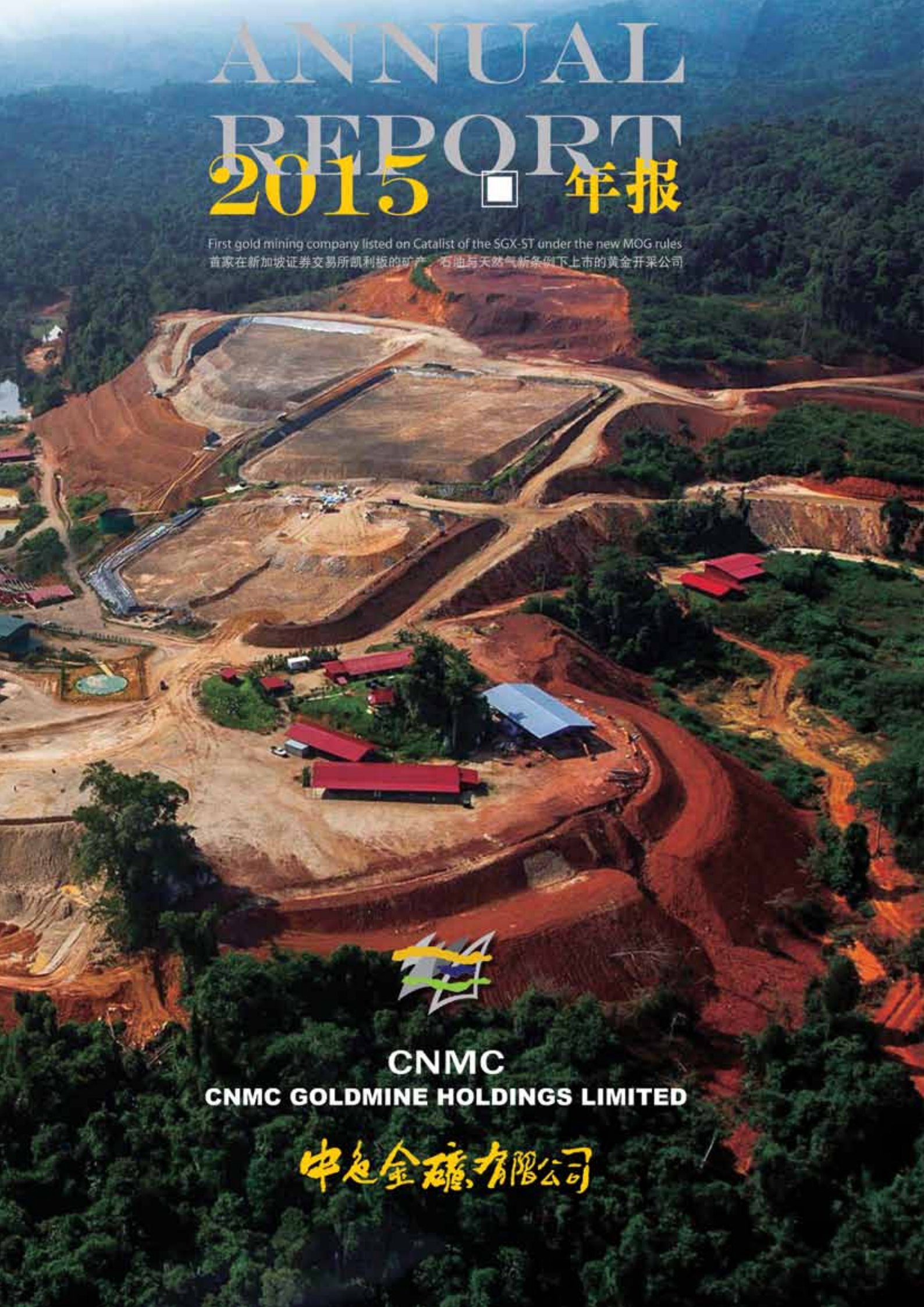
ANNUAL REPORT 2015 年报

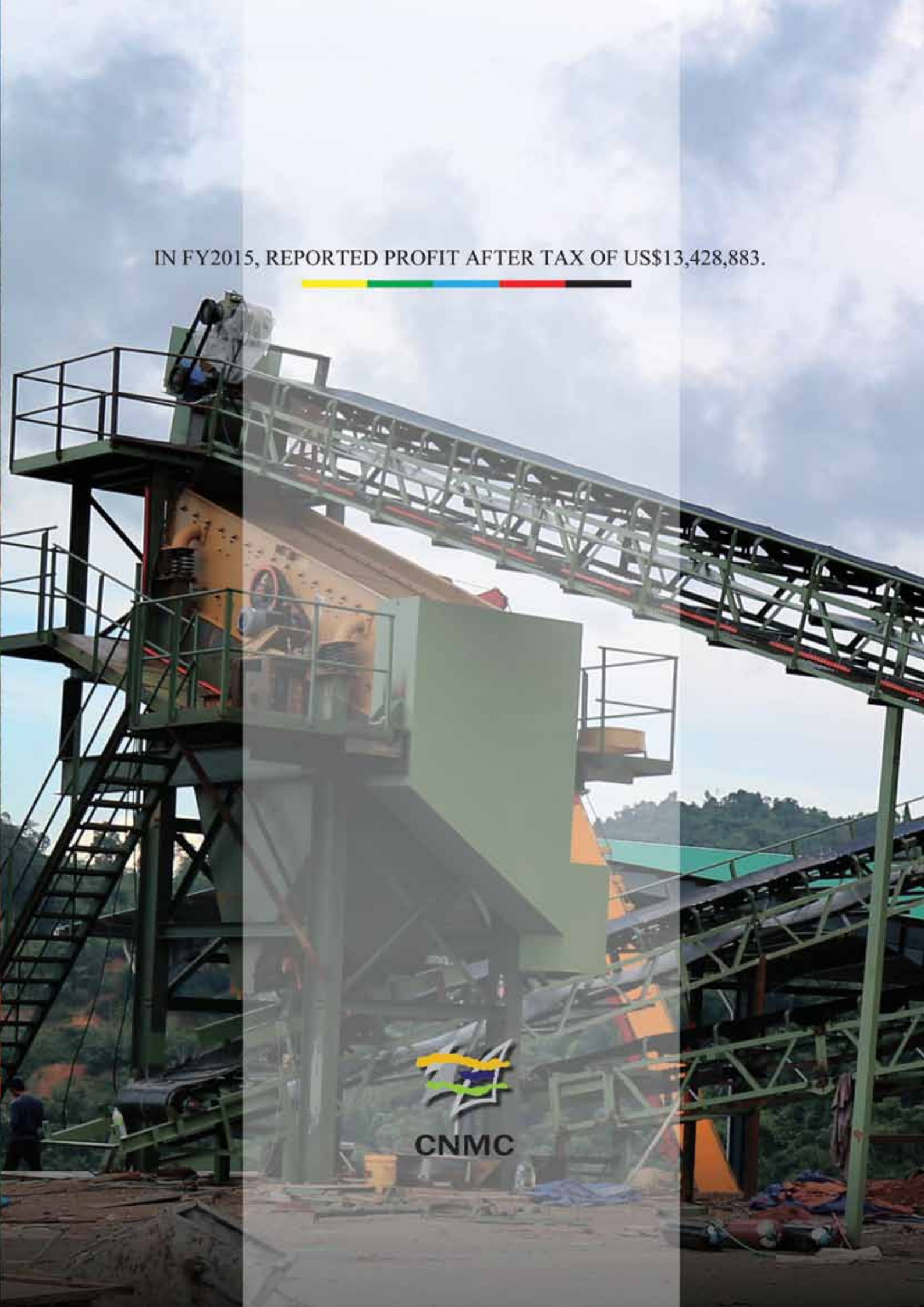
First gold mining company listed on Catalist of the SGX-ST under the new MOG rules
首家在新加坡证券交易所凯利板的矿产、石油与天然气新条例下上市的黄金开采公司



CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中色金礦有限公司


IN FY2015, REPORTED PROFIT AFTER TAX OF US$13,428,883.
CNMC

TO BUILD A GREEN MINE

筑建绿色矿区

ANNUAL REPORT 2015 年报

CNMC

CNMC GOLDMINE HOLDINGS LIMITED

中金金礦有限公司

CONTENTS

This Annual Report has been prepared by CNMC Goldmine Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report. The Sponsor has also not drawn on any specific technical expertise in its review of this Annual Report.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

逆水行舟 齐力奋进

（一）政经形势，风起云涌

2015年的世界政治形势，似乎远比去年来得更令人不安：中东“圣战”的烽火持续不停，宗教内部的分歧导致兵戎相见，斗个您死我活，而战争的“病毒”逐渐地向外域扩散，波及中东以外的国界，甚至引发当今世界上军事强国的介入与角力，令致中东、欧洲整个地域动荡不安，烽火连绵。

在人类历史中，政治与经济似乎是孪生体：经济的膨胀与强大，必然地激发了政治势力与版图的占据与扩展，而政治势力的内在强化，也必定向外推展与掠夺！以美国为主导的北约与中东联军攻打伊斯兰国以来，似乎令旁观者看到一批丧失人性的“战争贩子”，为了经济利益而罔顾人民，更肆意蹂躏国土与肆虐芸芸众生，更以遍地横尸，血流成河，涂炭生灵，令人惨不忍睹的人间地狱惨象，赚取遍染鲜血的钞票，在妖魔鬼怪狂欢的舞台上出现！

俄罗斯的介入中东战场，不但重点击毁了极端分子与恐怖组织的基地，更彻底地切断了经济供应源泉，令致元气大伤，终作鸟兽散。这场“替天行道”的战火，不但有效地摧毁恐怖组织，更令人惊叹的是揭露了上述这一幕幕在烽火硝烟中的政经交易内幕。

战争与金钱，政治与经济，最终却祭上了“无辜平民成冤鬼。昔日繁都变地狱”。

回顾过去，展望未来，以史为鉴。今天，我们担心与必须提高警惕的是别有居心的国际超级强国，似乎在中东失利下转移“地盘”到东北亚，藉口南海事端，率先军事化了东半球，为了扩展TPP（跨太平洋经合组织）从而制衡“一带一路”的经济全球化的竞争策略。

国际形势，诡谲莫测。政经博弈，风起云涌，随着各大国的经济放缓，将令致接下来二、三年全球经济蒙上阴影。为此，身处南海之端的我们，必须谨慎评估接下来东北亚地域的政经形势发展，更应该提高警惕，预防任何突发事件而做好充分的准备。因为，政经形势，风起云涌。

（二）逆水行舟，齐力奋进

“希望大家谨记并必须以不卑不亢的精神与态度，在原来基础上为明年创造出更亮丽的业绩。”

这是2014年我在献辞中最后一句话。当时，我把“居安思危”，“骄兵必败”，“满招损，谦受益”等中华文化核心理念与价值观，与全体职工分享。最终，这句话无形中成了2015年集团生产的驱动力，创造并缔造了下列亮丽业绩：

1.集团于2015年全年生产量达31205.85盎司纯金。远比2014年所产出之26122.08盎司增加了19%。

2.集团于2015年全年税后净利率（不包括不可预测汇率的变动与去年一次性税务回扣）达45%；叠千陆百肆拾叁万美元（USD16,430,000.00），比2014年全年税后净利增加了10.79%.

3.系于2015年全年产量增加与净盈利的提升，因此，董事会建议发放下列股息（须通过股东批准）以酬报全体股东。

a.末期股息 -新币0.180仙

b.特别股息 -新币0.405仙

连同之前的两次中期股息，股东将收到2015全年股息新币0.945仙，比2014全年股息新币0.675仙增加了40%。

2015年集团的业绩，在矿区全体员工努力，拼搏下取得骄人成绩。经管理层建议并被董事会接纳并议决发放如此亮丽的投资回报，相信全体股东应是皆大欢喜。

另，刚接到澳大利亚顾问公司的储量报告，2015年集团在素谷矿区实施钻探再为集团增加了可喜的储量增长。

矿业，在人类经济体被列为第二的“工业”，是一项非常艰苦，高风险、变化大、落差大的“天然型工业”。

在深山野岭丛林，风雨炎阳煎熬作业，工作营运依托老天的喜怒哀乐而构成缓速进程，产量更依赖矿岩含金率而定。因此，从天时、地利、天然这三项都对公司的运作、产量与业绩产生了巨大的影响，为了克服上述三大自然因素影响，我们只能依靠“人和”了，也即说公司自开始到现在能排除自然与外界一切

的障碍而提呈每年成长的佳绩，靠的是人：从董事会、管理层到全体职工与员工的正确发展目标与策略，以及紧密配合、合作无间地拼搏，这才能克服上述许多困难。我经常强调人文管理的重要性，而文化管人是从心灵深处地灌输拼搏精神，其中，最重要的是人文关怀，以身作则。若身为矿区主管者不管事、不懂事、又不亲力亲为到矿区了解工作，了解员工，则将产生“陌生感”，不能与全体员工打成一片，一旦有了“尊、卑”的阶级观念，管理层与劳动阶级将势为油水，不能融合，结果将导致“隔绝”与“陌生”，演变成“兵非兵”，“将非将”，不能形成一个整体，凝聚成一股力量，最终导致工作队伍的涣散，无法推动生产与创利，放眼当今国际间的矿业公司，若无法做到这一点，相信其成本与效益将大大地打折扣，这是有目共睹的事实。

希望，中色能秉持这种管理理念与精神，传承与推广，持续实施则将驱使公司的业绩每年都能增产与创效益，为股东们创造利益最大化。

逆水行舟，齐力奋进！

（三）开源节流，伺机待发

几年以来，集团为了避免浪费、节省成本，故凡事都由管理层亲自负责，从原材料的采购到指挥并监督日常生产，亲力亲为，因此大幅度地减少了成本，提高了效益，至此，集团才能累积可观的储备金。这不但只为“防饥”，更重要的是“伺机出击”，拓展业务。倘若公司手中缺乏资金，难为“无米之炊”，一旦有适当与可开拓的项目时，无资金投放，结果将导致股东们利益受损。因此，我们为了全体股东利益着想，坚持管理层的经营理念，从不会只考虑“一己之利”，更不会“损人利已”，令致全体股东蒙受损失。2015年的业绩与分红数额，将是给全体股东最有力与最实在的回应。

（四）企业天责，兼济天下

公司自2004年初次到吉兰丹以来便积极地参与“扶贫济困”活动，尤其是赈灾与兴学、助学，嘘寒问暖、雪中送炭等工作，十多年以来，从未间断。

自2011年之后，我们的社会责任更提升至民间普及性的关怀，例如发动群体抽血活动，为当地医院做出奉献。值得一提的是公司管理层，随着公司每年业绩成长，而拨款于“社会责任”的款额也增加，支持项目多元化，多层面并多渠道：诸为从早期的助、奖学金，书包文具校服之外，又增加了学校学生的领养计划，令致一些清贫家庭无法上学的孩子们有机会回到学校上课。

当然，丹州各级政府机构筹办的许多项目与节目，我们也全力积极地配合。因为，我们深刻知道，“取诸社会，回馈社会”的朴素道理。我们更明白“达则兼济天下”的东方哲理名言予人类缔造和谐天下的原始动力。

“老吾老以及人之老，幼吾幼以及人之幼”。分享，不但是一种快乐，更是一种修养，舍得的辩证，既自然又深含哲理，因为，有舍才有得！

21世纪的经济全球化与一体化：尤其是资源型的投资与开发，资源国除了提出开发分享与互惠互利之外，更希望创造当地人民的就业机会，同时，把专业知识逐步地转移让他们日后自力更生，这是无可厚非的，我们深刻地理解这个道理与要求。因此，矿区营运迄今在矿区工作的绝大部分员工都来自于当地居民，同时也培养了一批中级管理职员。尤有进者，集团接下来将与马来亚大学地质学院合作，除了提供奖、助学金及研究基金之外，也将委托地质勘查等野外作业实施工程。最终双方将设立地质相关的研究、实验室，全面为马来西亚矿业提供专业服务以及“专业与技术转移”计划。深信，集团管理层有了这种高瞻远瞩的矿业战略思维，将惠及矿业开拓与发展的各个环节，更是马来西亚各级政府拱手欢迎的计划与举措，这便是我们一直强调与推进的：企业天责，兼济天下。

（五）居安思危，处变不惊

近二年以来，我们经历了国际金价之跌跌不休的打击，但我们仍然坚韧不拔的拼搏与克服许许多多客观的障碍，庆幸安然度过。

2015年的马来西亚局势，风雷激荡，社会层面似乎乱象横生，尤其是众所周知的国际性经济弊端，间接与直接地导致马币的浮沉。幸亏，公司的产品是以美元计售，故没受到货币波动的牵连，但却予公司储备金带来了货币贬值的“账面”影响。可是，从另一层面来看，公司储存的资金存放在银行的定期存款，却也为公司赚取了不菲的利息，在某种情况之下也当作这种波动的弥补。

2015年国际原油市价狂泻对石油行业造成“致命打击”，这种突如其来的“国际石油战”将导致许许多多从事石油行业的公司与企业蒙受重创，乃至一蹶不振，彻底崩溃。这种现象，提醒了我们，天下没有任何人与事、物资、产品永恒不变的！因为，在哲理上，“变是不变的真理”，而从量变到质变的自然辩证。为此，我们更必须为“金市”的未来先做好未雨绸缪的策划与安排。当然，集团公司的业务应多元化并分化投资以应对任何不测的变化。

“居安思危，处变不惊”是我们处身办事的座右铭。因此，我们从来不敢贸然出击收购与扩展。但，一旦有良机与适当项目并不排除集团会有所行动！

现阶段集团仍以矿业为核心发展与开拓，但并不排除我们接下来会从横向发展非核心业务，或是寻找其他能为集团带来利益的业务。希望2016年集团能启动多元化的拓展项目，分散风险，创造效益。

最后，还得向集团许许多多战略合作伙伴，专业与顾问企业公司，董事们与管理层，以及在矿区苦干的同事们致以最真诚的敬意！倘若没有他们，集团的业绩将不会一年比一年亮丽。

希望同仁们与全体员工在新的一年里，加油！加倍努力再攀高峰！

林祥雄 教授

中色金矿有限公司 执行主席

2016年3月9日

PROGRESSING IN UNITY WHILE GOING AGAINST THE TIDE

I. Major political and economic turbulence

Global political development has seemingly worsened, compared to the previous year: Middle East's "Holy War" has persisted relentlessly, with internal conflicts within their religion causing more bloodshed, and spreading such "virus" of war to territories outside Middle East. This has even resulted in the intervention by the mega military powers, causing instability within Middle Eastern and European countries.

In the history of humanity, politics and economy are inseparable. When economic strengthens, so does political power and territorial possessions. When political power strengthens inherently, so does the ambition to expand outwardly. In the battle against ISIS, with the United States as the central force, we witnessed warmongers stripped of human nature. For the sake of economic interest, lands are plundered and people are tortured. Corpse everywhere, rivers flowing blood; such is the unbearable scene comparable to hell, all to satisfy the desires of the evil ones to make blood-stained money.

Russia intervened in the Middle East war, severely damaging the bases of the extremists, and cutting their economic supply. This badly damaged the strength of the extremists resulting in their eventual dispersion. Russia's actions effectively destroyed the extremist organisations while revealing the above politics-economic activities behind the scene.

War and money. Politics and economy. All in exchange for the lives of innocent citizens. And a robust city becoming hell.

Looking back and glancing into the future. History is our reference. Today, we have to be cautious against the international mega powers, who seemed to have turned their interest to Southeast Asia. Using maritime conflicts as an excuse, they militarised the eastern globe to expand Trans-Pacific Partnership, and to contain "one belt one road" as part of the competitive strategy for economic globalisation.

Global development is getting unpredictable. Major countries are facing slowing economy. This could cast shadows for the global economy over the next two to three years. As such, we should carefully assess the political and economic development in the north eastern Asian territories, being located in the southern sea. We should be prepared against sudden incidences.

II. Riding against the current while striving forward

"May everyone take heed by maintaining a humble and fighting spirit, to create a splendid performance for the following year."

This was my last statement in the 2014 Chairman's statement. At that time, I listed a few Chinese core cultural values including "planning for contingency while living in peace", "the proud soldier must lose", "conceit will lead to failure while humility will lead to benefits". These words became the driving force for our Group's 2015 good performance:

1. The Group produced 31,205.85 ounces of fine gold for the financial year ended 31 December 2015 ("FY2015"). This was a growth of 19.5% compared to 26,122.08 ounces for the financial year ended 31 December 2014 ("FY2014").
2. The Group's FY2015 net profit margin, excluding unrealised foreign exchange loss and prior year one-off tax credit was approximately 45%, i.e. US$16.43 million, an increase of 10.8% compared to FY2014.
3. Due to the above mentioned positives in FY2015, the Board of Directors are proposing the following dividends, subject to shareholders' approval:

a. Proposing a final tax exempt dividend of 0.18 Singapore cents.

b. Proposing a special tax exempt dividend of 0.405 Singapore cents.

Together with the two interim payouts, the total amount shareholders will receive for FY2015 is 0.945 Singapore cent a share, a 40% increase over the 0.675 Singapore cent a share paid in the previous year.

With the support from the entire CNMC team, the Group achieved a set of remarkable results in FY2015.

At the same time, the Company has received an updated mineral resource and ore reserve estimates for 2015 from the Company's independent resources and reserves estimation consultant that there has been an increase in the gold mineral resource at its Sokor project.

The mining industry is recognised as the "second" industry. It is tough, risky, susceptible to changes and filled with ups and downs. Despite rain or shine, work has to proceed in the mining sites. Speed and production are highly dependent on weather. As such, we are vulnerable to nature. The only controllable element is the "human" part. This means our Company could grow despite the objective circumstances due to "human" factor. From the Board, management to the entire work force, seamless cooperation is crucial to ensure a proper development of our objectives and strategy. We emphasize a lot on human management. This is grown out of a fighting spirit from deep within our hearts. It's most important to care for mankind and to lead by example. If the mining supervisor is reluctant to participate in managing and caring for the work and people, he will not be able to empathise with the workers and get along as one. Where distinction is made between noble and humility, there will not be harmony and cohesiveness. The result would be the team being unable to work as one, causing a drop in the cost and effectiveness of the team.

The management will persist with such a spirit to continue promoting and improving the Company's performance, and maximising returns to shareholders.

Riding against the tide while striving forward!

III. Increase business and cutting cost while waiting for the right opportunity

For the past few years, in order to be cost efficient, the Company's management personally handled every aspect of operations, from purchasing raw materials to daily operating productions. This help reduced operating expense while raising productivity. This also resulted in the Company accumulating today's pool of cash reserves.

Our cash reserves are crucial for rainy days and also useful for future business expansion as and when the opportunity arises. If we are unable to manage our cash flow well, we will not have the means to invest when presented with appropriate opportunities. Hence, in consideration of maximising returns to shareholders, the Board will carefully deliberate on the use of its cash reserves. Our results and dividends for 2015 is a solid testimony of our strategy.

IV. Responsibility of an enterprise: to help the society

Since the Company entered Kelantan in 2004, it has actively engaged in charity work by helping out during natural disasters and also assisting in providing education for the poor. We have provided these assistance for more than a decade.

Since 2011, our corporate social responsibility efforts have broadened. We now engage in blood donation to support local hospitals. Noteworthy is that our contribution on corporate social responsibility grew together with our Company's growth. The projects we support are also more diversified and via more avenues. This increased from the early days mere scholarship, bursary and stationery to adoption of under privileged students to enable them to continue schooling.

We also supported several other state-government level projects. We fully understand the importance of "getting from society and hence giving back to society" and "helping the society as we grow". This is a driving force to creating a harmonious society. "Honour the aged of other family as we honour our own, care for the children of other family as we care for our own." Sharing is not only happiness but a form of cultivation. Give and you shall receive.

The 21st century economy is about globalisation and unification. This is especially true for resource-related investment and development. The countries full with resources looks forward to both benefiting from development and creating job opportunities for its people. At the same time, we believe it's good to impart skills set to them for future independence. As such, most of our workers in the mines are local residents. We also groomed middle management from the pool. Our next step will be collaborating with the Malaysian universities to provide scholarship and research funds to develop skills sets for the locals. We strongly believe that this will further develop mining technology while receiving warm embrace from the Malaysian government. This is what we strongly believe in: the natural responsibility of an enterprise is to add value to the world.

IV. Be prepared for danger during peaceful times; face adversities in calmness

In the recent two years, we experienced gold price volatility but we managed to overcome the many obstacles through our perseverance.

The recent global economy turmoil contributed to the volatility of the Malaysian ringgit. We are fortunate that our products are sold in US dollar, which mitigated the Company from such volatility. The volatility in currency movement resulted in unrealised foreign exchange loss. On the other hand, the cash that we placed in our bank's fixed deposit has generated additional income to the Group. This acted somewhat as a hedge to the volatility.

The oil crisis in 2015 has delivered "fatal blows" to the oil industry. The volatility of oil prices has resulted in many oil companies suffering major setbacks, some to the extent of devastation. This reminded us to never take things for granted, and that the only constant matter in life is change itself. As such, we have to be fully prepared for the future of the gold market. As such, the Company's business should also be sufficiently diversified to be prepared for adversities and changes.

Our motto is "to always be prepared for bad times while staying calm during adversities". Hence, we will not recklessly engage in merger and acquisition activities but will be open to pursue relentlessly any good growth opportunities to the Group.

Mining is our core business. However, we do not rule out future possibilities of venturing into non-mining related industries or non-core business that could generate additional revenue to the Group. We hope that we could have more varied investment in 2016 to diversify our risks while generating returns.

