CNMC Goldmine Holdings Limited
Sokor Project – Updated Mineral Resource and Ore Reserve Estimates as at 31 December 2014

J_1843

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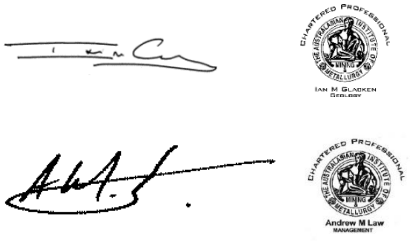
Principal Reviewers:	Ian Glacken *BSc (Hons) (Geology), MSc (Geology), MSc (Geostatistics),DIC, FAusIMM (CP), MIMMM, CEng* Andrew Law *HND (MMin.) MBA, FAusIMM (CP,) FIQA, MAICD, AFAIM*	Signature:	
		Date:	1 April 2015

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1 April 2015 Our Ref: J_1843

The Board of Directors
CNMC Goldmine Holdings Limited
745 Toa Payoh Lorong 5 #04-01
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Dear Sirs

SOKOR PROJECT – UPDATED MINERAL RESOURCE AND ORE RESERVE ESTIMATES AS AT 31 DECEMBER 2014

The Sokor Project (the Project) in Kelantan State in northern Peninsular Malaysia is currently 81% owned by CNMC Goldmine Holdings Limited (CNMC) through its subsidiary CMNM Mining Group Sdn. Bhd. (CMNM). CMNM holds the rights to mine and produce gold, silver and base metals from an area of approximately 10 km^2 in the Ulu Sokor area in Kelantan. CNMC has defined three deposits in the southern part of the project area (Manson's Lode, New Discovery and Ketubong) and a fourth deposit (Rixen) approximately 3 km to the north of Ketubong.

At CNMC's request, Optiro Pty Ltd (Optiro) has updated the Mineral Resource estimate for the Sokor Project and has incorporated data from 98 diamond holes drilled by CNMC during 2014 and since CNMC's 31 December 2013 Mineral Resource and Ore Reserve Statement. Mineral Resource estimates have been updated for Rixen, Manson's Lode and New Discovery. CNMC has extracted ore from Rixen during 2014 and the Mineral Resources have been depleted for mining to 31 December 2014. The Mineral Resources at Manson's Lode, New Discovery, Rixen and Ketubong have been reported in accordance with Singapore Exchange (SGX) mineral, oil and gas guidelines, having been classified and reported using the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code 2012). The Ore Reserves for the Rixen Deposit have been reported in accordance with the JORC 2012 Code. The Ore Reserve estimates for the Manson's Lode and the New Discovery deposit were prepared and first disclosed under JORC 2004. These Ore Reserves have not been updated to comply with the JORC Code 2012, on the basis that the information has not materially changed since it was last reported.

Optiro has prepared this document in support of CNMC's Annual Report for the year 2014. Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological Mineral Resource and Ore Reserve estimation services, but also corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia and Optiro's staff work on a variety of projects in a range of commodities worldwide.

The report has been provided to the Directors of CNMC in relation to reporting of the Mineral Resource and Ore Reserves estimates for the Sokor Project as at 31 December 2014 for incorporation into CNMC's Annual Report for the Year 2014; as such, it should not be used or relied upon for any other purpose.

Neither the whole nor any part of this report or any reference thereto may be included in, or with, or attached to any document or used for any purpose without Optiro's written consent as to the form and context in which it appears.

The Mineral Resource estimate has been prepared by Mrs Christine Standing and reviewed by Mr Ian Glacken. Mr Glacken, Director of Optiro and Fellow of the Australasian Institute of Mining and Metallurgy, and Mrs Standing, Principal of Optiro and Member of the Australasian Institute of Mining and Metallurgy, fulfil the requirements of competent persons as defined in the JORC Code 2012 and accept responsibility for the qualified persons' report and the JORC Code 2012 categorisation of the Mineral Resource estimate as tabulated in the form and context in which it appears in this report.

The Ore Reserve Estimate has been compiled by Mr Michael Leak, Senior Consultant at Optiro and Member of the Australasian Institute of Mining and Metallurgy, under the direction of Mr Andrew Law, Director of Optiro and Fellow of the Australasian Institute of Mining and Metallurgy. Mr Andrew Law fulfils the requirement of a competent person as defined in the JORC Code 2012 and the JORC Code 2004 and accepts responsibility for the qualified persons' report and the JORC Code 2012 and 2004 categorisations of the Ore Reserve estimate as tabulated in the form and context in which they appear in this report.

Optiro has relied on the data, reports and information provided by CNMC; Optiro has nevertheless made such enquiries and exercised its judgement as it deems necessary and has found no reason to doubt the reliability of the data, reports and information which have been provided by CNMC.

Yours faithfully
OPTIRO

Andrew Law *FAusIMM(CP), MAICD*
Director - Mining

Ian Glacken *FAusIMM (CP), CEng*
Director of Geology and Principal Consultant

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1. EXECUTIVE SUMMARY

1.1. INTRODUCTION

The Sokor Project (the Project), located in Kelantan State in northern Peninsular Malaysia, is currently owned 81% by CNMC Goldmine Holdings Limited (CNMC) through its subsidiary CMNM Mining Group Sdn. Bhd. (CMNM). CMNM holds the rights to mine and produce gold, silver and base metals from an area of approximately 10 km^2 in the Ulu Sokor area in Kelantan. CNMC has defined three deposits in the southern part of the project area (Manson's Lode, New Discovery and Ketubong) and a fourth deposit (Rixen) approximately 3 km to the north of Ketubong.

Optiro Pty Ltd (Optiro) undertook site visits to the Sokor Project on 7 and 8 December 2011 to review data for the Mineral Resource estimate and from the 17 to 22 October 2012 to review the mining operations for the Ore Reserve estimate. CNMC provided Optiro with the drillhole logging, assay and survey data, interpreted geological cross-sections and topographical data.

During April 2012, Optiro generated a validated drillhole database, three dimensional interpretations of the mineralisation and prepared updated Mineral Resource estimates for Manson's Lode, New Discovery, Rixen and Ketubong using geostatistical techniques. From October to December 2012, CNMC drilled an additional 18 holes at Rixen. Optiro incorporated data available from 16 of these drillholes for the 2013 update to the Mineral Resource estimate for the Rixen deposit. During 2013, CNMC drilled an additional 76 holes for a total of 9,630 m. Data from these holes and assay data from the two 2012 holes (not available for the 2013 Mineral Resource updated) were used to update the Mineral Resource estimates for the Manson's Lode, Ketubong and Rixen deposits as at 31 December 2013.

During 2014, CNMC drilled an additional 100 holes within the area of Mineral Resources defined at Sokor. Of these, two drillholes were excluded due to poor recovery. The resource database has been updated to include 98 diamond drillholes for a total of 13,016 m. Data from these holes and survey data from 24 holes drilled during 2013 were used to update the Sokor Project Mineral Resource estimates. Updated estimates were prepared for Rixen, Manson's Lode and New Discovery. Ore has been extracted by CNMC at Rixen and the Mineral Resource and Ore Reserve estimates have been depleted for all mining to 31 December 2014.

The Mineral Resource estimates for the Sokor Project have been prepared and classified in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code 2012).

1.2. MINERAL RESOURCE ESTIMATE

The gold mineralisation within the Sokor Project is lithologically and structurally controlled and is generally hosted in acid to intermediate volcanic rocks and in carbonate-rich rocks. The depth to the base of oxidation varies between deposits, from a shallow depth of less than 3 m at Ketubong to up to 60 m at Rixen. Previous mining of near surface, high grade ore has occurred at Manson's Lode and New Discovery and the pits have been backfilled with mineralised material of lower grades from Manson's Lode and New Discovery.

At Manson's Lode there are economic grade silver, lead and zinc assays in addition to gold that have been incorporated into the Mineral Resource model. At New Discovery, Ketubong and Rixen the silver and base metal concentrations are typically low. Exploration by CNMC has focussed on the definition of gold Mineral Resources and Ore Reserves at the Sokor Project, however, results from the 2013 and 2014 drilling at Manson's Lode also included high zinc and lead grades.

Optiro interpreted the mineralisation at all deposits above a nominal 0.3 g/t gold cut-off grade. At Manson's Lode and New Discovery mineralisation was defined within backfilled material from previous mining and at New Discovery, Rixen and Ketubong a zone of mineralisation was interpreted within the alluvial/eluvial material overlying the bedrock.

At Manson's Lode base metal mineralisation, external and additional to the gold mineralisation, was interpreted above a nominal 3% lead plus zinc (Pb+Zn) cut-off grade.

At New Discovery and Ketubong two types of mineralisation were interpreted within the bedrock: narrow zones of structurally controlled mineralisation within the north-south trending Ketubong-Rixen fault zone, and lithologically controlled mineralisation to the east of the fault zone, which overlies the structurally controlled mineralisation. The 2014 drilling has extended the mineralisation identified at New Discovery down-dip. At Manson's Lode and Rixen the bedrock mineralisation has been interpreted to be lithologically controlled within one relatively flat zone at Manson's Lode and two east dipping zones at Rixen.

Block grades were estimated using an ordinary kriging technique with appropriate assay top-cuts applied for each deposit and style of mineralisation. The mineralisation has been classified as Measured, Indicated and Inferred in accordance with the guidelines of the JORC Code 2012. Bulk density values for each deposit and material type were calculated using measurements from 116 sections of diamond drill core and measurements of alluvial and backfilled material from 41 test pits.

Mining at Rixen during 2014 extracted 1,362 kt for the production of 27,600 ounces of gold via heap leach extraction, which was ongoing as at 31 December 2014.

The New Discovery deposit is considered an inactive mining area at this time, with only small-scale trial mining undertaken on an ad-hoc basis as part of an ongoing exploration and metallurgical testwork process. This activity was considered immaterial in terms of its impact on the New Discovery Ore Reserve. No mining activity took place at the Manson's Lode or Ketubong deposits during 2014.

1.3. MINERAL RESOURCE AND ORE RESERVE TABULATION

The Mineral Resource estimate, as at 31 December 2014, for the Sokor Project is reported in Table 1.1 below. This has been classified and reported in accordance with the guidelines of the JORC Code 2012 and has been depleted for mining at Manson's Lode (as at 2012), New Discovery (as at 2012) and Rixen to 31 December 2014. The Mineral Resources are reported above a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong, and above a 0.3 g/t gold cut-off grade at Rixen to reflect current commodity prices, operating costs and processing options. As at 31 December 2014, the total Measured, Indicated and Inferred gold Mineral Resource for the Sokor Project (above a 0.3 g/t gold cut-off grade at Rixen and a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong) is 10,810 kt at 1.5 g/t gold with contained gold of 506,000 ounces.

Gold mineralisation at Manson's Lode has associated silver and base metal mineralisation. Silver, lead and zinc Mineral Resources have been reported for Manson's Lode both within the gold mineralisation, above a 0.5 g/t gold cut-off grade, and also external to the gold mineralisation, above a cut-off of 3% lead and zinc (Table 1.1).

The total Measured, Indicated and Inferred gold resources for the Sokor Project, previously reported in December 2013, was 9,140 kt at 1.6 g/t gold, with contained gold of 465,000 ounces; this represents an increase of 8% in contained gold in the Mineral Resource. The Manson's Lode Mineral Resource, previously reported in December 2013, also contained silver, lead and zinc, namely 650 kt with an average grade of 58 g/t silver, 1.5% lead and 1.5% zinc. This represents increases of 21%, 28% and 32% in contained silver, lead and zinc respectively over the December 2013 totals. The Mineral Resource figures discussed above include material which has subsequently been modified to produce Ore Reserves.

Table 1.1 Sokor Project – Mineral Resource statement as at 31 December 2014 (inclusive of Ore Reserves)

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Change from previous update (%)
Measured	Gold	0.55	3.2	57	0.45	3.2	46	+1
Indicated	Gold	6.75	1.3	287	5.47	1.3	232	+34
Inferred	Gold	3.51	1.4	163	2.84	1.4	132	-17
Total	**Gold**	**10.81**	**1.5**	**506**	**8.76**	**1.5**	**410**	**+8**
Measured	Silver	0.33	62	659	0.27	62	534	-3
Indicated	Silver	0.16	72	360	0.13	72	291	+52
Inferred	Silver	0.45	33	473	0.37	33	383	+49
Total	**Silver**	**0.94**	**50**	**1,492**	**0.76**	**53**	**1,208**	**+21**
Measured	Lead	0.33	1.7	5,569	0.27	1.7	4,511	0
Indicated	Lead	0.16	1.7	2,628	0.13	1.7	2,129	+66
Inferred	Lead	0.45	0.9	4,252	0.37	0.9	3,444	+67
Total	**Lead**	**0.94**	**1.3**	**12,449**	**0.76**	**1.3**	**10,084**	**+28**
Measured	Zinc	0.33	1.7	5,487	0.27	1.7	4,444	-2
Indicated	Zinc	0.16	2.0	3,062	0.13	2.0	2,480	+112
Inferred	Zinc	0.45	1.0	4,459	0.37	1.0	3,612	+58
Total	**Zinc**	**0.94**	**1.4**	**13,007**	**0.76**	**1.4**	**10,536**	**+32**

Note: Inconsistencies in totals are due to rounding

The additional drilling during 2014 at Rixen, Manson's Lode and New Discovery extended the Indicated Mineral Resource at Rixen and the Inferred Mineral Resources at Manson's Lode and New Discovery. Additional Mineral Resources have been defined to the south of Rixen, which have been incorporated into the Rixen Mineral Resource estimate. Silver, lead and zinc Mineral Resources have been defined at Manson's Lode and the additional 2014 drilling has increased these Mineral Resources along strike to the north-east.

Confidence in the Rixen resource has improved, but QA/QC practices need to be improved and discrepancies in the drillhole collar elevations need to be resolved before Measured Mineral Resources can be defined.

In reporting the 2014 Ore Reserves in Table 1.2, it should be noted that the Mineral Resource has been reported '*exclusive*' of Ore Reserves, as at 31 December 2014. This total includes Ore Reserves at Rixen which have been reported in accordance with the JORC Code 2012 and Ore Reserves at the other prospects (Manson's Lode and New Discovery) which have been restated in accordance with the JORC Code 2004. The reason for the split in reporting Ore Reserves between 2004 and 2012 versions is that only Rixen has been actively mined during 2014. Additional exploration work was undertaken at Manson's Lode and New Discovery, with initial preliminarily metallurgical testwork being undertaken, but not finalised, during the reporting period. Additional work and studies are currently in progress and are expected to be completed during 2015. These should support future Ore Reserves being reported according to JORC 2012.

Table 1.2 **Sokor Project Ore Reserves (Manson's Lode, New Discovery and Rixen) and Mineral Resources (additional to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2014**

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
RESERVES								
Proved	Gold	186	3.6	23	151	3.6	18	0
Probable	Gold	3,939	1.3	165	3,189	1.3	133	+5
Total	**Gold**	4,125	1.4	188	3,341	1.4	151	+5
RESOURCES								
Measured	Gold	335	3.1	32	270	3.1	27	-18
Indicated	Gold	2,711	1.3	110	2,207	1.3	88	+115
Inferred	Gold	1,682	1.1	61	1,370	1.1	50	-69
Total	**Gold**	4,728	1.4	203	3,847	1.4	165	-29

2. INTRODUCTION

CNMC Goldmine Holdings Limited, through its subsidiary CMNM Mining Group Sdn. Bhd., holds an 81% interest in the Sokor Project (Figure 2.1). CMNM holds the rights to mine and produce gold, silver and base metals from an area of approximately 10 km^2 in the Ulu Sokor area in Kelantan, Malaysia. CNMC listed on the Catalist Board of the Singapore Exchange by way of an Initial Public Offering on 28 October 2011. This report has been prepared to provide a market update on Mineral Resources and Ore Reserves as at 31 December 2014 as required under the mineral, oil and gas guidelines of the SGX-ST.

CNMC has defined three deposits in the southern part of the Sokor Project area (Manson's Lode, New Discovery and Ketubong) and a fourth deposit (Rixen) approximately 3 km to the north of Ketubong (Figure 2.1).

During 2014, CNMC drilled an additional 100 holes at Manson's Lode, New Discovery, Ketubong and Rixen. Two of the drillholes (ZKR13-7 and ZKR165-3) had poor recovery and were excluded from the resource database. The database was updated to include all assay data from 98 diamond holes drilled during 2014, and updated survey data from 24 holes, drilled during 2013, were used to update the Sokor Project Mineral Resource estimates. The Mineral Resource estimates have been updated for Rixen, Manson's Lode and New Discovery. The Ketubong Mineral Resource estimate was not updated. Four holes drilled during 2014, located some 650 m located to the north of Ketubong, intersected mineralisation, but there is insufficient data within this area to define a Mineral Resource.

Exploration by CNMC has focussed on the definition of gold Mineral Resources and Ore Reserves at the Sokor Project. Results from the 2013 and 2014 drilling at Manson's Lode included high zinc and lead grades and the Mineral Resources defined for silver, lead and zinc at Manson's Lode are included in the formal reporting of the Mineral Resources for the Sokor Project.

Ore was extracted at Rixen during 2014 and the Mineral Resource and Ore Reserve estimates have been depleted for mining to 31 December 2014. All of the Mineral Resources and the Rixen Ore Reserves were classified and reported in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2012 (the JORC Code 2012).

