266	78%	26%	41%

UOM: Unit of Measurement
T: Tonnes
Oz: Ounces

¹ Gold Equivalent Ounces ("GEO") are based on the price assumption by referencing the average realised gold price during the period.
GEO formula = "Total Revenue" divided by "realised average selling price for gold"

Source: Company

Income Statement

YE Dec (US\$m)	FY22	FY23	FY24	FY25E	FY26E
Revenue	25.6	52.2	65.2	109.9	128.7
Other income	0.1	1.4	0.3	1.0	1.0
Changes in inventories	8.5	(6.2)	1.6	3.4	3.6
Amortisation and depreciation	(5.1)	(4.8)	(6.7)	(8.3)	(10.9)
Employee benefits expenses	(4.5)	(5.7)	(6.0)	(7.7)	(8.4)
Key management remuneration	(1.8)	(4.2)	(5.2)	(6.4)	(8.4)
Marketing and publicity expenses	(0.3)	(0.4)	(0.4)	(0.5)	(0.5)
Office and administration expenses	(0.5)	(0.5)	(0.5)	(0.6)	(0.6)
Professional fees	(0.5)	(0.6)	(0.6)	(0.9)	(1.0)
Rental and other lease expenses	(1.6)	(1.8)	(2.1)	(2.2)	(2.6)
Royalty and tribute fee expenses	(3.4)	(6.9)	(8.9)	(14.9)	(17.5)
Site and factory expenses	(12.7)	(13.9)	(16.9)	(17.5)	(18.9)
Travelling and transportation expenses	(0.3)	(0.6)	(0.8)	(1.1)	(1.3)
Other expenses	(2.0)	(0.1)	(1.4)	(0.1)	(0.1)
Total expenses	(24.2)	(45.7)	(48.0)	(56.8)	(66.6)
Net finance (costs)/income	0.0	(0.0)	0.2	0.5	0.5
Profit before tax	1.6	7.8	17.7	54.5	63.6
Tax expenses	(1.0)	(2.8)	(5.5)	(15.2)	(17.7)
Net Profit	0.6	5.1	12.2	39.3	45.8
Profit attributable to owners of the company	0.1	4.1	9.8	31.8	37.1

Cash Flow Statement

YE Dec (US\$m)	FY22	FY23	FY24	FY25E	FY26E
Cash flows from operating activities					
Profit for the year	0.6	5.1	12.2	39.3	45.8
Adjustments for:					
Amortisation of mine properties	0.8	1.2	2.5	2.5	2.5
Depreciation of property, plant and equipment	4.2	3.6	4.2	4.2	4.2
Gain on disposal of property, plant and equipment	-	(0.2)	(0.1)	(0.1)	(0.1)
Interest expense	0.1	0.2	0.2	0.2	0.2
Interest income	(0.1)	(0.2)	(0.4)	(0.4)	(0.4)
Plant and equipment written off	0.5	-	-	-	-
Unrealised loss on foreign exchange	0.6	0.0	(0.0)	(0.0)	(0.0)
Tax expenses	1.0	2.8	5.5	15.2	17.7
Impairment losses on exploration and evaluation assets	-	-	1.3	-	-
Inventories written down/back	1.0	(1.0)	-	-	-
Gain on discounting of convertible loan issued by a subsidiary	(0.1)	(0.1)	-	-	-
Changes in:					
Inventories	(10.3)	5.5	(2.3)	(3.9)	(4.5)
Trade and other receivables	0.2	0.1	(0.4)	(0.7)	(0.9)
Rehabilitation obligations, and Trade and other payables	(3.0)	(1.2)	1.8	3.0	3.5
Cash (used in)/generated from operations	(4.5)	15.8	24.5	59.3	68.1
Tax paid	(1.6)	(2.1)	(4.0)	(11.3)	(13.1)
Net cash (used in)/generated from operating activities	(6.1)	13.7	20.5	48.0	55.0
Cash flows from investing activities					
Payment for exploration and evaluation assets, and mine properties	(1.2)	(1.4)	(3.2)	(3.2)	(3.2)
Proceeds from sales of property, plant and equipment	-	0.1	0.1	0.1	0.1
Purchase of property, plant and equipment	(4.1)	(1.1)	(2.7)	(2.7)	(2.7)
Interest received	0.1	0.2	0.4	0.4	0.4
Net cash used in investing activities	(5.2)	(2.2)	(5.4)	(5.4)	(5.4)
Cash flows from financing activities					
Dividends paid to equity holders of the Company	(2.4)	(1.2)	(3.3)	(10.8)	(12.7)
Dividends paid to preference shares holder and non-controlling interests	(1.2)	(0.6)	(1.1)	(5.4)	(6.3)
Payment of lease liabilities	(0.2)	(0.2)	(0.5)	(0.5)	(0.5)
Interest paid	-	-	(0.1)	(0.3)	(0.3)
Share buyback	-	-	-	-	-
Net cash used in financing activities	(3.7)	(2.1)	(5.0)	(17.0)	(19.8)
Net (decrease)/increase in cash and cash equivalents	(15.0)	9.4	10.1	25.6	29.8
Cash and cash equivalents at beginning of financial year	16.4	1.3	10.8	20.5	45.8
Effect of exchange rate fluctuations on cash held	(0.1)	0.1	(0.4)	(0.4)	(0.4)
Cash and cash equivalents at end of financial year	1.3	10.8	20.5	45.8	75.3