Lastly, we want to offer a word of appreciation to all our strategic partners, consultants, directors and management, and to our hardworking colleagues. We would not have been able to achieve year after year of successes without them.

We hope that our management and employees will put in even greater efforts to bring our Company to new heights in this year.

Prof. Lin Xiang Xiong
Executive Chairman
CNMC Goldmine Holdings Limited
9 March 2016

林祥雄教授 (左二)

是中色金矿的创办人暨执行主席。他主要负责集团的战略业务发展与规划，宏观策划并制定集团政策。同时，指挥并监督矿区日常工作，帷幄运筹集团业务并在扎稳中求拓展。他在2004年受马来西亚吉兰丹州政府礼聘为“中国-丹州国际贸易”首席顾问。数十年以来，他“艺经并轨，多元一体”，精神文明与物质文明双轨并列运作，博得了广泛认可与赞誉，他对两种文明锲而不舍的探索与追求以及拼搏精神，缔造了累累硕果：

2013年出版一套五大册画集、6册文集与4册评论集。

自1990，1994，2013三度被中华人民共和国文化部邀请并支援在中国北京、上海、太原、西安、郑州等地筹开个人画展。作品广泛被博物馆、著名大专学府与机构收藏，诸如：中国美术馆、北京大学与中国艺术研究院等。

他也是“炎黄国际文化协会”的倡办者、创会会长。在2004年，受中国艺术研究院聘为特约研究员。2011年，受北京语言大学聘为客座教授。2014年，受北京大学东方学研究院聘为研究教授；北京大学艺术学院礼聘为客座教授（海外首位艺术家被聘请为教授）；受中国美术家协会礼聘为2015北京国际美术双年展国际策展人。

2013-2015年，他把从艺50年的部分作品策划了为期三年的世界巡展。2013年亚洲首展在中国北京举办。二幅作品被中国美术馆珍藏并肯定他的艺术成就。2015年5月，他受邀在比利时卡齐尔森林博物馆（该博物馆被列入联合国教科文组织世界遗产名录）等开了为期三个月的个人画展，该画展也被列为“2015 · 蒙斯欧洲文化之都”官方节目之一，作品展出后被广泛认可，饮誉欧洲。

朱治光先生 (左一)

是中色金矿的执行副主席。朱先生负责公司的规划与策略方向、扩展计划以及企业监管。他曾参与包括新加坡、马来西亚、中国、香港、菲律宾、台湾以及澳大利亚在内，共200多个公司企业的上市。

林国扬先生 (左三)

是中色金矿的执行董事和总裁。主要负责公司旗下矿产业务的运作，和贯彻执行策略规划和相关政策。林先生在矿产领域有 15 年的丰富经验。林先生曾任创新国际集团有限公司及其集团公司的营运总裁，主要从事矿山石材的勘探、开采、加工、生产和销售。林先生在大理石和花岗岩石矿的开采与营运领域以及国际市场营销具有丰富经验，曾为多个矿产项目提供顾问和项目管理服务。

关正德先生 (右三)

是中色金矿的独立董事及审计委员会主席。同时，也是新加坡凯利板上市的Kori Holdings Limited，主板上市的 Green Build Technology Limited以及香港主板上市的CW Group Holdings Limited的独立董事。关先生在会计、审计以及财务咨询领域有超过20年的经验。他曾在1994年至2004年期间任职于新加坡及马来西亚多家国际会计师事务所。关先生在2004年成立自己财务咨询公司，并在2005年创立自己的会计事务所。关先生拥有新加坡南洋理工大学的会计学学士学位、英国伦敦大学法律荣誉学士学位和新加坡国立大学法学（公司及金融服务法）硕士学位。关先生也是英国特许公认会计师公会会员、新加坡特许注册会计师以及新加坡董事协会会员。同时，关先生也是新加坡特许秘书行政管理人员学会会员。

陈宝财先生 (右二)

是中色金矿的独立董事及薪酬委员会的主席。陈先生是Virtus Law LLP的合伙人，与Stephenson Harwood LLP联合的一家国际律师事务所，并执业于企业融资领域。陈先生在1994年考取新加坡律师资格。现任新加坡凯利板上市公司Xyec Holdings Co. Ltd.，新加坡主板上市Nico Steel Holdings Limited和澳大利亚上市公司 Avexa Limited的独立董事。陈先生拥有英国白金汉大学荣誉法律学士学位和 London-Guild 大学法律硕 士学位。陈先生也是 Gray's Inn 的讼务律师。

颜秀连女士 (右一)

是中色金矿的独立董事，同时也担任提名委员会的主席。颜女士拥有超过20年的管理咨询经验，现担任Singtel（改造管理办公室）的董事，曾任职于多家跨国公司包括Ericsson、IBM、Deloitte & Touche、Arthur Andersen、KPMG和3M。颜女士拥有多个学位包括：University of South Australia的工商管理硕士；University of Kent的会计和电脑本科学位；英国和新加坡特许市场营销师协会的市场学研究生学位。

BOARD OF DIRECTORS

PROFESSOR LIN XIANG XIONG (Second From Left) is the founder and Executive Chairman of CNMC. He is responsible for formulating the Group's strategic plans and policies, directing and overseeing the daily activities of mining operations, seeking sustainable business development and expansion from time to time. In 2004, he was appointed as the chief advisor on Kelantan-China international Trade for the Kelantan State Government.For decades, he combines arts and economic endeavor in his strike; and his effort at fusing into one the multifaceted spiritual and material civilizations has won him praises and universal acceptance. Tireless pursuits and infinite spirit, has created a dual civilization, rich and rewarding.

In 2013, he published five volumes of painting collections, six volumes of essay collections, four volumes of Introduction of Lin's Art. In 1990 , 1994 and 2013, he was invited by the Ministry of Culture of the People's Republic of China to hold solo arts exhibitions in Beijing, Shanghai, Taiyuan, Xi'an and Zhengzhou. His artworks are widely collected by museums, prestigious universities and tertiary institutions such as National Art Museum of China, Peking University and Chinese National Academy of Arts. He is the founder and President of the Global Chinese Arts and Culture Society. In 2004, he was appointed as a Distinguished Visiting Research Fellow by Chinese National Academy of Arts. In 2011, he was appointed as a visiting professor at Beijing Language and Culture University. In 2014, he was awarded as a Research Professor by Academy of Oriental Studies and as a Guest Professor(the first overseas painter-professor) by the School of Arts, Peking University. He was also appointed as an International Curator of "The 6th Beijing International Art Biennale,China". Besides, a 3-year world tour exhibition of a selection of his artworks over the past 50 years is being held between 2013-2015. In 2013, his first exhibition was held in Beijing. Two pieces of his artworks were collected by The National Art Museum of China as a state-level of recognition to his accomplishment in arts. In May 2015, he was invited to hold a three-month solo art exhibition in Bois du Cazier , Belgium (listed as a UNESCO World Heritage Site), this exhibition was also listed as one of the official program of "Mons 2015, European Capital of Culture",after displayed in Europe, his artworks are widely recongized by the European public, renowned in Europe.

CHOO CHEE KONG (First From Left) is the Executive Vice Chairman of CNMC. He is responsible for the formulation of the strategic direction and expansion plans as well as the corporate governance of the Group. As a former investment banker, he has been involved in the successful listing of more than 200 companies from countries including Singapore, Malaysia, the People's Republic of China, Hong Kong, Philippines, Taiwan and Australia.

LIM KUOH YANG (Third From Left) is the Executive Director and the Chief Executive Officer of CNMC. He is responsible for implementing the strategic plans and policies as well as managing the mining operations of the Group. He has over 15 years of experience in the mining industry. He was formerly the chief operation officer of Innovation World-Wide Group Pte Ltd (IWG) and its group of companies, which are principally engaged in the business of trading of building materials and mining, processing and marketing, distribution and sale of dimension stones. He has driven the successful exploration and operation of various marble and granite dimension stone mine, and provided consulting and project management services in association with sub-contracted mining projects.

KUAN CHENG TUCK (Third From Right) is the Independent Director and the Chairman of the Audit Committee of CNMC. He is also the independent director of Kori Holdings Limited (listed on Catalist of the SGX-ST), Green Build Technology Limited (listed on Mainboard of the SGX-ST) and CW Group Holdings Limited (listed on the Mainboard of the Hong Kong Stock Exchange). He has more than 20 years of experience in the fields of accounting, auditing as well as business and financial advisory. He had worked with various international accounting firms in Singapore and Malaysia between 1994 and early 2004. He set up and managed his own business and financial consulting firms in 2004 and his own accounting practice in 2005. He holds a Bachelor of Accountancy degree from the Nanyang Technological University of Singapore, a Bachelor of Laws (Honours) degree from the University of London and a Master of Laws (Corporate and Financial Services Law) degree from the National University of Singapore. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom, and a member of the Institute of Singapore Chartered Accountants and the Singapore Institute of Directors. He is also an associate member of the Singapore Association of Institute of Chartered Secretaries and Administrators.

TAN POH CHYE ALLAN (Second From Right) is the Independent Director and Chairman of the Remuneration Committee of CMNC. He is a partner at Virtus Law LLP, associated with Stephenson Harwood LLP, an international law firm, and practises in the field of corporate finance, regulatory and compliance laws. He was admitted to the Singapore Bar in 1994. He is also presently an independent director of Xyec Holdings Co. Ltd listed on Catalist of the SGX-ST, Nico Steel Holdings Limited listed on Mainboard of the SGX-ST and Avexa Limited, a company listed on the Australian Stock Exchange. He holds a Bachelor of Laws (Honours) degree from the University of Buckingham (United Kingdom) and a Master's degree in Law from the London Guild University. He is also a Barrister-at-law of Gray's Inn.

GAN SIEW LIAN (First From Right) is the Independent Director and Chairman of the Nominating Committee of CMNC. She has over two decades of successful global corporate and consulting experience. She is currently a Director (Transformation Management Office) at Singtel and has previously worked with global companies including Ericsson, IBM, Deloitte & Touche, Arthur Andersen, KPMG and 3M. She holds a Master in Business Administration from University of South Australia in International Business, a Bachelor degree in Accounting and Computing from University of Kent, Canterbury, and two post-graduate Diplomas in Marketing from the Chartered Institute of Marketing in the United Kingdom and Singapore.

中色金矿 人间慈善社 结成战略合作伙伴 共同扶贫

秉持求索大地關懷社群

中色金礦26日派2000書包

中色金礦回饋弱勢群體

Sinar Harian • Selasa 29 Disember 2015

TANAH MERAH

2,000 kanak-kanak terima kelengkapan persekolahan

TANAH MERAH - Seramai 2,000 kanak-kanak yang bakal memasuki tahun satu, tahun depan, menerima beg sekolah dan alat tulis sumbangan syarikat perlombongan emas, CNMC Goldmine Holdings Limited (CNMC), di sini, kelmarin.

Kanak-kanak terbabit adalah murid yang berdaftar di 14 sekolah rendah termasuk sekolah jenis kebangsaan di Parlimen Tanah Merah terutama di Dun Gual Ipoh, dekat sini.

Pada majlis di perkarangan Masjid Mukim Gual Ipoh, syarikat itu yang beroperasi di Hutan Simpan Sokor dekat sini, turut memberikan insentif cemerlang Ujian Pencapaian Sekolah Rendah (UPSR) 2015.

Penyampaian disempurnakan bersama Pengarah Eksekutif CNMC, Prof Lin Xiang Xiong dan Pengerusi Jawatankuasa Kerajaan Tempatan, Perumahan, Belia dan Sukan Kelantan, Datuk Abdul Fattah Mahmood.

Hadir sama, Penyelia Dun Gual Ipoh, Wan Yusuf Wan Mustafa, Pengurus Besar Operasi CNMM (anak syarikat CNMC), Lim Kwang Hui dan Penolong Pengurus Besar Pentadbiran CNMM, Teoh Kok Seng.

Majlis penyampaian bantuan kelengkapan sekolah dan insentif murid cemerlang merupakan program tahunan CNMC setiap kali menjelang sesi persekolahan sejak kali pertama diadakan pada 2006.

Pada majlis sama, CNMC turut menyumbangkan 500 kampit beras untuk diagihkan kepada penduduk dalam kalangan asnaf termasuk fakir dan miskin.

Peruntukan sebanyak RM15,000 juga diberikan CNMC kepada Dun Bukit Panau bagi pembelian pakaian sekolah untuk diagihkan kepada pelajar miskin di Dun berkenaan.

Xiang Xiong dan Abdul Fattah bersama penerima sumbangan beg sekolah pada majlis penyampaian sumbangan CNMC di Gual Ipoh, Tanah Merah.

星洲日報 東海岸社區報 03
2015年11月9日（星期一）

與人間慈善社合作

中色金礦出錢出力賑災

（丹那美拉8日讯）中色金矿有限公司秉持道行天下理念，因此成为人间慈善社战略合作伙伴，包括在水灾赈灾工作上，出钱出力，因而集动全体员工，人力方面也可动员上百名员工参与。

中色金矿有限公司执行主席林祥耀教授表示，该公司愿意提供人间慈善社三方面的支持，即资金、交通及人力。

他在与人间慈善社主席张鹏基共商扶贫及赈灾计划后，作出上述决定。

认同聂阿兹理念

他说，该公司自2004年开始在丹那美拉索谷区进行金矿开采活动，当时便和已故前任丹州大臣拿督聂阿兹已建立了深厚的交情。

"我非常认同聂阿兹的坚持，理念及精神，这些年来，我们一直展开的扶贫及关怀社群工作，就是受聂阿兹的心愿及精神，虽然聂阿兹已经离开，但是他的精神仍然永垂。"

他表示，该公司向来秉持"求索大地，关怀社群"的宗旨，今年甚至派出重要力量展开关怀弱势的活动及灾后的善后工作，每一年，该公司也定期颁发奖助学金予贫穷优秀生，同时赠送生活资予弱势家庭。

他强调，企业与关怀社群密不可分，因此该公司把关怀社群工作设为首要任务。

他指出，该公司能与人间慈善社良好配合及合作，集双方资源，有钱出钱，有力出力，关怀及帮助弱势群体。

中色金矿有限公司进驻丹州11年，已建立了良好声誉，更获得丹州政府、中央政府及新加坡政府的支持，这皆因为该公司遵循道德，良好管理以及人文和环境关怀概念。

张鹏基希望中色金矿有限公司的义举，可起抛砖引玉效果，藉此获取社会同仁的共鸣及各政府单位的支持。

▲中色金矿有限公司在丹那美拉索谷区进行金矿开采，却不忘在当地扶贫及展开关怀社群工作。

◀张鹏基（左）和林祥耀共商扶贫及赈灾计划。

▶中色金矿定期颁发奖助学金予贫穷优秀生，同时赠送生活资予弱势家庭。

中色金礦有限公司

求索大地 關懷社群

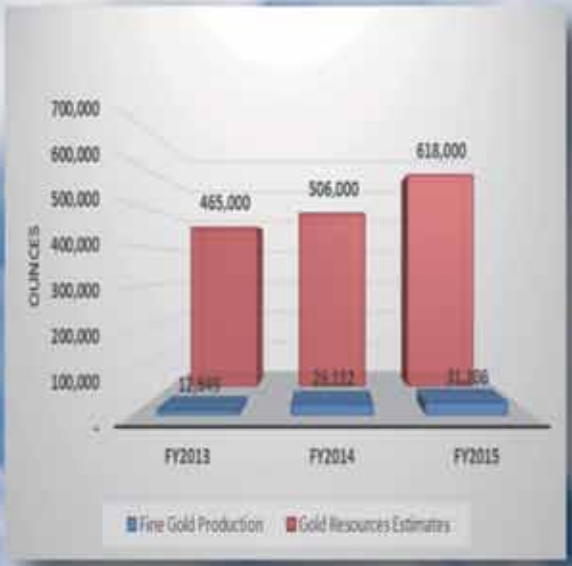
林祥耀作品逾千

聶阿茲時代建立好關係 州政府支持發展礦業

TANAH MERAH
160 keluarga terima sumbangan raya CNMC
CNMC delivers strong earnings, dividends for 2014; prepares to expand production
CNMC Goldmine Holdings
CNMC's ore reserves likely to rise
CNMC Goldmine Holdings
东海岸 EAST COAST EDITION
发46执照 仅1开采黄金
朝野议员互指政治化课题
州政府追百万经济损失
中央同意扩大哥市机场
罗兹：国阵一直在演戏
中色金矿有限公司
产量持续增长
正确管理导向 职工配合
中色金礦施濟貧戶

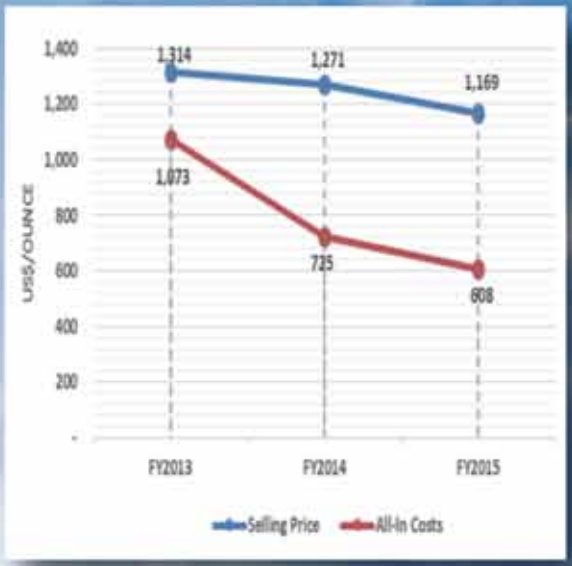
FINANCIAL HIGHLIGHTS 2015

Gold Resources Vs Gold Production

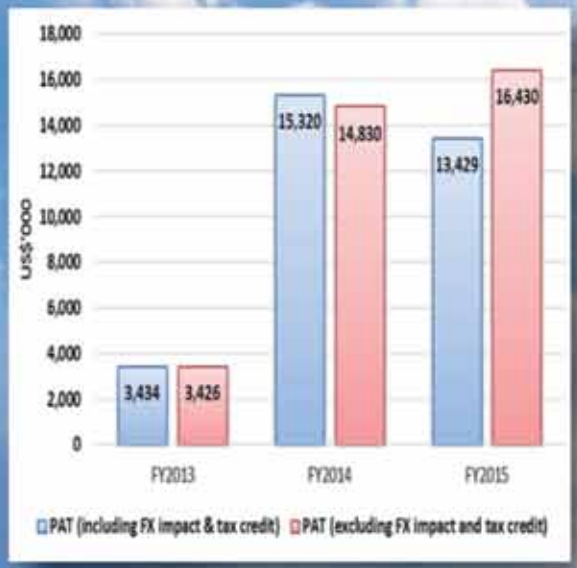


Revenue

Selling Price Vs All-in Costs of Fine Gold Sold

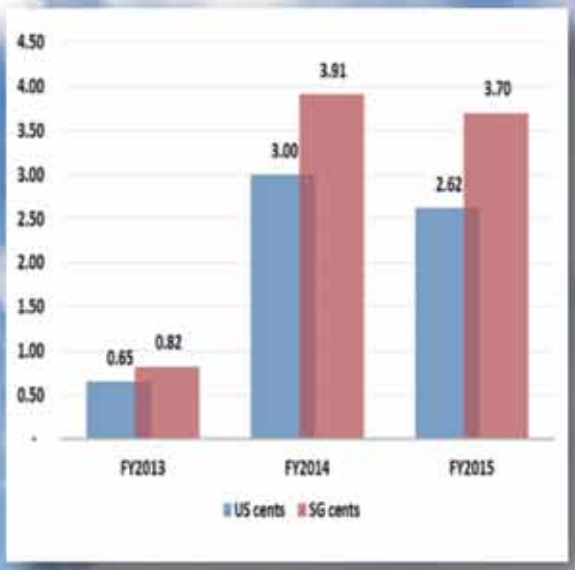


Profit After Taxation (Including and Excluding FX Impact & Tax Credit)

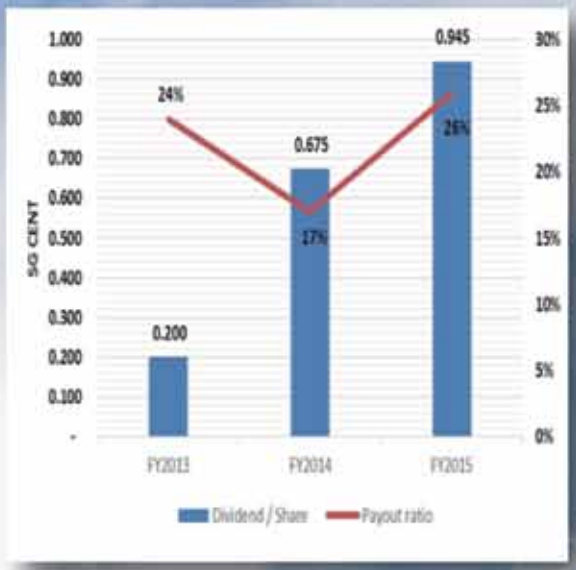


首家在新加坡证券交易所凯利板的矿产、石油与天然气新条例下上市的黄金开采公司
First gold mining company listed on Catalist of the SGX-ST under the new MOG rules

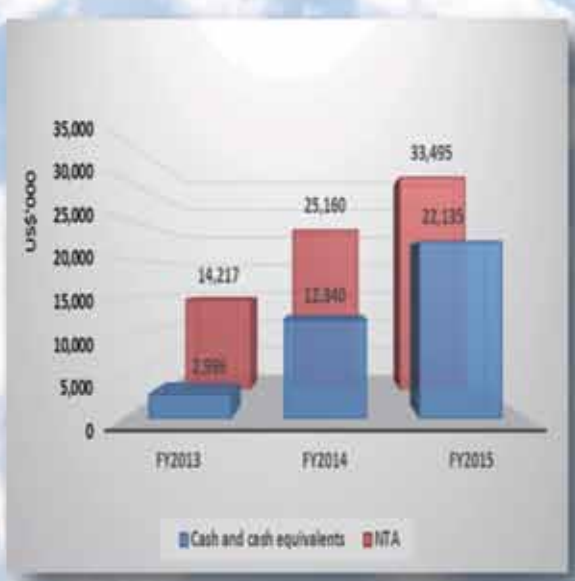
Earnings Per Share [1]



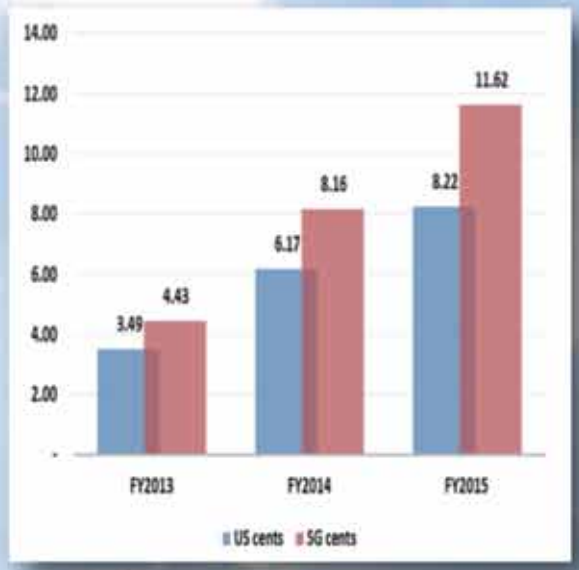
Dividend Per Share and Payout ratio



Net Asset Value and Cash and Cash Equivalents



Net Asset Value Per Share [2]



Footnote:

(1) Based on an exchange rate of USD/SGD 1.4128, 1.3038 and 1.2550 for the financial year ended 31 December 2015, 31 December 2014 and 31 December 2013 respectively.
(2) Based on an exchange rate of USD/SGD 1.4138, 1.3229 and 1.2682 as at 31 December 2015, 31 December 2014 and 31 December 2013 respectively.

6th January 2015

CNMC Produced a Total of 4,681.15 Ounces of Gold Dore Bars in December 2014, despite the North-East Monsoon season

(Produced 4,681.15 ounces of gold dore bars, despite the continuous heavy rainfall experienced during the seasonal North-East monsoon period which typically runs between December and February every year. Facilities at site were not severely affected by the flood)

2nd April 2015

Qualified Person's Report on Updated Mineral Resources and Ore Reserves Estimates as at 31 December 2014

(As at 31 December 2014, there were newly discovered Mineral Resources and Ore Reserves for the Sokor Gold Project amounting to 10.81 million tonne at 1.5g/t gold with contained gold of 506,000 ounces)

8th April 2015

Completion of On-Site Fine Ore Agglomeration Test Work

(Successfully conducted fine ore agglomeration test-work and submitted applications to relevant governmental departments to restart vat leach operations)

6th August 2015

New Subsidiary

(Newly incorporated CNMC Mineral Exploration Sdn. Bhd. to be mainly involved in providing mineral exploration and drilling services)

MILESTONES ACHIEVED IN 2015

29th September 2015

Another Record Single Gold Pour of 3,771.19 Ounces of Gold Dore Bars

(Produced 3,771.19 ounces of gold dore bars, as compared to the previous record of 2,945.01 ounces, reflecting an increase of approximately 28%)

7th January 2016

CNMC Produced Record of 31,205.85 Ounces of Fine Gold in the Financial Year ended 31 December 2015

(Produced a total of 31,205.85 ounces of fine gold for the financial year of 2015, as compared to the previous record of 26,122.08 ounces, reflecting an increase of approximately 19%)

23th February 2016

CNMC Declared and Proposed 40% Increase in Dividend Payout

CNMC declared and proposed total dividend payout of 0.945 Singapore cent a share representing 40% more than previous financial year.