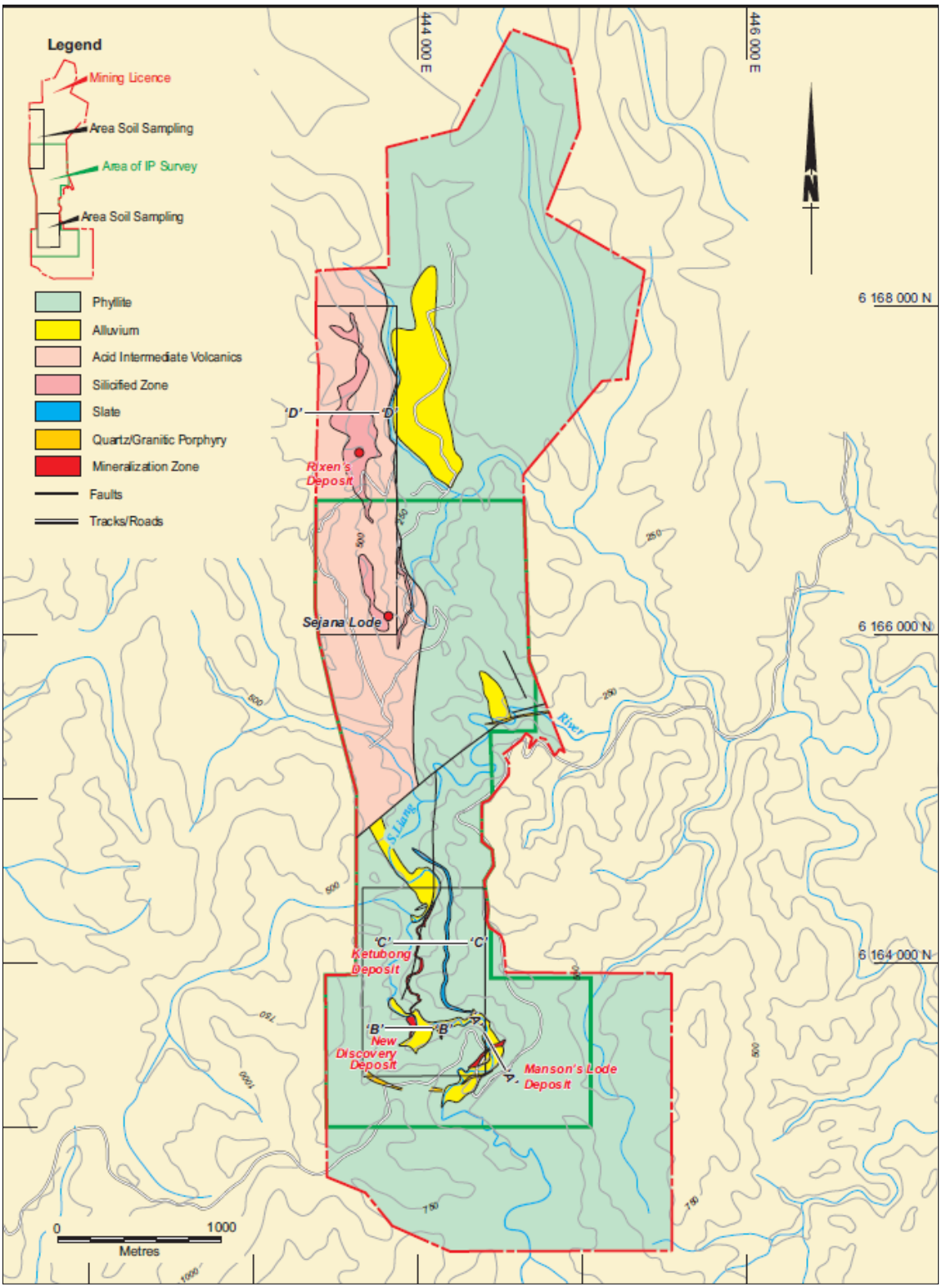
During 2014, no mining activities took place at Manson's Lode or at New Discovery. The Ore Reserves at Manson's Lode and New Discovery, which have been previously reported, were classified and reported in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, December 2004 (the JORC Code 2004).

Optiro has prepared this report to document the update to the Mineral Resource estimates and Ore Reserves in support of the planned 2014 Annual Report.

Behre Dolbear Australia Pty Ltd (BDA) has assisted CNMC with reviews of exploration procedures and Mineral Resource and Ore Reserve estimation (BDA, 2011a and 2011b).

The property description, history of the property, exploration data and procedures, mining and processing, infrastructure, environmental and community issues, life of mine production schedule and capital and operating costs have previously been documented by BDA in August and November 2011 (BDA, 2011a and 2011b).

Figure 2.1 Sokor Project – local geology and deposit location (BDA, 2011a)



Mrs Christine Standing of Optiro undertook a site visit to the Sokor Project on 7 and 8 December 2011 to review data for the Mineral Resource estimate; Mr George Brech of BDA assisted Optiro during the site visit. Mr Andrew Law of Optiro undertook a site visit to the Sokor Project between the 16 and 18 of May 2012 to review the mining operations for the Ore Reserve estimate.

Optiro viewed the drill core, trenches, excavations and drillhole collars at Manson's Lode, New Discovery, Ketubong and Rixen and held discussions with CNMC personnel regarding drilling, logging and sampling procedures and selection of samples for metallurgical test work.

CNMC provided Optiro with the drillhole logging, assay and survey data, interpreted geological cross-sections and topographical data.

The Mineral Resource estimate has been prepared by Mrs Christine Standing and reviewed by Mr Ian Glacken. Mr Glacken, Director of Optiro and Fellow of the Australian Institute of Mining and Metallurgy, and Mrs Standing, Principal of Optiro and Member of the Australasian Institute of Mining and Metallurgy, fulfil the requirements of competent persons as defined in the JORC Code and accept responsibility for the qualified persons' report and the JORC Code categorisation of the Mineral Resource estimate as tabulated in the form and context in which it appears in this report. Optiro has relied on the data, reports and information provided by CNMC; Optiro has nevertheless made such enquiries and exercised its judgement as it deems necessary and has found no reason to doubt the reliability of the data, reports and information which have been provided by CNMC.

Mrs Christine Standing [BSc (Hons) Geology, Grad Cert (Min Econs), MAusIMM, MAIG] is a geologist with over 30 years worldwide experience in the mining industry. She has six years' experience as an exploration geologist in Western Australia and over 20 years' experience as a consultant specialising in resource estimation, reconciliation, project management and statutory and competent persons' reporting on worldwide projects for a range of commodities. She has acted as a Qualified Person and Competent Person for gold, silver, copper, mineral sands, nickel, chromium, kaolin and PGEs.

Mr Ian Glacken [BSc (Hons) Geology, MSc (Mining Geology), MSc (Geostatistics), Grad. Dip (Comp), FAusIMM (CP), CEng, MIMMM, DIC] has 32 years worldwide experience in the mining industry. Ian is a geologist with postgraduate qualifications in geostatistics, mining geology and computing who has over 30 years worldwide experience in the mining industry. Ian has over 16 years' experience in consulting, including a decade as Group General Manager of a major consulting organisation. He has worked on mineral projects and given over 200 training courses to thousands of attendees on every continent apart from Antarctica. Ian's skills are in resource evaluation and due diligence reviews, public reporting, training and mentoring, quantitative risk assessment, strategic advice, geostatistics, reconciliation, project management, statutory and competent persons' reporting and mining geology studies. Ian was a founding Director of Optiro.

The Ore Reserve Estimate has been compiled by Mr Michael Leak, Senior Consultant at Optiro and Member of the Australasian Institute of Mining and Metallurgy, under the direction of Mr Andrew Law, Director of Optiro and Fellow of the Australian Institute of Mining and Metallurgy. Mr Leak and Mr Law fulfil the requirements of competent persons as defined in the JORC Code and accept responsibility for the qualified persons' report and the JORC Code categorisation of the Ore Reserve estimate as tabulated in the form and context in which it appears in this report.

Mr Andrew Law [HND MMIN, MBA, FAusIMM(CP), FIQA] is a mining engineer with over 30 years' experience in the mining industry in Australia, Africa and South America. His extensive technical and management experience ranges from deep level underground mining environments (bulk and narrow vein); to large open pit environments (across multi commodities); and to large mineral sands dredging environments. His specialist skills are in corporate strategic business planning and due diligence; management of feasibility studies; operational optimization, Ore Reserve compliance and auditing (ASX, TSX, SEC, SGX, JSE), Corporate management mentoring and performance improvement reviews.

Mr Michael Leak [BEng Mining (Hons), MAusIMM(CP)] is a mining engineer with over 14 years' experience in both open pit and underground operations in Australia, Africa and Europe. He has experience in various commodities including gold, copper, nickel, tin and lead-zinc and his skills are in operational management, due diligence, Ore Reserves, feasibility studies, mine planning and financial analysis.

2.1. STATEMENT OF INDEPENDENCE

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological Mineral Resource and Ore Reserve estimation services, but also corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia and Optiro's staff work on a variety of projects in a range of commodities worldwide.

This report has been prepared independently and to meet the requirements of the SGX minerals, oil and gas guidelines and in accordance with the VALMIN and JORC Codes. The authors do not hold any interest in CNMC, its associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

3. PROPERTY DESCRIPTION

3.1. PROJECT LOCATION

The Sokor Project is located approximately 80 km southwest of Kota Bharu, the capital of Kelantan State in northern Peninsular Malaysia (Figure 3.1). The project is accessed by a sealed road from Kota Bhara to Kampong Bukit, which is approximately 18 km from site, and then by gravel track from Kampong Bukit to site. Kota Bharu is connected to Kuala Lumpur by a 55 minute flight. The nearest town, Tanah Merah, is located approximately half way between the project site and Kota Bharu.

The Sokor Project is situated in the upper catchment of the Sungai Sokor River, where topography consists of moderately steep hill ridges and narrow valleys, with elevations ranging from 200 m to 900 m above sea level. The project area experiences a hot, tropical monsoonal climate with dense tropical rainforest vegetation cover. Annual rainfall in Kelantan State averages between 2,000 mm to 2,500 mm with November to January being the wettest months.

3.2. PROJECT OWNERSHIP AND STATUS

The Sokor Project consists of a Mining Licence (ML 2/2008) covering approximately 10 km^2 (known as the "Sokor Block") and an Exploration Licence (EL 2/2006) approximately 62.8 km^2 (known as the "Sokor Gold Field Project"). CNMC was granted mining rights on 8 April 2008 for a period of 10 years to the Sokor Block and the granting of the first right of refusal for a 21 year mining rights renewal extension.

A gold royalty of 5% of gross revenue is payable to the Kelantan State Government (KSG) and an additional tribute payment of 3% of gross revenue is payable to the Kelantan State Economic Development Corporation (KSEDC). Mining approval was obtained from KSG in January 2010 and allows for initial mine production of up to 300,000 tpa of mined ore.

Environmental approval was obtained from KSG in April 2010. Environmental approvals for the project included the submission of an Environmental Impact Assessment (EIA) in January 2008 and a supplementary EIA report in March 2009 with approval received in June 2009. An Environmental Management Plan (EMP) was submitted in February 2010 and an EMP Additional Information report submitted in March 2010, with approval received in April 2010. The EIA and EMP include approval for both heap leach and pond (vat) leach processing of gold ore at the Sokor mine site. Where possible CNMC will progressively rehabilitate disturbed areas and some areas, such as the process plant, will be rehabilitated when the mine is closed and the plant is decommissioned.

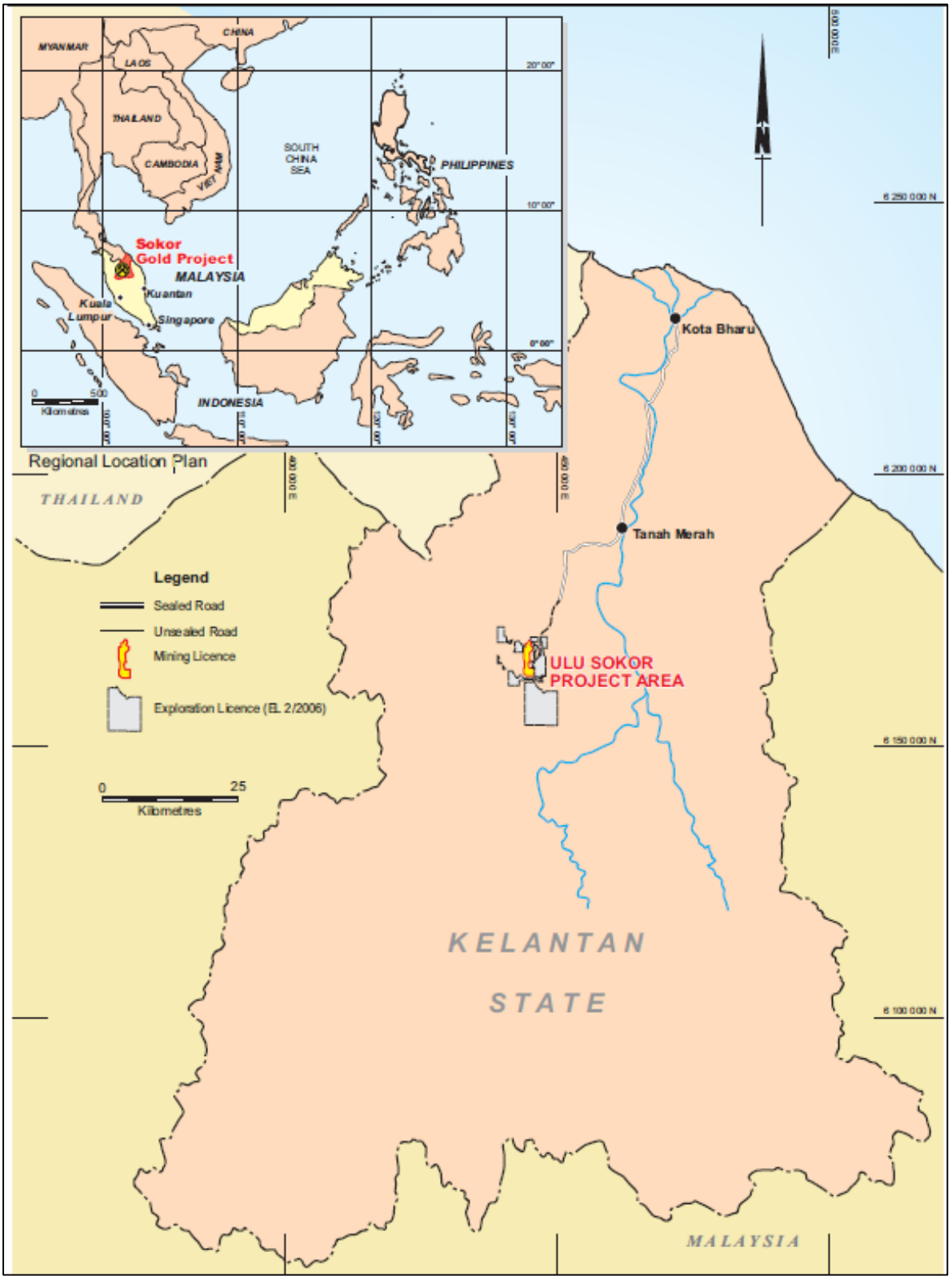
The Corporate income tax rate in Malaysia is 25%.

CNMC, through its subsidiary CMNM Mining Group Sdn. Bhd., Holds an 81% interest in ML 2/2008 and the KSG holds a 10% share and other investors in Kelantan State hold the remaining 9% (Table 3.1). The 19% interest not held by CNMC is a non-contributory share during exploration and mine development and production stages. Exploration Licence EL 2/2006 has expired and is in the process of being renewed by CNMC through its subsidiary MCS Mining Group Sdn. Bhd. The location and exact area of EL 2/2006 will be dependent on availability of and access to land surrounding the Sokor Block.

Table 3.1 Sokor Project tenement schedule

Tenement ID	CNMC Interest	Status	Expiry Date	Area km^2	Type of Mineral deposit	Remarks
ML 2/2008	81%	Development	7/4/2018	10.0	Gold	Mining rights
EL 2/2006	80%	Exploration	Application for renewal submitted	62.8	Gold	Exploration rights

Figure 3.1 Sokor project area and location of Mining Licence and Exploration Licence (BDA, 2011a).



4. HISTORY OF THE PROPERTY

The earliest recorded exploration in the Ulu Sokor area was undertaken by Duff Development Company Limited (Duff) in the early 1900s and included trenching and the development of numerous shafts and adits.

Between 1966 and 1970 Eastern Mining and Metals Company (EMM) undertook a drilling programme at Ulu Sokor consisting of 104 holes totalling 2,963 m. EMM reported primary base metal mineralisation of 227,000 t, with gold grades ranging from 1.94 g/t to 3.33 g/t gold and oxide mineralisation of 156,000 t, with gold grades ranging from 2.85 g/t to 5.34 g/t gold.

Between 1989 and 1991 Asia Mining Sdn Bhd (Asia Mining) conducted mapping, soil sampling, rock-chip sampling and completed a drilling programme consisting of 55 holes totalling 2,705 m. From 1995 to 1996 Asia Mining operated a heap leach facility that processed around 40,000 t of near-surface gossan ore, from the Manson's Lode area and produced approximately 3,200 oz of gold. Asia Mining delineated a gold resource in the Rixen area totalling 4.1 Mt at 1.2 g/t gold above a cut-off grade of 0.5 g/t gold.

During 1997 and 1998 TRA Mining (Malaysia) Sdn Bhd (TRA) conducted geological mapping, rock chip and stream sediment sampling and completed a reverse circulation (RC) drilling programme consisting of 33 holes totalling 2,630 m. The TRA drilling was undertaken within the Manson's Lode and New Discovery areas.