Balance Sheet

YE Dec (US\$m)	FY21	FY22	FY23	FY24	FY25E	FY26E
Non-current assets						
Exploration and evaluation assets	6.0	6.5	6.4	5.7	5.7	5.7
Mine properties	16.5	16.7	17.5	18.6	26.3	30.6
Property, plant and equipment	13.2	14.2	14.7	14.8	13.3	11.7
Interests in subsidiaries	-	-	-	-	-	-
Deferred tax assets	1.2	1.0	0.9	1.2	1.2	1.2
Mine rehabilitation fund	0.7	0.7	0.7	0.7	0.7	0.7
Total non-current assets	37.5	39.1	40.3	41.0	47.2	49.9
Current assets						
Inventories	2.6	11.9	7.4	9.6	11.8	13.1
Current tax assets	-	0.2	-	-	-	-
Trade and other receivables	1.4	1.3	1.3	1.5	1.3	1.3
Cash and cash equivalents	16.4	1.3	10.8	20.5	45.8	75.3
Total Current assets	20.4	14.6	19.5	31.7	58.9	89.7
Total assets	58.0	53.8	59.7	72.7	106.1	139.6
Equity						
Share capital	18.0	18.0	18.0	18.0	18.0	18.0
Preference shares	-	-	-	0.0	0.0	0.0
Treasury shares	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
Reserves	3.2	3.4	3.5	3.4	3.4	3.4
Retained earnings	19.8	17.5	20.3	26.7	49.8	76.6
Equity attributable to owners	40.7	38.6	41.5	47.8	70.9	97.7
Non-controlling interests	5.5	5.6	5.6	6.7	6.7	6.7
Total equity	46.2	44.2	47.1	54.4	77.5	104.3
Non-current liabilities						
Loans and borrowings	0.1	1.1	1.4	0.2	0.2	0.2
Rehabilitation obligations	2.2	2.1	2.1	2.3	2.3	2.3
Total non-current liabilities	2.3	3.2	3.5	2.5	2.5	2.5
Current liabilities						
Loans and borrowings	0.7	0.2	0.5	1.3	1.3	1.3
Trade and other payables	7.0	5.8	7.7	11.4	19.2	22.5
Dividends payable	1.1	0.4	0.7	0.9	1.2	4.6
Current tax liabilities	0.7	-	0.3	2.2	4.4	4.4
Total current liabilities	9.5	6.3	9.2	15.8	26.1	32.8
Total liabilities	11.8	9.6	12.6	18.2	28.6	35.3
Total equity and liabilities	58.0	53.8	59.7	72.7	106.1	139.6

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