FINANCIAL REVIEW

REVENUE AND PROFITABILITY

Gold prices started 2015 on a bullish note. The run-up was short-lived, however, as the prices for precious metal fell for most of the remaining 11 months of the year, posing no small challenge to the gold mining industry. The Group's average realised gold price per ounce in FY2015 came to US$1,169, compared to US$1,271 in FY2014 and US$1,314 in FY2013.

Despite the 11.0% decline in average gold price per ounce over the last three years, the Group managed to grow its FY2015 revenue by 9.8% over the previous year to US$36.47 million. The improvement came on the back of an increase in production of fine gold, which rose 19.5% to 31,206 ounces in FY2015 from 26,122 ounces in FY2014.

Still, net profit in FY2015 declined 12.3% to US$13.43 million due to unrealised foreign-exchange losses stemming from the depreciation of the Malaysian ringgit against the US dollar, as well as the absence of a tax credit, which boosted the Group's FY2014 earnings. The one-off tax credit for the previous year arose from an over-provision of US$1.22 million made in FY2013, before Malaysian authorities granted CNMC full tax exemption on its statutory income for five years with effect from 1 July 2013.

As a result, the Group's earnings per share in FY2015 decreased 12.7% to 2.62 US cents from 3.00 US cents in FY2014. Excluding the unrealised foreign-exchange losses and the tax credit received in FY2014, net profit for FY2015 rose 10.8% to US$16.43 million.

ALL-IN COSTS

In FY2015, the Group further reduced its all-in-costs per ounce to US$608 from US$725 in FY2014 as a result of greater economies of scale resulting from the higher sales of fine gold, lower capital expenditure, reduced exploration activities and the depreciation of MYR against USD.

FINANCIAL POSITION

The Group's net assets rose by US$8.3 million to US$33.5 million as at 31 December 2015 from US$25.2 million as at 31 December 2014. Net asset value per share increased to 8.22 US cents from 6.17 US cents over the comparative periods.

As at 31 December 2015, the Group had cash and cash equivalents of US$22.1 million, up from US$12.3 million as at the end of the previous year.

DIVIDENDS

For FY2015, the Group paid two interim tax exempt dividends of S$0.0018 per share in September 2015 and January 2016 respectively. The Group is proposing a final tax exempt dividend of S$0.0018 per share and a special tax exempt dividend of S$0.00405 per share, subject to the approval of shareholders at the forthcoming annual general meeting.

OPERATIONS REVIEW

FY2015 was yet another milestone year for CNMC. The primary focus of our operations in FY2015 was increasing gold production and adding new mineral resources through exploration to replace depleted resources.

The Group has a total estimated heap leaching capacity of 1,000,000 tonnes per annum. With three fully-operational leach yards, we were able to increase production of fine gold by 19.5% in FY2015 to a record 31,205.85 ounces from 26,122.08 ounces in the previous year. Even with the increase, we managed to reduce our all-in-costs per ounce in FY2015 by 16.1% to US$608 from US$725 in FY2014, due to greater economies of scale.

In the year under review, the Group successfully conducted test work for on-site fine ore agglomeration at the Sokor Gold Project's vat leach facility. Following the test work, we submitted applications to relevant government departments to restart vat leach operations.

EXPLORATION

On the exploration front, the Group completed 69 holes with a total drilling footage of 7,700.6 metres at the Sokor Gold Project. The results have been incorporated into a FY2015 Qualified Persons' Report released recently by Australia-based Optiro Pty Ltd, an independent mining services advisory firm.

Our exploration programme continues to yield positive results as far as replenishing depleted resources is concerned. The additional drilling in FY2015 at Rixen, Manson's Lode and New Discovery extended the Indicated and Inferred Mineral Resources at these three deposit regions. Silver, lead and zinc Mineral Resources were also defined at Manson's Lode, and the additional drilling in FY2015 increased these Mineral Resources down-dip to the south-east.

Following the depletion of ore from mining at Rixen in FY2015, our drilling activities extended the resource to the south and to the east. The additional drilling increased the Indicated Mineral Resources tonnage by 6%, although the average grade declined 1%. Nevertheless, there was an overall increase of 4% in contained gold. In terms of Inferred Mineral Resources, tonnage went up 108% while the average grade rose 3%, with an overall increase of 144% in contained gold. The total Mineral Resources tonnage at Rixen increased 32% while the average grade was unchanged, with a corresponding overall increase of 32% in contained gold.

At Manson's Lode, our drilling programme in FY2015 extended the Mineral Resources down-dip to the south-east. The drilling increased the total gold Mineral Resources tonnage at Manson's Lode by 9%, although the average grade decreased 3%. Overall, there was a 5% increase in contained gold. There was a small 2% increase in tonnage for Measured Mineral Resources, a 3% reduction in grade, and an overall reduction in contained gold of 0.2%. For Indicated Mineral Resources, tonnage, grade and contained gold increased 12%, 2% and 14% respectively. Inferred Mineral Resources tonnage rose 14% while the average grade decreased 3%, yielding an overall 10% increase in contained gold. Silver and base metal resources increased significantly – 21% for contained silver, 28% for contained lead and 32% for contained zinc.

OPERATIONS REVIEW

At New Discovery, our drilling programme extended the Mineral Resources to the south and some additional mineralisation was intersected in the northern area of the deposit. Our independent consultant evaluated the economic cut-off grade and found, as a consequence of reduced mining costs, that the cut-off grade could be reduced from 0.5 g/t (as in 2014) to 0.4 g/t gold. The extensions to the interpreted mineralisation and reduced cut-off grade resulted in a 40% increase in total Mineral Resources tonnage and an overall 11% increase in contained gold (average grade declined 20%). Most of the increase came from Inferred Mineral Resources, which rose 100% in tonnage (although average grade declined 14%), translating into a 71% increase in contained gold. There were small reductions to the Measured Resources – average grade fell 3% and overall contained gold declined 4%. In terms of Indicated Resources, tonnage rose 7%, average grade decreased 13%, and contained gold declined 7%.

As at 31 December 2015, the total Measured, Indicated and Inferred gold resources for the Sokor Project (above a 0.3 g/t gold cut-off grade at Rixen, a 0.4 g/t gold cut-off grade at New Discovery and a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong) were 13,830 kt at 1.39 g/t gold, with contained gold of 618,000 ounces (inclusive of material used to define Ore Reserves). Mineral Resources at Manson's Lode contained additional silver, lead and zinc Mineral Resources of 1,210 kt with an average grade of 44 g/t silver, 1.7% lead and 1.6% zinc.

Compared to our Mineral Resources estimates as at 31 December 2014, there has been an increase in gold Mineral Resources of 3,022 kt at 1.2 g/t gold. This represents an increase of 22% in contained gold. The increased tonnage at Manson's Lode, of 274 kt, has an average grade of 26 g/t Ag, 3.1% Pb and 2.4% Zn with contained metal of 225,000 ounces of silver, 8,253 t of lead and 6,608 t of zinc.

SOKOR PROJECT-MINERAL RESOURCE STATEMENT AS AT 31 DECEMBER 2015 (INCLUSIVE OF ORE RESERVES)

		Gross Attributable to Licence			Gross Attributable to CNMC			
Category	Mineral Type	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	0.56	3.1	56	0.45	3.1	45	-2%
Indicated	Gold	7.14	1.3	297	5.78	1.3	241	+4%
Inferred	Gold	6.13	1.4	265	4.95	1.4	215	+63%
Total	**Gold**	**13.83**	**1.4**	**618**	**11.18**	**1.4**	**501**	**+22%**
Measured	Silver	0.33	63	674	0.27	63	546	+2%
Indicated	Silver	0.17	73	398	0.14	73	322	+10%
Inferred	Silver	0.71	28	645	0.57	28	522	+36%
Total	**Silver**	**1.21**	**44**	**1,717**	**0.98**	**44**	**1,391**	**+15%**
Measured	Lead	0.33	1.7	5,632	0.27	1.7	4,562	+1%
Indicated	Lead	0.17	1.7	2,925	0.14	1.7	2,370	+11%
Inferred	Lead	0.71	1.7	12,245	0.57	1.7	9,918	+188%
Total	**Lead**	**1.21**	**1.7**	**20,802**	**0.98**	**1.7**	**16,850**	**+67%**
Measured	Zinc	0.33	1.7	5,535	0.27	1.7	4,483	+1%
Indicated	Zinc	0.17	2.0	3,299	0.14	2.0	2,672	+8%
Inferred	Zinc	0.71	1.5	10,781	0.57	1.5	8,733	+142%
Total	**Zinc**	**1.21**	**1.6**	**19,615**	**0.98**	**1.6**	**15,888**	**+51%**

The Mineral Resources estimates for the Sokor Project were 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, the Australian Institute of Geoscientists and the Minerals Council of Australia, December 2012 (the JORC Code 2012), by Optiro Pty Ltd, the Group's third-party independent resources and reserves estimation consultant.

ORE RESERVES

In terms of Ore Reserves, the Sokor Project saw a 19% increase as at 31 December 2015 compared to 31 December 2014. The combined Ore Reserves estimate for Rixen, Manson's Lode and New Discovery is shown in the table below. Total Ore Reserves as at 31 December 2015 are reported in accordance with the JORC Code 2012.

SOKOR PROJECT ORE RESERVES (MANSON'S LODE, NEW DISCOVERY AND RIXEN) AND MINERAL RESOURCES (AT KETUBONG AND IN ADDITIONAL TO ORE RESERVES AT MANSON'S LODE, NEW DISCOVERY, RIXEN) STATEMENT AS AT 31 DECEMBER 2015

		Gross Attributable to Licence			Gross Attributable to CNMC			
Category	**Mineral Type**	**Tonnes (Kt)**	**Grade (Au g/t)**	**Contained Au (koz)**	**Tonnes (Kt)**	**Grade (Au g/t)**	**Contained Au (koz)**	**Change from previous update(%)**
Proved	Gold	327	3.68	39	262	3.68	31	+73%
Probable	Gold	4,781	1.14	183	3,864	1.14	148	+12%
Total	**Gold**	**5,107**	**1.07**	**222**	**4,127**	**1.07**	**179**	**+19%**
Measured	Gold	210	2.8	29	170	2.8	23	-30%
Indicated	Gold	2,346	1.5	144	1,900	1.5	117	+25%
Inferred	Gold	6,166	1.4	279	4,994	1.4	226	+126%
Total	**Gold**	**8,722**	**1.2**	**311**	**7,065**	**1.2**	**252**	**+11%**

GROWTH STRATEGY

In 2016, the Group intends to continue streamlining its production process to further reduce gold production costs and enhance profitability. We will also strive to achieve greater economies of scale as we increase production capacity and lower the cost of materials. We also plan to accelerate exploration activities with the aim of increasing gold, silver, lead and zinc resources and reserves in the Sokor Gold Project. At the same time, we will continue to explore opportunities to acquire and develop other mining projects in Malaysia and even in Asia and Australasia.

SUSTAINABLE DEVELOPMENT

The mission of CNMC Goldmine Holdings Limited ("CNMC") is to be one of the pre-eminent gold and mineral producers in the Asia-Pacific region, with a strong focus on sustainable gold mining.

Sustainability has always been an integral part of our business. Our sustainability strategy involves adopting best practices (covering the environment, the community, the marketplace and the workplace), benchmarking against industry standards, reporting our progress in a timely and open manner, responsibly managing the environment within which we operate, embracing corporate social responsibility, creating employment and empowering the communities where we operate. Intertwined with these principles is our commitment to drive value for shareholders over the long term.

Our main operating subsidiary, CMNM Mining Group Sdn. Bhd. ("CMNM"), endeavours to develop and manage its mining operations in a way that complies with environmental regulations and ensures it remains sensitive to local cultural and community expectations.

ENVIRONMENTAL PROTECTION

As a mining company, CNMC has a fundamental responsibility to carefully manage the impact of its operations on the environment. This responsibility covers every aspect of our activities, including the acquisition and development of land, and the disposal of waste. For example, land is cleared using manual methods such as bulldozing and stacking of trees. By doing so, it prevents air pollution and preserves soil structure.

Notably, the Department of Environment of Kelantan ("DOE") had in June 2009 approved an environmental impact assessment report prepared by CMNM. An environmental management plan, which sets out the processes that CMNM would follow to ensure compliance with environmental regulations, was subsequently approved by the DOE in April 2010.

CMNM recognises that environmental monitoring is an on-going obligation. To demonstrate its commitment to regularly monitor environmental issues and assess their impact, CMNM appointed in December 2010 I.Z. Environmind Sdn. Bhd. ("I.Z. Environmind"), a licensed third-party environmental consultant approved by the DOE. I.Z. Environmind conducts regular monitoring exercises to ensure CMNM complies with all environmental regulations and is kept informed of any potential environmental risk or issue arising from its operations. It continues to work closely with CMNM.

In FY2013, the Faculty of Earth Science at the Universiti Malaysia Kelantan (UMK) conducted an independent study on the effects of gold mining on the physico-chemical water quality and benthic macro-invertebrate compositions in rivers located at our Sokor mine site. The findings, published in the "Journal of Applied Sciences in Environmental Sanitation" in September 2013, showed that the river's ecosystem was healthy, indicating that our operations at the Sokor gold mine site did not pose a threat.

COMMUNITY DEVELOPMENT

As a leader in the mining industry in the Kelantan State, we recognise the vital roles of our employees and the communities in which we operate. We believe our mining activities create job opportunities for the local communities, alleviate poverty, and empower them to provide a better livelihood for themselves and future generations.

To deepen our engagement with the local communities, we have initiated a number of projects, in partnership with local government bodies, in areas such as education, healthcare and even disaster relief. Since 2007, we have made substantial efforts to integrate with the local population in the vicinity where our mine is located. These efforts have helped to broaden the economic and commercial base for local businesses, in turn encouraging more investments in Kelantan and contributing to the State's overall economic growth.

The main negative social impact from mining is the loss of employment when operations cease. Still, the local workforce would have been well equipped with skills that can be applied to other mining or related industries.

During the Hari Raya festive season in July 2015, CNMC donated to 160 less fortunate individuals, families and orphans residing in the Tanah Merah areas. We also distributed 2,000 "green envelopes" and gift packs to children and villagers in those areas.

When Kelantan was hit by massive floods, we sponsored life boats and life jackets for a relief operation. To support the State government, we also provided food supplies and equipment to ease the burden of the flood victims. In addition, we contributed school supplies to 2,000 children in 14 primary schools.

In line with one of our core values – "searching the earth, caring for the society" – we will do our utmost to better the lives of the community in which we operate.

CNMC CORPORATE SOCIAL RESPONSIBITY POLICY STATEMENTS

1. SOCIAL RESPONSIBILITY POLICY

CNMC's future is dependent on our ability to keep developing, operating and closing mines. While at it, we are committed to sustainable development, protection of human life, health and the environment, and adding value to the communities in which we operate.

In line with these commitments, CNMC will:

- Develop and use systems to identify and manage risks, and provide accurate information to support effective decision making.
- Train our people and provide the resources to meet our social responsibility objectives and targets.
- Respect the Universal Declaration of Human Rights in our business operations.
- Respect the social, economic and cultural rights of indigenous people.
- Adopt policies, standards and operating practices that ensure ongoing improvement in all aspects.
- Wherever appropriate and feasible, set operating standards which exceed the requirements of the applicable local laws.
- Assess our performance against our policies and standards.
- Demand leadership in social responsibility from all our people.
- Seek to share our success by partnering stakeholders in appropriate community development programmes.
- Consult stakeholders on matters that affect them.
- Strive to communicate our performance in an accurate, transparent and timely manner.

2. ENVIRONMENTAL POLICY

CNMC intends to set standards of excellence with regard to environmental matters. The following two statements sum up our position:

- CNMC will, at all times, attempt to operate our facilities in compliance with applicable laws and regulations.
- CNMC will adopt and adhere to standards that are protective of both human health and the environment at the facilities we build and operate within.

CNMC will commit the necessary human and financial resources to achieve this cause.

CNMC intends to establish an audit programme to systematically evaluate compliance of our operating facilities with applicable federal, state, and local rules and regulations, as well as corporate policy, which also includes a corrective action process to address any deficiencies.

Each employee (including contractors) will be responsible for ensuring that staff, equipment, facilities and resources within his or her area of responsibility are managed in a way that complies with this policy.

3. HEALTH AND SAFETY POLICY

This policy provides the framework for the development of Health, Safety and Loss Prevention (HSLP) standards, procedures and guidance, which address the control environment, risk assessment, information and communication, control activities and monitoring of core business processes.

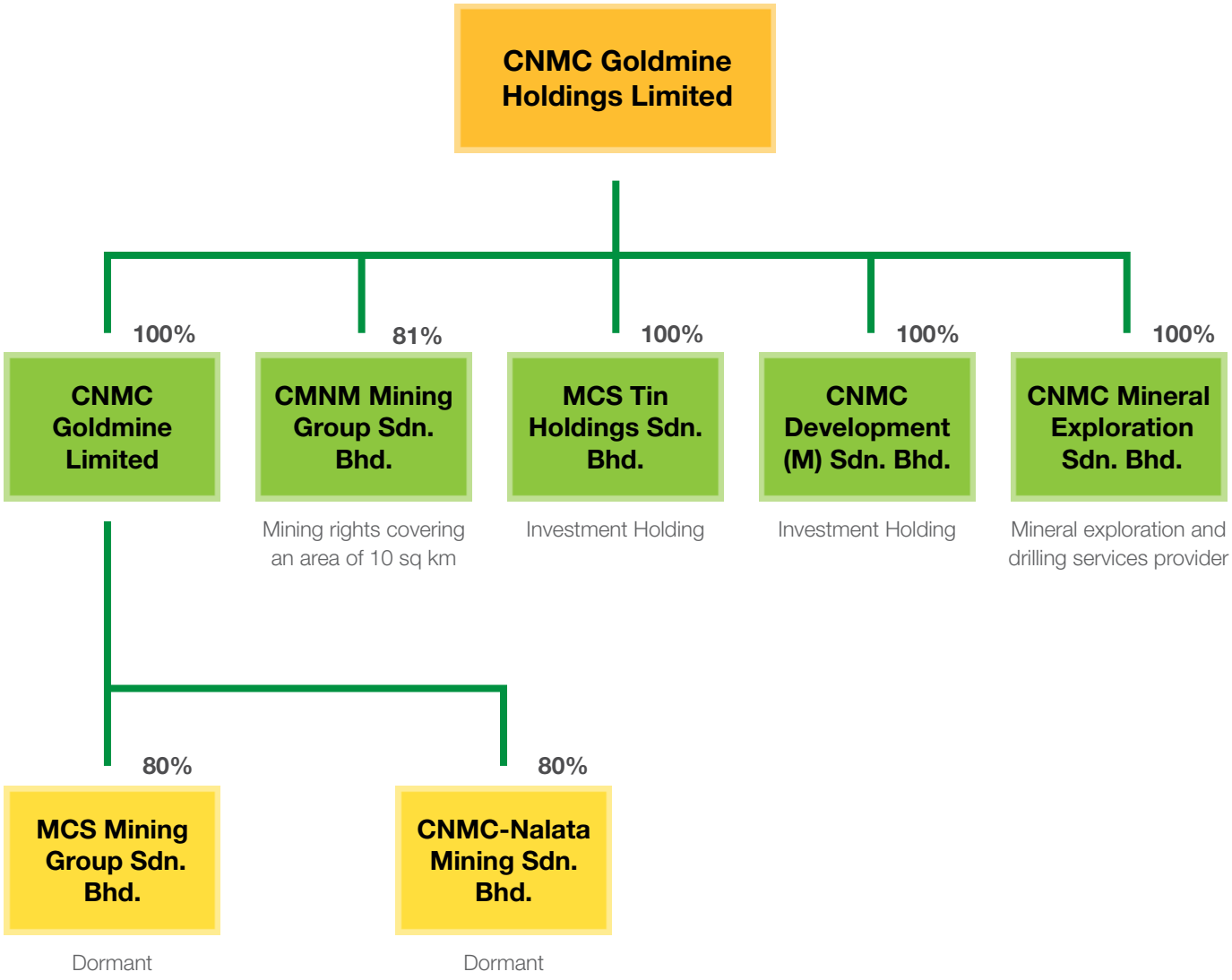
This policy addresses the intentions and principles of CNMC with respect to effectiveness and efficiency, reliability of financial reporting and compliance with laws and regulations to achieve core business activities.

To support this policy, CNMC commits to:

- Identify, eliminate or otherwise control Health Safety Environment ("HSE") risks to our people, communities and the environment in which we operate.
- Develop and deliver measurable HSE objectives and targets.
- Provide our employees with the resources to achieve our goal of zero incidents, injuries and illnesses.
- Comply with all applicable legal and other requirements including international and external commitments.
- Ensure that the Group's site disaster management procedures are regularly updated and emergency response teams are in place and well trained.
- Drive the implementation of identified safety initiatives that continually improve workplace health and safety.
- Commence a review of every high-risk incident or injury within 48 hours of its occurrence and ensure that the appropriate actions are identified and implemented.
- Foster an employee involvement culture within the workplace; a measure of success of this will be the extent to which employees take ownership of workplace safety.
- Ensure that HSE expectations are clearly communicated to all contract principals and that their management systems are randomly audited.

As individuals, we personally commit to applying the principles of this policy to continuously improve the way we work every single day.

GROUP STRUCTURE



CORPORATE INFORMATION

BOARD OF DIRECTORS

Professor Lin Xiang Xiong @ Lin Ye
Executive Chairman

Choo Chee Kong
Executive Vice Chairman

Lim Kuoh Yang
Executive Director and Chief Executive Officer

Kuan Cheng Tuck
Independent Director

Tan Poh Chye Allan
Independent Director

Gan Siew Lian
Independent Director

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Tel: +65 6213 3388
Fax:+65 6225 2230
Partner-in-charge: Alex Koh
(Appointed with effect from the financial year ended 31 December 2015)

REGISTERED OFFICE

CNMC Goldmine Holdings Limited
745 Toa Payoh Lorong 5
#04-01 The Actuary
Singapore 319455
Tel: +65 6220 4621
Fax: +65 6220 1270
Company Registration No. 201119104K
www.cnmc.com.hk

AUDIT COMMITTEE

Kuan Cheng Tuck Chairman
Tan Poh Chye Allan
Gan Siew Lian

NOMINATING COMMITTEE

Gan Siew Lian Chairman
Kuan Cheng Tuck
Tan Poh Chye Allan

REMUNERATION COMMITTEE

Tan Poh Chye Allan Chairman
Kuan Cheng Tuck
Gan Siew Lian

CNMC GOLDMINE LIMITED

2/F. 100 Des Voeux Road C., Central, Hong Kong
(Registered Address)

CMNM MINING GROUP SDN. BHD.

PT6724 Kelewek
Jalan Jeli
17500 Tanah Merah
Kelantan Malaysia

MCS MINING GROUP SDN. BHD.

Lot 577, Section 19, Taman Limau Manis,
Jalan Hamzah, 15050 Kota Bharu, Kelantan
(Registered Address)

CNMC-NALATA MINING SDN. BHD.

Lot 577, Section 19, Taman Limau Manis,
Jalan Hamzah, 15050 Kota Bharu, Kelantan
(Registered Address)

CNMC DEVELOPMENT (M) SDN. BHD.

Lot 577, Section 19, Taman Limau Manis,
Jalan Hamzah, 15050 Kota Bharu, Kelantan
(Registered Address)

MCS TIN HOLDINGS SDN. BHD.

Lot 577. Section 19, Taman Limau Manis,
Jalan Hamzah, 15050 Kota Bharu, Kelantan
(Registered Address)

CNMC MINERAL EXPLORATION SDN. BHD.

Lot 577, Section 19, Taman Limau Manis,
Jalan Hamzah, 15050 Kota Bharu, Kelantan
(Registered Address)

COMPANY SECRETARY

Ms Beh Pur-Lin, Elaine
(appointed on 11 June 2015)

CATALIST SPONSOR

PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay,
#10-00 Income at Raffles,
Singapore 049318
Tel: +65 6229 8088
Fax: +65 6229 8089

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Tel: +65 6536 5355
Fax: +65 6536 1360

CORPORATE GOVERNANCE REPORT

For the financial year ended 31st December 2015

INTRODUCTION

The Board of Directors (the "Board") of CNMC Goldmine Holdings Limited (the "Company") is committed to ensuring that high standards of corporate governance are practised within the Company and its subsidiaries (the "Group"). Good corporate governance helps to promote corporate transparency, and to protect and enhance shareholders' interests.

This report outlines the Company's corporate governance practices with specific reference to principles of the Code of Corporate Governance 2012 (the "Code") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("SGX-ST") in January 2015 (the "Guide"), where applicable, deviations from the Code are explained.

1. BOARD MATTERS

The Board of Directors as at 3 March 2016 comprises:

Professor Lin Xiang Xiong @ Lin Ye	(Chairman and Executive Director)
Mr Choo Chee Kong	(Vice Chairman and Executive Director)
Mr Lim Kuoh Yang	(Chief Executive Officer and Executive Director)
Mr Kuan Cheng Tuck	(Lead Independent Director)
Mr Tan Poh Chye Allan	(Independent Director)
Ms Gan Siew Lian	(Independent Director)

A description of the background and profile of each director is presented in the "Board of Directors" section of this annual report.

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with the Management to achieve this objective and the Management remains accountable to the Board.