CNMC commenced exploration in 2007, focusing on the known areas of mineralisation at Manson's Lode, New Discovery, Ketubong and Rixen. CNMC has conducted geological mapping, soil sampling, Induced Polarisation geophysical surveys, and diamond drilling programmes and has excavated 27 trenches. Diamond drilling has been undertaken at Manson's Lode, New Discovery, Ketubong and Rixen and has tested areas to the east of Rixen, at Sg Among.

In July 2010, CNMC commenced commissioning of a 60,000 tpa vat leach facility and gold recovery plant. Initial ore production was sourced from the Manson's Lode deposit and in 2012, CNMC expanded production with the commissioning of the 70,000 tonne heap leach facility to treat ore from the Rixen deposit.

4.1. PRODUCTION STATISTICS

Since CNMC commenced operations, there have been no comprehensive production records or reconciliation data collected. CNMC has advised Optiro of the production that has occurred between 2011 and 2014, which is summarised in Table 4.1.

Table 4.1 Sokor Production Statistics for 2011 to 2014

Commodity	Production statistics	2011	2012	2013	2014
Rixen					
Mined	Ore tonnes mined (claimed)	-	90,000	323,000	1,362,138
	Ore tonnes processed	-	90,000	386,000	1,362,138
	Ore stockpiled (not processed as at 31 December)	-	63,000	63,200	-
Gold	Calculated grade (g/t)	-	0.3	1.07	0.94
	Recovered gold (oz)	-	861	11,800	27,685
New Discovery					
Mined	Ore tonnes mined (claimed)	-	-	31,000	-
	Ore tonnes processed	-	-	31,000	-
	Ore stockpiled (not processed as at 31 December)	-	-	-	-
Gold	Calculated grade (g/t)	-	-	1.14	-
	Recovered gold (oz)	-	-	1,100	-
Silver	Calculated grade (g/t)	-	-	N/A	-
	Recovered silver (oz)	-	-	690	-
Manson's Lode					
Mined	Ore tonnes mined (claimed)	-	50,000	-	-
	Ore tonnes processed	-	46,791	-	-
	Ore stockpiled (not processed as at 31 December)	-	-	-	-
Gold	Calculated grade (g/t)	-	0.65	-	-
	Recovered gold (oz)	-	984	-	-
Silver	Calculated grade (g/t)	-	75.00	-	-
	Recovered silver (oz)	-	112,451	-	-
Lead	Calculated grade (%)	-	0.003	-	-
	Recovered lead (kg)	-	1,397	-	-
Zinc	Calculated grade (%)	-	0.004	-	-
	Recovered zinc (kg)	-	1,752	-	-
Total					
Mined	**Ore tonnes mined (claimed)**	**-**	**140,000**	**354,000**	**1,362,138**
	Ore tonnes processed	**-**	**136,791**	**417,000**	**1,362,138**
Gold	**Calculated grade (g/t)**	**-**	**0.42**	**0.96**	**0.94**
	Recovered gold (oz)	**-**	**1,845**	**12,900**	**27,685**
Silver	**Calculated grade (g/t)**	**-**	**75.00**	**N/A**	**N/A**
	Recovered silver (oz)	**-**	**112,451**	**690**	**20,886**
Lead	**Calculated grade (%)**	**-**	**0.003**	**-**	**-**
	Recovered lead (kg)	**-**	**1,397**	**-**	**-**
Zinc	**Calculated grade (%)**	**-**	**0.004**	**-**	**-**
	Recovered zinc (kg)	**-**	**1,752**	**-**	**-**

5. GEOLOGICAL SETTING

5.1. REGIONAL GEOLOGY

The Sokor Project is located in the Central Belt of Peninsular Malaysia. Peninsular Malaysia is divided structurally into three north-south to northwest-southeast trending belts, the Eastern, Central and Western Belts. The Eastern and Western Belts are dominated by tin-bearing granites and associated tin and wolfram mineralisation.

The Central Belt consists of Permian to Triassic age metasediments including phyllite, slate, sandstone and limestone and felsic to intermediate volcanic rocks intruded by Late Triassic to Tertiary, acid to intermediate stocks and dykes. The Central Belt contains base metal mineralisation including copper, lead, zinc, antimony and manganese, and gold mineralisation.

The eastern (Lebir Fault) and western (Bentong-Raub Fault) boundaries of the Central Belt are major fault zones featuring dextral rotation and strike slippage of 5 km to 10 km. Known gold deposits in the Central Belt include Raub, Selinsing and Penjom, all located south of Ulu Sokor. The Sokor gold mineralisation is located towards the middle of the Central Belt and is associated with the intersection of two major north-south trending structures with northeast to northwest trending secondary structures.

5.2. LOCAL GEOLOGY

The gold mineralisation within the Sokor Project is lithologically and structurally controlled and is generally hosted in acid to intermediate volcanic rocks and carbonate-rich rocks. The depth to the base of oxidation varies between deposits from a shallow depth of less than 3 m at Ketubong to up to 60 m at Rixen. Previous mining (during the 1990s) of near surface, high grade ore has occurred at Manson's Lode and New Discovery and the pits have been backfilled with material with lower grades from Manson's Lode and New Discovery.

5.2.1. MANSON'S LODE

Manson's Lode consists of a surface gossan after sulphides, partially replacing a silicified limestone unit which is intercalated with phyllitic sediments. The mineralised zone extends over a strike length of approximately 750 m, trending 060°, and is marked by old surface workings and a number of shallow shafts that have been excavated to depths of up to 30 m. The Manson's Lode deposit has been tested by 155 diamond drillholes totalling 9,082 m.

The average width of mineralisation exposed in trenches is 15 m, varying from a few metres up to 34 m. The thickness of mineralisation is variable, ranging from 5 m to 20 m, and the dip of the mineralisation is shallow (10 to 15°) to the southeast. Trench mapping by CNMC suggests that the mineralisation is associated with a breccia zone. A quartz porphyry dyke which is exposed to the southeast of Manson's Lode may be a causative intrusion for the base metal-gold mineralisation. The dyke contains pyrite mineralisation as disseminations and veinlets, with rock chips returning grades of 0.5 g/t to 0.7 g/t gold. The base metal mineralisation has the same strike and dip as the gold mineralisation and extends along strike to the north-east and down-dip to the north-west, external to the gold mineralisation. Most of the surface area has been disturbed by previous mining activity and hence the relationship between the different rock types is not clear.

5.2.2. NEW DISCOVERY DEPOSIT

The New Discovery deposit is located approximately 500 m west-northwest of Manson's Lode. Gold mineralisation is associated with the Ketubong-Rixen fault that runs through the central part of the concession area. The mineralisation has been defined by surface trenching over a strike length of 200 m. Trench exposures indicate mineralised widths of 7 m to 35 m, trending 010° with a dip of approximately 30° to the east. In the north, the mineralised zone appears to be displaced to the west by a northwest trending fault.

The deposit has been drilled down-dip to a depth of 200 m from surface and generally remains open at depth. The New Discovery deposit has been tested by 69 diamond drillholes totalling 5,248 m.

Based on trench mapping, mineralisation consists of gold in association with weak stockwork and disseminated pyrite hosted in sheared and brecciated phyllite and in an adjacent limestone unit. The phyllite is generally strongly altered close to the fault zone, with pervasive sericite-chlorite-epidote alteration, silicification and carbonate veining.

5.2.3. KETUBONG DEPOSIT

The Ketubong deposit is located approximately 600 m to the northwest of Manson's Lode and immediately north of New Discovery. Ketubong represents the northwards continuation of the north-south trending and easterly dipping mineralisation present in New Discovery. Mineralisation dips to the east at around 20° to 30°.

The deposit has been delineated by trenching and drilling over a strike length of 680 m and by gold-in-soil and Induced Polarisation anomalies which are open to the north. Mineralisation is contained within highly folded phyllite and intercalated limestone over widths of 2 m to 40 m, based upon trench exposures. Interpretation of trench mapping indicates the gold is associated with disseminated-stockwork quartz-sulphide mineralisation and more massive sulphide consisting predominantly of pyrite with minor, sporadic galena, chalcopyrite and sphalerite. Drilling data indicates the mineralisation is closely associated with a limestone unit within phyllite.

CNMC has tested the Ketubong deposit with 47 diamond drillholes totalling 7,967 m. Three of the 2013 drillholes (ZKK9-3, ZKK9-4 and ZKK3-4) have extended the mineralisation down-dip. Drillholes on the intervening lines (ZKK5-4 and ZKK7-4) were not deep enough to intersect the down-dip extension to the mineralisation, and there is potential to increase the Mineral Resource by extending these drillholes at depth. Four holes drilled during 2014 (ZKL0-1, ZKL0-2, ZKL5-1 and ZKL8-1), located some 650 m located to the north of Ketubong, intersected mineralisation but there is insufficient data within this area to define a Mineral Resource in this area.

5.2.4. RIXEN DEPOSIT

The Rixen deposit is located 3 km north of Ketubong and approximately 5 km from the process plant. Gold mineralisation is contained within acid volcanic rocks to the west of the Ketubong-Rixen fault. The deposit was defined initially by soil sampling and an Induced Polarisation survey which delineated an anomalous zone trending north-south with a strike length of approximately 800 m. Drilling has outlined a zone of pervasively silicified tuffs and mineralisation extends over a strike of approximately 1,900 m. The Rixen deposit has been tested by 176 diamond drillholes totalling 18,520 m.

6. EXPLORATION DATA USED FOR MINERAL RESOURCE ESTIMATION

BDA previously documented outcomes from its review of CNMC's exploration and data collection procedures on site, inspection of surface trenches, drill sites and drill core and review of drillhole logging, survey, bulk density testing, sampling and data quality procedures (BDA, 2011a and 2011b). From BDA's documentation and Optiro's site visit observations and review and validation of the drilling data used for the Mineral Resource estimate, Optiro considers that the drilling, logging, sampling and assaying procedures, as discussed below, are appropriate and in accordance with industry standards. In Optiro's overall opinion, the geological database forms an appropriate and reasonable basis for resource estimation.

6.1. DRILLING

The four Sokor deposits (Manson's Lode, New Discovery, Ketubong and Rixen) have been evaluated by surface trenches and diamond core drilling. Diamond drilling was completed on all four deposits using a combination of inclined and vertical drillholes on drill sections oriented normal to the strike of the mineralisation. Only the data from the CNMC diamond drillholes has been used for resource estimation. A total of 458 diamond drillholes for 42,962 m have been drilled at the Sokor Project for Mineral Resource definition.

CNMC provided the geological logs, assay data and survey data to Optiro as a series of Excel spread-sheets. Optiro consolidated this data and generated a drillhole database using Datamine mining software. CNMC provided the assay certificates 162 of the drillholes for the 2011 Mineral Resource, for all 16 drillholes used for the 2012 update to the Rixen Mineral Resource estimate, for 69 of the 76 drillholes provided for the 2013 Mineral Resource update and for 96 of the holes drilled during 2014. Optiro validated the data captured by CNMC against the data from the laboratory. For the 2014 data, no inconsistencies or sample mix-ups were noted.

6.2. SURVEY DATA

CNMC has completed a topographic survey over a 7 km^2 area covering the four deposits; this local detailed survey has been tied into the Malaysian National Grid (MNG) using a number of MNG survey control points. This survey work was carried out using electronic distance measurement (EDM) and from this data a digital terrain model (DTM) was produced.

Drillhole collars have been surveyed using EDM equipment. Comparison of the 2012 and 2013 drillhole collars with the DTM revealed that in general there are only small differences at Manson's Lode, Ketubong and New Discovery. Some of these differences relate to recent mining by CNMC. Where there were significant differences the topographic surface was adjusted to incorporate the drillhole collar data.

At Rixen there are differences of up to 36 m between the drillhole collar elevation and the DTM, with over 50% of the drillhole collar elevations having a difference of over 3 m from the DTM. At Manson's Lode 22 of the 26 holes drilled during 2014, have differences of over 5 m, and a maximum difference of 24 m, between the between the drillhole collar elevation and the DTM. Optiro adjusted the drillhole collar elevations to the DTM and took account of this data mismatch in the classification of the Mineral Resource.

The 2014 drillholes were surveyed using industry standard downhole survey equipment at 50 m intervals. For the drillholes used for Mineral Resource definition, dip deviations average less than 0.5° with a maximum of 9° and azimuth deviations average 15° with a maximum deviation of 16°.

Mining at Rixen was undertaken during 2014, and a pit survey was conducted in early 2015.

6.3. LOGGING, SAMPLING AND SAMPLE PREPARATION

Drillhole cores are logged for lithology, weathering, alteration, structure, mineralisation and geotechnical data, including core recovery, RQD (rock quality designation) and fracture frequency measurements.

All drill core is photographed using a digital camera and potentially mineralised core is marked up for sampling. Sample intervals selected for analysis from the 2014 drillholes are between 0.2 m and 2.23 m, with an average sample interval of 1.24 m.

Systematic logging of oxidation boundaries (base of oxide and base of transitional) was introduced by CNMC for the 2011 exploration programme and oxidation was recorded as a separate field in the 2012 core logging. This practice was not continued during 2013 but was reinstated during 2014: the geological logs for all 2014 drillholes recorded oxidised, transition and fresh material.

Half core samples were selected for analysis, with quarter core samples used for quality assurance/quality control (QA/QC) analysis. Prior to 2012, sample preparation was undertaken at the ALS Group Laboratory in Perth, Australia and the 2012, 2013 and 2014 samples were prepared by SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia. Sample weights range from 1 kg to 3 kg. Samples are dried, crushed to 6 mm and the whole sample is pulverised to 85% passing 75 microns. A pulp sample of 200 g is split for assay and the pulp reject bagged and retained.

6.4. SAMPLE SECURITY

Exploration samples were selected, bagged and labelled by site geologists at Sokor and placed in sealed cartons for transport to the assay laboratory. The samples were stored at the Sokor exploration office in the sample storage area, prior to dispatch to the laboratory and the camp was patrolled day and night by security personnel.

During 2014, each batch of samples was transported to the SGS (Malaysia) Sdn. Bhd. laboratory, at Port Klang, Malaysia, by an employee of CNMC. The assay laboratory confirmed that all samples were received and that the cartons had not been damaged.

6.5. ASSAYING

Gold analyses at all four deposits were by 30 g fire assay with atomic absorption spectrometry (AAS) finish, having a detection limit of 0.01 g/t gold. Prior to 2012, sample analysis was undertaken at the ALS Group Laboratory in Perth, Australia; samples from the 2012, 2013 and 2014 drilling programmes were analysed by SGS (Malaysia) Sdn. Bhd. Laboratory. Samples from 16 of the 2013 drillholes were assayed using a 50 g fire assay charge.

Samples from Manson's Lode are routinely analysed for Au, Ag, Cu, Pb and Zn. Prior to 2012, Ag, Cu, Pb and Zn were analysed at the ALS Group Laboratory in Perth, Australia by four acid digest and ICP Atomic Emission Spectrometry (ICPAES). The samples from the 2012, 2013 and 2014 drilling programmes were analysed by SGS (Malaysia) Sdn. Bhd. laboratory by four acid digest followed by AAS. At New Discovery, Ketubong and Rixen, silver and base metal concentrations are low and after initial analysis to establish this, samples were analysed for gold only.

6.6. QUALITY ASSURANCE/QUALITY CONTROL

CNMC's QA/QC protocols include of the insertion of duplicates at a rate of approximately one per batch of 20 samples, and blanks and standards at a rate of approximately one in every 40 samples. CNMC needs to ensure that QA/QC procedures are followed and that field duplicate, blank and standard samples are inserted for all drillholes. For the 2014 programme, only standard samples were submitted on a regular basis.

For the 2014 drilling programme, standard samples have been submitted at a rate of one in 25 samples: this is above the industry standard rate, which is to be commended. Results from the two high grade standards (G910-3, expected value of 4.02 g/t gold, and G308-4, expected value of 6.77 g/t gold) indicate a low grade bias for 97% of the data and it is likely that the assay data has understated the gold grade of the higher grade samples. Assay results from the standards inserted with the 2013 samples from Sg Among also indicated problems and that the gold assay data may have been understated.

Blank samples were not submitted with the 2014 drill samples. These are required to determine if sample preparation procedures are being followed and if sample contamination is occurring. CNMC needs to submit blanks within future sample batches. Blank samples need to be inserted at a rate of one sample per 25 samples.

Blind duplicate samples need to be inserted at a rate of one sample per 25 samples. It would be best to submit coarse rejects rather than quarter core. Inter-laboratory duplicate samples have been submitted to ALS Minerals laboratory in Perth, Australia. The results from the 68 samples indicate moderate precision levels.

QA/QA data must be reviewed as it becomes available and issues resolved with the laboratory in a timely manner.

6.7. BULK DENSITY

Bulk density measurements are made on selected core samples of approximately 0.2 m in length using the water immersion method (weighing in air and water). Samples are dried before measurement. Bulk density values for each deposit and material type were calculated using measurements from 116 sections of diamond drill core and of alluvial/eluvial and backfill material from 41 test pits collected prior to 2014. Additional bulk density data was not collected during 2014.

7. MINERAL PROCESSING AND METALLURGICAL TESTING

7.1. PROCESSING

CNMC engaged Changchun Gold Research Institute (CGRI) to carry out process testwork in 2008 and to design a process for recovery of gold and silver from the Sokor ore. A vat leaching plant was constructed on site in early 2010 and operations commenced in July 2010. During 2013, vat leaching operations continued on a minimal scale with ore from the New Discovery deposit being batch treated.

During 2012, the processing capability of the Sokor Project was increased with the construction and commissioning of a trial 70 kt heap leach facility to treat the ore from Rixen. The heap leach process was operational during January 2013 and continued throughout 2013 and 2014, with ore being supplied solely from the Rixen deposit. Heap leach recoveries ranged from 84% to 96% during the year, with the average recovery being 90% for 2013.

7.1.1. METALLURGICAL TESTWORK

During 2013, CNMC carried out further metallurgical testwork in the following areas:

- gravity gold recovery and heap leaching of Manson's Lode backfill ore
- mineralogical analysis on polymetallic Manson's Lode ore for selection of a process route
- mineralogical and leaching testwork on primary ore from New Discovery and Ketubong.

This testwork is ongoing, with the results to be applied to the leaching processes as required to ensure that the operational parameters remain appropriate for the anticipated variations in ore characteristics across the various deposits.

7.1.2. PLANT DESIGN

CNMC is currently using vat and heap leaching processes. The vat leaching plant comprises the following equipment:

- a 50 t per hour crushing plant which includes a jaw crusher, a secondary impact crusher and a 10 mm vibrating screen to split the secondary crusher product into plus and minus 10 mm material
- three concrete leaching vats, each with a capacity of 1,500 t of ore
- pregnant, barren and raw water ponds
- eight activated carbon columns set up in two trains of four columns
- a gold room comprising an acid wash tank and an elution column each with a capacity of 1 t of carbon
- a 1,000 kg carbon/day diesel-fired carbon regeneration furnace
- a pressurised electrowinning cell.

Crushed ore is trucked about 150 m to the leaching vats and loaded into the vats using excavators. Barren solution is pumped into the vat to saturate the ore and allow it to soak. The pregnant solution is then drained from the vat into the pregnant solution pond. Pregnant solution is pumped through the carbon columns, an estimated 97% of the contained gold is captured on the carbon and the solution discharging from the columns is recirculated to the barren pond, from where it is pumped back to the vat.

The heap leaching process being used by CNMC features standard heap leaching practices, with fresh ore remaining on the leach pad for a residence time of between 30 and 45 days before it is regarded as being barren. Pregnant leach solution is subsequently stripped of leached gold through a similar process to that used for the vat leach, with an anticipated gold recovery in the order of 90%.

The barren heap leach material is then removed from the heap pad to a tailings storage area that is then progressively rehabilitated during the year.

The loaded carbon for both the heap leach and vat processes is transferred to the gold room for acid washing, elution and regeneration prior to recirculation to the adsorption columns. Eluate from the elution stage is circulated through an electrowinning process to produce a gold sludge which is dried and smelted to produce gold doré.

During the year the vat process was mainly used to undertake trial processing of various ore types from the New Discovery deposit. Metallurgical testwork was commenced for lead and zinc recoveries from previously stockpiled material from the Manson's Lode. Further testwork and study work will be progressed in due course to assist with the upgrade and reclassification of the Manson's Lode to meet the JORC 2012 Ore Reserve reporting criteria; this will include the zinc and lead minerals in addition to the gold and silver.

8. RESOURCE AND RESERVE ESTIMATES AND EXPLORATION RESULTS

Only exploration data used for the Mineral Resource estimate has been reviewed by Optiro. Any additional exploration data obtained by CNMC, which is not within the Mineral Resource area at Manson's Lode, New Discovery, Ketubong and Rixen, has not been included in this report.

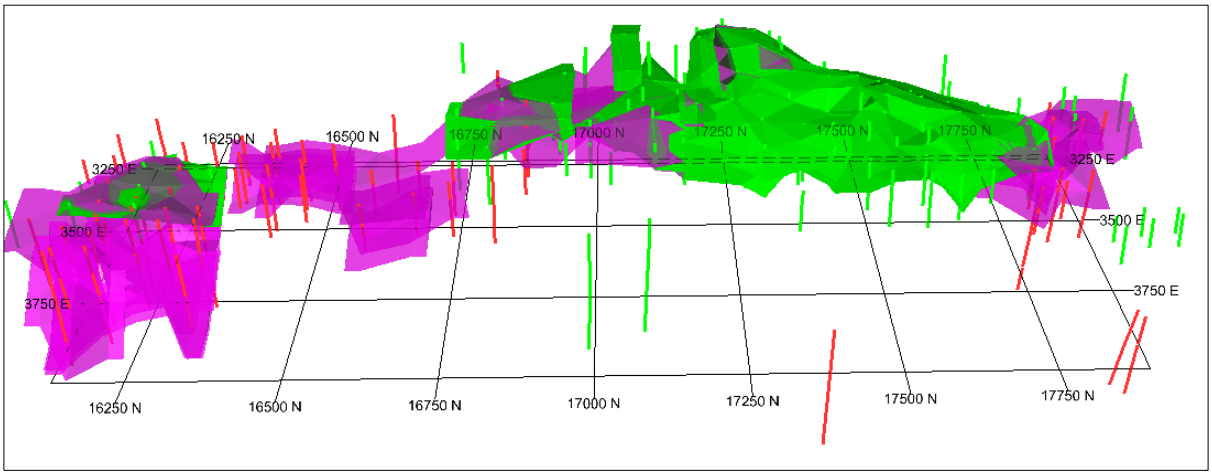
8.1. MINERAL RESOURCE

8.1.1. INTERPRETATION

CNMC provided interpreted cross-sections of the mineralisation and geology interpreted from the geological logging and assay results from drillholes to the end of 2013. Optiro used the cross-sections to guide interpretation of the mineralisation at all deposits using a nominal 0.3 g/t gold cut-off grade. Interpretation of the 2014 drillhole data by Optiro used the geological logs provided by CNMC and the assay data, and maintained a similar orientation to that interpreted by CNMC geologists prior to 2014.

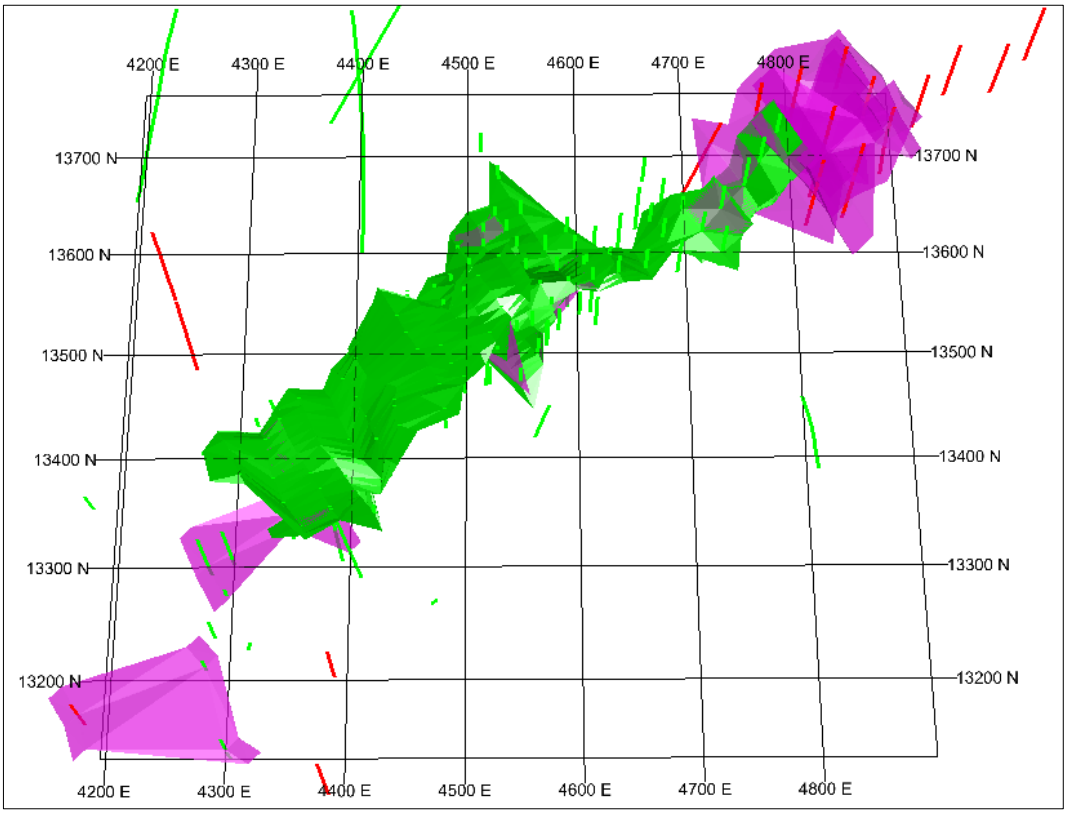
At Rixen, the 2014 drilling extended the resource to the south and the north-east. The Mineral Resource extends for 1,900 m along strike (north-south), 300 m across strike (east-west) and up to 200 m from surface. The 2013 Mineral Resource estimate had a 350 m gap that has now been infilled. The resource interpretation for 2013 and the updated interpretation for 2014 are illustrated in Figure 8.1.

Figure 8.1 Rixen – Mineral Resource interpretation as at 2013 (green) and 2014 (magenta) and drillholes (prior to 2014 green and 2014 red)



At Manson's Lode base metal mineralisation, external and additional to the gold mineralisation, was interpreted using a nominal 3% lead and zinc (Pb+Zn) cut-off grade; this base metal interpretation encompasses the interpreted gold mineralisation. The sectional interpretations were wireframed to create three-dimensional models of the mineralisation which were used to code the drillhole data and the block models for mineralisation and material type. The 2014 drilling extended the mineralisation interpretation along strike to the north-east, and at depth within the south-western area of the deposit. The resource interpretation for 2013 and the updated interpretation for 2014 are illustrated in Figure 8.2.

Figure 8.2 **Manson's Lode – Mineral Resource interpretation as at 2013 (green) and 2014 (magenta) and drillholes (prior to 2014 green and 2014 red)**



8.1.2. DATA ANALYSIS

Data within the interpreted mineralisation was composited to 1.5 m downhole intervals and coded for material type (alluvial/eluvial, backfill, lithologically controlled or structurally controlled). Statistical analysis of the composited and coded gold values indicated that the data populations are positively skewed and top-cut values were therefore selected for each deposit and material type. Top-cuts were not applied to the eluvial mineralisation at Ketubong or the structurally controlled mineralisation at New Discovery. For the other material types top-cut values range between 9 g/t gold within the mineralisation at south Rixen and 25 g/t gold within the lithologically controlled mineralisation at New Discovery. These top-cut grades affected the top 1% to 3.5% of the gold data.

At Manson's Lode, silver, lead and zinc grades were top-cut to 310 g/t Ag, 9% Pb and 3% Zn respectively within the backfill material and to 440 g/t Ag, 14% Pb and 14% Zn within the bedrock material. These top-cut grades affected the top 1.2% to 3.75% of the data.

Mineralisation continuity was interpreted from variogram analyses to have an along strike range of 60 m to 80 m within the alluvial/eluvial and backfill material, and 40 m to 160 m within the bedrock mineralisation.

8.1.3. GRADE ESTIMATION AND CLASSIFICATION

Block models were generated for each deposit using a block size of 10 mE by 10 mN on 2 m benches at Manson's Lode, New Discovery and Ketubong and 10 mE by 20 mN on 2 m benches at Rixen. Block grades were estimated using ordinary kriging techniques with appropriate top-cuts as previously described applied for each deposit and style of mineralisation.

The mineralisation has been classified as Measured, Indicated and Inferred in accordance with the guidelines of the Australian JORC Code (2012). Table 1 criteria of the JORC Code and supporting comments are listed in Appendix A. Areas with well-defined geological and grade continuity were classified as either Measured or Indicated and areas with close spaced drilling with higher estimation

quality were classified as Measured. Areas with wide spaced drilling and/or poor grade continuity were classified as Inferred.

Average bulk density values for each deposit and material type were calculated using measurements from diamond drillholes and test pits. Bulk density values used for the 2014 Mineral Resource estimates were 1.85 t/m^3 for the backfill material at Manson's Lode and New Discovery, 2.2 t/m^3 for the oxide material at New Discovery and Rixen, 2.96 t/m^3 for the transitional and fresh material at New Discovery and 2.65 t/m^3 for the transitional and fresh material at Rixen. At Manson's Lode there is a strong relationship between the sulphide mineralisation, in particular the silver, lead and zinc grades, and the bulk density. An ordinary least squares model was developed and the following equation was used to determine the bulk density for the bed-rock material at Manson's Lode:

Bulk density = 3.34+(0.004*Ag)+(-0.116*Pb)+(0.063*Zn)

The Ketubong Mineral Resource was not updated in 2014. Bulk density values used for the 2013 Mineral Resource estimate were 2.2 t/m^3 for the oxide material, 2.79 t/m^3 for the transitional and the fresh material at Ketubong.

8.1.4. MINERAL RESOURCE TABULATION

The Mineral Resource estimate, as at 31 December 2014, for the Sokor Project is reported in Table 8.1. This has been classified and reported in accordance with the guidelines of the JORC Code 2012 and has been depleted for mining. The Mineral Resources are reported above a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong and above a 0.3 g/t gold cut-off grade at Rixen to reflect current commodity prices, operating costs and processing options. The Mineral Resources in Table 8.1 have been reported inclusive of the material used to generate Ore Reserves.

The cut-off grades used for reporting reflect the current and anticipated processing operations. Processing of the Manson's Lode and New Discovery ore and future processing of ore from Ketubong is or will be by vat leaching. The application of the lower cut-off grade at Rixen reflects the higher degree of oxidation and the proposed lower cost heap leach operation at this deposit.

Table 8.1 Sokor Project – Gold Mineral Resource statement as at 31 December 2014 (inclusive of Ore Reserves)

Deposit	Measured		Indicated		Inferred		Total	
	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)	Tonnes (kt)	Grade (Au g/t)
Manson's Lode	325	2.7	150	2.4	365	1.0	840	1.9
New Discovery	225	4.0	205	3.1	260	1.6	690	2.8
Ketubong	-	-	115	3.9	730	2.4	840	2.6
Rixen	-	-	6,285	1.2	2,155	1.2	8,440	1.2
Total	**550**	**3.2**	**6,755**	**1.3**	**3,505**	**1.4**	**10,810**	**1.5**

Note: Inconsistencies in totals are due to rounding

At Manson's Lode, elevated silver and base metal concentrations are associated with the gold mineralisation and are reported in Table 8.2 above a cut-off grade of 0.5 g/t gold. Additional base metal mineralisation is present, which is external and additional to the gold mineralisation interpretation, and this has been reported above a 3% lead and zinc (Pb+Zn) cut-off grade in Table 8.2

Table 8.2 Silver and base metal Mineral Resources at Manson's Lode as at 31 December 2014 (inclusive of Ore Reserves)

Cut-off grade	Measured				Indicated				Inferred				Total			
	Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %	Tonnes (kt)	Ag g/t	Pb %	Zn %
0.5 g/t Au	325	62	1.7	1.7	150	73	1.7	2.0	365	38	0.9	0.9	840	53	1.4	1.4
3% Zn+Pb	5	99	3.1	1.4	5	48	1.9	2.8	85	11	1.0	1.3	95	17	1.1	1.4
Total	**330**	**62**	**1.7**	**1.7**	**155**	**72**	**1.7**	**2.0**	**450**	**33**	**0.9**	**1.0**	**935**	**50**	**1.3**	**1.4**

Note: Inconsistencies in totals are due to rounding

The total Mineral Resource, inclusive of material used to generate Ore Reserves, is presented in Table 8.3. This has then been depleted for material used to generate Ore Reserves and the corresponding tabulation, exclusive of Ore Reserves, is presented in Table 8.4.

Table 8.3 Sokor Project, Malaysia – Mineral Resources as at 31 December 2014 (inclusive of Ore Reserves)

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Change from previous update (%)
Measured	Gold	0.55	3.2	57	0.45	3.2	46	+1
Indicated	Gold	6.75	1.3	287	5.47	1.3	232	+34
Inferred	Gold	3.51	1.4	163	2.84	1.4	132	-17
Total	**Gold**	**10.81**	**1.5**	**506**	**8.76**	**1.5**	**410**	**+8**
Measured	Silver	0.33	62	659	0.27	62	534	-3
Indicated	Silver	0.16	72	360	0.13	72	291	+52
Inferred	Silver	0.45	33	473	0.37	33	383	+49
Total	**Silver**	**0.94**	**50**	**1,492**	**0.76**	**53**	**1,208**	**+21**
Measured	Lead	0.33	1.7	5,569	0.27	1.7	4,511	0
Indicated	Lead	0.16	1.7	2,628	0.13	1.7	2,129	+66
Inferred	Lead	0.45	0.9	4,252	0.37	0.9	3,444	+67
Total	**Lead**	**0.94**	**1.3**	**12,449**	**0.76**	**1.3**	**10,084**	**+28**
Measured	Zinc	0.33	1.7	5,487	0.27	1.7	4,444	-2
Indicated	Zinc	0.16	2.0	3,062	0.13	2.0	2,480	+112
Inferred	Zinc	0.45	1.0	4,459	0.37	1.0	3,612	+58
Total	**Zinc**	**0.94**	**1.4**	**13,007**	**0.76**	**1.4**	**10,536**	**+32**

Note: Inconsistencies in totals are due to rounding

Table 8.4 Sokor Project, Malaysia – Mineral Resources at December 2014 (exclusive of Ore Reserves)

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
Measured	Gold	335	3.1	32	270	3.1	27	-18
Indicated	Gold	2,710	1.3	110	2,210	1.3	88	+115
Inferred	Gold	1,680	1.1	61	1,370	1.1	50	-69
Total	**Gold**	4,7325	1.4	203	3,850	1.4	165	-29

8.1.5. COMPARISON WITH DECEMBER 2013 MINERAL RESOURCE

As at 31 December 2013, the total Measured, Indicated and Inferred gold resources for the Sokor Project above a 0.3 g/t gold cut-off grade at Rixen and a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong (exclusive of stockpiles and inclusive of material used to generate Ore Reserves) was 9,140 kt at 1.6 g/t gold, with contained gold of 465,000 ounces. The Manson's Lode Mineral Resources contain silver, lead and zinc and, as at 31 December 2013, this comprised 650 kt with an average grade of 58 g/t silver, 1.5% lead and 1.5% zinc. The 2013 Mineral Resources have been subdivided by resource category below in Table 8.5 .