Primary function of the Board

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board oversees the business affairs of the Group. The Board has the overall responsibility for reviewing the strategic plans and performance objectives, financial plans and annual budget, key operational initiatives, major funding and investment proposals, financial performance reviews, and corporate governance practices.

In addition, the principal duties of the Board include the following:

- Provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- Establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;
- Review Management performance;
- Identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;
- Set the Company's values and standards (including ethical standards), and ensure that obligations to shareholders and others stakeholders are understood and met; and
- Consider sustainability issues, e.g., environmental and social factors, as part of the strategic formulation.

Delegation by the Board

In recognition of the high standard of accountability to the Company's shareholders, the functions of the Board are carried out either directly by the Board or through the Board committees namely, the Audit Committee ("AC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC"). Each of these committees has its own written terms of reference and is chaired by an independent director and all the members are non-executive and independent.

Directors' attendance at Board and Board Committee meetings in FY2015

The Board meets at least four times a year. Additional meetings are convened as and when require.

The Company's Articles (hereinafter also known as the Constitution following the Companies (Amendment) Act 2014) allow Directors to participate in a Board meeting by telephone conference or video conference whereby all persons participating in the meeting are able to communicate as a group, without requiring the Director's physical presence at the meeting. The number of Board and Board Committee meetings held in the current financial year and the attendance of Directors during these meetings are as follows:

	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings held	5	4	2	1
	No. of meetings attended			
Directors				
Professor Lin Xiang Xiong @ Lin Ye	5	4	2	1
Choo Chee Kong	5	4	2	1
Lim Kuoh Yang	5	4	2	1
Kuan Cheng Tuck	5	4	2	1
Tan Poh Chye Allan	4	3	1	1
Gan Siew Lian	4	3	2	1

Board Approval

Matters requiring the Board's decision and endorsement are defined as follows:

(i) Strategies and objectives of the Group;

(ii) Annual budgets and business plans;

(iii) Material investments and transactions;

(iv) Acquisitions or disposals of assets;

(v) Announcement of quarterly and full year financial results and release of annual reports;

(vi) Corporate or financial restructuring;

(vii) Issuance of policies and key business initiatives;

(viii) Share issuance;

(ix) Declaration of interim dividends and proposal of final dividends; and

(x) Convening of shareholders' meetings.

Induction and training of Directors

The Company will conduct orientation programmes for newly appointed Directors to ensure that they are familiar with the Group's structure, business and governance policies. All directors who have no prior experience as a director of a listed company will undergo training and/or briefing on the roles and responsibilities as director of a listed company. Newly appointed Directors are given a formal letter explaining their duties and obligations as Directors of the Company. No new Director was appointed to the Board during FY2015.

The Company will provide appropriate training such as courses and seminars for the Directors as and when needed. The Company encourages the Directors to update themselves on new rules and regulations, as well as on any revisions, amendments or updates to laws or regulations and attend courses relating to the gold mining industry. The Company also informs Directors of and encourages them to attend relevant training programmes conducted by the SGX-ST, Singapore Business Federation, Singapore Institute of Directors and other business and financial institutions and consultants.

During FY2015, briefings, updates and training for the Directors include:

- updates by the Company Secretary on changes in relevant laws and regulations, such as the amendments to the Companies Act and Catalist Rules;
- briefings by the external auditors on the recent changes and updates to the accounting standards at the AC meetings;
- Listed Company Director courses conducted by the Singapore Institute of Directors and other professional courses by organisations such as Institute of Singapore Chartered Accountants attended by some of the Directors.

At each quarterly Board meeting, the Board will receive updates on business and strategic developments of the Group, industry developments, analyst and media commentaries on matters related to the Company.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board consists of 6 Directors, namely 3 Executive Directors and 3 Independent Directors. The Independent Directors make up half of the Board, thereby meeting the requirement of the Code which stipulates that where (1) the Executive Chairman and Chief Executive Officer are immediate family members; (2) the Executive Chairman is part of the management and (3) the Executive Chairman is not an independent director, independent directors should make up at least half of the board.

The independence of each Director is reviewed annually by the NC. The NC adopts the Code's definition of what constitutes an independent director in its review. The Independent Directors have confirmed their independence in accordance with the Code. The Board had determined, taking into account the views of the NC, that all Independent Directors are independent.

None of the Independent Directors has served on the Board beyond nine years from the date of his/her first appointment.

Board size and board composition

The Board had reviewed the present Board size and is satisfied that the current size facilitates effective decision making and is appropriate for the nature and scope of the Group's operations. The Board's composition is reviewed annually by the NC to ensure that the Board has the appropriate mix of expertise and experience. The NC is of the view that the current Board and Board Committees comprise high calibre individuals who are qualified with the appropriate mix of expertise, knowledge, skills and experience in areas relating to finance, accounting, legal and business strategy which provide for the effective functioning of the Board.

Role of independent directors

All Directors have equal responsibility for the Group's operations. The role of the 3 Independent Directors is particularly important in ensuring that all the strategies and objectives proposed by the Management are fully discussed and examined, and take into account not only the long term interests of the shareholders, but also the Group's employees, customers and suppliers.

During FY2015, the Independent Directors had met without the presence of Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The roles of the Executive Chairman and the CEO are separate. The Group's Executive Chairman, Professor Lin Xiang Xiong @ Lin Ye is responsible for formulating the Group's strategic plans and policies. He also plays a key role in developing the business of the Group, maintaining strategic relations with the Group's business partners and providing the Group with strong leadership and vision. He also, with the assistance of the Company Secretary and in consultation with Management, sets the meeting agendas and ensures that Board meetings are held as and when it is necessary and that the Board members are provided with complete, adequate and timely information. In addition, he provides guidance, advice and leadership to the Board and the Management.

The Group's CEO, Mr Lim Kuoh Yang, is responsible for implementing the strategic plans and policies as well as managing the operations of the Group. He is also responsible for reporting to the Board on all aspects of the Group's operations and performance, providing quality leadership and guidance to the employees of the Group and managing effective communication with the media, shareholders, regulators and the public. He also takes a leading role in the Company's drive to achieve and maintain a high standard of corporate governance.

Mr Lim Kuoh Yang is the son of Professor Lin Xiang Xiong @ Lin Ye.

Although the Executive Chairman and the CEO are immediate family members, the Board is of the view that there are sufficient safeguards and checks to ensure that the decision of the Board are made on a collective basis without any individual or group of individuals representing any considerable concentration of power or influence.

In view of the relationship between the Executive Chairman and the CEO, the Board has appointed Mr Kuan Cheng Tuck as the Lead Independent Director to ensure that a separate channel of communication is always available to shareholders in the event that normal interactions with the Executive Chairman, the CEO or the Chief Financial Officer ("CFO") have failed to resolve their concerns or where such channel of communication is considered inappropriate. All the Board committees are chaired by Independent Directors and the Independent Directors make up half of the Board. Led by the Lead Independent Director, the Independent Directors meet without the presence of the Executive Directors, if deemed necessary.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board

NC composition

The Company has established the NC to make recommendations to the Board on all board appointments. The NC comprises 3 members, all of whom are Independent Directors, namely:

Gan Siew Lian	Chairman
Kuan Cheng Tuck	Member
Tan Poh Chye Allan	Member

The key terms of reference of the NC include:

(a) to make recommendations to the Board on relevant matters relating to the review of Board succession plans for Directors, in particular, the Chairman and for the CEO (or equivalent), the development of a process for evaluation of the performance of the Board, the Board committees and the Directors, and the review of training and professional development programmes for the Board;

(b) to make recommendations to the Board on the appointment and re-appointment of Directors (including alternate Directors, if applicable), taking into consideration the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (for example, attendance, preparedness, participation and candour);

(c) to ensure all Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years;

(d) to determine annually, and as and when circumstances require, whether a Director (including an alternate Director) is independent, bearing in mind the guidelines of the Code;

(e) to decide if a Director is able to and has been adequately carrying out his duties as a Director of the Company, taking into consideration of the Director's number of listed company board representations and other principal commitments.

(f) to assess the effectiveness of the Board as a whole and its Board committees and the contribution by the Chairman and each individual Director to the effectiveness of the Board.

Each member of the NC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the NC in respect of matters in which he or she is interested.

Directors' time commitments and multiple directorships

The Board notes that none of the Directors holds more than three (3) directorships in other listed companies. The Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Company despite some of the Directors holding multiple board representations in other listed companies. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. The NC will continue to review from time to time the board representations of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. The considerations in assessing the capacity of directors include: expected and/or competing time commitments of Directors, size and composition of the Board and nature and scope of the Group's operations and size.

Currently, the Company does not have alternate directors.

The dates of initial appointment and last re-election of each Director, together with his or her directorships in other listed companies and other principal commitments, are set out below:-

Director	Date of initial appointment	Date of last re-election	Current directorships in listed companies (other than the Company)	Past directorships in listed companies (preceding three years)	Other principal commitments
Professor Lin Xiang Xiong @ Lin Ye	20 September 2011	29 April 2013	None	None	- Innovation (China) Limited (Director) - Innovation Fund Limited (Director) - Innovation Worldwide Group Pte Ltd (Director)
Choo Chee Kong	20 September 2011	29 April 2013	None	- FDS Networks Group Ltd - Second Chance Properties Ltd - Advance SCT Limited	- CK Agrifeed Sdn Bhd (Director)
Lim Kuoh Yang	11 August 2011	28 April 2015	None	None	None
Kuan Cheng Tuck	20 September 2011	28 April 2014	- Kori Holdings Limited - CW Group Holdings Limited (listed on HKEx) - Green Build Technology Limited	- FDS Networks Group Ltd	- KCT Consulting Pte. Ltd. (Director) - Kreston Consulting Pte. Ltd. (Director) - CT Kuan & Co. (Sole Practitioner)
Tan Poh Chye Allan	20 September 2011	28 April 2014	- Avexa Limited - XYEC Holdings Co., Ltd. - Nico Steel Holdings Limited	- Adventus Holdings Limited	- Virtus Law LLP (Partner)
Gan Siew Lian	1 July 2012	28 April 2015	None	None	- Singtel (Director, Transformation Management Office)

Process for selection and appointment of new directors

Where a vacancy exists or where additional directors are required, the Board will search for potential candidates and refer them to the NC for interview and assessment of their credentials and suitability for appointment. The Company may procure the assistance of independent third parties such as search consultants to source for potential candidates, if needed.

In its search and selection process for new directors, the NC has put in place a formal process which increases the transparency in identifying and evaluating the nominees for directors. In addition to searches conducted by the search consultants, the Board members are also encouraged to propose candidates based on their personal contacts to the Board for consideration.

a) Assessment of criteria for new directors

The objective criteria for the assessment of potential candidate for new directors include the following:-

- Prior experience as a director of a listed company;
- Expertise to contribute to the Group and its businesses;
- Integrity;
- Diversity;
- Ability to commit time and effort to carry out duties and responsibilities effectively; and
- Decision making skill.

b) Appointment of new directors

The NC will then carry out the following before making recommendations to the Board for the appointment of new directors:-

i. Evaluate the skills, knowledge and experience of the Board and determine the role and the desirable competencies for a particular appointment; and

ii. Arrange to meet up with the short-listed candidates to ensure that the candidates are aware of the expectations and the level of commitment required.

Process for re-appointment of directors

Article 89 of the Constitution provides that at each annual general meeting, 1/3 of the Directors for the time being shall retire from office by rotation. Each Director shall retire at least once every three years. A retiring Director shall be eligible for re-election. Under Article 88, Directors appointed by the Board during the financial year, shall only hold office until the next annual general meeting, and thereafter be eligible for re-election at the Company's annual general meeting.

The NC is responsible for re-appointment of Directors and in considering and deliberating on the re-election of the existing Directors, the NC will take into consideration the Director's contribution and performance. The assessment parameters include attendance record, preparedness, intensity of participation and candour at meetings. All Directors shall submit themselves for re-nomination and re-election at regular intervals and at least once every 3 years.

The NC has recommended to the Board that Professor Lin Xiang Xiong @ Lin Ye and Mr Choo Chee Kong be nominated for re-election at the forthcoming annual general meeting. In making the recommendation, the NC had considered the Directors' overall contribution and performance based on the assessment parameters.

Professor Lin Xiang Xiong @ Lin Ye will, upon re-election remain as a Executive Director and the Chairman of the Company. Mr Choo Chee Kong will, upon re-election as a Executive Director, remain as the Vice Chairman of the Company.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

On an annual basis, the NC assesses the performance of the Directors, individually and collectively. The NC assesses the performance of the Board and Board Committees by means of assessment checklists that evaluates Board's size, Board composition, Board independence, Board processes, whether the Board has the right mix of expertise, experience and skills, and whether the Board has made balanced and well-considered decisions on the various issues that come before them.

The NC evaluates each Director's performance based on the following review parameters, including:-

- attendance record at Board Committee meetings;
- the level of participation and contribution at such meetings;
- the guidance and advice to the Management in relation to (i) the effectiveness of strategies and directions of the Company to enhance long-term shareholders' value; and (ii) the safeguarding of the Company's assets and shareholders' investment; and
- the technical knowledge of the Directors.

During the appraisal, Directors would complete the assessments checklists which will then be compiled by the Company Secretary before the results are submitted to the NC Chairman.

The NC will act on the performance evaluation result and where appropriate, proposes new members to be appointed to the Board or seek the resignation of any Director.

The Board and the NC have endeavored to ensure that the Directors appointed to the Board possess the right experience, knowledge and skills critical to the Group's business, so as to enable the Board to make sound and well-considered decisions.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole and the Board Committees, as well as the performance of each individual Director has met the Group's standards and expectations. Although some of the Board members have multiple board representations and other principal commitments, the NC is satisfied that sufficient time and attention has been given by the Directors to the Group.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Complete, adequate and timely information

The Board members are provided with complete, adequate and timely information prior to Board and Board Committee meetings and on an ongoing basis and they have separate and independent access to the Management at all times. In addition, Directors may also liaise directly with Management and other employees to seek additional information, if required. Board papers are distributed in advance of Board and Board committees meetings so that the Directors would have sufficient time to understand the matters which are to be discussed.

The Management also regularly keeps the Board updated on the operational activities, project progress and development, and future prospects of the Group through quarterly Board papers and ad hoc email correspondences. Comprehensive quarterly financial reports are submitted to the Board for review and approval before they are released to the public. These updates and reports are supported with background or explanatory information, disclosure documents, proposals, work plans and budgets, forecasts and valuations, and monthly management accounts.

Company secretary

The Directors have separate and independent access to the Company Secretary. It is the responsibility of the Company Secretary to attend all Board and Board committee meetings and to ensure that Board procedures are followed and that applicable rules and regulations are complied with. Where the Company Secretary is unable to attend any Board meeting, the Company Secretary ensures that a suitable representative is arranged and that proper minutes of the same are taken and kept. Under the direction of the Chairman, the Company Secretary ensures good information flows within the Board and its Board Committees and between Management and Independent Directors, advising the Board on all governance matters. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Independent professional advice

Each Director has the right to seek independent legal and other professional advice concerning any aspect of the Group's operations or undertakings as necessary in order to fulfill his or her duties and responsibilities as a Director, at the Company's expense.

2. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises 3 members, all of whom are Independent Directors. They are:

Tan Poh Chye Allan	Chairman
Kuan Cheng Tuck	Member
Gan Siew Lian	Member

The key terms of reference of the RC include:

(a) to review and recommend for endorsement by the entire Board a general framework of remuneration for the Directors and key management personnel;

(b) to review and recommend for endorsement by the entire Board the specific remuneration packages for each Director as well as for the key management personnel. The RC shall cover all aspects of remuneration, including but not limited to Director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(c) if necessary, seek expert advice inside and/or outside the Company on remuneration of all Directors, ensuring that existing relationships, if any, between the Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants;

(d) to review and recommend to the Board the terms of renewal of the service contracts of Directors;

(e) to review the Company's obligations arising in the event of termination of the Executive Directors and key management personnel's contracts of services, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(f) to review whether Executive Directors and key management personnel should be eligible for benefits under long-term incentive schemes, and evaluate the costs and benefits of long-term incentive schemes.

Each member of the RC shall abstain from voting on any resolution and making any recommendations and/or participating in any deliberations of the RC in respect of matters in which he or she is interested.

The total remuneration of the employees who are related to the Directors will be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. In the event that a member of the RC is related to the employee under review, he or she will abstain from such review.

The RC has access to appropriate external expert advice in relation to executive compensation, if necessary. In FY2015, no remuneration consultants were engaged.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

Remuneration of executive directors and key management personnel

The remuneration package for Executive Directors and key management personnel are structured to link rewards to corporate and individual performance. The performance related elements of remuneration form a significant portion of the total remuneration package in order to align the Executive Directors' and key management personnel's interests with those of the shareholders. The RC will also take into consideration the pay and employment conditions within the industry and comparable companies.

The remuneration for the Company's Executive Directors and key management personnel comprises a basic salary component and a variable component which is a discretionary bonus, based on the performance of the Group as a whole and their individual performance. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the Executive Directors and key management personnel will be recommended by the RC and subject to approval by the Board, which is based on qualitative criteria (including leadership, people development, commitment, teamwork, current market and industry practices) and quantitative criteria (including production, profit after tax and relative financial performance of the Group to its industry peers). The RC had reviewed the proposal and is satisfied that the performance conditions were met in FY2015.

The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate the Directors and the key management personnel of the required experience and expertise. No Director is involved in any discussion relating to his or her own remuneration, terms and conditions of service, and the review of his or her performance.

The Company recognises the importance of motivating its employees and in this regard, the CNMC Performance Share Plan (the "PSP") was approved at an extraordinary general meeting of the shareholders of the Company on 14 October 2011. Please refer to page 37 for further details on the PSP.

The Executive Directors have each entered into a service agreement on 20 September 2011 with the Company, under which terms of their employment are stipulated. There are no excessively long or onerous removal clauses in these service agreements. Their initial term of employment is only for a period of 3 years and upon the expiry of such period, the employment of each Executive Director shall be automatically renewed on a year-to-year basis on such terms and conditions as the parties may agree. Either party may terminate the service agreement by giving to the other party not less than 6 months' notice in writing, or in lieu of notice, payment of an amount equivalent to 6 months' salary based on the Executive Director's last drawn monthly salary. There is no profit-sharing provision in the service agreements of the three Executive Directors.

Remuneration of independent directors

The Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent and their responsibilities. The Directors' fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the annual general meeting. Except as disclosed, the Independent Directors do not receive any remuneration from the Company.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The breakdown of the remuneration of the Directors and key management personnel for FY2015 is set out as below:

Remuneration of Directors for FY2015

Remuneration Band and Name of Director	Base/Fixed Salary	Director's Fees#	Bonus	Total
Between S$1,250,000 and S$1,500,000 per annum				
Professor Lin Xiang Xiong @ Lin Ye	38%	–	62%	100%
Between S$500,000 and S$750,000 per annum				
Lim Kuoh Yang	47%	–	53%	100%
Between S$250,000 and S$500,000 per annum				
Choo Chee Kong	72%	–	26%	100%
Below S$250,000 per annum				
Kuan Cheng Tuck	–	100%	–	100%
Tan Poh Chye Allan	–	100%	–	100%
Gan Siew Lian	–	100%	–	100%

Director's Fees were approved by shareholders as a lump sum at the AGM held on 28 April 2015.

Remuneration of key management personnel

Remuneration Band and Name of key management personnel	Base/Fixed Salary	Bonus	Total
Below S$250,000 per annum			
Cheam Chee Chian	73%	27%	100%
Lim Kwang Hui	60%	40%	100%
Ang Kee Har	60%	40%	100%
Kan Wai Khen	71%	29%	100%

The annual aggregate remuneration paid to the four key management personnel of the Group in FY2015 was S$622,593. Given the size of the Group's operations, the Company had identified four key management personnel as above.

After reviewing the industry practice and analysing the advantages and disadvantages in relation to the full disclosure of remuneration of each Director and key management personnel, the Company is of the view that such disclosure would be prejudicial to its business interest given the highly competitive environment of the industry.

There are no termination or retirement benefits or post-employment benefits that are granted to the Directors, CEO and the key executives.

Remuneration of employees who are immediate family members of a Director or the CEO

There were no employees who were the immediate family members of a Director or the CEO, whose remuneration exceeded S$50,000 in FY2015.

Performance Share Plan

The Company has a performance share plan known as the CNMC Performance Share Plan (the "PSP") which was approved at an extraordinary general meeting of the shareholders of the Company on 14 October 2011.

The PSP is primarily a share incentive scheme. The purpose of the PSP is to provide an opportunity for the Group's employees, who have met the performance conditions which are prescribed by the awards committee at the grant of the award and subject to the final approval by the Board, to be remunerated not just through cash bonuses but also through an equity stake in the Company.

The PSP will enable the Company to give recognition to such employees who have made contributions to the success and continued well-being of the Group. It will also help to achieve the following positive objectives:

(i) to motivate each participant to optimise his performance standards and efficiency and to maintain a high level of contribution to the Group;

(ii) to retain key employees and Executive Directors whose contributions are essential to the long-term growth and profitability of the Group;

(iii) to instill loyalty to and a stronger identification by the participants with the long-term prosperity of the Company;

(iv) to attract potential employees with relevant skills to contribute to the Group and to create value for the shareholders; and

(v) to align the interests of the participants with the interests of the shareholders.

The Group believes that with the PSP and any other share-based incentive scheme which the Group may adopt, the Group is equipped with a set of flexible remuneration tools, with which the Group would be better able to attract and retain talents. Details of the PSP are set out in the Company's offer document dated 18 October 2011.

The PSP had been amended through the insertion of a new Rule 5.8. The amendment was approved at the Company's extraordinary general meeting held on 27 April 2012 and the details are set out in the Company's Circular dated 12 April 2012.

In FY2015, no awards of shares had been granted under the PSP to any employees and Directors of the Company.

3. ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Group recognizes the importance of providing the Board with accurate and relevant information on a timely basis. Hence, Board members receive monthly management reports from management. Such reports keep the Board members informed of the Company's and the Group's performance, position and prospects and consist of profit and loss accounts, analysis of sales, operating profit compared against prior comparable periods, together with explanations for significant variances for the month and year-to-date.

The Board reviews and approves the financial results as well as any announcements before its release. The Board provides shareholders with quarterly and annual financial reports and any other information via the SGXNET in accordance with the statutory requirements of the Catalist Rules. In presenting the financial statements and announcements of financial results to shareholders, it is the aim of the Board to provide shareholders with a balanced and comprehensive assessment of the Company's and the Group's performance, position and prospects. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

Price sensitive information will be publicly released before the Company meets with any group of shareholders, investors or research analysts. Financial results and annual reports are announced and issued within the statutory prescribed periods.

The Board also communicate and discuss, as and when is required, changes in legislatative and regulatory requirements, including requirements under the Catalist Rules, for instance, by establishing written policies where appropriate.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which Board is willing to take in achieving its strategic objectives.

Risk Management

The Group currently does not have a separate Risk Management Committee but the Management regularly reviews the Group's operational and business activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Management reviews all the significant control policies and procedures and highlights all significant findings and matters to the Directors and the AC. The Board is ultimately responsible for the Group's risk management.

The Company, together with the internal auditors, has formalised the Group's Risk Governance and Internal Control Framework Manual to facilitate the Board in identifying key operational, strategic, financial, compliance and information technology risks with reference to the Company's business goals, strategies and corporate philosophy. With the formalisation of the Group's Risk Governance and Internal Control Framework Manual, the Company's risk tolerance levels have been established and adopted, and the Board has overseen the Management in the design, implementation and monitoring of the risk management and internal control systems. The internal auditors had also evaluated the effectiveness of the internal controls implemented to manage the identified risks based on the results of the risk assessment process executed.

Internal Controls

The effectiveness of the internal financial control systems and procedures are monitored by the Management. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Apart from the above, the AC also commissions and reviews the findings of internal controls or infringement of any Singapore laws, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. During FY2015, the AC, on behalf of the Board, has reviewed the effectiveness of the Group's material internal controls, including financial, operational and compliance controls and information technology controls, and risk management on an annual basis. The processes used by the AC to review the effectiveness of the system of internal control and risk management include:

(a) discussion with the Management on risks management and the assurance received from the CEO and CFO (see below);

(b) the review of external and internal audit plans; and

(c) the review of significant issues raised by the external and internal auditors.

Based on the framework of risk management and internal controls established and maintained by the Group, the review performed by the Management and the AC, the work performed by the internal auditors and the review undertaken by the external auditors as part of their statutory audit, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are adequate to meet the needs of the Group in its current business environment as at 31 December 2015.

The Board has received assurance from the CEO and the CFO that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) The Group's risk management and internal controls system put in place are effective.

Audit Committee

Principle 12: The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC comprises 3 members, all of whom are Independent Directors. They are:

Kuan Cheng Tuck	Chairman
Tan Poh Chye Allan	Member
Gan Siew Lian	Member

The AC assists the Board in discharging its responsibility in safeguarding the Company's assets, maintaining adequate accounting records, and developing and maintaining effective systems of internal controls with an overall objective to ensure that the Management has created and maintained an effective control environment in the Group. The AC will provide a channel of communication between the Board, the Management and the external and internal auditors of the Company on matters relating to audit.