Table 8.5 Sokor Project, Malaysia – Mineral Resource as at December 2013 (inclusive of Ore Reserves)

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC		
		Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)	Tonnes (millions)	Grade (Au g/t, Ag g/t, Pb%, Zn%)	Contained metal (Au koz, Ag koz, Pb t, Zn t)
Measured	Gold	0.53	3.3	55	0.43	3.3	45
Indicated	Gold	4.64	1.4	210	3.76	1.4	170
Inferred	Gold	3.97	1.5	200	3.22	1.5	160
Total	**Gold**	**9.14**	**1.6**	**465**	**7.41**	**1.6**	**375**
Measured	Silver	0.33	64	680	0.27	64	550
Indicated	Silver	0.16	48	235	0.13	48	190
Inferred	Silver	0.16	60	315	0.13	60	260
Total	**Silver**	**0.65**	**58**	**1,230**	**0.53**	**58**	**1,000**
Measured	Lead	0.33	1.7	5,590	0.27	1.7	4,530
Indicated	Lead	0.16	1.0	1,580	0.13	1.0	1,280
Inferred	Lead	0.16	1.6	2,550	0.13	1.6	2,070
Total	**Lead**	**0.65**	**1.5**	**9,720**	**0.53**	**1.5**	**7,880**
Measured	Zinc	0.33	1.7	5,620	0.27	1.7	4,550
Indicated	Zinc	0.16	0.9	1,440	0.13	0.9	1,170
Inferred	Zinc	0.16	1.7	2,820	0.13	1.7	2,290
Total	**Zinc**	**0.65**	**1.5**	**9,880**	**0.53**	**1.5**	**8,010**

Since the Mineral Resource was reported as at 31 December 2013, drilling data from 98 holes drilled at Rixen, Manson's Lode and New Discovery were incorporated into the updated Mineral Resource estimate.

At Rixen, this drilling extended the resource to the south and to the north-east. The 2013 Mineral Resource estimate had a 350 m gap which has now been infilled. After depletion for mining at Rixen during 2014, the additional drilling has increased the Indicated Mineral Resource tonnage by 51% and decreased the average grade by 5%, with an overall increase of 43% in contained gold. The increase in Indicated Resources has been achieved by extension of the mineralisation along strike and infill drilling, which has improved the confidence in parts of the resource and has moved Inferred Mineral Resources into Indicated Mineral Resources. Consequently, the Inferred Mineral Resource tonnage has decreased by 26% and the average grade has decreased by 10%, with an overall decrease of 33% in contained gold. The total Mineral Resource tonnage has increased by 19% and the average grade has decreased by 8%, with an overall increase of 8% in contained gold.

At Manson's Lode, the 2014 drilling has extended the Mineral Resource along strike to the north-east and at depth within the south-western area of the deposit. This drilling significantly increased the Inferred Mineral Resources with material with a lower average grade (1.0 g/t gold, compared to 1.7 g/t gold in 2013). The Inferred Mineral Resource tonnage of Manson's Lode increased by 172% and the average grade decreased by 37%, with an overall increase of 70% in contained gold. The additional drilling increased the Measured and Indicated Resource tonnages by 2%. The total Mineral Resource tonnage of Manson's Lode increased by 41% and the average grade decreased by 20%, with an overall increase of 13% in contained gold.

At New Discovery, a deep hole (ZNK4-11 - down-hole depth of 326.5 m) was drilled to the east which intersected mineralisation at depth and extended the mineralisation down-dip. The mineralisation interpretation was amended and there was an increase in the Inferred Mineral Resource tonnage of 19% and a decrease in the average grade of 7%, with an overall increase of 10% in contained gold. There were small improvements to the Measured Resource and a consequent reduction to the Indicated Mineral Resource. The total Mineral Resource tonnage of New Discovery increased by 8% and the average grade decreased by 6%, with an overall increase of 2% in contained gold.

As at 31 December 2014, the total Measured, Indicated and Inferred gold resources for the Sokor Project (above a 0.3 g/t gold cut-off grade at Rixen and a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong) is 10,810 kt at 1.5 g/t gold with contained gold of 506,000 ounces

(inclusive of material used to define Ore Reserves). Manson's Lode Mineral Resources contain additional silver, lead and zinc Mineral Resources of 935 kt with an average grade of 50 g/t silver, 1.3% lead and 1.4% zinc. The share of the Mineral Resource attributable to CNMC is 81% and the figures are summarised in Table 8.3.

Compared to the 31 December 2013 Mineral Resource estimate, there has been an increase in gold Mineral Resources of 1,670 kt at 0.7 g/t gold. This represents an increase of 8% in contained gold in the Mineral Resource. The increased tonnage at Manson's Lode, of 288 kt, has an average grade of 28 g/t Ag, 1.0% Pb and 1.1% Zn with contained metal of 258,000 ounces of silver, 2,720 t of lead and 3,120 t of zinc.

8.2. ORE RESERVE ESTIMATION

The Ore Reserve estimates as stated in this document have been reported in accordance with the guidelines of the JORC Code, 2004 edition for the Manson, and New Discovery lodes, and in accordance with the guidelines of the JORC Code, 2012 edition for the Rixen deposit. Any inconsistencies within the tables may be attributed to the JORC requirement to report to an appropriate number of significant figures, and as such will be due to rounding.

The reason for the split in reporting Ore Reserves between 2004 and 2012 versions is that only Rixen was actively mined during 2014, and there have been no material changes to the previously reported Ore Reserves for Manson's Lode and New Discovery. Minimal additional exploration work was undertaken at the Manson's Lode and New Discovery deposits, with preliminary metallurgical testwork being undertaken but not finalised, during the reporting period. Additional testwork and studies are currently in progress and are expected to be completed during 2015; these should support future Ore Reserves being reported according to JORC 2012. The additional testwork will be supported by the compilation of a feasibility study to support the JORC 2012 reclassification.

The reporting of the Ore Reserve estimates below is laid out such that each deposit is reported and discussed individually in its own section, with a combined estimate reported at the end of Section 8.3.

Where changes in ounces as a percentage are quoted, this refers to the change in ounces attributable to CNMC, not the original gross value, and are based upon the rounded figures instead of the detailed base data.

8.2.1. MANSON'S LODE PIT ORE RESERVE

Between the period of 1 January 2014 and 31 December 2014, no mining activity occurred at Manson's Lode. The Ore Reserve has decreased marginally due to a lower commodity price used and hence a higher cut-off grade.

Secondary elements have not been included within this Ore Reserve estimate, nor has the impact on either credits or penalties for the presence of other elements and contaminants been included within the cost model and cut-off grade calculations. Metallurgical testwork was commenced for lead and zinc recoveries from previously stockpiled material from the Manson's Lode. Further testwork and study work will be progressed during 2015, to assist with the upgrade and reclassification of the Manson's Lode to meet the JORC 2012 Ore Reserve reporting criteria and this will now include the zinc and lead minerals in addition to the gold and silver.

The Manson's Lode pit Ore Reserve is reported above a 1.4 g/t gold cut-off grade, using 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,100 per ounce. The 2014 Ore Reserve is quoted in Table 8.6 with the 2014 Mineral Resource (additional to the Ore Reserve) presented below.

Table 8.6 Manson's Lode Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2014

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
RESERVES								
Proved	Gold	105	3.4	12	85	3.4	9	
Probable	Gold	12	3.1	1	9	3.1	1	
Total	**Gold**	**120**	**3.4**	**13**	**95**	**3.4**	**10**	**-3.5**
RESOURCES								
Measured	Gold	280	2.6	24	230	2.6	19	+57
Indicated	Gold	60	0.9	2	50	0.9	1	-82
Inferred	Gold	130	1.7	7	110	1.7	6	+619
Total	**Gold**	**480**	**2.1**	**32**	**390**	**2.1**	**26**	**+22**

Notes:

- *Ore Reserves reported as per the JORC Code 2004 edition*
- *Calculations have been stated to two significant figures, and may display rounding inconsistencies*
- *Cut-off grade for Manson's Lode is 1.4 g/t gold*
- *Gold price used for cut-off calculation is US$1,100 /oz*
- *No Inferred material is included in the Ore Reserve*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution.*

COMPARISON WITH 2013 ORE RESERVES ESTIMATE – MANSON'S LODE

The variance between the 2013 and 2014 Ore Reserve estimation is due entirely to a higher cut-off grade as a result of a lower gold price. No other modifying factors have been adjusted on the Manson's Lode pit Ore Reserve between 2013 and 2014. The previous Ore Reserve was reported as per the JORC Code 2004 edition. Figure 8.5 and Figure 8.4 show, respectively, the differences in tonnes and metal between the 2013 and 2014 Ore Reserve figures.

Figure 8.3 Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Manson's Lode (ore tonnes)

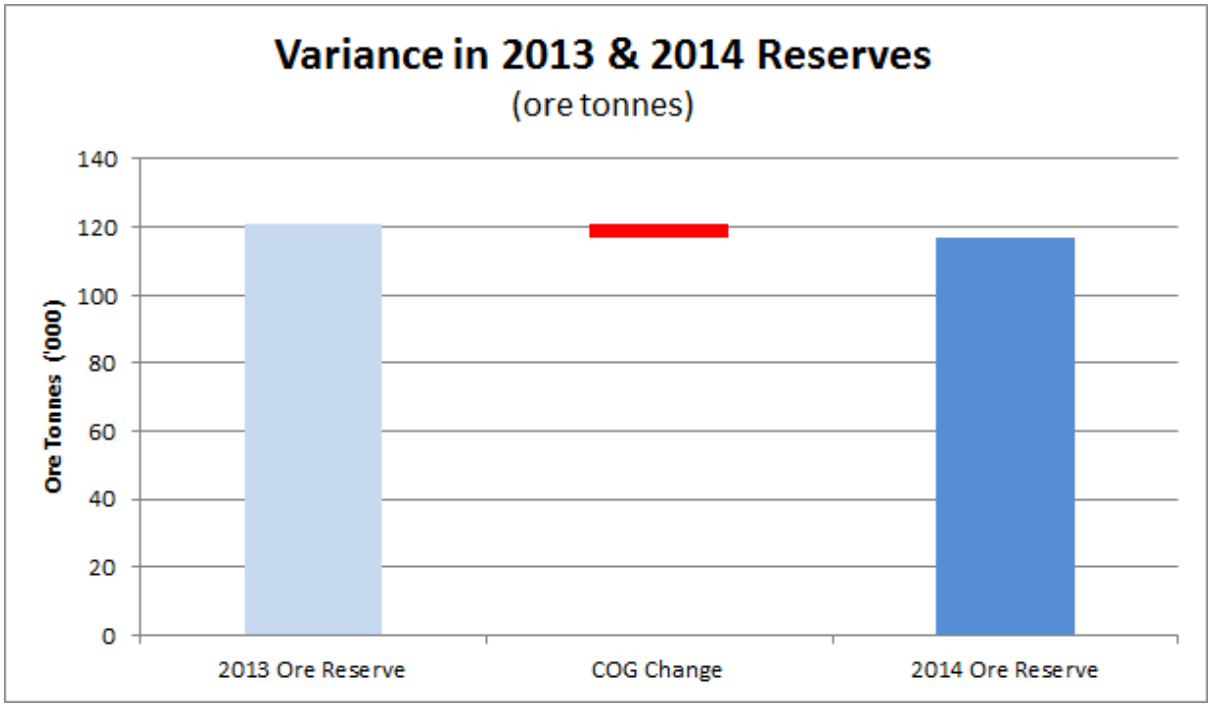
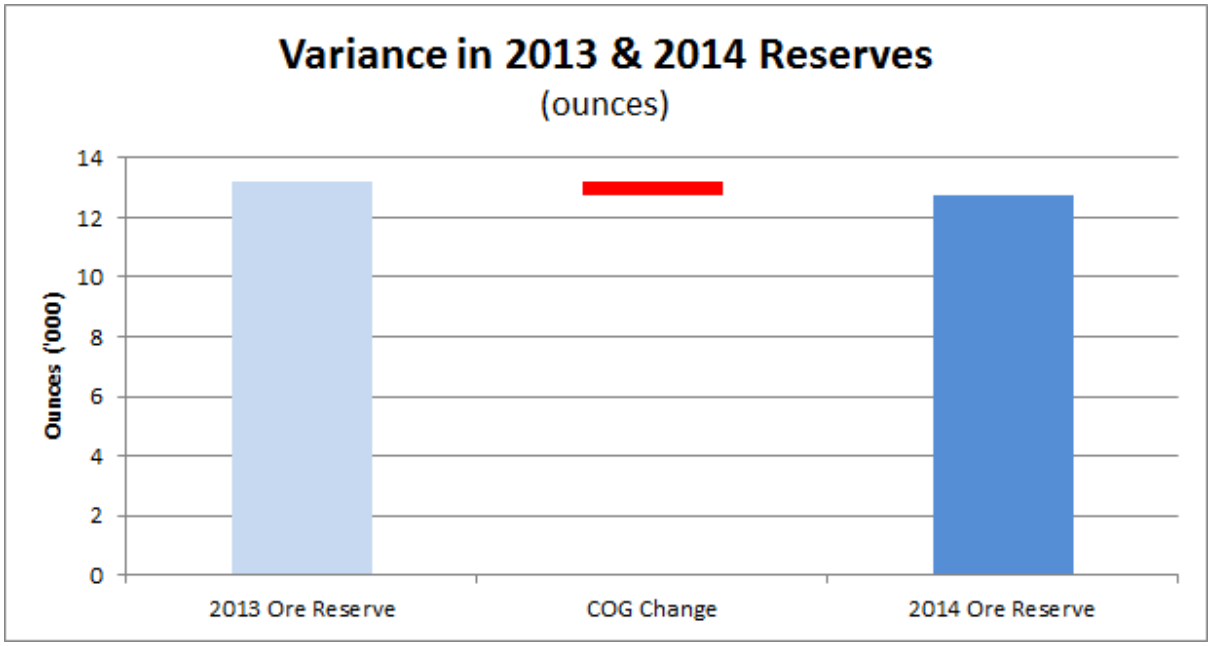


Figure 8.4 **Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Manson's Lode (Au ounces)**



8.2.2. NEW DISCOVERY PIT ORE RESERVE

During the reporting period there were no material mining activities at New Discovery. The New Discovery deposit is considered an inactive mining area at this time, with small scale trial-mining undertaken on an ad-hoc basis as part of an ongoing exploration and metallurgical testwork process.

The New Discovery Pit Ore Reserve estimate is reported above a 0.5 g/t gold cut-off grade, 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,100 per ounce. The resultant Ore Reserve for the New Discovery pit is reported below in Table 8.7 and is applicable for 2014.

Table 8.7 **New Discovery Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2014**

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
RESERVES								
Proved	Gold	81	3.8	11	66	3.8	9	0
Probable	Gold	65	3.0	7	52	3.0	5	0
Total	**Gold**	**150**	**3.5**	**17**	**120**	**3.5**	**14**	**0**
RESOURCES								
Measured	Gold	135	4.1	18	110	4.1	14	0
Indicated	Gold	140	3.3	15	115	3.3	12	0
Inferred	Gold	220	1.8	12	175	1.8	10	0
Total	**Gold**	**490**	**2.9**	**45**	**400**	**2.9**	**37**	**0**

Notes:

- *Ore Reserves reported as per the JORC Code 2004 edition*
- *Calculations have been stated to two significant figures, and may display rounding inconsistencies*
- *Cut-off grade for New Discovery lode is 0.5 g/t gold*
- *Gold price used for cut-off calculation is US$1,100 /oz*
- *No Inferred material is included in the Ore Reserve*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution.*

COMPARISON WITH 2013 ORE RESERVE ESTIMATE – NEW DISCOVERY

A higher cut-off grade was used for the 2014 Ore Reserve due to a lower gold price (0.5 g/t gold for 2014 versus 0.4 g/t gold for 2013). No other modifying factors have been adjusted on the New Discovery Pit Ore Reserve between 2013 and 2014 and, as such, the variance year on year is less than 0.02%. Given the requirement under the JORC Code to report to an appropriate number of significant figures, the New Discovery Ore Reserve for 2014 remains unchanged from that reported in 2013.

8.2.3. RIXEN PIT ORE RESERVE

Between the period of 1 January 2013 and 31 December 2014, mining activities occurred at Rixen. CNMC reported to Optiro that for the period approximately 1,362,000 tonnes of ore was removed from the Rixen Pit; however, accurate reporting as to the precise ore tonnes, grade and amount of waste removal was not available, and hence this information has been considered in conjunction with surveyed data and the 2014 depleted block model.