The Directors recognise the importance of corporate governance and the offering of high standards of accountability to the shareholders. The AC will meet at least quarterly. The key terms of reference of the AC include:-

(a) to review the audit plans of the external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the Group's system of internal controls;

(b) to review the annual consolidated financial statements and external auditors' report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of management, where necessary, before submission to the Board for approval;

(c) to review the periodic consolidated financial statements comprising the profit and loss statements and the balance sheets and such other information required by the Catalist Rules, before submission to the Board for approval;

(d) to review and discuss with the external auditors (if any), any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) to review the co-operation given by the Management to the external auditors;

(f) to review the independence of the external auditors annually and state (i) the aggregate amount of fees paid to the external auditors for the financial year, and (ii) a breakdown of the fees paid in total for the audit and non-audit services respectively, or an appropriate negative statement, in the Company's annual report;

(g) to make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;

(h) to review and/or ratify any interested person transactions ("IPTs") falling within the scope of Chapter 9 of the Catalist Rules;

(i) to review any potential conflicts of interests;

(j) to review the procedures by which employees of the Group and any other persons may, in confidence, report to the Chairman of the Audit Committee, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

(k) to ensure that the internal audit function is adequately resourced and has appropriate standing within the Group, and review the adequacy and effectiveness of the internal audit function at least annually;

(l) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;

(m) to review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls, including financial, operational, compliance and information technology controls, and risk management (such review may be carried out internally or with the assistance of any competent third parties);

(n) to review the scope and results of the external audit and its cost effectiveness and the independence and objectivity of the external auditors, and where the external auditors also supply a substantial volume of non-audit services to the Company, keep the nature and extent of such services under review, seeking to maintain objectivity;

(o) to approve internal control procedures and arrangements for all IPTs;

(p) to review and recommend hedging policies and instruments, if any, to be implemented by the Company to the Board;

(q) to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee; and

(r) to undertake generally to undertake such other functions and duties as may be required by the law or the Catalist Rules, and by such amendments made thereto from time to time.

The AC has been given full authority to investigate any matter within its terms of reference and has full access to the cooperation of the Management. It also has full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

The AC members are briefed and updated by the external auditors if there are any changes or developments to the accounting standards and issues which have a direct impact on financial statements during AC meetings.

Summary of the AC's activities

In FY2015, the AC met with the external and internal auditors without the presence of the Management.

The principal activities of the AC in FY2015 are summarised below:

(a) Reviewed the quarterly and full year announcements, material announcements and all related disclosures to shareholders before submission to the Board for approval;

(b) Reviewed the audit plan and audit report from external auditors;

(c) Reviewed the independence and objectivity of the external auditors through discussion with the external auditors as well as reviewing the non-audit fees awarded to them. The AC was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors. Details of the fees paid or payable to the external auditors are disclosed in the accompanying financial statements;

(d) Recommended to the Board that KPMG LLP be nominated for re-appointment as the Company's auditors at the forthcoming AGM of the Company;

(e) Reviewed the reports and findings from the internal auditors in respect of the adequacy of the Company's internal controls and risk management; and

(f) Reviewed the Group's interested person transactions to ensure that the transactions were carried out on normal commercial terms.

The Company has complied with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

Whistle blowing Policy

The Company has put in place a whistle blowing policy. The policy encourages employees to raise concerns, in confidence, about possible irregularities to Mr Kuan Cheng Tuck, the Chairman of the whistle blowing committee, or Mr Tan Poh Chye Allan, a member of the whistle blowing committee. Such concerns include fraudulent acts, dishonesty, legal breaches and other serious improper conduct, unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group's reputation. It aims to provide an avenue for employees to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle blowing in good faith.

Whenever a concern is raised under the policy by writing, telephonically or in person to the above mentioned whistleblowing committee member, the whistle blower and the report received shall be treated with utmost confidentiality and will be attended to immediately. The whistle blowing policy is posted in the Company's premises. The email addresses of Mr Kuan Cheng Tuck and Mr Tan Poh Chye Allan are stated in the whistle blowing policy.

When making a report, the whistleblower should provide the following information as stated in the whistleblower report form:

- Name, NRIC and contact details;

- Parties involved, time and place of the alleged improprieties;

- Evidence leading to the improprieties, if any; and

- Any other details or documentation that would assist in the evaluation of the improprieties.

Some concerns may be resolved by agreed action without the need for investigation. If investigation is necessary, the whistle blowing committee member will direct an independent investigation to be conducted on the complaint received. All whistle blowers have a duty to cooperate with investigations.

The AC oversees the administration of the policy. Periodic reports will be submitted to the AC stating the number and the complaints received, results of the investigations, follow-up actions required and any unresolved complaints. There were no complaints received in FY2015.

Internal Audit

Principle 13: The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The objective of the internal audit function is to provide independent recommendations designed to improve the Group's operations. Internal audit helps to determine whether the Group's risk management, internal controls and corporate governance processes, as designed by the Group, are adequate and functioning in the required manner.

The AC selects and approves the appointment of the internal auditors. In FY2015, the Company appointed RSM Ethos Pte Ltd as its internal auditors to conduct reviews of the material internal controls and to test if the controls are implemented properly. The internal auditor reports directly to the AC functionally and to the Executive Chairman administratively and has full access to all the Company's documents, records, properties and personnel. The AC is satisfied that the internal auditors is staffed by suitably qualified and experienced personnel.

The AC decides on the timing of the commissioning of the internal audit function from time to time and reviews the audit plans of the internal auditors, ensures that adequate resources are directed to carry out those plans and reviews the results of the internal auditor's examination of the Company's system of internal controls. The AC is satisfied that the internal audit function is adequately resourced and has the appropriate standing within the Group.

The AC reviews the adequacy and effectiveness of the internal audit function on an annual basis and is satisfied with its adequacy and effectiveness.

4. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

All CNMC shareholders are treated fairly and equitably to facilitate the exercise of their ownership rights. Procedures are implemented to ensure that there is adequate disclosure of the developments and the operations in the Group in accordance with the Catalist Rules.

The shareholders are informed of general meetings through notices enclosed together with the annual reports or circulars sent to all shareholders. These notices are also posted onto the SGXNET and published in the press. Any notice of a general meeting to shareholders is issued at least 14 days (or as required) before the scheduled date of such meeting.

The Company also ensures that the shareholders have the opportunity to participate in and vote at the general meetings. The voting procedures are also explained to all the shareholders during the general meetings.

Registered shareholders, including corporations, who are unable to attend the general meetings are entitled to appoint up to two proxies. Pursuant to the Companies (Amendment) Act 2014, a shareholder of the Company who is a relevant intermediary (as defined in Section 181(6) of the Companies Act) may appoint more than two proxies to participate in shareholders' meetings.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Disclosure of information on a timely basis

The Board believes in transparency and strives towards timely dissemination of material information to the Company's shareholders and the public. The information is disseminated through the SGXNET in accordance with the Catalist Rules.

All shareholders of the Company shall receive the annual report, circular, notice of annual general meeting and notice of extraordinary general meeting. In presenting the annual financial statements and quarterly announcements to shareholders, it is the aim of the Board to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects.

The Company also disseminates information, including the financial reports and annual report, to shareholders and the public through its website www.cnmc.com.hk.

Interaction with shareholders

Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments as well as solicit and understand shareholders' view through:

(a) its quarterly investors' dialogue sessions, Pre-AGM conference organised in collaboration with Securities Investors Association and Annual General Meeting;

(b) its external investor relations team from WER1 Consultants Pte Ltd.

Dividend Policy

On the 11 August 2015, the Company declared 1st interim one-tier tax exempt dividend of S$0.0018 per ordinary share in respect of FY2015 and the payment of the interim dividend was made on 8 September 2015 to all the shareholders.

On the 9 December 2015, the Company declared 2nd interim one-tier tax exempt dividend of S$0.0018 per ordinary share in respect of FY2015 and the payment of the interim dividend was made on 20 January 2016 to all the shareholders.

To further reward shareholders, the Company is proposing a final dividend of S$0.0018 per share and a special dividend of S$0.00405 per share for FY2015, to be approved by shareholders at the forthcoming annual general meeting.

Notwithstanding the above, the Company aspires to pay dividends of up to 30% of its net profits for each financial year going forward, based on the recommendations of the Board and subject to the factors described below.

The Company's dividend policy is as follows:

(i) in determining the Company's dividend pay-out ratio in respect of any particular financial year, the Board will take into account the Group's desire to maintain or potentially increase dividend levels in accordance with the Company's overall objective of maximising shareholder value over the longer term; and

(ii) to the extent that any dividends are paid in the future, the form, frequency and amount of such dividends will depend on the Group's results of operations, future prospects, financial conditions, other cash requirements including projected capital expenditure, other investment plans, the terms of borrowing arrangements (if any), dividend yield of comparable companies listed in Singapore, general economic and business conditions in both Singapore and Malaysia as well as other factors deemed relevant by the Directors.

The Directors may recommend or propose final dividends which will be approved by shareholders by way of an ordinary resolution at the annual general meeting. The Directors may also declare and pay interim dividends without the approval of the shareholders.

Shareholders and investors should note that all the foregoing statements, including the statements in the dividend policy mentioned above, are merely statements of the Company's present intention and shall not constitute a legally binding statement in respect of any future dividends which may be subject to modification (including reduction or non-declaration thereof) in the Directors' sole and absolute discretion. No inference shall or can be made from any of the foregoing statements as to the Company's actual future profitability or ability to pay dividends in any of the periods discussed.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board supports the Code's principle to encourage shareholders' participation at the annual and extraordinary general meetings of the Company.

The Board encourages all the shareholders to attend annual and extraordinary general meetings to ensure a greater level of shareholders' participation and to meet with the Board and the Management so as to stay informed of the Company's developments. For those who are not registered as shareholders of the Company, the Company does welcome them to attend the general meetings as observers.

At the annual general meeting of the Company, shareholders are given the opportunity to air their views and to ask the Directors, including the chairman of the Board committees and the Management questions regarding the Group and its business. The external auditors are also present at the annual general meeting to assist the Directors in addressing any relevant queries from the shareholders.

All minutes of the discussion at the general meetings are available to shareholders upon their request.

The Company ensures that there are separate resolutions at general meetings on each distinct issue.

To enhance the shareholders' participation, the Company puts all resolutions at general meetings to vote by poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meetings. The polling results are announced via the SGXNET and posted on the Company's website after the general meetings.

5. OTHER INFORMATION

Dealing with Securities

In line with Rule 1204(19) of the Catalist Rules, the Group has adopted an internal compliance code to guide and advise all Directors and executives of the Company with regard to dealing in the Company's securities.

The internal compliance code prohibits dealings in the Company's securities by the Company, all Directors and executives on short-term considerations or if they are in possession of unpublished price sensitive information of the Company. The "black-out" periods are 1 month prior to the announcement of the Company's full-year financial results and 2 weeks prior to the announcement for each of the three quarterly financial results by the Company and ending on the date of the announcement of the financial results.

In addition, the Company reminds all the Directors and executives to observe insider-trading rules and laws at all times.

Interested Person Transactions

There were no interested person transactions with more than S$100,000 in FY2015.

The Group does not have a general mandate pursuant to Rule 920 of the Catalist Rules for interested person transactions.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving the interests of the Executive Directors or controlling shareholders that are either still subsisting at the end of FY2015 or if not then subsisting, entered into since the end of the previous financial year.

Non-Sponsor Fees

There were no non-sponsor fees paid to the Company's sponsor, PrimePartners Corporate Finance. Pte. Ltd. in FY2015.

Financial Contents

DIRECTORS' STATEMENT

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2015.

In our opinion:

(a) the financial statements set out on pages 50 to 95 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Professor Lin Xiang Xiong
Choo Chee Kong
Lim Kuoh Yang
Kuan Cheng Tuck
Tan Poh Chye Allan
Gan Siew Lian

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares, debentures, warrants or share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year		Holdings at end of the year	
	Direct interest	Deemed interest	Direct interest	Deemed interest
CNMC Goldmine Holdings Limited				
- ordinary shares				
Professor Lin Xiang Xiong	1,100,000	106,987,500	1,100,000	106,987,500
Choo Chee Kong	205,000	52,662,500	205,000	52,662,500
Lim Kuoh Yang	–	108,087,500	–	108,087,500

By virtue of Section 7 of the Act, Professor Lin Xiang Xiong and Lim Kuoh Yang are deemed to have interests in the other subsidiaries of CNMC Goldmine Holdings Limited, all of which are wholly-owned, at the beginning and at the end of the financial year.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

There were no changes in any of the above mentioned interests in the Company between the end of the financial year and 21 January 2016.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Performance shares

The Company has a performance share plan known as the CNMC Performance Share Plan (the "PSP") which was approved at an extraordinary general meeting of the shareholders of the Company on 14 October 2011. The PSP was subsequently amended and approved by insertion of a new Rule 5.8 at the Company's extraordinary general meeting held on 27 April 2012.

The PSP is administered by an awards committee comprising Mr Tan Poh Chye Allan, Mr Kuan Cheng Tuck and Ms Gan Siew Lian. The PSP grants a participant the right to receive fully paid shares free of charge, upon the participant achieving prescribed performance targets. Employees of the Group, employees of an associated company, directors and employees of the Company's parent company and its subsidiaries, and controlling shareholders and their associates are eligible to participate in the PSP.

The total number of new shares which may be issued pursuant to awards granted under the PSP, when added to (i) the number of new shares issued and issuable in respect of all awards granted thereunder; and (ii) any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the issued share capital of the Company on the day preceding the relevant date of award. The aggregate number of shares available under the PSP shall not exceed 15% of the total issued share capital of the Company from time to time.

As at the end of the financial year, no awards of shares have been granted under the PSP to controlling shareholders or their associates and no participants have received shares which in aggregate represent 5% or more of the total number of shares available under the PSP.

Share options

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and

(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

- Kuan Cheng Tuck (Chairman)
- Tan Poh Chye Allan
- Gan Siew Lian

All the members of the Audit Committee are non-executive directors of the Company who are independent of the Group and the Company's management.

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX Listing Manual and the Code of Corporate Governance.

The Audit Committee has held four meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- quarterly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX Listing Manual).

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and its subsidiaries, we have complied with Rules 712 and 715 of the SGX Listing Manual.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Professor Lin Xiang Xiong
Director

Choo Chee Kong
Director

2 March 2016

INDEPENDENT AUDITORS' REPORT

Members of the Company
CNMC Goldmine Holdings Limited

Report on the financial statements

We have audited the accompanying financial statements of CNMC Goldmine Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2015, the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 50 to 95.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 March 2016

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2015

	Note	Group		Company	
		2015	2014	2015	2014
		US$	US$	US$	US$
Assets					
Exploration and evaluation assets	4	2,084,960	4,990,395	–	–
Mine properties	5	9,617,124	6,517,394	–	–
Property, plant and equipment	6	8,163,432	7,568,558	109,525	159,967
Interests in subsidiaries	7	–	–	8,306,587	8,044,787
Non-current assets		19,865,516	19,076,347	8,416,112	8,204,754
Inventories	8	868,800	802,208	–	–
Trade and other receivables	9	832,096	612,757	8,469,129	6,688,479
Cash and cash equivalents	10	22,134,539	12,339,714	902,869	2,023,789
Current assets		23,835,435	13,754,679	9,371,998	8,712,268
Total assets		43,700,951	32,831,026	17,788,110	16,917,022
Equity					
Share capital	11	18,032,233	18,032,233	18,032,233	18,032,233
Treasury shares	12	(75,092)	–	(75,092)	–
Reserves	13	2,764,011	2,808,736	–	–
Retained earnings/(Accumulated losses)		12,773,507	4,318,583	(1,228,256)	(1,961,722)
Equity attributable to owners of the Company		33,494,659	25,159,552	16,728,885	16,070,511
Non-controlling interests	14	4,551,057	2,652,568	–	–
Total equity		38,045,716	27,812,120	16,728,885	16,070,511
Liabilities					
Loans and borrowings	15	100,429	175,594	–	–
Deferred tax liabilities	16	1,249,649	542,186	–	–
Non-current liabilities		1,350,078	717,780	–	–
Loans and borrowings	15	42,613	73,033	–	–
Accrued rehabilitation costs	17	326,635	289,990	–	–
Trade and other payables	18	2,998,863	3,156,530	539,293	384,248
Dividends payable		916,800	761,029	518,541	462,263
Current tax liabilities		20,246	20,544	1,391	–
Current liabilities		4,305,157	4,301,126	1,059,225	846,511
Total liabilities		5,655,235	5,018,906	1,059,225	846,511
Total equity and liabilities		43,700,951	32,831,026	17,788,110	16,917,022

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2015

	Note	2015 US$	2014 US$
Revenue		36,470,636	33,213,371
Other income	19	150,401	97,169
Changes in inventories of work in progress		267,556	(141,864)
Amortisation and depreciation	20	(3,985,961)	(3,050,900)
Employee benefits expenses		(2,727,262)	(2,515,279)
Key management remuneration		(2,491,172)	(2,047,601)
Marketing and publicity expenses		(247,602)	(107,587)
Office and administration expenses		(301,870)	(266,170)
Professional fees		(590,341)	(629,503)
Rental expense on operating lease		(858,261)	(514,889)
Royalty and tribute fee expenses		(2,719,321)	(2,539,822)
Site and factory expenses		(5,750,974)	(5,493,271)
Travelling and transportation expenses		(179,520)	(185,485)
Other expenses	21	(3,060,763)	(1,022,247)
Total expenses		(22,645,491)	(18,514,618)
Finance income	22	472,877	71,541
Finance costs	22	(9,967)	(35,900)
Net finance income		462,910	35,641
Profit before tax		14,438,456	14,831,563
Tax (expense)/credit	23	(1,009,573)	488,570
Profit for the year	24	13,428,883	15,320,133
Profit attributable to:			
Owners of the Company		10,666,397	12,243,104
Non-controlling interests	14	2,762,486	3,077,029
Profit for the year		13,428,883	15,320,133
Earnings per share			
Basic earnings per share (cents)	25	2.62	3.00
Diluted earnings per share (cents)	25	2.62	3.00

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2015

	2015 US$	2014 US$
Profit for the year	13,428,883	15,320,133
Other comprehensive income		
Items that are or may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation of foreign subsidiaries	(53,465)	(18,106)
Other comprehensive income for the year, net of tax	(53,465)	(18,106)
Total comprehensive income for the year	13,375,418	15,302,027
Total comprehensive income attributable to:		
Owners of the Company	10,621,672	12,227,957
Non-controlling interests	2,753,746	3,074,070
Total comprehensive income for the year	13,375,418	15,302,027

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

Group	Note	Share capital US$	Treasury shares US$	Capital reserve US$	Translation reserve US$	(Accumulated losses)/ Retained earnings US$	Total attributable to owners of the Company US$	Non-controlling interests US$	Total equity US$
At 1 January 2014		18,032,233	–	2,824,635	(752)	(6,639,065)	14,217,051	325,046	14,542,097
Total comprehensive income for the year									
Profit for the year		–	–	–	–	12,243,104	12,243,104	3,077,029	15,320,133
Other comprehensive income									
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	(15,147)	–	(15,147)	(2,959)	(18,106)
Total other comprehensive income		–	–	–	(15,147)	–	(15,147)	(2,959)	(18,106)
Total comprehensive income for the year		–	–	–	(15,147)	12,243,104	12,227,957	3,074,070	15,302,027
Transactions with owners,recognised directly in equity									
Distributions to owners									
Final dividends declared for year ended 31 December 2013	26	–	–	–	–	(324,605)	(324,605)	–	(324,605)
Interim dividends declared for year ended 31 December 2014	26	–	–	–	–	(960,851)	(960,851)	–	(960,851)
Dividends paid to non-controlling interests	26	–	–	–	–	–	–	(746,548)	(746,548)
Total distributions to owners		–	–	–	–	(1,285,456)	(1,285,456)	(746,548)	(2,032,004)
Total transactions with owners		–	–	–	–	(1,285,456)	(1,285,456)	(746,548)	(2,032,004)
At 31 December 2014		18,032,233	–	2,824,635	(15,899)	4,318,583	25,159,552	2,652,568	27,812,120

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

Year ended 31 December 2015

Group	Note	Share capital US$	Treasury shares US$	Capital reserve US$	Translation reserve US$	Retained earnings US$	Total attributable to owners of the Company US$	Non-controlling interests US$	Total equity US$
At 1 January 2015		18,032,233	–	2,824,635	(15,899)	4,318,583	25,159,552	2,652,568	27,812,120
Total comprehensive income for the year									
Profit for the year		–	–	–	–	10,666,397	10,666,397	2,762,486	13,428,883
Other comprehensive income									
Exchange differences arising on consolidation of foreign subsidiaries		–	–	–	(44,725)	–	(44,725)	(8,740)	(53,465)
Total other comprehensive income		–	–	–	(44,725)	–	(44,725)	(8,740)	(53,465)
Total comprehensive income for the year		–	–	–	(44,725)	10,666,397	10,621,672	2,753,746	13,375,418
Transactions with owners, recognised directly in equity									
Distributions to owners									
Final dividends declared for year ended 31 December 2014	26	–	–	–	–	(1,158,409)	(1,158,409)	–	(1,158,409)
Interim dividends declared for year ended 31 December 2015	26	–	–	–	–	(1,053,064)	(1,053,064)	–	(1,053,064)
Dividends paid to non-controlling interests	26	–	–	–	–	–	–	(855,257)	(855,257)
Purchase of treasury shares	12	–	(75,092)	–	–	–	(75,092)	–	(75,092)
Total distributions to owners		–	(75,092)	–	–	(2,211,473)	(2,286,565)	(855,257)	(3,141,822)
Total transactions with owners		–	(75,092)	–	–	(2,211,473)	(2,286,565)	(855,257)	(3,141,822)
At 31 December 2015		18,032,233	(75,092)	2,824,635	(60,624)	12,773,507	33,494,659	4,551,057	38,045,716

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Note	2015 US$	2014 US$
Cash flows from operating activities			
Profit for the year		13,428,883	15,320,133
Adjustments for:			
Amortisation of mine properties	20	1,675,567	1,020,454
Deposits written off		–	88,305
Depreciation of property, plant and equipment	20	2,310,394	2,030,446
Evaluation and exploration assets written off		–	66,485
Gain on disposal of property, plant and equipment		(8,030)	(80,266)
Impairment on other receivables		–	16,387
Interest expense		9,967	35,900
Interest income		(472,877)	(71,541)
Plant and equipment written off		3,159	–
Unrealised loss on foreign exchange		3,000,618	725,414
Tax expense/(credit)		1,009,573	(488,570)
		20,957,254	18,663,147
Changes in:			
- Inventories		(66,592)	289,887
- Trade and other receivables		(374,461)	519,863
- Accrued rehabilitation costs, and trade and other payables		(440,938)	(1,255,657)
Cash generated from operations		20,075,263	18,217,240
Interest received		472,877	71,541
Interest paid		(9,967)	(35,900)
Tax paid		(307,781)	(301,106)
Net cash generated from operating activities		20,230,392	17,951,775
Cash flows from investing activities			
Payment for exploration and evaluation assets, and mine properties		(1,252,930)	(2,063,631)
Proceeds from sales of property, plant and equipment		8,030	88,986
Purchase of property, plant and equipment		(2,901,578)	(2,925,299)
Net cash used in investing activities		(4,146,478)	(4,899,944)
Cash flows from financing activities			
Deposits returned		–	804,200
Purchase of treasury shares		(75,092)	–
Repayment of short term borrowings		–	(1,144,630)
Dividends paid to equity holders of the Company		(2,154,829)	(1,148,043)
Dividends paid to non-controlling interests		(752,686)	(447,782)
Payment of finance lease liabilities		(67,538)	(124,048)
Net cash used in financing activities		(3,050,145)	(2,060,303)
Net increase in cash and cash equivalents		13,033,769	10,991,528
Cash and cash equivalents at 1 January		12,339,714	2,207,225
Effect of exchange rate fluctuations on cash held		(3,238,944)	(859,039)
Cash and cash equivalents at 31 December	10	22,134,539	12,339,714

During the year ended 31 December 2015, the Group acquired property, plant and equipment with an aggregate cost of US$3,100,440 (2014: US$3,507,049), of which US$Nil (2014: US$365,894) was acquired under finance lease arrangements. As at 31 December 2015, a total consideration of US$198,862 (2014: US$215,856) is yet to be paid to third parties.

The Group also acquired exploration and evaluation assets and mine properties with an aggregate cost of US$1,869,862 (2014: US$3,024,546) of which US$307,677 (2014: US$295,329) was included in accrued rehabilitation costs (note 17). As at 31 December 2015, a total consideration of US$309,255 (2014: US$665,586) is yet to be paid to third parties.

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 March 2016.

1 Domicile and activities

CNMC Goldmine Holdings Limited is a company incorporated in Singapore. The address of the Company's registered office is 745 Lorong 5 Toa Payoh, #04-01 The Actuary, Singapore 319455.

The financial statements of the Group as at and for the year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The principal activities of the Company are those of an investment holding and management company. The principal activities of the subsidiaries are set out in note 7 to the financial statements. One of the subsidiaries, CMNM Mining Group Sdn. Bhd. has the contractual rights granted by the Kelantan State Economic Development Corporation, to mine and produce gold and other minerals found within a mining area covering approximately 10 square kilometres within Sungai Amang and Sungai Sejana, Mukim Sokor, Sokor, Tanah Merah, Kelantan, Malaysia for a period of 10 years expiring on 7 April 2018.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in United States Dollars which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements and that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4 – Impairment of exploration and evaluation assets
- Note 5 – Impairment and amortisation of mine properties

2 Basis of preparation (cont'd)

2.4 Use of estimates and judgements (cont'd)

(i) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The finance team has overall responsibility for all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer.

The finance team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ***Level 1:*** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ***Level 2:*** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ***Level 3:*** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 30 – Financial instruments.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities.