With the information available to Optiro, a detailed reconciliation of actual mined against the depleted model could not be completed, therefore this Ore Reserve estimate has been compiled solely on the basis of the depleted Mineral Resource block model against the pit design and working face surveys as of the 31 December 2014.

The Rixen Pit Ore Reserve estimate is reported above a 0.4 g/t gold cut-off grade, 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,100 per ounce. The 2014 Ore Reserve estimate is quoted in Table 8.8.

Table 8.8 Rixen Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2014

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
RESERVES								
Proved	Gold	0	0	0	0	0	0	0
Probable	Gold	3,862	1.3	157	3,128	1.3	127	+5.4
Total	**Gold**	**3,862**	**1.3**	**157**	**3,128**	**1.3**	**127**	**+5.4**
RESOURCES								
Measured	Gold	0	0	0	0	0	0	0
Indicated	Gold	2,441	1.1	85	1,977	1.1	68	+325
Inferred	Gold	1,432	1.0	48	1,160	1.0	39	-60
Total	**Gold**	**3,873**	**1.1**	**133**	**3,137**	**1.1**	**107**	**-6**

Notes:

- *Ore Reserves reported as per the JORC Code 2012 edition*
- *Calculations have been stated to two significant figures, and may display rounding inconsistencies*
- *Cut-off grade for Rixen lode is 0.4 g/t gold*
- *Gold price used for cut-off calculation is US$1,100 /oz*
- *No Inferred material is included in the Ore Reserve*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution.*

COMPARISON WITH 2013 ORE RESERVES ESTIMATE - RIXEN

The variance between the 2013 and 2014 Ore Reserve estimation is due to increased Mineral Resources, depletion by mining activities and, the adoption of a reduced cut-off grade (as result of the gold price at US$1,100 per ounce and lower operating cost base). No other modifying factors have been adjusted on the Rixen Pit Ore Reserve between 2013 and 2014. The previous Ore Reserve was reported as per the JORC Code 2012 edition.

The operating cost base used for the 2014 Ore Reserves was based on the actual (weighted) cost base as reported to Optiro over the 2013 and 2014 production years. It should be noted that there has been a significant ramp up in production at Rixen during 2014, and this is now reflected in the lower actual cost base.

Pit surveys were taken for the end-of-reporting period of 31 December 2014, and these formed the basis of the depletion model. These contradicted some portions of the 2013 end of year survey. The 2014 survey was deemed more accurate and was used for all reporting purposes.

CNMC has reported to Optiro that for the period until 31 December 2014, 1,362 kt of material has been extracted.

The variation between the claimed mined tonnes and the surveyed depletion of the Mineral Resource/Ore Reserve is attributable to dilution occurring during the mining phase, combined with the addition of material to the ore claimed through operational grade control work and ore loss through operational issues.

Optiro has taken a prudent and conservative approach to account for the lack of accurate and timely production data provided, and assumed that the Ore Reserve portion was depleted prior to 31 December 2014.

As no detailed reconciliation data was provided to Optiro with respect to mine production, this Ore Reserve estimate (Table 8.9) has been calculated solely on the evaluation results from the pit design using the updated and depleted block model created as part of this Ore Reserve report.

Figure 8.5 and Figure 8.6 show, respectively, the differences in tonnes and metal between the 2013 and 2014 Ore Reserve figures.

Figure 8.5 Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Rixen (ore tonnes)

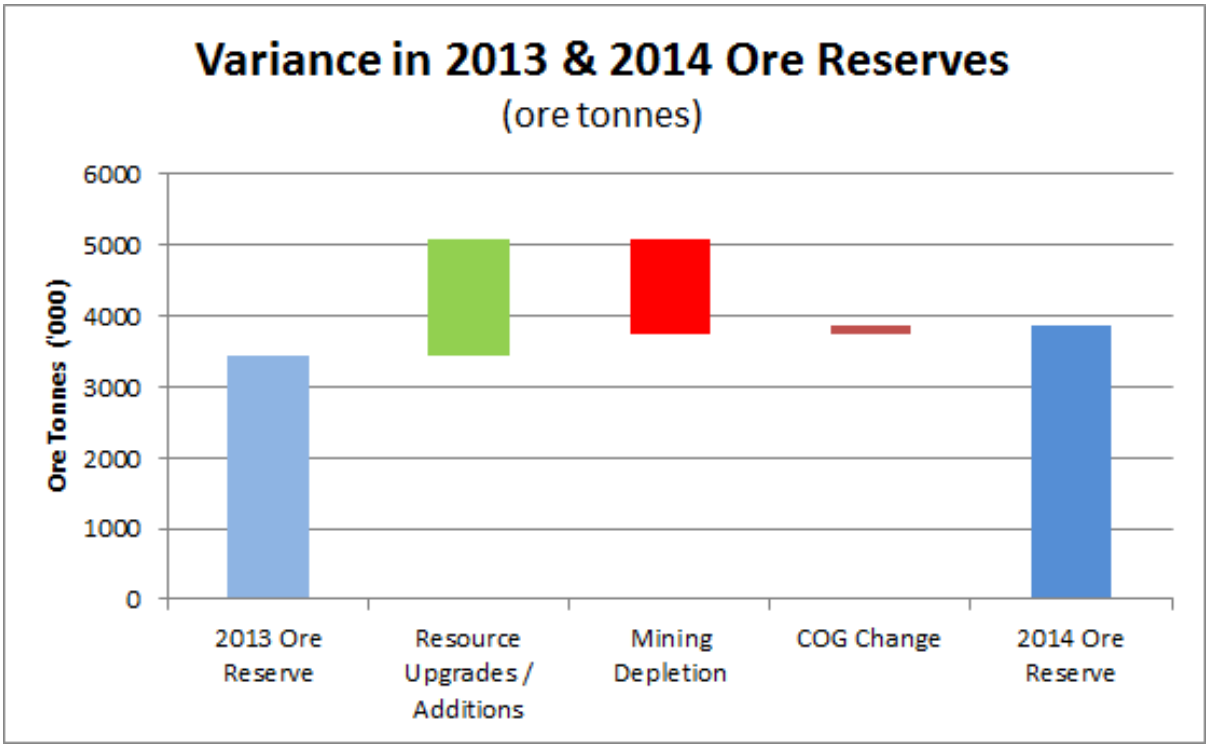
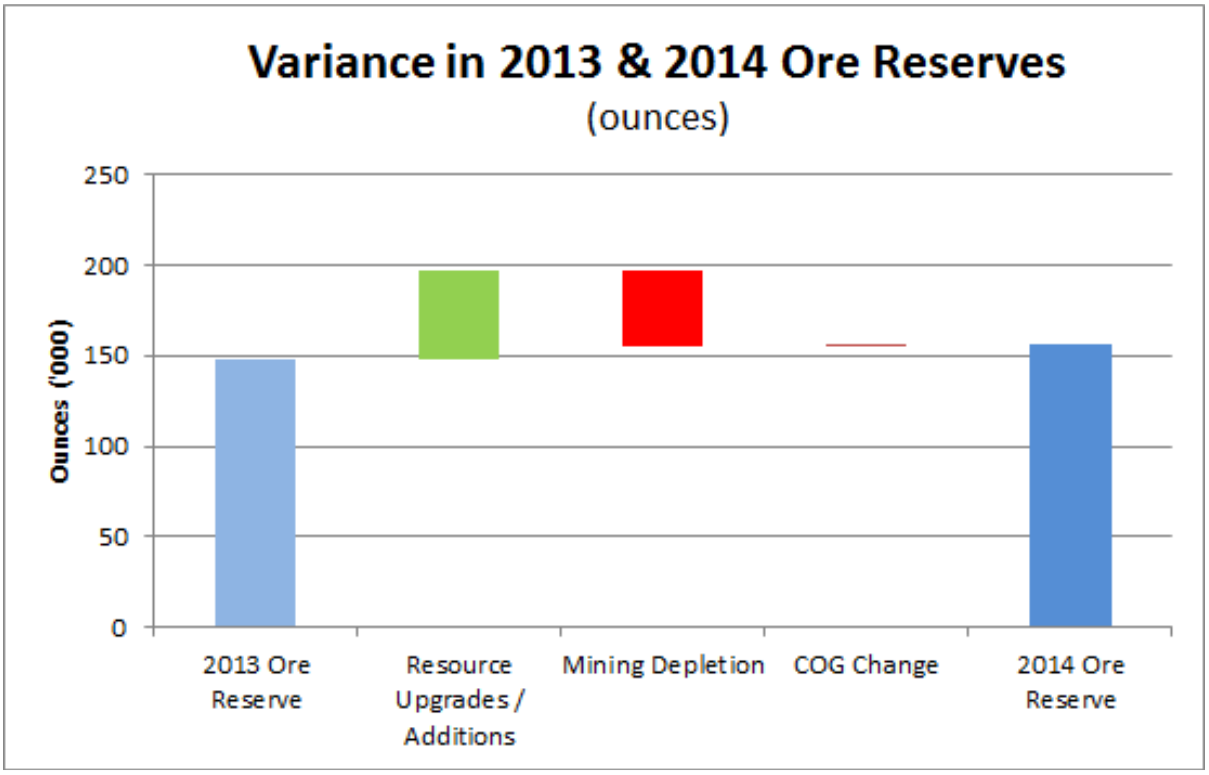


Figure 8.6 Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Rixen (gold ounces)



8.2.4. KETUBONG

No Ore Reserve estimate was calculated or reported for the Ketubong deposit as there was no activity related to that deposit during 2014.

8.3. STATEMENT OF SOKOR MINERAL RESOURCES AND ORE RESERVES

The combined Ore Reserve estimate for Manson's Lode, New Discovery and Rixen deposits has been calculated and is shown in Table 8.9, accompanied by the corresponding Mineral Resource tabulation (reported exclusive of Ore Reserves).

Table 8.9 Combined Sokor Project Ore Reserves (Manson's Lode, New Discovery and Rixen) and Mineral Resources (additional to Ore Reserves at Manson's Lode, New Discovery, Rixen and Ketubong) as at 31 December 2014

Category	Mineral type	Gross attributable to licence			Gross attributable to CNMC			
		Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Tonnes (kt)	Grade (Au g/t)	Contained Au (koz)	Change from previous update (%)
RESERVES								
Proved	Gold	186	3.6	23	151	3.6	18	0
Probable	Gold	3,939	1.3	165	3,189	1.3	133	+5
Total	**Gold**	**4,125**	**1.4**	**188**	**3,341**	**1.4**	**151**	**+5**
RESOURCES								
Measured	Gold	335	3.1	32	270	3.1	27	-18
Indicated	Gold	2,711	1.3	110	2,207	1.3	88	+115
Inferred	Gold	1,682	1.1	61	1,370	1.1	50	-69
Total	**Gold**	**4,728**	**1.4**	**203**	**3,847**	**1.4**	**165**	**-29**

Notes:

- *Ore Reserves for Rixen Lode reported as per the JORC Code 2012 edition*
- *Ore Reserves for New Discovery and Manson's Lode reported as per the JORC Code 2004 edition*
- *Calculations have been stated to two significant figures, and may display rounding inconsistencies*
- *Cut-off grade for Rixen lode is 0.4 g/t gold*
- *Cut-off grade for New Discovery lode is 0.5 g/t gold*
- *Cut-off grade for Manson's Lode is 1.4 g/t gold*
- *Gold price used for cut-off calculation is US$1,100 /oz for all lodes*
- *No Inferred material is included in the Ore Reserve*
- *Dilution of 5% and ore loss of 5% have been applied, with zero grade attributed to dilution.*

9. PLANNED EXTRACTION AND PROCESSING METHOD

9.1. INFRASTRUCTURE

9.1.1. POWER AND WATER SUPPLY

Power to the operation has previously been provided by three on-site diesel generators. Two generators of 400 kW and 240 kW capacity provide the bulk of the power requirements, with a 160 kW unit available as a stand-by. Small portable generators provide power to living quarters. In 2013, an additional six diesel generators were added to provide additional power generation for the expanded heap leach operations.

The project site is in an area of high, consistent rainfall. Water is sourced from local streams for use in mining and processing. Potable water is trucked to the site.

9.2. MINE SITE FACILITIES

CNMC has constructed offices, accommodation camp, assay laboratory and a permanent equipment maintenance facility on the site. Communications are provided via a satellite phone system. Telephone, fax and data transmission facilities are provided.

9.3. ENVIRONMENTAL AND COMMUNITY ISSUES

Optiro understands that BDA reviewed the project's Environmental Impact Assessment 2008, 2009 and Environmental Management Plan 2010. The review focussed on environmental aspects and social/community issues which are considered a material part of the project and which may have implications for project feasibility, costs and timing. Optiro understands that these have not changed since BDA's review in 2011 and the summary below is from the BDA report (BDA, 2011a)

9.3.1. ENVIRONMENTAL IMPACT ASSESSMENT

Environmental approvals for the project include submission of an Environmental Impact Assessment in January 2008 and a supplementary EIA report in March 2009, with approval received in June 2009. An Environmental Management Plan was submitted in February 2010 and an EMP – Additional Information report was submitted in March 2010, with approval received in April 2010. The EIA and EMP cover both heap leach and pond (vat) leach processing of gold ore at the Sokor mine site.

The project mining and environmental approvals are granted by the Kelantan State Department of Environment (DOE). The EIA approval was received in June 2009 with approval conditions stipulated, whilst the EMP approval was received in April 2010. The Mining Scheme approval was obtained in January 2010 and is subject to initial mine production not exceeding 300 ktpa of mined ore. This condition will be relaxed on submission to government of a full feasibility study and mine plan directed at expanding the project to include treatment of the primary gold sulphide mineralisation using a carbon in pulp process.

As part of the environmental investigations undertaken to date, potential project impacts to physical and biological resources have been assessed to identify key environmental risks that may arise from the construction, operation and eventual mine closure of the Sokor Project. Formal assessment, documentation and communication of potential project-related impacts, including the anticipated scope, magnitude, extent and duration, have been completed in conformance with the Kelantan State permitting process, including the DOE requirements and requirements under the Environmental Quality Act 1974. The information supplied under the Supplementary EIA was in response to further information requests from the DOE and the Kelantan State Minerals and Geoscience Department.

The EIA reports were prepared by Puncak Moriah Engineering Sdn. Bhd., whilst the EMP document was prepared by EQM Ventures Sdn. Bhd. The Sokor Mining Schemes Report was prepared by CMNM Mining Consultant Engineer, KF Lee Mining Consultant & Surveyor.

9.3.2. ENVIRONMENTAL PROTECTION AND MITIGATION MEASURES

CNMC has identified the key potential environmental impacts arising from the project's operations and their associated mitigation measures which have been implemented. These potential impacts and CNMC mitigation measures include:

- Site clearing impacting on downstream water quality – mitigation measures include the use of silt traps and runoff barriers, retention of vegetation, vegetation removal to follow natural contours to maximise effects of silt traps.
- Soil erosion and dust emissions resulting from earthmoving activities – mitigation measures include revegetation to control runoff and soil loss, water spraying of mine roads and trafficked areas to suppress dust emissions and provision of personal protection equipment to provide protection from dust and noise.
- Biomass waste and other waste disposal causing air pollution, fire hazard, unhealthy environment – mitigation measures include no burning of biomass waste allowed on site, spoils and waste materials to be buried on-site in a designated 'fill' area, properly designed spoil piles surrounded by soil containment berms and biodegradable waste to be left in-situ to decompose naturally.
- Wastewater generation and disposal impacting on water quality – mitigation measures include provision of suitable sanitation facilities and potable water supply, solid waste to be recycled and composted of disposed in secure areas designed in accordance with Department of Environment of Malaysia guidelines.
- Chemicals and hazardous material use impacting on water quality – mitigation measures include prevention of leakage from tailings vats by installing water proofing materials to inhibit seepage, conducting regular maintenance of vats, engagement of Kualiti Alam (a Federal Government licensed toxic waste collector) to handle all acids and hazard chemicals resulting from the operations and provision of proper safe and secure storage facilities located away from incompatible substances that may generate heat, fire, gas or explosion.
- Traffic associated with the project impacting on air quality, noise and road safety – mitigation measures include provision of sufficient width to access roads, limiting speed of vehicles, restricting entry to active mining areas to project vehicles only.
- Mine closure impacting on water quality, employment opportunities, development opportunities, loss of environmental values – mitigation measures include developing an appropriate Mine Closure and Rehabilitation Plan which includes appropriate systems for handling site storm water runoff, compacting and sealing potentially acid-generating waste rock, closure and covering tailings dams, site re-vegetation, employee training and multi-skilled experience which is transferable to other mining operations or other sectors of employment.

9.3.3. AIR QUALITY AND NOISE

Background air quality and noise were measured in and around the Sokor Project area in 2007 as part of baseline monitoring for environmental assessment purposes. In general, ambient air quality and noise levels in areas sampled in the project area are within Government of Malaysian ambient standards.

9.3.4. SURFACE HYDROLOGY

Based on topographical information, there are numerous streams which pass through the Sokor mine site area from east to west, flowing through Sg Tapis, Sg Amang, Sg Sejana, Sg Liang and Sg Ketubong, which eventually discharge into the Sg Pergau.

Surface water baseline evaluations have previously been conducted in the Sokor Project area as part of the environmental assessment process.

Baseline water quality analysis showed that the water quality in the project area is generally good and the parameter levels comply with the limits of Class III of the Interim National River Water Quality Standard for Malaysia and Standard B of the Malaysian Environmental Quality (Sewage & Industrial Effluents) Regulations, 1979.

9.3.5. WATER MANAGEMENT

Given the project area's high rainfall, water management is a significant issue for the project so as to minimise any potential downstream impacts.