3.1 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combinations* as at the date of acquisition, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interests in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their own capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognised in profit or loss. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

3 Significant accounting policies (cont'd)

3.1 Basis of consolidation (cont'd)

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iv) Subsidiaries in the separate financial statements

Investments in subsidiaries are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to United States Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to United States Dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such monetary items are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the translation reserve in equity.

3.3 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred assets. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into loans and receivables category.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(ii) Non-derivative financial liabilities

All financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, and trade and other payables.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3 Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

(iii) Share capital (cont'd)

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

3.4 Property, plant and equipment, and mine properties

(i) Recognition and measurement

Upon completion of mine construction, the assets are transferred into property, plant and equipment or mine properties. Items of property, plant and equipment and mine properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

When a mine construction project moves into production stage, the capitalisation of certain mine construction costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to mining asset additions or improvements, underground mine development or mineable reserve development.

When parts of an item of property, plant and equipment, and mine properties have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment and mine properties.

The gain or loss on disposal of an item of property, plant and equipment and mine properties is calculated by comparing the net proceeds from disposal with the carrying amount of the property, plant and equipment, and mine properties, and is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Amortisation/Depreciation

Accumulated mine development costs are amortised on a unit-of-production basis over the economically recoverable reserves of the mine concerned, except in the case of assets whose useful life is shorter than the life of the mine, in which case the straight-line method is applied. The unit of account for running of mines costs are recoverable ounces of gold. The unit-of-production rate for the amortisation of mine development costs takes into account expenditure incurred to date, together with sanctioned future development expenditure.

3 Significant accounting policies (cont'd)

3.4 Property, plant and equipment, and mine properties (cont'd)

(iii) Amortisation/Depreciation (cont'd)

Mining rights are amortised to profit or loss on a straight-line basis over the assigned term of the rights, from the date the rights is available for use.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

For property, plant and equipment, depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. No depreciation is provided on construction work in progress.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years of other property, plant and equipment are as follows:

- buildings 5 to 8 years
- plant and equipment 3 to 8 years
- fixtures and fittings 2 to 3 years
- motor vehicles 3 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 Mineral exploration, evaluation and development expenditure

(i) Pre-mining rights costs

Costs incurred prior to obtaining mining rights are expensed in the period in which they are incurred.

(ii) Exploration and evaluation costs

Once the legal right to explore has been acquired, exploration and evaluation expenditure is charged to profit or loss as incurred, unless the directors conclude that a future economic benefit is more likely than not to be realised. These costs include materials and fuel used, surveying costs, drilling costs and payments made to contractors.

In evaluating if expenditures meet the criteria to be capitalised, several different sources of information are utilised. The information that is used to determine the probability of future benefits depends on the extent of exploration and evaluation that has been performed.

Drilling and related costs incurred on sites without an existing mine and on areas outside the boundary of a known mineral deposit which contains proven and probable reserves are exploration and evaluation expenditures, and are expensed as incurred to the date of establishing that costs incurred are economically recoverable. Further exploration and evaluation expenditures, subsequent to the establishment of economic recoverability, are capitalised and included in the carrying amount of the mineral assets.

3 Significant accounting policies (cont'd)

3.5 Mineral exploration, evaluation and development expenditure (cont'd)

(ii) Exploration and evaluation costs (cont'd)

Management evaluates the following criteria in its assessments of economic recoverability and probability of future economic benefit:

- Geology - whether or not there is sufficient geologic and economic certainty of being able to convert a residual mineral deposit into a proven and probable reserve at a development.
- Scoping - there is a scoping study or preliminary feasibility study that demonstrates the additional resources will generate a positive commercial outcome. Known metallurgy provides a basis for concluding there is a significant likelihood of being able to recoup the incremental costs of extraction and production.
- Accessible facilities - mining property can be processed economically at accessible mining and processing facilities where applicable.
- Life of mine plans - an overall life of mine plan and economic model to support the mine and the economic extraction of resources/reserves exists. A long-term life of mine plan, and supporting geological model identifies the drilling and related development work required to expand or further define the existing ore body.
- Authorisations - operating permits and feasible environmental programs exist or are obtainable.

Prior to capitalising exploration drilling and related costs, management will determine that the following conditions have been met that will contribute to future cash flows:

There is a probable future benefit that will contribute to future cash inflows;

- The Group can obtain the benefit and controls access to it;
- The transaction or event giving rise to the future benefit has already occurred; and
- Costs incurred can be measured reliably.

If after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount is written off in profit or loss in the period when the new information becomes available.

Once reserves are established and development is sanctioned, exploration and evaluation assets are tested for impairment and transferred to "Mines under construction". No amortisation is charged during the exploration and evaluation phase.

(iii) Mines under construction

Upon transfer of "Exploration and evaluation costs" into "Mines under construction", all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised within "Mines under construction". Development expenditure is net of proceeds from all but the incidental sale of ore extracted during the development phase. After production starts, all assets included in "Mines under construction" are transferred to "Producing mines".

3 Significant accounting policies (cont'd)

3.6 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.7 Inventories

Work in progress consists of gold contained in the ore on leaching yards/ponds and in circuit material within processing operation.

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to when the stockpiled ore will be processed, it is expensed as incurred. When the future processing of this ore can be predicted with confidence, it is valued at lower of cost and net realisable value. If the ore will not be processed within 12 months after the reporting date, it is included within non-current assets. Quantities are assessed primarily through surveys and assays.

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Materials and supplies are valued at the lower of cost and net realisable value. Any provision for obsolescence is determined by reference to specific items of stocks. A regular review is undertaken to determine the extent of any provision for obsolescence.

3.8 Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor will enter bankruptcy and adverse changes in the payment status of borrowers in the group.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at the specific asset level. All individually significant loans and receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3 Significant accounting policies (cont'd)

3.8 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(iii) Share-based payment transaction

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up differences between expected and actual outcomes.

3 Significant accounting policies (cont'd)

3.10 Accrued rehabilitation costs

The Group records the costs of legal obligations required to restore operating locations on an annual basis. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the production location. When the liability is initially recognised, the accrued costs are capitalised by increasing the carrying amount of the related mining assets to the extent that it was incurred by the development/construction of the mine.

Additional disturbances or changes in rehabilitation costs will be recognised as additions or charges to the corresponding assets and rehabilitation liability when they occur.

3.11 Revenue recognition

Income is recognised in the financial statements on the following bases:

(i) Sales of gold and non-gold metals

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts.

Revenue from the sales of gold and non-gold metals is recognised when there has been a transfer of significant risks and rewards of ownership to the customer, no further work or processing is required by the Group, the quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is reasonably assured. This is generally when title passes and the goods have been delivered to a contractually agreed location. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

3.12 Finance income and finance costs

Finance income comprise interest income on cash and cash equivalents. Interest income is recognised as it accrues in profit and loss, using the effective interest method.

Finance costs comprise interest expenses on borrowings.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.13 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3 Significant accounting policies (cont'd)

3.13 Tax (cont'd)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.14 Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of that specified asset or assets; and
- the arrangement conveys the right to use the asset(s).

3 Significant accounting policies (cont'd)

3.14 Lease payments (cont'd)

Determining whether an arrangement contains a lease (cont'd)

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

3.15 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible loan.

3.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's executive directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's executive directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, mine properties, and exploration and evaluation assets.

3.17 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2015, and have not been applied in preparing these financial statements. The Group is currently assessing the potential impact of adopting these new standards and interpretations, on the financial statements of the Group and the Company.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers* and FRS 109 *Financial Instruments* which are mandatory for adoption by the Group on 1 January 2017 and 1 January 2018 respectively.

- FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 Revenue, FRS 11 *Construction Contracts*, INT FRS 113 *Customer Loyalty Programmes*, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers* and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

- FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

3 Significant accounting policies (cont'd)

3.17 New standards and interpretations not yet adopted (cont'd)

As FRS 115 and FRS 109, when effective, will change the existing accounting standards and guidance applied by the Group and the Company in accounting for revenue and financial instruments, these standards are expected to be relevant to the Group and the Company. The Group Management will assess the potential impact of the new standards on its financial statements. The Group does not plan to adopt these standards early.

The Accounting Standards Council (ASC) announced on 29 May 2014 that Singapore-incorporated companies listed on the Singapore Exchange (SGX) will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on SGX will have to assess the impact of IFRS 1: First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

4 Exploration and evaluation assets

	Group	
	2015	2014
	US$	US$
At 1 January	4,990,395	3,990,897
Expenditure incurred during the year	1,541,698	2,729,217
Expenditure transferred to mine properties	(4,447,133)	(1,663,234)
Written off	–	(66,485)
At 31 December	2,084,960	4,990,395

Impairment of exploration and evaluation assets

The Group has substantial investments in exploration and evaluation assets for its mining operations in Malaysia whereby the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation.

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine the technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Exploration and evaluation assets are tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Where a potential impairment is indicated, an assessment is performed for each CGU which is no larger than the area of interest. The Group performs impairment testing in accordance with the Group's accounting policy for impairment {note 3.8(ii)}.

5 Mine properties

	Mining rights US$	Mine design in progress US$	Producing mines US$	Total US$
Group				
Cost				
At 1 January 2014	496,801	184,000	5,927,285	6,608,086
Additions	–	–	295,329	295,329
Expenditure transferred from exploration and evaluation assets	–	–	1,663,234	1,663,234
At 31 December 2014	496,801	184,000	7,885,848	8,566,649
Additions	–	–	328,164	328,164
Expenditure transferred from exploration and evaluation assets	–	–	4,447,133	4,447,133
Reclassification	–	(184,000)	184,000	–
At 31 December 2015	496,801	–	12,845,145	13,341,946
Accumulated amortisation				
At 1 January 2014	281,520	–	747,281	1,028,801
Amortisation charge for the year	49,680	–	970,774	1,020,454
At 31 December 2014	331,200	–	1,718,055	2,049,255
Amortisation charge for the year	49,680	–	1,625,887	1,675,567
At 31 December 2015	380,880	–	3,343,942	3,724,822
Carrying amounts				
At 1 January 2014	215,281	184,000	5,180,004	5,579,285
At 31 December 2014	165,601	184,000	6,167,793	6,517,394
At 31 December 2015	115,921	–	9,501,203	9,617,124

The carrying amount of the mining rights represents the gold exploration and mining rights for the Sokor gold field project located in the District of Tanah Merah, Kelantan, Malaysia for a period of 10 years from 8 April 2008.

Mine design in progress is not amortised until the contractor completes the mine design at the mine site.

Impairment of mine properties

The Group has substantial investments in mine properties for its mining operations in Malaysia. Management has identified the Group's mine properties as a single cash-generating unit ("CGU").

Impairment loss is recognised when events and circumstances indicate that the Group's mine properties may be impaired and the carrying amounts of mine properties exceed their recoverable amounts.

5 Mine properties (cont'd)

Impairment of mine properties (cont'd)

In assessing whether impairment is required for the carrying value of mine properties, its carrying value is compared with its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Given the nature of the Group's activities, information on the fair value of an asset is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently, unless indicated otherwise, the recoverable amount used in assessing the impairment charges described below is value in use.

The calculation of value in use is most sensitive to the following assumptions:

- Production volumes
- Discount rates
- Gold prices
- Operating costs

The Group generally estimates value in use using a discounted cash flow model. The future cash flows are adjusted for risks specific to mine properties and discounted using a pre-tax discount rate of 21.72% (2014: 21.55%). Management also believes that currently there is no reasonably possible change in the production volumes, discount rates, estimated future gold prices and future operating costs which would reduce the Group's excess of recoverable amount over the carrying amounts of the CGU to zero.

Based on the assessment, management determined that no impairment to the mine properties is considered necessary as at 31 December 2015.

Amortisation

The carrying amount of the mining rights and mine design are amortised on a straight-line basis over the remaining useful life of the mining rights. For mine development costs recorded under "Producing mines", the carrying amount is amortised based on units-of-production basis over the economically recoverable reserves of the mine concerned.

Management reviews and revises the estimates of the recoverable reserve of the mine and, remaining useful life and residual values of mine properties at the end of each financial year. Any changes in estimates of the recoverable reserve of the mine and, the useful life and residual values of the mine properties would impact the amortisation charges and consequently affect the Group's results.

6 Property, plant and equipment

	Buildings US$	Plant and equipment US$	Fixtures and fittings US$	Motor vehicles US$	Construction work in progress US$	Total US$
Group						
Cost						
At 1 January 2014	3,059,997	3,946,634	212,890	884,923	1,740,408	9,844,852
Additions	15,069	1,130,139	19,512	720,856	1,621,473	3,507,049
Disposals/Written off	–	(122,729)	–	(13,472)	–	(136,201)
Reclassification	1,249,371	753,738	–	2,354	(2,005,463)	–
At 31 December 2014	4,324,437	5,707,782	232,402	1,594,661	1,356,418	13,215,700
Additions	101,859	924,964	12,231	51,434	2,009,952	3,100,440
Disposals/Written off	(37,708)	(13,571)	(1,941)	(16,735)	–	(69,955)
Reclassification	1,543,620	320,495	–	–	(1,864,115)	–
At 31 December 2015	5,932,208	6,939,670	242,692	1,629,360	1,502,255	16,246,185
Accumulated depreciation and impairment losses						
At 1 January 2014	597,965	2,374,005	204,696	448,872	–	3,625,538
Depreciation charge for the year	621,302	1,154,832	10,661	352,134	–	2,138,929
Disposals/Written off	–	(109,092)	–	(8,233)	–	(117,325)
At 31 December 2014	1,219,267	3,419,745	215,357	792,773	–	5,647,142
Depreciation charge for the year	830,350	1,258,971	9,734	403,352	–	2,502,407
Disposals/Written off	(34,992)	(13,128)	(1,941)	(16,735)	–	(66,796)
At 31 December 2015	2,014,625	4,665,588	223,150	1,179,390	–	8,082,753
Carrying amounts						
At 1 January 2014	2,462,032	1,572,629	8,194	436,051	1,740,408	6,219,314
At 31 December 2014	3,105,170	2,288,037	17,045	801,888	1,356,418	7,568,558
At 31 December 2015	3,917,583	2,274,082	19,542	449,970	1,502,255	8,163,432

The depreciation for the year is analysed as follows:

	Note	Group 2015 US$	Group 2014 US$
Depreciation for the year		2,502,407	2,138,929
Depreciation included in construction work in progress, and exploration and evaluation assets		(192,013)	(108,483)
Depreciation charged to profit or loss	20	2,310,394	2,030,446

6 Property, plant and equipment (cont'd)

	Plant and equipment US$	Fixtures and fittings US$	Motor vehicles US$	Total US$
Company				
Cost				
At 1 January 2014	8,670	147,029	–	155,699
Additions	5,089	18,168	155,316	178,573
At 31 December 2014	13,759	165,197	155,316	334,272
Additions	6,849	6,880	–	13,729
Written off	(3,134)	–	–	(3,134)
At 31 December 2015	17,474	172,077	155,316	344,867
Accumulated depreciation and impairment losses				
At 1 January 2014	3,249	142,335	–	145,584
Depreciation charge for the year	3,988	7,475	17,258	28,721
At 31 December 2014	7,237	149,810	17,258	174,305
Depreciation charge for the year	4,329	7,628	51,771	63,728
Written off	(2,691)	–	–	(2,691)
At 31 December 2015	8,875	157,438	69,029	235,342
Carrying amounts				
At 1 January 2014	5,421	4,694	–	10,115
At 31 December 2014	6,522	15,387	138,058	159,967
At 31 December 2015	8,599	14,639	86,287	109,525

Leased plant and equipment, and motor vehicles

The Group leases plant and equipment, and motor vehicles under a number of finance leases which secure lease obligations. At 31 December 2015, the carrying amount of leased plant and equipment, and motor vehicles was US$161,311 (2014: US$366,599).

During the year, the Group acquired plant and equipment, and motor vehicles under finance lease arrangements of US$Nil (2014: US$365,894) (note 15).

7 Interests in subsidiaries

	Company	
	2015 US$	2014 US$
Equity investments at cost	8,495,303	8,233,503
Allowance for impairment	(188,716)	(188,716)
	8,306,587	8,044,787

7 Interests in subsidiaries (cont'd)

The movement in the allowance for impairment in respect of interests in subsidiaries during the year was as follows:

	Company	
	2015	2014
	US$	US$
At 1 January	188,716	31,467
Impairment loss recognised	–	157,249
At 31 December	188,716	188,716

Impairment on investment in subsidiary

In 2014, the Company impaired its total investment cost of US$157,249 in MCS Tin Holdings Sdn. Bhd. to US$Nil as the subsidiary ceased its operations.

The following are the Company's subsidiaries:

Company name	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group	
			2015	2014
			%	%
Held by the Company				
[1] CNMC Goldmine Limited ("CNMC HK")	Investment holding company	Hong Kong SAR	100	100
[2] CMNM Mining Group Sdn. Bhd. ("CMNM Mining")	Exploration and mining of gold deposits	Malaysia	81	81
[2] CNMC Development (M) Sdn. Bhd. ("CNMC Development")	Investment holding company Currently dormant	Malaysia	100	100
[2] MCS Tin Holdings Sdn. Bhd. ("MCS Tin")	Investment holding company Currently dormant	Malaysia	100	100
[2] CNMC Mineral Exploration Sdn. Bhd. ("CNMC Exploration")	Mineral exploration and drilling service provider	Malaysia	100	–
Held by CNMC HK				
[2,3] MCS Mining Group Sdn. Bhd. ("MCS Mining")	Exploration and mining of gold deposits Currently dormant	Malaysia	80	80
[2] CNMC-Nalata Mining Sdn. Bhd.	Exploration and mining of gold deposits Currently dormant	Malaysia	80	80

[1] Audited by Allen Kong & Co. (Certified Public Accountants, Hong Kong SAR).

[2] Audited by another member firm of KPMG International.

[3] CNMC HK is the registered holder of 87.5% interest in MCS Mining. CNMC HK has an arrangement with the Kelantan State Government to hold 7.5% interest in MCS Mining for the Kelantan State Government, and such interest will be transferred from CNMC HK in due course. Accordingly, the effective equity held by Group in MCS Mining is 80% (2014: 80%) as at 31 December 2015.

8 Inventories

	Group	
	2015	2014
	US$	US$
Work in progress/Stockpile	657,993	390,437
Consumables	210,807	411,771
	868,800	802,208

In 2015, work in progress, stockpile and consumables recognised as an expense in profit or loss amounted to US$12,548,808 (2014: US$11,080,243).

9 Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Trade receivables	101,247	–	–	–
Amounts due from subsidiaries				
- trade	–	–	6,533,396	3,816,558
- non-trade	–	–	1,879,763	2,810,098
Other receivables	693,082	192,908	38,269	12,973
Deposits	31,017	382,088	17,701	17,839
	825,346	574,996	8,469,129	6,657,468
Prepayments	6,750	37,761	–	31,011
	832,096	612,757	8,469,129	6,688,479

The outstanding trade receivables are not past due as at 31 December 2015. Based on historical trend, the Group believes that no impairment allowance is necessary in respect of outstanding trade receivables not past due.

The non-trade amounts due from subsidiaries are unsecured and repayable on demand. Interest is charged at 8.0% (2014: 8.0%) per annum.

The Group and the Company's exposure to credit and currency risks are disclosed in note 30.

10 Cash and cash equivalents

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Cash at banks and in hand	5,993,116	4,372,231	175,513	1,256,408
Fixed deposits	16,141,423	7,967,483	727,356	767,381
Cash and cash equivalents in the statements of financial position / statements of cash flows	22,134,539	12,339,714	902,869	2,023,789

11 Share capital

	Group and Company	
	2015	2014
	Number of shares	Number of shares
Issued and fully-paid ordinary shares with no par value:		
At 1 January and 31 December	407,693,000	407,693,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Performance shares

The Company has a performance share plan known as the CNMC Performance Share Plan (the "PSP") which was approved at an extraordinary general meeting of the shareholders of the Company on 14 October 2011. The PSP was subsequently amended and approved by insertion of a new Rule 5.8 at the Company's extraordinary general meeting held on 27 April 2012.

The PSP is administered by an awards committee comprising Mr Tan Poh Chye Allan, Mr Kuan Cheng Tuck and Ms Gan Siew Lian. The PSP grants a participant the right to receive fully paid shares free of charge, upon the participant achieving prescribed performance targets. Employees of the Group, employees of an associated company, directors and employees of the Company's parent company and its subsidiaries, and controlling shareholders and their associates are eligible to participate in the PSP.

The total number of new shares which may be issued pursuant to awards granted under the PSP, when added to (i) the number of new shares issued and issuable in respect of all awards granted thereunder; and (ii) any other share incentive schemes adopted by the Company for the time being in force, shall not exceed 15% of the share capital of the Company on the day preceding the relevant date of award. The aggregate number of shares available under the PSP shall not exceed 15% of the total issued share capital of the Company from time to time.

As at the end of the financial year, no awards of shares have been granted under the PSP to controlling shareholders or their associates and no participants have received shares which in aggregate represent 5% or more of the total number of shares available under the PSP.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of share capital, reserves and non-controlling interests of the Group.

The Board closely monitors the cash flow forecasts and working capital requirements of the Group to ensure that there are sufficient financial resources available to meet the needs of the business. There were no changes in the Group's approach to capital management during the financial years ended 31 December 2014 and 2015.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

12 Treasury shares

	Group and Company			
	2015		2014	
	No. of shares	US$	No. of shares	US$
At 1 January	–	–	–	–
Purchase of treasury shares	(400,000)	(75,092)	–	–
At 31 December	(400,000)	(75,092)	–	–

12 Treasury shares (cont'd)

Treasury shares related to ordinary shares of the Company that is held by the Company.

The Company acquired 400,000 (2014: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was US$75,092 (2014: US$Nil) and this was presented as a component within shareholders' equity.

No treasury shares were reissued pursuant to the performance shares plan during the year.

13 Reserves

	Group	
	2015	2014
	US$	US$
Capital reserve	2,824,635	2,824,635
Translation reserve	(60,624)	(15,899)
	2,764,011	2,808,736

Capital reserve

Pursuant to the share swap agreement dated 14 October 2011, the Company has acquired the entire issued share capital of CNMC Goldmine Limited ("CNMC HK") comprising 14,004,524 ordinary shares in the capital of CNMC HK, for an aggregate consideration of approximately US$7,856,177 (the "Restructuring Exercise").

The purchase consideration of US$7,856,177 was arrived at after taking into consideration the net asset value of CNMC HK as at 14 October 2011. This was fully satisfied by the allotment of 374,999,999 new shares in the capital of the Company on 14 October 2011.

Upon completion of the Restructuring Exercise, the Company became the immediate and ultimate holding company of CNMC HK and its subsidiaries.

The capital reserve as presented in the Group's consolidated financial statements represents the difference between the cost of acquisition for the restructuring exercise as described above and the amount of paid up capital of CNMC HK at the date of acquisition.

Translation reserve

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company.

14 Non-controlling interests

The following subsidiary has material non-controlling interests ("NCI").

Company name	Principal place of business/ Country of incorporation	Operating segment	Ownership interests held by non-controlling interests	
			2015	2014
			%	%
CMNM Mining Group Sdn. Bhd.	Malaysia	Gold mining	19	19

14 Non-controlling interests (cont'd)

The following summarises the financial information of CMNM Mining, based on its financial statements prepared in accordance with FRS, before intra-group eliminations.

	CMNM Mining	Other individually immaterial subsidiaries	Total
	US$	US$	US$
Group			
2015			
Revenue	36,470,636		
Profit and total comprehensive income for the year	14,531,106		
Attributable to NCI:			
- Profit for the year	2,760,910	1,576	2,762,486
- Other comprehensive income for the year	–	(8,740)	(8,740)
- Total comprehensive income for the year	2,760,910	(7,164)	2,753,746
Non-current assets	19,771,268		
Current assets	23,111,942		
Non-current liabilities	(1,350,078)		
Current liabilities	(18,578,035)		
Net assets	22,955,097		
Net assets attributable to NCI	4,527,597	23,460	4,551,057
Cash flows generated from operating activities	22,009,577		
Cash flows used in investing activities	(4,132,749)		
Cash flows used in financing activities (dividends to NCI: US$752,686)	(4,042,161)		
Net increase in cash and cash equivalents	13,834,667		
2014			
Revenue	33,213,371		
Profit and total comprehensive income for the year	16,186,353		
Attributable to NCI:			
- Profit for the year	3,075,407	1,622	3,077,029
- Other comprehensive income for the year	–	(2,959)	(2,959)
- Total comprehensive income for the year	3,075,407	(1,337)	3,074,070
Non-current assets	18,931,657		
Current assets	12,278,091		
Non-current liabilities	(717,780)		
Current liabilities	(17,566,627)		
Net assets	12,925,341		
Net assets attributable to NCI	2,621,944	30,624	2,652,568
Cash flows generated from operating activities	15,766,542		
Cash flows used in investing activities	(5,015,258)		
Cash flows used in financing activities (dividends to NCI: US$447,782)	(2,442,178)		
Net increase in cash and cash equivalents	8,309,106		

15 Loans and borrowings

	Group	
	2015	2014
	US$	US$
Non-current		
Finance lease liabilities	100,429	175,594
Current		
Finance lease liabilities	42,613	73,033
Total loans and borrowings	143,042	248,627

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings were as follows:

	Currency	Nominal interest rate %	Year of maturity	Face value US$	Carrying amount US$
Group					
At 31 December 2015					
Finance lease liabilities	Ringgit Malaysia	2.4 to 3.0	2016 to 2019	155,302	143,042
At 31 December 2014					
Finance lease liabilities	Ringgit Malaysia	2.4 to 4.5	2015 to 2019	274,092	248,627

Finance lease liabilities

Finance lease liabilities are repayable as follows:

	Future minimum lease payments US$	Interest US$	Principal US$
Group			
At 31 December 2015			
Within 1 year	48,711	6,098	42,613
After 1 year but within 5 years	106,591	6,162	100,429
	155,302	12,260	143,042
At 31 December 2014			
Within 1 year	83,448	10,415	73,033
After 1 year but within 5 years	190,644	15,050	175,594
	274,092	25,465	248,627

16 Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Property, plant and equipment and mine properties	(1,251,776)	(542,186)	–	–
Unutilised tax losses carried forward	2,127	–	–	–
	(1,249,649)	(542,186)	–	–
Represented by:				
Deferred tax assets	–	–	–	–
Deferred tax liabilities	(1,249,649)	(542,186)	–	–
	(1,249,649)	(542,186)	–	–

Movement in temporary differences during the year

	At 1 January 2014	Recognised in profit or loss (note 23)	At 31 December 2014	Recognised in profit or loss (note 23)	At 31 December 2015
	US$	US$	US$	US$	US$
Group					
Property, plant and equipment and mine properties	(323,487)	(218,699)	(542,186)	(709,590)	(1,251,776)
Unutilised tax losses carried forward	345,026	(345,026)	–	2,127	2,127
Unutilised capital allowances carried forward	6,943	(6,943)	–	–	–
Taxable temporary differences	(152,934)	152,934	–	–	–
Deferred tax liabilities	(124,452)	(417,734)	(542,186)	(707,463)	(1,249,649)
Company					
Property, plant and equipment and mine properties	8,426	(8,426)	–	–	–
Unutilised tax losses carried forward	345,026	(345,026)	–	–	–
Unutilised capital allowances carried forward	6,943	(6,943)	–	–	–
Taxable temporary differences	(152,934)	152,934	–	–	–
Deferred tax assets	207,461	(207,461)	–	–	–

The unutilised tax losses do not expire under current tax legislation. The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which the entities of the Group operate.

17 Accrued rehabilitation costs

	Group	
	2015	2014
	US$	US$
Accrued rehabilitation costs	326,635	289,990

Included in the accrued rehabilitation costs is an amount of US$307,677 (2014: US$295,329) which are capitalised to mine properties during the year.

In accordance with Section 129 of the Mineral Enactment (Malaysia) Act 2001, the accrued rehabilitation costs is based on 1% of the gross sales value of all minerals extracted during a calendar year or an agreed annual fee, whichever is higher. In this connection, management accrued 1% of the gross sales value of all minerals extracted during a calendar year as rehabilitation costs.

The payment for the restoration costs is to be made to a rehabilitation fund which is to be administered by the relevant authorities in Kelantan, Malaysia, in accordance with Section 129 of the Mineral Enactment (Malaysia) Act 2001. Up to 31 December 2015, the Group has paid US$528,376 (2014: US$323,181) to the authority.

The accrued rehabilitation costs approximates rehabilitation provision, which represents the present value of rehabilitation costs relating to the mine site, which are expected to be incurred up to 2018. This provision has been created based on the Group's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates are reviewed regularly to take into account any material changes to the assumptions. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary decommissioning works required which will reflect market conditions at the relevant time. Furthermore, the timing of rehabilitation is likely to depend on when the mine ceases to produce at economically viable rates. This, in turn, will depend upon future gold prices, which are inherently uncertain.

As at 2 March 2016, management believes that there are no further obligations in respect to the accrued rehabilitation costs.

18 Trade and other payables

	Group		Company	
	2015	2014	2015	2014
	US$	US$	US$	US$
Trade payables	639,476	375,999	13,041	51,593
Other payables	799	1,015	–	–
Amount due to a subsidiary (non-trade)	–	–	421,610	188,610
Amounts due to contractors	912,475	1,447,316	–	–
Accrued operating expenses	1,436,813	1,304,759	104,642	126,992
Remuneration and fees payable to key management	9,300	27,441	–	17,053
	2,998,863	3,156,530	539,293	384,248

The non-trade amount due to a subsidiary are unsecured, interest-free and repayable on demand.

The Group and the Company's exposure to liquidity and market risks related to trade and other payables are disclosed in note 30.

19 Other income

	Group	
	2015	2014
	US$	US$
Gain on disposal on property, plant and equipment	8,030	80,266
Others	142,371	16,903
	150,401	97,169

20 Amortisation and depreciation

	Note	Group	
		2015	2014
		US$	US$
Amortisation of mine properties	5	1,675,567	1,020,454
Depreciation of property, plant and equipment	6	2,310,394	2,030,446
		3,985,961	3,050,900

21 Other expenses

	Group	
	2015	2014
	US$	US$
Deposits written off	–	88,305
Evaluation and exploration assets written off	–	66,485
Impairment on other receivables	–	16,387
Net foreign exchange loss	3,056,488	844,996
Plant and equipment written off	3,159	–
Others	1,116	6,074
	3,060,763	1,022,247

22 Finance income and costs

	Group	
	2015	2014
	US$	US$
Finance income		
Interest income on cash and cash equivalents	472,877	71,541
Finance costs		
Interest expenses on:		
- finance lease liabilities	(9,967)	(10,513)
- short term loan	–	(3,711)
- convertible loan	–	(21,676)
	(9,967)	(35,900)
Net finance income recognised in profit or loss	462,910	35,641

23 Tax expense/(credit)

	Note	Group 2015 US$	Group 2014 US$
Current tax expense/(credit)			
Current year		300,711	310,056
Adjustment for prior years		1,399	(1,216,360)
		302,110	(906,304)
Deferred tax expense			
Origination and reversal of temporary differences		663,557	284,120
Adjustment for prior years		43,906	133,614
	16	707,463	417,734
Total tax expense/(credit)		1,009,573	(488,570)

The Group's operations are mainly in Malaysia. The tax expense on the profit differs from the amount that would arise using Malaysian income tax rates is explained below:

	Group 2015 US$	Group 2014 US$
Reconciliation of effective tax rate		
Profit for the year	13,428,883	15,320,133
Total tax expense/(credit)	1,009,573	(488,570)
Profit excluding tax	14,438,456	14,831,563
Tax using Malaysian tax rate of 25% (2014: 25%)	3,609,614	3,707,891
Effect of tax rates in foreign jurisdictions	78,257	36,404
Pioneer Status Incentive	(4,153,422)	(3,530,327)
Tax exempt income	–	(11,081)
Non-deductible expenses	769,567	129,198
Losses not available for carry forward	–	4,233
Effect of reduction in tax rate	(52,069)	–
Under/(Over) provision in respect of prior years:		
- current tax expense	1,399	(1,216,360)
- deferred tax expense	43,906	133,614
Withholding tax	298,303	285,510
Effect of changes in foreign exchange rate	414,945	–
Others	(927)	(27,652)
	1,009,573	(488,570)

In 2014, CMNM Mining Group Sdn. Bhd. obtained the Pioneer Status Incentive granted by Malaysian Investment Development Authority which entitles the Sokor gold field project to 100% income tax exemption on statutory income for a period of five years from 1 July 2013 to 30 June 2018. As a result of the Pioneer Status Incentive, there was an overprovision of income tax expense of US$1,216,360 in respect of the year ended 31 December 2013 recognised in the consolidated statement of profit or loss for the year ended 31 December 2014. The overprovision was due to the income tax expense for the year ended 31 December 2013 being previously computed on the basis that there was no tax exemption.

As at 31 December 2015, the current tax payable and net deferred tax liabilities are US$20,246 (2014: US$20,544) and US$1,249,649 (2014: US$542,186) respectively.

24 Profit for the year

The following items have been included in arriving at profit for the year:

	Group	
	2015	2014
	US$	US$
Audit fees paid/payable to:		
- auditors of the Company	117,895	140,798
- other auditors	18,145	21,337
Non-audit fees paid/payable to:		
- auditors of the Company	23,317	14,578
- other auditors	44,276	48,852

25 Earnings per share

The calculation of basic earnings per share at 31 December 2015 was based on the profit attributable to ordinary shareholders of US$10,666,397 (2014: US$12,243,104) and issued ordinary shares outstanding of 407,693,000 (2014: 407,693,000).

Diluted earnings per share

The calculation of diluted earnings per share at 31 December 2015 was based on profit attributable to ordinary shareholders of US$10,666,397 (2014: US$12,264,780), and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 407,493,676 (2014: 408,631,979), calculated as follows:

	Group	
	2015	2014
	US$	US$
Profit attributable to ordinary shareholders (basic)	10,666,397	12,243,104
Interest expense on convertible loan, net of tax	–	21,676
Profit attributable to ordinary shareholders (diluted)	10,666,397	12,264,780

The Group's weighted average number of ordinary shares (diluted) is calculated as follows:

	Group	
	2015	2014
	No. of shares	No. of shares
Issued number of ordinary shares	407,693,000	407,693,000
Effect of conversion of convertible loan	–	938,979
Effect of own shares held	(199,324)	–
Weighted average number of ordinary shares (diluted)during the year	407,493,676	408,631,979

26 Dividends

The following exempt (one-tier) dividends were declared, and paid and payable by the Group and Company:

For the year ended 31 December	Group and Company	
	2015	2014
	US$	US$
Paid/payable by the Company to owners of the Company		
Dividends on ordinary shares:		
- Final and special dividends for the year ended 2014: S$0.00375 (equivalent to US$0.00284) (2013: S$0.0010 (equivalent to US$0.00080)) per ordinary share	1,158,409	324,605
- First interim dividends for the year ended 2015: S$0.00180 (equivalent to US$0.00131) (2014: S$0.00150 (equivalent to US$0.00121)) per ordinary share	534,157	491,800
- Second interim dividends for the year ended 2015: S$0.00180 (equivalent to US$0.00127) (2014: S$0.00150 (equivalent to US$0.00115)) per ordinary share	518,907	469,051
	2,211,473	1,285,456

For the year ended 31 December	Group	
	2015	2014
	US$	US$
Paid/payable by a subsidiary to non-controlling interests		
Dividends on ordinary shares:		
- First interim dividends for the year ended 2015: RM9.00 (equivalent to US$2.4561) (2014: RM6.00 (equivalent to US$1.8666)) per ordinary share	233,330	177,327
- Second interim dividends for the year ended 2015: RM10.00 (equivalent to US$2.322) (2014: RM9.00 (equivalent to US$2.7369)) per ordinary share	220,590	260,005
- Third interim dividends for the year ended 2015: RM18.00 (equivalent to US$4.2246) (2014: RM11.00 (equivalent to US$3.2549)) per ordinary share	401,337	309,216
	855,257	746,548

After the respective reporting dates, the following exempt (one-tier) dividends were proposed by the directors. These exempt (one-tier) dividends have not been provided for.

	Group and Company	
	2015	2014
	US$	US$
Payable by the Company to owners of the Company		
- Final dividends for the year ended 2015: S$0.00180 (equivalent to US$0.00127) (2014: S$0.0015 (equivalent to US$0.0011952) per ordinary share	518,541	487,275
- Special dividends for the year ended 2015: S$0.00405 (equivalent to US$0.00286) (2014: S$0.00225 (equivalent to US$0.0017928)) per ordinary share	1,166,717	730,912
	1,685,258	1,218,187

27 Operating segments

Business segments

The Group has one reportable segment as described below. For the reportable segment, the Group's executive directors review internal management reports on at least a quarterly basis. The following summary describes the operations in the Group's reportable segment:

Gold mining: Exploration, development, mining and marketing of gold.

Other operations include investment holding company and provision of corporate services.

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's executive directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise tax assets and liabilities and corporate revenue, assets, expenses and liabilities.

Information about reportable segments

	Gold mining	Other operations	Inter-segment eliminations	Total
	US$	US$	US$	US$
Group				
31 December 2015				
Total revenue from external customers	36,470,636	–	–	36,470,636
Interest income	479,204	637,015	(643,342)	472,877
Management fee	–	2,356,477	(2,356,477)	–
Interest expense	(653,309)	–	643,342	(9,967)
Amortisation and depreciation	(3,922,234)	(63,727)	–	(3,985,961)
Reportable segment profit before tax	15,220,696	2,912,863	(3,695,103)	14,438,456
Reportable segment assets	43,360,676	24,793,165	(24,452,890)	43,700,951
Capital expenditure*	4,956,573	13,729	–	4,970,302
Reportable segment liabilities	(18,683,244)	(1,708,660)	15,986,318	(4,405,586)

27 Operating segments (cont'd)

Information about reportable segments (cont'd)

	Gold mining US$	Other operations US$	Inter-segment eliminations US$	Total US$
Group				
31 December 2014				
Total revenue from external customers	33,213,371	–	–	33,213,371
Interest income	89,457	757,901	(775,817)	71,541
Management fee	–	2,099,722	(2,099,722)	–
Interest expense	(786,330)	(25,387)	775,817	(35,900)
Amortisation and depreciation	(3,021,903)	(28,997)	–	(3,050,900)
Reportable segment profit before tax	15,214,725	2,461,242	(2,844,404)	14,831,563
Reportable segment assets	31,508,923	26,404,754	(25,082,651)	32,831,026
Capital expenditure*	6,353,022	178,573	–	6,531,595
Reportable segment liabilities	(17,756,764)	(3,646,845)	16,926,889	(4,476,720)

* Capital expenditure consists of additions of property, plant and equipment, mine properties and, exploration and evaluation assets.

Reconciliation of reportable segment assets and liabilities

	Group	
	2015 US$	2014 US$
Assets		
Total assets for reportable segments	43,700,951	32,831,026
Unallocated assets	–	–
Consolidated total assets	43,700,951	32,831,026
Total liabilities for reportable segments	(4,405,586)	(4,476,720)
Unallocated liabilities	(1,249,649)	(542,186)
Consolidated total liabilities	(5,655,235)	(5,018,906)

Geographical segments

The operations of the Group are principally located in Malaysia.

Major customer

There is one (2014: one) major customer which accounts for 99% (2014: 98%) of the Group's revenue.

28 Commitments

(i) Capital commitments

As at the respective reporting dates, the Group entered into contracts for:

	Group	
	2015	2014
	US$	US$
Exploration and evaluation assets, and mine properties	168,868	5,286,303
Property, plant and equipment	69,426	55,953

(ii) Operating lease commitments

Leases entered into as lessee

The total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

	Group	
	2015	2014
	US$	US$
Within 1 year	104,306	93,293
After 1 year but within 5 years	83,874	4,489
	188,180	97,782

29 Related parties

(a) Key management personnel compensation

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The amounts stated below for key management compensation are for all the executive directors and other key management personnel.

Key management personnel compensation comprised:

	Group	
	2015	2014
	US$	US$
Short-term employee benefits	2,301,445	1,893,975
Post-employment benefits	66,913	63,454
Directors' fees	122,814	90,172
	2,491,172	2,047,601

Included in key management personnel compensation is remuneration of certain directors of the Company amounting to US$2,050,812 (2014: US$1,627,627). Director's remuneration includes salaries, bonuses, fees and other emoluments.

30 Financial instruments (cont'd)

Overview

The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the consolidated statement of financial position.

Cash and cash equivalents are placed with banks which are regulated.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. The risk can arise from mismatches in the timing of cash flows. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be obtained at the expected terms and when required.

30 Financial instruments (cont'd)

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Within 1 year	Within 1 to 5 years	More than 5 years
	US$	US$	US$	US$	US$
Group					
At 31 December 2015					
Non-derivative financial liabilities					
Loans and borrowings	143,042	(155,302)	(48,711)	(106,591)	–
Trade and other payables	2,998,863	(2,998,863)	(2,998,863)	–	–
Dividends payable	916,800	(916,800)	(916,800)	–	–
	4,058,705	(4,070,965)	(3,964,374)	(106,591)	–
At 31 December 2014					
Non-derivative financial liabilities					
Loans and borrowings	248,627	(274,092)	(83,448)	(190,644)	–
Trade and other payables	3,156,530	(3,156,530)	(3,156,530)	–	–
Dividends payable	761,029	(761,029)	(761,029)	–	–
	4,166,186	(4,191,651)	(4,001,007)	(190,644)	–
Company					
At 31 December 2015					
Non-derivative financial liabilities					
Trade and other payables	539,293	(539,293)	(539,293)	–	–
Dividends payable	518,541	(518,541)	(518,541)	–	–
	1,057,834	(1,057,834)	(1,057,834)	–	–
At 31 December 2014					
Non-derivative financial liabilities					
Trade and other payables	384,248	(384,248)	(384,248)	–	–
Dividends payable	462,263	(462,263)	(462,263)	–	–
	846,511	(846,511)	(846,511)	–	–

30 Financial instruments (cont'd)

Market risks

Market risk is the risk that changes in market prices, such as interest rate and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

The Group does not have any of its borrowings in variable rate instruments. Accordingly, the exposure to interest rate risk is minimum and no sensitivity analysis is performed.

Commodity price risk

The Group is exposed to the changes in market prices of gold and the outlook of this mineral. The Company does not have any hedging or other commodity-based risk in respect of its operations.

Gold prices historically fluctuate widely and are affected by, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand because of speculative hedging activities and certain other factors related to gold.

Currency risk

The Group's revenue is denominated in United States Dollars ("USD"). However, the Group's main operations are in Malaysia where the operating expenses are primarily incurred in USD, Singapore Dollars ("SGD") and Malaysian Ringgit ("MYR"). The results of the Group's operations are subject to currency transaction risk and currency translation risk. The operating results and financial position of the Group are reported in USD in the Group's consolidated financial statements.

The fluctuation of the abovementioned currencies in relation to the US$ will consequently have an impact on the profitability of the Group and may also affect the value of the Group's assets and the amount of equity attributable to owners of the Company.

The Group has not entered into any agreements or purchased any instruments to hedge possible currency risks at the respective reporting dates.

30 Financial instruments (cont'd)

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD US$	SGD US$	MYR US$	Total US$
Group				
At 31 December 2015				
Loans and receivables	10,546	55,970	758,830	825,346
Cash and cash equivalents	691,880	1,451,825	19,990,834	22,134,539
Loans and borrowings	–	–	(143,042)	(143,042)
Trade and other payables	(738,894)	(125,371)	(2,134,598)	(2,998,863)
Net financial (liabilities)/assets	(36,468)	1,382,424	18,472,024	19,817,980
Less: Net financial liabilities/(assets) denominated in the respective entities' functional currencies	36,468	–	1,107	37,575
Net currency exposure	–	1,382,424	18,473,131	19,855,555
Sensitivity analysis	–	(138,242)	(1,847,313)	(1,985,555)
At 31 December 2014				
Loans and receivables	43,407	30,812	500,777	574,996
Cash and cash equivalents	3,187	2,075,693	10,260,834	12,339,714
Loans and borrowings	–	–	(248,627)	(248,627)
Trade and other payables	(21,920)	(195,638)	(2,938,972)	(3,156,530)
Net financial assets	24,674	1,910,867	7,574,012	9,509,553
Less: Net financial liabilities denominated in the respective entities' functional currencies	(24,674)	–	2,313	(22,361)
Net currency exposure	–	1,910,867	7,576,325	9,487,192
Sensitivity analysis	–	(191,087)	(757,632)	(948,719)
Company				
At 31 December 2015				
Loans and receivables	5,352,656	1,418,632	1,697,841	8,469,129
Cash and cash equivalents	2,359	900,510	–	902,869
Trade and other payables	(421,610)	(117,683)	–	(539,293)
Net financial assets	4,933,405	2,201,459	1,697,841	8,832,705
Less: Net financial assets denominated in the respective entities' functional currencies	(4,933,405)	–	–	(4,933,405)
Net currency exposure	–	2,201,459	1,697,841	3,899,300
Sensitivity analysis	–	(220,146)	(169,784)	(389,930)

30 Financial instruments (cont'd)

Exposure to currency risk (cont'd)

	USD US$	SGD US$	MYR US$	Total US$
Company				
At 31 December 2014				
Loans and receivables	1,816,967	3,584,859	1,255,642	6,657,468
Cash and cash equivalents	2,359	2,021,430	–	2,023,789
Trade and other payables	(188,610)	(195,638)	–	(384,248)
Net financial assets	1,630,716	5,410,651	1,255,642	8,297,009
Less: Net financial assets denominated in the respective entities' functional currencies	(1,630,716)	–	–	(1,630,716)
Net currency exposure	–	5,410,651	1,255,642	6,666,293
Sensitivity analysis	–	(541,065)	(125,564)	(666,629)

A 10% strengthening of USD against the SGD and MYR at the respective reporting dates would increase/(decrease) equity and increase/(decrease) retained earnings by the amounts shown above. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of USD against the SGD and MYR would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Estimation of fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments of the Group.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables) are assumed to approximate their fair values because of the short period to maturity.

30 Financial instruments (cont'd)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount			Fair value			
	Note	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$	US$	US$	US$	US$	US$	US$
Group								
At 31 December 2015								
Financial assets not measured at fair value								
Trade and other receivables*	9	825,346	–	825,346				
Cash and cash equivalents	10	22,134,539	–	22,134,539				
		22,959,885	–	22,959,885				
Financial liabilities not measured at fair value								
Finance lease liabilities	15	–	(143,042)	(143,042)	–	(146,644)	–	(146,644)
Trade and other payables	18	–	(2,998,863)	(2,998,863)				
Dividends payable		–	(916,800)	(916,800)				
		–	(4,058,705)	(4,058,705)				
At 31 December 2014								
Financial assets not measured at fair value								
Trade and other receivables*	9	574,996	–	574,996				
Cash and cash equivalents	10	12,339,714	–	12,339,714				
		12,914,710	–	12,914,710				
Financial liabilities not measured at fair value								
Finance lease liabilities	15	–	(248,627)	(248,627)	–	(256,677)	–	(256,677)
Trade and other payables	18	–	(3,156,530)	(3,156,530)				
Dividends payable		–	(761,029)	(761,029)				
		–	(4,166,186)	(4,166,186)				

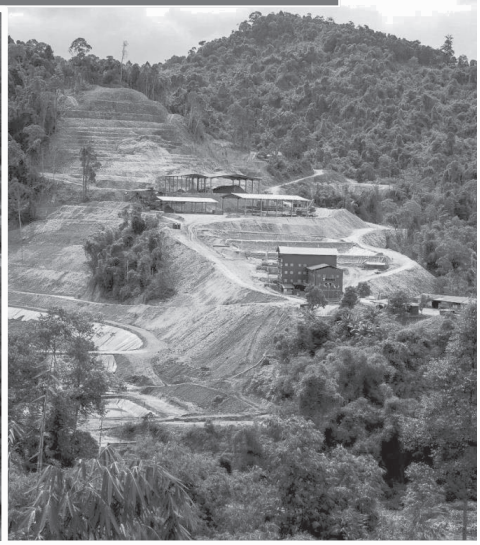
30 Financial instruments (cont'd)

Accounting classifications and fair values (cont'd)

		Carrying amount			Fair value			
	Note	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		US$	US$	US$	US$	US$	US$	US$
Company								
At 31 December 2015								
Financial assets not measured at fair value								
Trade and other receivables*	9	8,469,129	–	8,469,129				
Cash and cash equivalents	10	902,869	–	902,869				
		9,371,998	–	9,371,998				
Financial liability not measured at fair value								
Trade and other payables	18	–	(539,293)	(539,293)				
Dividends payable		–	(518,541)	(518,541)				
		–	(1,057,834)	(1,057,834)				
At 31 December 2014								
Financial assets not measured at fair value								
Trade and other receivables*	9	6,657,468	–	6,657,468				
Cash and cash equivalents	10	2,023,789	–	2,023,789				
		8,681,257	–	8,681,257				
Financial liability not measured at fair value								
Trade and other payables	18	–	(384,248)	(384,248)				
Dividends payable		–	(462,263)	(462,263)				
		–	(846,511)	(846,511)				

* Excluded prepaid expenses of US$6,750 (2014: US$37,761) and US$Nil (2014: US$31,011) for the Group and the Company respectively.

CNMC Goldmine Holdings Limited
Sokor Project – updated Mineral Resource and Ore Reserve estimates as at 31 December 2015



J_1944

Principal Authors:

Christine Standing *MAusIMM, MAIG*
Michael Leak *MAusIMM (CP)*

Principal Reviewers:
Ian Glacken *FAusIMM (CP), FAIG, CEng*
Andrew Law *FAusIMM (CP)*

March 2016

Perth Office

Level 1, 16 Ord Street
West Perth WA 6005

PO Box 1646
West Perth WA 6872
Australia

Tel: +61 8 9215 0000
Fax: +61 8 9215 0011

Optiro Pty Limited
ABN: 63 131 922 739
www.optiro.com

Doc Ref:

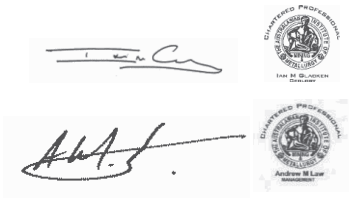
160331_J1944_Sokor_MRandOR_Dec2015_Final.docx

Print Date: 31 March 2016

Number of copies:

Optiro: 1

CNMC Goldmine Holdings Limited: 1

Principal Authors:	Christine Standing *BSc (Hons) (Geology), MSc (Min Econs), MAusIMM, MAIG* Michael Leak *BEng, MAusIMM (CP)*	Signature:	
		Date:	31 March 2016
Contributors:			
Principal Reviewers:	Ian Glacken *BSc (Hons) (Geology), MSc (Geology), MSc (Geostatistics), DIC, FAusIMM(CP), FAIG, MIMMM, CEng* Andrew Law *HND (MMin.) MBA, FAusIMM(CP,) FIQA, MAICD, AFAIM*	Signature:	
		Date:	31 March 2016

Important Information:

This Report is provided in accordance with the proposal by Optiro Pty Ltd ("Optiro") to CNMC Goldmine Holdings Limited and the terms of Optiro's Consulting Services Agreement ("the Agreement"). Optiro has consented to the use and publication of this Report by CNMC Goldmine Holdings Limited for the purposes set out in Optiro's proposal and in accordance with the Agreement. CNMC Goldmine Holdings Limited may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.