The mine and processing plant are operated as a closed-loop circuit where no water from the site operations discharges to nearby surface waters. All process water from the plant area is to be channelled to the tailings storage facility while any excess water from the tailings storage facility (TSF) is recycled to the plant's processing circuits.

The TSF is designed to operate with a minimum freeboard of 1.5 m and is surrounded by berms. The design capacity is at least twice the actual design capacity of all water from the mineral processing circuit and has also been designed to accommodate the recorded maximum rainfall event.

The berms are designed to prevent overflow from discharging from the TSF and will also preclude rainfall runoff from entering the TSF. Any stormwater and water collected from the mine pits is channelled to a sedimentation pond (i.e. environmental control pond), which is designed to provide a retention time of 48 hours.

Discharge from the sedimentation control pond is via a spillway. The mine has been developed with minimum disturbance to streams and creeks in the area. Where this is unavoidable, silt traps and sediment control practices are to be used to prevent any inflow of sediment to surface water. Surface runoff from the workshop area and other vehicle service areas is channelled to an oil/water separator device prior to the water being discharged.

Discharge of waste water from the sewerage system, domestic waste water and rainwater runoff from on-site facilities such as workshops will be controlled so as not to impact on surrounding surface waters.

9.3.6. TAILINGS MANAGEMENT

Originally it was proposed that the project would commence using alluvial and heap leach methods to develop the mine; however, crushed ore is currently being batch processed using the previously installed vat leaching process as well as the more recently commissioned heap leach circuit.

Neither BDA nor Optiro have been supplied with any details of the design of these plants, any expansion details on proposed plant process ponds, or any site water balance data. BDA and Optiro note that it is prudent that any heap leach system (besides provisioning for process ponds – barren and pregnant solution ponds) provides a stormwater (safety) pond with sufficient capacity to accommodate the local maximum rainfall event. Such a pond will need to accommodate runoff from the entire process plant area, including the process ponds and heap leach area. A cyanide detoxification system will likely be necessary to handle increased rainfall on the heap leach area during the monsoon period and to provide for decommissioning of the heap leach structures and to make safe the process solutions once the heap leach system is closed. The EMP contains limited details on three possible cyanide detoxification methods; however, the information provided is considered preliminary, as no particular detoxification method has yet been selected.

The EIA Supplementary report contains design details and environmental protection measures to minimise the potential for water pollution. It is proposed that no solutions are to be discharged from the stormwater (safety) pond and that the cyanide content of water in the pond will be constantly monitored to ensure it remains below 0.1 mg/L.

All ponds, channels and impounding bunds are planned to be constructed with the required minimum freeboard and be HDPE-lined for protection against erosion and potential groundwater contamination.

The small TSF will store tailings from the current vat leaching system and this is still being utilised for this process. A new tailings storage facility has been built as part of the heap leach processing facility.

9.3.7. ENVIRONMENTAL MONITORING

The approved Environmental Management Plan contains details concerning the environmental monitoring requirements stipulated under the Government approval. They include requirements for the monitoring and reporting of air quality, noise and water quality.

An Environmental Audit process is set out in the Environmental Management Plan.

9.3.8. REHABILITATION

It is proposed that where possible, any disturbed areas will be progressively rehabilitated; however, there are some areas such as the process plant areas which cannot be rehabilitated until such time as the mine is closed and the plant is decommissioned.

An Erosion and Sediment Control Plan is set out in the Environmental Management Plan, together with other specific pollution control and occupational health and safety plans.

9.3.9. SOCIAL ISSUES

There is a possibility that the Sokor Project may encroach into fishing areas, which may impact on revenue and livelihoods for the members of the local communities who use the area. Consequently, local dissatisfaction with the project may arise if access to fish resources is restricted.

It is expected that the Sokor Project will create employment opportunities for residents of the area. In the communities surveyed, the residents expressed the desire to seek work at the site for both skilled and unskilled work opportunities.

CNMC has made substantial efforts to integrate its project activities with the local communities and is assisting them in social and economic development programmes. It is providing the local community with new employment opportunities, training and skills development for those staff employed in CNMC's mining activities and has broadened the economic and commercial base for local businesses, contributing to economic growth in the region. In addition it provides opportunities for business investors to invest in Kelantan.

The main negative social impact that can occur at mine closure is the loss of jobs resulting from the cessation of mining. CNMC's proposed mitigation measure is to ensure that the workforce that has been employed will be fully trained with multi-skilled experience that is easily transferable at the time of mine closure, thus enabling potential further employment in other sectors.

10. FINANCIAL ANALYSIS

The current production schedule was updated by Optiro to reflect the depletion due to mining at Rixen. The schedule (Table 10.1) is based on 40 ktpa production from both Manson's Lode and New Discovery and the balance was made up by Rixen whilst maintaining roughly the 2014 production profile. Whilst this mining schedule is adequate for an Ore Reserves estimate, Optiro recommends that CNMC completes a detailed life of mine schedule combining all ore sources, for accurate reporting of tonnes and grade. This mining schedule has been authorised for use by CNMC.

Table 10.1 Rixen, New Discovery and Manson's Lode high level mining schedule

Source	Units	Year					Total
		2015	2016	2017	2018	2019	
Rixen							
Waste	kt	4,737	4,737	4,737	4,737	937	19,887
Total ore	kt	920	920	920	920	182	3,862
HL ore	kt	920	920	920	920	182	3,862
CIL ore	kt	-	-	-	-	-	-
HL ore grade	g/t	1.26	1.26	1.26	1.26	1.26	1.26
CIL ore grade	g/t	-	-	-	-	-	
Gold mined	koz	37	37	37	37	7	156
Manson's Lode							
Waste	kt	48	48	44	-	-	140
Total ore	kt	40	40	37	-	-	117
HL ore	kt	-	-	-	-	-	-
CIL ore	kt	40	40	37	-	-	117
HL ore grade	g/t	-	-	-	-	-	
CIL ore grade	g/t	3.39	3.39	3.39	-	-	3.39
Gold mined	koz	4	4	4	-	-	13
New Discovery							
Waste	kt	95	95	95	71	-	357
Total ore	kt	40	40	40	30	-	150
HL ore	kt	40	40	40	30	-	150
CIL ore	kt	-	-	-	-	-	-
HL ore grade	g/t	3.50	3.50	3.50	3.50	-	3.50
CIL ore grade	g/t	-	-	-	-	-	
Gold mined	koz	5	5	5	3	-	17
Total movement							
Waste	**kt**	**4,881**	**4,881**	**4,877**	**4,809**	**937**	**20,384**
Total ore	**kt**	**1,000**	**1,000**	**997**	**950**	**182**	**4,129**
HL ore	**kt**	**960**	**960**	**960**	**950**	**182**	**4,012**
CIL ore	**kt**	**40**	**40**	**37**	**-**	**-**	**117**
HL ore grade	**g/t**	**1.35**	**1.35**	**1.35**	**1.33**	**1.26**	**1.34**
CIL ore grade	**g/t**	**3.39**	**3.39**	**3.39**	**-**	**-**	**3.39**
Gold mined	**koz**	**46**	**46**	**46**	**41**	**7**	**186**

10.1. CAPITAL AND OPERATING COSTS

Capital and operating costs have been estimated by CNMC. Optiro understands that there has been no change to the previous year estimated costs and that CNMC plans to review the costs as part of further study work to be under taken during 2015.

10.2. OPERATING COSTS

The operating costs used to determine the economic viability of this Ore Reserve estimate have been provided to Optiro by CNMC. Whilst some actual production and processing costs have been recorded, and are lower than the study applied costs, Optiro has opted to use a combination of the current costs and the original cost projections for reasons of conservatism and consistency over variable recorded costs. The mining costs used are considered in line with current operational expectations and actuals. A revised forecast gold price of US$1,100 per ounce has been applied at the request of CNMC. The unit operating costs and cut-off grade calculations used are tabulated below in Table 10.2.

Table 10.2 Mining unit costs and cut-off grade

	Units	Rixen	Manson's Lode	New Discovery
Mining and Processing costs				
Ore mining cost		0.88	3.38	2.65
Stripping cost		0.88	0.88	0.88
Processing cost	US$/t	6.37	36.79	13.98
Cost	US$/t ore	7.19	36.79	13.98
Revenue and Selling costs				
Rehabilitation cost	US$/t ore	-	-	-
Selling cost	US$/g	0.05	0.59	0.59
Royalty	%		8%	8%
	US$/g	2.95	2.83	2.83
Total sale cost	US$/g	3.00	3.42	3.42
Gold price	US$/oz	1,100	1,100	1,100
	US$/g	35.37	35.37	35.37
Final sale price	US$/g	32.37	31.95	31.95
Mining recovery	%	95%	95%	95%
Process recovery	%	65.0%	85.0%	86.8%
Recovered revenue	$/g	20.05	25.80	26.34
Marginal cut-off	**g/t**	**0.4**	**1.4**	**0.5**

10.3. ECONOMIC EVALUATION

The economic evaluation of the Ore Reserves for the Sokor Project shows that the Net cashflow from the operation is estimated to be $78.8 M, with a Net Present Value of $63 M (based on a 10% discount rate).

Based on the economic evaluation undertaken by Optiro, Optiro is able to demonstrate and is satisfied that there is a positive financial outcome for the Manson's Lode, Rixen and New Discovery deposits. No financial analysis has been completed for the Ketubong deposit and thus no Ore Reserves have been stated.

11. INTERPRETATION AND CONCLUSIONS

The geology and mineralisation controls at Sokor are reasonably well understood, with mineralisation being both structurally and lithologically controlled. The Manson's Lode and New Discovery deposits are both well defined. The 2014 drilling has extended the mineralisation at Manson's Lode along strike to the north-east and at depth and has intersected high base metal concentration in the north-east. The one deep drillhole at New Discovery intersected mineralisation down-dip, in an orientation that is consistent with the deeper mineralisation intersected at Ketubong. Both New Discovery and Ketubong remain open at depth and warrant additional drill testing. Drilling to the north of Ketubong intersected mineralisation at surface and at around 140 m depth: this area warrants further testing.

The 2014 drilling programme has extended mineralisation to the north and south of Rixen. Sparse drilling to the south of Rixen indicates potential for further extensions to the mineralisation.

To date, CNMC has focussed its exploration on the known prospects within the Sokor Block and hence there are a number of areas within the concession that have been subjected to little or no exploration; the surrounding exploration licence also has not been subjected to any systematic investigation. These areas are prospective for gold and base metal mineralisation and CNMC plans to expand its exploration programme in the future to assess these areas and also in the surrounding exploration licence.

There is considerable potential remaining in the Sokor Block and surrounding exploration licence to locate additional gold resources; however, this will require a higher rate of drilling than CNMC has completed in the past.

From an operational perspective, Optiro recommend that CNMC continues to improve the rigour that has been applied to the recording and reconciliation of operating activities during 2014. Accurate reporting of mining locations and material movements on to and off of stockpiles and leach pads will provide CNMC with greatly improved production tracking and enable meaningful reconciliation of actual against planned mine performance in terms of both tonnes and grade profiles.

The above recording should continue to be supported by accurate face and stockpile surveys on a monthly basis to provide a spatial basis of reconciliation against the reported physicals. The implementation of these processes would eliminate unaccounted for material movements and significantly streamline end of period reporting requirements. Optiro notes that there has been good improvement in this aspect of operations on site during 2014.

On a similar note, the movement of material from stockpiles to leach pads was recorded during 2014. Optiro recommends additional details are recorded going forwarded to ensure that CNMC has a more detailed basis for reconciling the performance of the leach circuits. Without recording this additional information from the leach circuits, the basis for reconciling how that process has performed during the month is sub-optimal. Optiro commends CNMC on the work initiated during 2014 in this regard.

The above operational processes are considered to be essentials for a single-source mining and processing operation. With the potential for multiple ore sources to be mined concurrently at Sokor, the requirement for accurate and rigorous reporting processes is multiplied to ensure that operational performance is recorded on an appropriate basis.

In summary, Optiro notes the improved progress in recording of the operational performance of the Sokor Project. Optiro supports CNMC's desire and actions to continue implementing a more formalised and structured production recording and reporting process, as was commenced during 2014.

12. RECOMMENDATIONS

Optiro has the following recommendations with respect to the data used for the Mineral Resource estimate at the Sokor Project:

- Geological logging is based on standardised codes and that separate codes are used to record lithology, alteration and mineralisation
- QA/QC procedures should be improved by analysis of blind duplicate samples at a rate of one sample per 25 samples. It would be best to resubmit coarse rejects rather than quarter core. Blank samples need to be inserted at a rate of one sample per 25 samples.
- QA/QA data must be reviewed as it becomes available and issues resolved with the laboratory.
- Significant differences between the topographical surface data and the drillhole collars surveys need to be resolved
- Pit survey pick-ups should be completed on a regular basis (at least at the end of each quarter) and the Mineral Resource models should be reconciled against production.

Optiro has the following recommendations with respect to the data used for the Ore Reserve estimate at the Sokor Project:

- A detailed life-of-mine schedule should be updated with the depleted Rixen Ore Reserve and accounting for mining activities that have occurred
- Detailed 3D topographic surfaces for each deposit should be developed to produce an accurate “as-mined” point of reference for each deposit. The current depletion surfaces are lacking in detail and spatial alignment accuracy
- As more accurate actual costs are now established, the cut-off grade should be re-calculated and used in the life-of-mine schedule and future mine planning and Ore Reserves reporting
- Ongoing recording of monthly operational production figures should occur, supported by appropriately detailed daily tracking of mining and processing activities including records of material source and destination locations; this reporting has improved during 2014
- Surveys of mining face positions and stockpile profiles should occur, preferably on a monthly basis, but as a minimum on a quarterly basis to facilitate effective reconciliation between all stages of the operation from the resource block model through to gold produced
- Training of production staff should be implemented to ensure that continuity of production tracking and reporting is maintained whilst staff are absent from site.

13. REFERENCES

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14. GLOSSARY

Term	Explanation
Alteration	A change in mineralogical composition of a rock through reactions with hydrothermal fluids, temperature or pressure changes.
Base metals	Non-ferrous (other than iron and alloys) metals excluding precious metals. These include copper, lead, nickel and zinc.
Bedrock	The solid rock lying beneath superficial material such as gravel or soil.
Bulk density	The mass of many particles of the material divided by the volume they occupy. The volume includes the space between particles as well as the space inside the pores of individual particles.
Cut-off grade	The grade that differentiates between mineralised material that is economic to mine and material that is not.
Diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
Fault	A fracture in rock along which displacement has occurred.
Indicated Mineral Resource	An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.
Inferred Mineral Resource	An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2004.
Metallurgy	Study of the physical properties of metals as affected by composition, mechanical working and heat treatment.
Measured Mineral Resource	A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity.
Mineral Resource	A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.
Mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
Ordinary kriging	A geostatistical estimation method relying upon a model of spatial continuity as defined in a variogram.
Ore	Mineralised material which is economically mineable at the time of extraction and processing.
Ore Reserve	An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.
Oxidation	The addition of oxygen to the metal ion, generally as a result of weathering.
Recovery	Metallurgical: The percentage of metal that can be recovered given the limitations of the processing equipment.
Stripping	Open pit mining term relating to the removal of uneconomic waste material to expose ore. Metallurgical term relating to the removal of copper from the organic phase in the solvent extraction process.
Top cut	A process that reduces the effect of isolated (and possible unrepresentative) outlier assay values on the estimation.
Transitional	The partially oxidised zone between oxidized and fresh material.
Volcanics	Sequence of strata formed from an erupting volcano.

Appendix A

JORC Code, 2012 Edition – Table 1 reporting

SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Drill cores were photographed and logged by geologists. Core identified as having potential for mineralisation was marked up for sampling. • Half core samples were selected for analysis and quarter core samples were used for quality assurance and quality control analysis. • The 2014 sample intervals range from 0.2 m to 2.23 m with an average interval of 1.24 m. • Samples were packed by experienced site personnel and sent to SGS (Malaysia) Sdn. Bhd. laboratory in Kuala Lumpur, Malaysia. • All sample preparation and assay were undertaken by (Malaysia) Sdn. Bhd. laboratory in Kuala Lumpur, Malaysia. • Gold analyses of the 2014 samples were by fire assay with atomic absorption spectrometry (AAS) finish of a 30 g sample, with a detection limit of 0.01 g/t gold (method FAA303). • Ag, Cu, Pb and Zn were analysed by a four acid digest using SGS method AAS43B.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Triple tube diamond core drilling - fully drilled with diamond bit without RC pre-collar. • Core diameter varies from 122 mm, 96 mm to 76 mm with depth.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Core sample recovery recorded in logging sheet and recovery results assessed by geologists. • Statistical analysis indicates there is no relationship between recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate*	• All drillholes were logged by geologists. • Logging data recorded includes interval from and to, colour, major mineral composition,

Criteria	JORC Code explanation	Commentary
	Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	texture and structure, mineralisation and lithology types. • Cores were photographed. • All samples that were identified as having potential mineralisation were assayed.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Core samples were logged and intervals for analysis were marked-up by CNMC geologists. • Core samples were cut into half and collected by experienced CNMC personnel. • 2014 sample intervals range between 0.2 m to 2.23 m with an average interval of 1.24 m. • Quarter core samples were used for quality assurance and quality control analysis.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All samples were dispatched to independent laboratory SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia. • CNMC's procedures for 2014, included the submission of blind duplicate samples at a rate one sample per 80 samples, and one per 30 samples for standards. Blanks were not submitted. • 69 duplicate pulp samples were submitted to ALS Minerals laboratory in Perth, Australia for analysis. • The five standard samples are from Geostats Pty Ltd. • Analysis by Optiro indicates moderate levels of precision and generally acceptable results from the standards.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• A twin hole was drilled at New Discovery during 2013. This confirmed the mineralised intersection within the upper part of the ore body. • The data from the 2014 drilling programme was imported by Optiro from the Excel spread-sheets compiled by CNMC. • Signed copies of the assay certificates were used by Optiro to verify the assay data for 20% of the database. • Data validation included checking for out of range assay data and overlapping or missing intervals. • Below detection values were set to half the

Criteria	JORC Code explanation	Commentary
		detection limit.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Drillhole collar locations (easting, northing and elevation) are surveyed by geologists after hole completion using SOUTH Polaris 9600 Static GPS accurate to within +/-10 cm, or GARMIN GPSmap 60CSx accurate to within +/- 7 m. • Grid system used is Malaysian National Grid (MNG). • A detailed topographical surface has been defined over a 7 km^2 area that covers the four deposits. Contour intervals are at 5 m intervals and points along the contour lines are generally at intervals of around 10 m. This data was used to generate a DTM for the resource estimate. • Drillhole collars were pressed to the DTM. Differences of up to 24 m were noted between the drillhole collar elevation and the topography.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• During 2014, data from 98 additional vertical and inclined drillholes for a total of 13,252 m were incorporated into the database. • Drillhole spacing and drill section spacing averaged 50 m depending on location, access and ground conditions. • Data obtained is sufficient to establish the degree of geological and grade continuity. • Samples are not composited for analysis. Downhole compositing is applied for Mineral Resource estimation.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill sections are oriented mine grid north-south and parallel to the strike of the deposit. • Most holes were drilled on section. • Vertical and inclined holes have been drilled, depending on the orientation of the lithology and mineralisation. • The orientation of drilling is considered adequate for an unbiased assessment of the deposit with respect to interpreted structures and controls on mineralisation.
Sample security	• *The measures taken to ensure sample security.*	• The 2014 drill core samples were packed on site by CNMC personnel and dispatched by road freight to SGS (Malaysia) Sdn. Bhd. laboratory, Malaysia. • All sample preparation and assaying was completed under the supervision of SGS laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Optiro visited the Sokor project during December 2011. Review of the sampling techniques did not record any material issues.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Ulu Sokor area is covered by numerous exploration, mining and general purpose tenements which supporting the on-going gold ore mining operation. • Mining Lease ML 2/2008 Lot 2014 is held by CMNM Mining Group Sdn Bhd; a subsidiary of CNMC Goldmine Holdings Ltd. • Exploration licence EL 2/2006 has expired and is in the process of being renewed by CNMC Goldmine Holdings Ltd through its subsidiary MCS Mining Group Sdn. Bhd.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Ulu Sokor area has a long history of gold prospecting and small scale alluvial and hard rock mining since 1900s, by Duff Development Company Ltd, Eastern Mining and Metals Company, Asia Mining Sdn Bhd, and TRA Mining (Malaysia) Sdn Bhd. • BDA (Behre Dolbear Australia Pty Ltd) had provided an independent assessment of technical aspects on this project.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Ulu Sokor is located in the Central Belt of Peninsular Malaysia. Gold mineralisation is located towards the middle of Central Belt and is associated with the intersection of two major north-south trending structures with northeast to northwest trending secondary structures. • Gold mineralisation at Ulu Sokor is both lithologically and structurally controlled. It is generally hosted in acid to intermediate tuffaceous rocks and in carbonate-rich rocks. High grade gold mineralisation is typically associated with intense shearing and brecciation, veining and pervasive alteration. • Three deposits have been defined within the southern area (Manson's Lode, New Discovery Lode and Ketubong) and a fourth deposit (Rixen) is located within the northern area of the tenement. • Gold at Manson's Lode is strongly associated with pyrite, chalcopyrite, galena and sphalerite. • New Discovery and Ketubong are located within the same mineralised zone and have a combined strike length of 900 m, an across strike extend of 250 m and extends up to 180 m. • Manson's Lode is located to the east of New Discovery and extends along strike for 750 m. • Rixen is located 3 km north of Ketubong and extends along strike for 1,900 m.

Criteria	JORC Code explanation	Commentary
Drillhole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.*	• Not applicable – drilling was designed for resource definition.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Not applicable – drilling was designed for resource definition.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Not applicable – drilling was designed for resource definition.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Not applicable – drilling was designed for resource definition.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Not applicable – drilling was designed for resource definition.
Other substantive exploration	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological*	• Not applicable – drilling was designed for resource definition.

Criteria	JORC Code explanation	Commentary
data	*observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Future resource definition drilling is planned within the area between Rixen and Ketubong to further extend known mineralised zones, and to explore for additional mineralised zones within the Sokor project area.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• Data entry by site geologist, checked by geological supervisor and additional checking and validation by resource geologist. • Data validation included checking for out of range assay data and overlapping or missing intervals
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• Site visit undertaken during December 2011 by Optiro (Competent Person for the Mineral Resource estimate). • During site visit geological logging, sampling techniques and procedures were reviewed.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The level of confidence in the interpretations of the mineralised horizons is reflected by the Mineral Resource classification. • In general infill drilling has confirmed the mineralisation interpretations. • Previous mining of near surface, high grade ore has occurred at Manson's Lode and the pit has been backfilled with mineralised material of lower grades from Manson's Lode. • Geological interpretation has been defined by diamond drilling. Mineralisation interpretation was based on a nominal 0.3 g/t gold cut-off grade and were completed along drill sections, typically at spacings of 20 m and 50 m. The interpretations were triangulated to form 3D solids (mineralisation domains). • Additional base metal mineralisation was interpreted at Manson's Lode based on a nominal 3% Pb+Zn cut-off grade. • All available geological data used to interpret the mineralisation and to differentiate between mineralisation within eluvial/alluvial, backfill

Criteria	JORC Code explanation	Commentary
		and bedrock. overlying • Mineralised domains were interpreted for the backfill material (at Manson's Lode), alluvial and eluvial mineralisation, and bedrock mineralisation that occurs sub-parallel to the lithology and is structurally controlled in the vicinity of the Ketubong-Rixen fault zone. • Where possible, a base of oxidation surface has been interpreted.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• At Manson's Lode the mineralisation strikes northeast-south west and has a relatively flat orientation. It is 750 m along strike and 150 m across strike and extends from surface to a depth of 80 m. • At New Discovery the mineralisation strikes north-south and dips approximately 25° to the east. It is 180 m along strike by 250 m across strike. Mineralisation extends from surface to a depth of approximately up to 180 m. • At Ketubong the mineralisation strikes north-south and dips approximately 50° to the east. It is 520 m along strike by 200 m down dip. Mineralisation extends from surface to a depth of approximately 200 m. • At Rixen the mineralisation strikes north-south and dips approximately 20° to the east. It is 1,900 m along strike by 300 m across strike. Mineralisation extends from surface to a depth of approximately 200 m.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.*	• Drillhole sample data was flagged using domain codes generated from three dimensional mineralisation domains and oxidation surfaces. • Sample data was composited to a 1.5 m downhole length. • The influence of extreme sample distribution outliers was reduced by top-cutting. The top-cut levels were determined using a combination of top-cut analysis tools (grade histograms, log probability plots and CVs). • Directional variograms were modelled using a normal score transformation. Mineralisation continuity was interpreted from variogram analyses to have an along strike range of 60 m to 80 m within the alluvial/eluvial and backfill material, and 40 m to 160 m within the bedrock mineralisation. • Kriging neighbourhood analysis was performed in order to optimise the block size, search distances and sample numbers. • Grade estimation was into parent blocks of 10 m by 10 m at Manson's Lode, New Discovery and Ketubong, and 10 m by 20 m at Rixen, on 2 m benches. • Block grade estimation was carried out using ordinary kriging at the parent block scale. Three estimation passes were used for all domains;

Criteria	JORC Code explanation	Commentary
	• *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	the first search was based upon the variogram ranges for each domain in the three principal directions; the second search was typically two times the first search in all directions, and the third search was four or five times the initial search, with reduced sample numbers required for estimation. • Over 80% blocks at Manson's Lode and Rixen and over 75% of the blocks at New Discovery were estimated in the first pass. • The estimated block model grades were visually validated against the input drillhole data and comparisons were carried out against the declustered drillhole data and by easting, northing and elevation slices.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• The tonnages are estimated on a dry basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resources are reported above a 0.5 g/t gold cut-off grade at Manson's Lode, New Discovery and Ketubong and above a 0.3 g/t gold cut-off grade at Rixen, to reflect current commodity prices, operating costs and processing options • Base metal Mineral Resources at Manson's Lode, in addition to the gold Mineral Resources, are reported above a 3% Pb+Zn cut-off grade.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Planned extraction is by open pit mining. Mining factors such as dilution and ore loss have not been applied.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be*	• No metallurgical assumptions have been built into the Mineral Resource models.

Criteria	JORC Code explanation	Commentary
	reported with an explanation of the basis of the metallurgical assumptions made. •	
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• CNMC has identified the key potential environmental impacts arising from the project's operations and their associated mitigation measures are being implemented.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• Representative sections of core of 0.2 m were selected and weighted in water and air. • Average bulk density values for oxide and fresh material at New Discovery, Ketubong and Rixen deposits were calculated using measurements from 87 sections of diamond core. • Density measurements were obtained from 23 sections of core from Manson's Lode. An ordinary least squares model was developed that was used to determine the density from the silver, lead and zinc contents. • Average bulk density values for the eluvial/alluvial and back fill material was determined from measurements of material from 41 test pits.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources have been classified on the basis of confidence in geological and grade continuity using the drilling density, geological model, modelled grade continuity and conditional bias measures (kriging efficiency). • Measured Mineral Resources have been defined at Manson's Lode and New Discovery generally in areas of 20 m by 20 m drill spacing. • Indicated Mineral Resources have been defined generally in areas of 40 m by 40 m drill spacing. • Inferred Mineral Resources have been defined generally in areas of 80 m by 80 m drill spacing, at depths of over 60 m below the topographical surface and where the confidence in the block estimate (as measured by the kriging efficiency) is low.

Criteria	JORC Code explanation	Commentary
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The estimation parameters and Mineral Resource models were peer reviewed by Optiro staff.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The assigned classification of Measured, Indicated and Inferred reflects the Competent Person's assessment of the accuracy and confidence levels in the Mineral Resource estimate. • The confidence levels have been assigned to quarterly production volumes.

SECTION 4 ESTIMATION AND REPORTING OF ORE RESERVES

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• *Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.* • *Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.*	• The Mineral Resource estimate used for the Rixen deposit is classified as a JORC 2012 Mineral Resource Statement, and was completed by Mrs Christine Standing of Optiro on behalf of CNMC. • The Mineral Resource estimates used for the New Discovery and Manson's Lode deposits are classified as JORC 2004 Mineral Resource Statements, and were completed by Mrs Christine Standing of Optiro on behalf of CNMC. The Mineral Resource has been upgraded to JORC 2012, but Ore Reserve work cannot be undertaken on this Mineral Resource as Pre-feasibility study work has been completed on the two deposits. • The Mineral Resources are reported exclusive of the Ore Reserves and are as stated in this report.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken*	• A site visit was previously undertaken in May 2012 by Mr Andrew Law (the Competent Person for the Ore Reserve estimate).

Criteria	JORC Code explanation	Commentary
	indicate why this is the case.	
Study status	• *The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.* • *The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.*	• Mineral Resources have been converted to Ore Reserves on the basis of the existing operational status of the deposits and historical records. • As the mine is currently operating, no additional studies have been completed to support this Ore Reserve estimate. The mine has current, optimised mine plans in place, and material modifying factors have been derived on the basis of operational data.
Cut-off parameters	• *The basis of the cut-off grade(s) or quality parameters applied.*	• Cut-off grades have been calculated based on forecast mined gold grades, recovery and dilution parameters, mining and processing costs and forecast commodity pricing.
Mining factors or assumptions	• *The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).* • *The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.* • *The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.* • *The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).* • *The mining dilution factors used.* • *The mining recovery factors used.* • *Any minimum mining widths used.* • *The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion.* • *The infrastructure requirements of the selected mining methods.*	• The methods and assumptions used in converting Mineral Resources to Ore Reserves are based on operating parameters from the mines. The mines have appropriate current designs developed from previous optimisation processes. • The open pit mining methods selected for the CNMC mines have been selected to best address the operational requirements of the deposit characteristics, and have been in effect since the commencement of mining operations in 2010. • Assumptions made regarding geotechncial constraints have been developed based on operating knowledge of the existing mines. • The assumptions made for pit optimisation have been based on known operating conditions from the exiting mines. • Mining dilution of 5% has been used. • Mining recovery of 95% has been used. • No minimum mining widths have been applied • Inferred Mineral Resources have not been included in any Ore Reserve figures reported. • As an operating mine, all infrastructure requirements are already in place for the applied mining methods.
Metallurgical factors or assumptions	• *The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.* • *Whether the metallurgical process is well-tested technology or novel in nature.* • *The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery*	• Heap leaching and vat leaching are currently being used at the Sokor Project. These methods have been selected based on the prevailing ore characteristics. • The two leaching methods are well-tested and do not represent an untried processing strategy. • Metallurgical testwork has been carried out on samples from across the project area to confirm the appropriateness of the leaching

Criteria	JORC Code explanation	Commentary
	factors applied. • *Any assumptions or allowances made for deleterious elements.* • *The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.* • *For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?*	processing methodologies. No metallurgical domaining has been applied within specific mine areas. Recovery factors have been applied on a mine by mine basis. • No assumptions or allowances have been made for deleterious elements. • A pilot scale test of the heap leach process was undertaken during 2012 to confirm the suitability of that process for the Rixen ore. The size (approx. 90 kt) of the trial was considered representative for the Rixen deposit. • There are no specifications applied to the mine production.
Environmental	• *The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.*	• CNMC has identified the key potential environmental impacts arising from the project's operations and their associated mitigation measures are being implemented.
Infrastructure	• *The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.*	• The Sokor Project is currently in operation and all required infrastructure is in place.
Costs	• *The derivation of, or assumptions made, regarding projected capital costs in the study.* • *The methodology used to estimate operating costs.* • *Allowances made for the content of deleterious elements.* • *The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co- products.* • *The source of exchange rates used in the study.* • *Derivation of transportation charges.* • *The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.* • *The allowances made for royalties payable, both Government and private.*	• There are no projected major capital costs projected for the project as all construction is complete and the operating fleet is a mix of owner and contracted equipment. • Operating cost data has been provided by CNMC. • No allowances have been made for deleterious elements. • Metal pricing has been provided by CNMC based on current market forecasts and existing sales agreements. • All costs have been provided in US dollars with no conversions used. • Transport charges have been provided by CNMC. • Treatment and refining charges have been based on site data provided by CNMC. • A gold royalty of 5% of gross revenue is payable to the Kelantan State Government (KSG) and an additional tribute payment of 3% of gross revenue is payable to the Kelantan State Economic Development Corporation (KSEDC). CNMC holds an 81% share in the production from the project.

Criteria	JORC Code explanation	Commentary
Revenue factors	• *The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.* • *The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.*	• As an operating project, all revenue factors have been derived from operating data. • Commodity pricing assumptions have been provided by CNMC based on gold price forecasts and existing sales arrangements.
Market assessment	• *The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.* • *A customer and competitor analysis along with the identification of likely market windows for the product.* • *Price and volume forecasts and the basis for these forecasts.* • *For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.*	• Bullion produced is currently sold on the spot market to local buyers. There are currently no prevailing supply or demand constraints in the local gold industry. No constraints are anticipated over the production period for the project. • The local gold market is not considered to present any competitor risk given the relatively low volume of bullion to be produced by the project. • The forecast gold price used in preparation of this statement is considered to be an appropriate sales baseline for the production period applied.
Economic	• *The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.* • *NPV ranges and sensitivity to variations in the significant assumptions and inputs.*	• No detailed economic analysis has been completed by Optiro as the project is already in operation and demonstrates an economically viable project. • No assumptions or inputs have been applied in an NPV analysis.
Social	• *The status of agreements with key stakeholders and matters leading to social licence to operate.*	• There are no existing impediments to the licence to operate for the project.
Other	• *To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:* • *Any identified material naturally occurring risks.* • *The status of material legal agreements and marketing arrangements.* • *The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.*	• No identifiable naturally occurring risks have been identified to impact the Ore Reserves. • There are no material legal agreements or marketing arrangements in place for the project at this time. • Government agreements include: Mining right ML 2/2008 Exploration right EL 2/2006.

Criteria	JORC Code explanation	Commentary
Classification	• *The basis for the classification of the Ore Reserves into varying confidence categories.* • *Whether the result appropriately reflects the Competent Person's view of the deposit.* • *The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).*	• Mineral Resources converted to Ore Reserves as per JORC2004 and 2012 guidelines, i.e. Measured to Proven, Indicated to Probable. No downgrading in category has occurred for this project. • The result reflects the Competent Person's view of the deposit. No Measured Mineral Resources have been converted to Probable Ore Reserves.
Audits or reviews	• *The results of any audits or reviews of Ore Reserve estimates.*	• The Ore Reserve has been calculated by Independent consultants Optiro and internal peer review undertaken.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.* • *It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• Relative accuracy and confidence calculations have not been conducted for the Ore Reserve. • Current and past production and reconciliation data has been used throughout the Ore Reserve estimations.