Unless Optiro has provided its written consent to the publication of this Report by CNMC Goldmine Holdings Limited for the purposes of a transaction, disclosure document or a product disclosure statement issued by CNMC Goldmine Holdings Limited pursuant to the Corporations Act, then Optiro accepts no responsibility to any other person for the whole or any part of this Report and accepts no liability for any damage, however caused, arising out of the reliance on or use of this Report by any person other than CNMC Goldmine Holdings Limited. While Optiro has used its reasonable endeavours to verify the accuracy and completeness of information provided to it by CNMC Goldmine Holdings Limited and on which it has relied in compiling the Report, it cannot provide any warranty as to the accuracy or completeness of such information to any person.

Level 1, 16 Ord Street
West Perth WA 6005
PO Box 1646
West Perth WA 6872
Australia
T: +61 8 9215 0000
F: + 61 8 9215 0011

31 March 2016 Our Ref: J_1944

The Board of Directors
CNMC Goldmine Holdings Limited
745 Toa Payoh Lorong 5 #04-01
Singapore 319455

Dear Sirs

SOKOR PROJECT – UPDATED MINERAL RESOURCE AND ORE RESERVE ESTIMATES AS AT 31 DECEMBER 2015

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 gold deposits in the southern part of the project area (Manson's Lode, New Discovery and Ketubong) and a fourth gold deposit (Rixen) approximately 3 km to the north of Ketubong. Additional gold mineralisation has been intersected to the south of New Discovery and base metal and silver mineralisation is also present at Manson's Lode and at Sg Among, to the east of Rixen.

At CNMC's request, Optiro Pty Ltd (Optiro) has updated the Mineral Resource estimate for the Sokor Project and has incorporated data from 69 diamond holes drilled by CNMC during 2015 and since CNMC's 31 December 2014 Mineral Resource and Ore Reserve Statement. Mineral Resource and Ore Reserve estimates have been updated for Rixen, Manson's Lode and New Discovery. CNMC has extracted ore from Rixen during 2015 and the Mineral Resources have been depleted for mining to 31 December 2015. The Mineral Resources at Rixen, Manson's Lode, New Discovery and Ketubong and the Ore Reserves at Rixen, Manson's Lode and New Discovery 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).

Optiro has prepared this document in support of CNMC's Annual Report for the year 2015. 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 2015 for incorporation into CNMC's Annual Report for the Year 2015; 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.

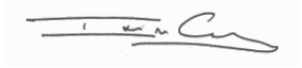
The Mineral Resource estimate has been prepared by Mrs Christine Standing and reviewed by Mr Ian Glacken. Mr Glacken, Director of Optiro and Fellow of the Australasian Institute of Mining and Metallurgy, and Mrs Standing, Principal of Optiro and Member of the Australasian Institute of Mining and Metallurgy, 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 accepts responsibility for the qualified persons' report and the JORC Code (2012) 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), FAIG, CEng*
Director of Geology and Principal Consultant

TABLE OF CONTENTS

TABLES

FIGURES

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. Additional gold mineralisation has been intersected at New Found, to the south of New Discovery. Base metal and silver mineralisation is also present at Manson's Lode and at Sg Among, to the east of Rixen.

Optiro Pty Ltd (Optiro) undertook site visits to the Sokor Project during December 2011 and June 2015 to review data for the Mineral Resource estimate and during October 2012 and June 2015 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.

Optiro has been assisting CNMC with collation of the drillhole data, Mineral Resource and Ore Reserve estimates since 2012. During 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 (Optiro, 2012 and 2013a). During 2013, CNMC drilled additional holes at Rixen and in 2014 Optiro updated the Mineral Resource estimates for Manson's Lode, Ketubong and Rixen deposits (Optiro, 2014a). Additional drilling was undertaken by CNMC during 2014 and updated estimates were prepared by Optiro for Rixen, Manson's Lode and New Discovery as at 31 December 2014 (Optiro, 2015a and 2015b). During 2015, CNMC drilled 69 diamond core holes at Rixen, Manson's Lode, New Discovery and New Found (to the south of New Discovery). Optiro has updated the Mineral Resource and Ore Reserves estimates for Rixen, Manson's Lode and New Discovery as at 31 December 2015.

Ore has been extracted by CNMC at Rixen since 2012 and at Manson's Lode and New Discovery during 2012. The Mineral Resource and Ore Reserve estimates have been depleted for all mining to 31 December 2015.

The Mineral Resource and Ore Reserve 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 these pits.

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 drilling at Manson's Lode also include high zinc and lead grades.

Optiro interpreted the gold 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 west of the fault zone which overlies the structurally controlled mineralisation. 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 several 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 179 sections of diamond drill core and measurements of alluvial and backfilled material from 41 test pits.

Mining at Rixen during 2015 extracted 2,236 kt of ore for the production of 29,600 ounces of gold via heap leach extraction, which was ongoing as at 31 December 2015.

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. There was no mining at the Manson's Lode or Ketubong deposits during 2015.

1.3. MINERAL RESOURCE AND ORE RESERVE TABULATION

The Mineral Resource estimate, as at 31 December 2015, 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 2015. The Mineral Resources are reported above a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong, above a 0.4 g/t gold cut-off grade at New Discovery 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 2015, 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, a 0.4 g/t gold cut-off grade at New Discovery and a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong) is 13,830 kt at 1.4 g/t gold with 618,000 ounces of contained gold.

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 2014, were 10,810 kt at 1.5 g/t gold, with contained gold of 506,000 ounces; this represents an increase of 22% in contained gold in the December 2015 Mineral Resource. The Manson's Lode Mineral Resource also contains silver, lead and zinc; namely 1,210 kt with an average grade of 44 g/t silver, 1.7% lead and 1.6% zinc. This represents increases of 15%, 67% and 51% in contained silver, lead and zinc respectively over the December 2014 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 2015 (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	0.56	3.1	56	0.46	3.1	45	-2%
Indicated	Gold	7.14	1.3	297	5.78	1.3	241	+4%
Inferred	Gold	6.13	1.4	265	4.95	1.4	215	+63%
Total	**Gold**	**13.83**	**1.4**	**618**	**11.18**	**1.4**	**501**	**+22%**
Measured	Silver	0.33	63	674	0.27	63	546	+2%
Indicated	Silver	0.17	73	398	0.14	73	322	+10%
Inferred	Silver	0.71	28	645	0.57	28	522	+36%
Total	**Silver**	**1.21**	**44**	**1,717**	**0.98**	**44**	**1,391**	**+15%**
Measured	Lead	0.33	1.7	5,632	0.27	1.7	4,562	+1%
Indicated	Lead	0.17	1.7	2,925	0.14	1.7	2,370	+11%
Inferred	Lead	0.71	1.7	12,245	0.57	1.7	9,918	+188%
Total	**Lead**	**1.21**	**1.7**	**20,802**	**0.98**	**1.7**	**16,850**	**+67%**
Measured	Zinc	0.33	1.7	5,535	0.27	1.7	4,483	+1%
Indicated	Zinc	0.17	2.0	3,299	0.14	2.0	2,672	+8%
Inferred	Zinc	0.71	1.5	10,781	0.57	1.5	8,733	+142%
Total	**Zinc**	**1.21**	**1.6**	**19,615**	**0.98**	**1.6**	**15,888**	**+51%**

Note: Inconsistencies in totals are due to rounding

The additional drilling during 2015 at Rixen, Manson's Lode and New Discovery extended the Indicated and Inferred Mineral Resources at the three deposits. Silver, lead and zinc Mineral Resources have been defined at Manson's Lode, and the additional 2015 drilling has increased these Mineral Resources down-dip to the south-east. Confidence in the Rixen resource has improved, but discrepancies in the drillhole collar elevations need to be resolved before Measured Mineral Resources can be defined.

In reporting the 2015 Ore Reserves in Table 1.2, it should be noted that the tabulated Mineral Resource has been reported '*exclusive*' of and additional to Ore Reserves, as at 31 December 2015. This means that there will be material tabulated in Table 1.1 which is neither reported as Mineral Resource nor Ore Reserve in Table 1.2; for instance, material which falls within the final pit, but which is below the reserve cut-off grade. Thus it is not possible to add the Ore Reserves and Mineral Resources in Table 1.2 together to produce the total Mineral Resources in Table 1.1. Moreover, the Ore Reserves include factors for ore loss and dilution which, by convention, have not been applied to the Mineral Resources.

All Ore Reserves have been reported in accordance with the JORC Code (2012). Previously, Ore Reserves at Manson's Lode and New Discovery had been stated in accordance with the 2004 JORC Code. The reason for the split in reporting Ore Reserves between the 2004 and 2012 JORC Code versions previously was that only Rixen has been actively mined and no material changes had occurred to the resource or mine design for New Discovery or Manson's Lode. Whilst no mining took place on these deposits during 2015, the cost inputs are now better understood and a revised pit optimisation and design has been undertaken. This update needed to be reported in accordance with the 2012 JORC Code.

Table 1.2 Combined Sokor Project Ore Reserves (Manson's Lode, New Discovery and Rixen) and Mineral Resources (at Ketubong and in addition to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2015

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 (%)
Ore Reserves								
Proved	Gold	327	3.68	39	262	3.68	31	+73
Probable	Gold	4,781	1.14	183	3,864	1.14	148	+12
Total	**Gold**	**5,107**	**1.07**	**222**	**4,127**	**1.07**	**179**	**+19**
Additional Mineral Resources								
Measured	Gold	210	2.8	29	170	2.8	23	-30%
Indicated	Gold	2,346	1.5	144	1,900	1.5	117	+25%
Inferred	Gold	6,166	1.4	279	4,994	1.4	226	+126%
Total	**Gold**	**8,722**	**1.2**	**311**	**7,065**	**1.2**	**252**	**+11%**

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 (SGX-ST) by way of an Initial Public Offering on 28 October 2011.

Optiro has prepared this report to document the update to the Mineral Resource estimates and Ore Reserves in support of the planned 2015 Annual Report, and to provide a market update on Mineral Resources and Ore Reserves as at 31 December 2015, 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). Additional gold mineralisation is present at New Found, to the south of New Discovery, and additional base metal mineralisation is present at Sg Among, to the east of Rixen: at present there is insufficient data to define Mineral Resources within these areas.

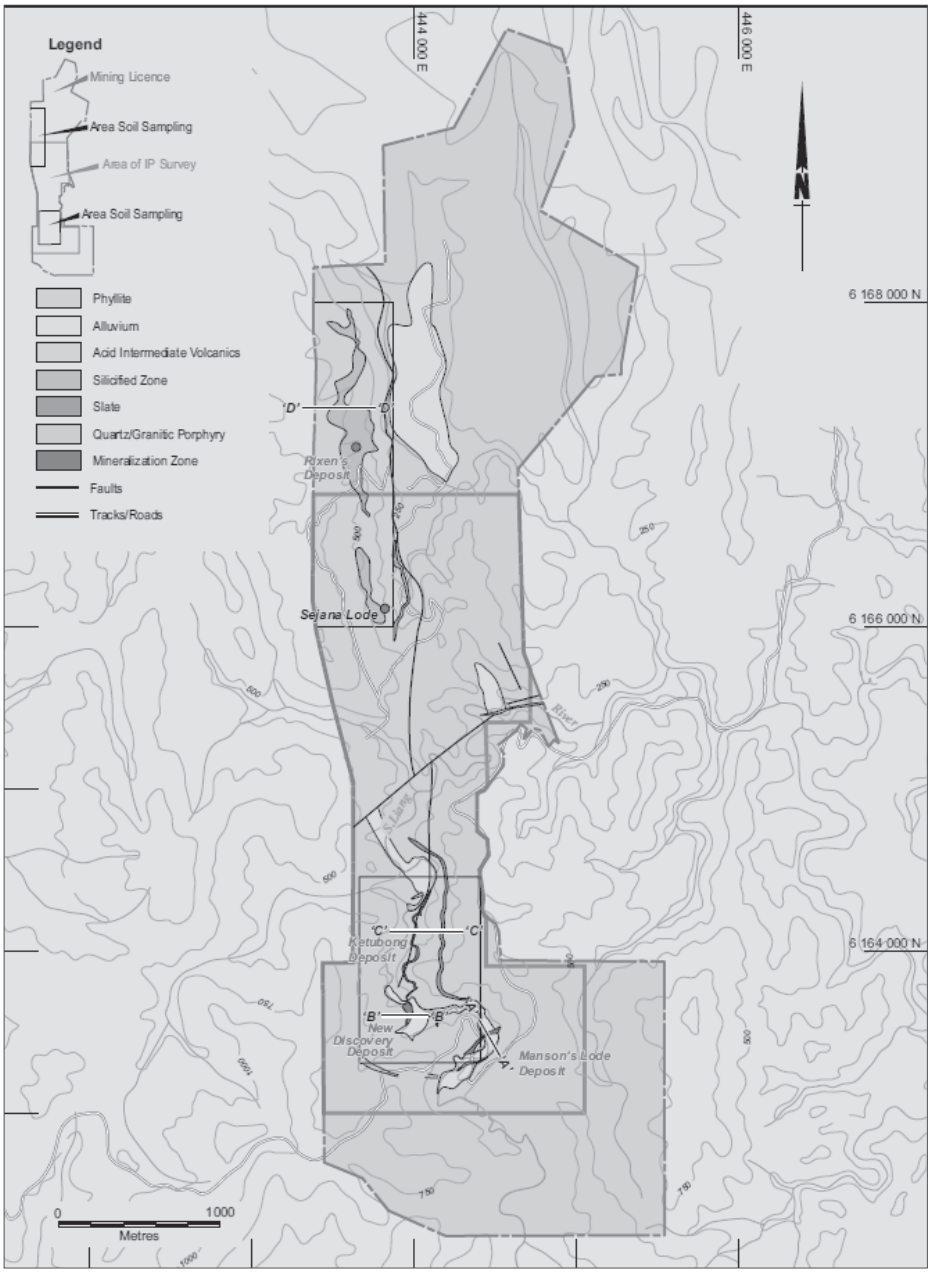
During 2015, CNMC drilled an additional 69 holes for 7,700.6 m at Rixen, Manson's Lode, New Discovery and New Found. The Mineral Resource estimates have been updated for Rixen, Manson's Lode and New Discovery. The Ketubong Mineral Resource estimate was not updated.

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

Ore was extracted at Rixen during 2015 and the Mineral Resource and Ore Reserve estimates have been depleted for mining to 31 December 2015. All of the Mineral Resources and Ore Reserves have been 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 2015, no mining activities took place at Manson's Lode or at New Discovery. A change to cost inputs has warranted a revised pit optimisation and design to be undertaken, and this update and reporting of the revised pit optimisations and designs is in accordance with the 2012 JORC Code.

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



2.1. COMPETENT PERSONS

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).

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 16 and 18 May 2012 to review the mining operations for the Ore Reserve estimate. Mrs Christine Standing visited the Sokor Project again during 1 to 5 June 2015 to inspect the Sokor mine site, drilling procedures, drillhole core and the sampling and logging procedures and Mr Andrew Law undertook a site visit on 4 and 5 June 2015 to review the mining operations.

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 (2012) 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 has 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, MSc (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), FAIG, CEng, MIMMM, DIC] has 33 years worldwide experience in the mining industry. Ian is a geologist with postgraduate qualifications in geostatistics, mining geology and computing. Mr Glacken 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. Mr Glacken'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 multiple 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 15 years' experience in both open pit and underground operations in Australia, Africa and Europe. He has experience in a range of 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.

2.2. 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 and 2,500 mm, with November to January being the wettest months.

3.2. PROJECT OWNERSHIP AND STATUS

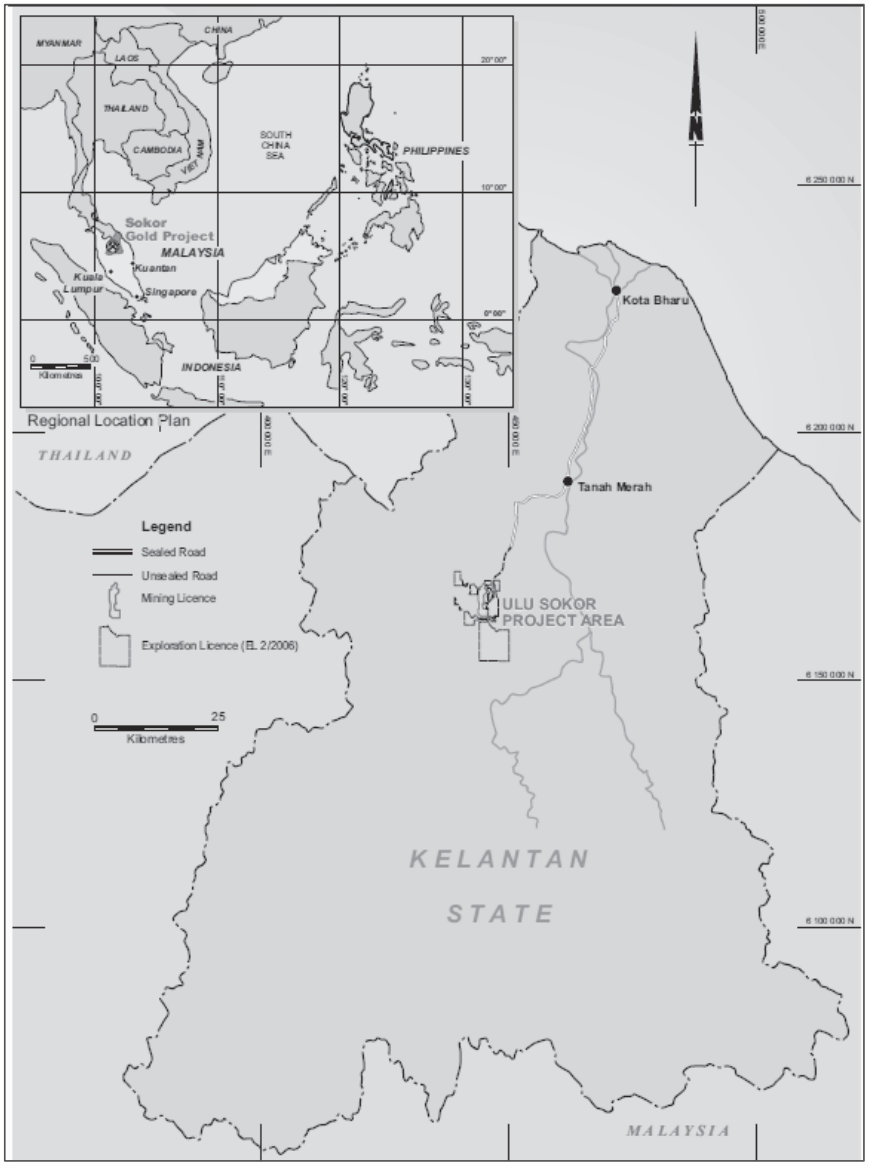
The Sokor Project consists of a Mining Licence (ML 2/2008) covering approximately 10 km^2 (known as the "Sokor Block") and an Exploration Licence (EL 2/2006) approximately 62.8 km^2 (known as the "Sokor Gold Field Project"). CNMC was granted mining rights on 8 April 2008 for a period of 10 years to the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

The Corporate income tax rate in Malaysia is 25%. 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 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.

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



CNMC, through its subsidiary CMNM Mining Group Sdn. Bhd., holds an 81% interest in ML 2/2008. 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

4. HISTORY OF THE PROPERTY

The earliest recorded exploration in the Ulu Sokor area was undertaken by Duff Development Company Limited 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, and to the south of New Discovery at New Found.

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 2012 and 2015, which is summarised in Table 4.1.

Table 4.1 Sokor production statistics for 2012 to 2015

Commodity	Production statistics	2012	2013	2014	2015
	Rixen				
Mined	Ore tonnes mined (claimed)	90,000	323,000	1,362,138	2,236,674
	Ore tonnes processed	90,000	386,000	1,362,138	2,236,674
	Ore stockpiled (not processed as at 31 December)	63,000	63,200	-	-
Gold	Calculated grade (g/t)	0.3	1.07	0.94	0.61
	Recovered gold (oz)	861	11,800	27,685	29,645
	New Discovery				
Mined	Ore tonnes mined (claimed)	-	31,000	-	-
	Ore tonnes processed	-	31,000	-	-
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	-	-	-
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**	**2,236,674**
	Ore tonnes processed	**136,791**	**417,000**	**1,362,138**	**2,236,674**
Gold	**Calculated grade (g/t)**	**0.42**	**0.96**	**0.94**	**0.61**
	Recovered gold (oz)	**1,845**	**12,900**	**27,685**	**29,645**
Silver	**Calculated grade (g/t)**	**75.00**	**N/A**	**N/A**	**N/A**
	Recovered silver (oz)	**112,451**	**690**	**20,886**	**22,057**
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 lower grade material from these deposits.

5.2.1. RIXEN DEPOSIT

Gold mineralisation at the Rixen deposit 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 2,000 m. The Rixen deposit has been tested by 210 diamond drillholes totalling 23,014 m.

5.2.2. MANSON'S LODE

The Manson's Lode deposit is located 3.5 km south of Rixen. Manson's Lode consists of a surface gossan after sulphides, partially replacing a silicified limestone unit which is intercalated with phyllitic sediments. The gold 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 165 diamond drillholes totalling 9,977 m.

The average width of mineralisation exposed in trenches is 15 m, varying from a few metres to 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 south-east, external to the gold mineralisation. Much of the surface area has been disturbed by previous mining activity and hence the relationship between the different rock types is not clear.

5.2.3. 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 83 diamond drillholes totalling 6,664 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.

5.2.4. 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. Drilling was not undertaken at Ketubong during 2015, and the mineralisation interpretation and Mineral Resource estimate has not been updated.

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 both 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 529 diamond drillholes for 50,819 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 for 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. During 2015, CNMC purchased Datamine software and updated the database with the data from the 2015 drilling programme. Optiro validated the 2015 data captured by CNMC against the drillhole logs and data from the laboratory; minor inconsistencies were remedied following discussion with CNMC.

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 2015 drillhole collars with the DTM revealed that many of the drillhole collar elevations were significantly different from the DTM. At Rixen there are differences of up to 20 m between the drillhole collar elevation and the DTM, with over 45% of the drillhole collar elevations having a difference of greater than 3 m from the DTM. At Manson's Lode four of the nine holes drilled during 2015 have differences of more than 3 m, and a maximum difference of 12 m, between the between the drillhole collar elevation and the DTM. At New Discovery 50% of the of the holes drilled during 2015 have differences of more than 3 m, and a maximum difference of 12.6 m, between the between the drillhole collar elevation and the DTM.

These elevation differences were discussed with CNMC, who advised which drillholes were located in areas where material was moved subsequent to the topographical survey. Optiro adjusted the drillhole collar elevations of drillholes outside these areas to the DTM and took account of this data mismatch in the classification of the Mineral Resource.

The 2015 drillholes were surveyed using industry standard downhole survey equipment at approximately 50 m intervals. For the drillholes used for Mineral Resource definition, dip deviations average less than 0.2° with a maximum of 5°, and azimuth deviations average 1° with a maximum deviation of 20°.

Mining at Rixen was undertaken during 2015, and a pit survey was conducted in early 2016.

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 2015 drillholes are between 0.18 m and 3.42 m, with an average sample interval of 1.29 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 and 2015 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 samples collected from 2012 to 2015 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 2015, 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 to 2015 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 to 2015 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 for the 2015 drilling programme included the insertion of standard, duplicate and blank samples with the samples sent to SGS (Malaysia) Sdn. Bhd. laboratory and inter-laboratory duplicate samples (of pulps) were submitted to ALS Group Laboratory in Perth, Australia.

For the 2015 drilling programme, a standard sample and a blank sample have been submitted with the samples from each drillhole and for drillholes with more than 40 samples, two standards have been included: this is above the industry standard rate, which is to be commended. A total of 70 standard samples have been analysed and over 90% of the results are within three standard deviations of the expected certified value. No sample bias is evident and results indicate good accuracy of the analysis.

A total of 67 blank samples were submitted with the 2015 drill samples: only two values are above 0.1 g/t gold. The results indicate good sample preparation with little sample contamination.

Over 200 duplicate samples (18% of the samples) have been analysed by SGS (Malaysia) Sdn. Bhd. laboratory and by the umpire laboratory, ALS Group Laboratory. This is considerably higher than the industry standard rate of 1 in 25 samples. The sets of original and duplicate results have a high correlation and indicate a good level of precision of the assay data.

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 179 sections of diamond drill core (including 62 measurements obtained during 2015) and of alluvial/eluvial and backfill material from 41 test pits.

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 commissioned and declared operational during January 2013 and has continued to operate throughout 2013, 2014 and 2015, with ore being supplied solely from the Rixen deposit. Heap leach recoveries ranged from 66% to 69% during the year, with the average recovery being 67% for 2015.

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.

Metallurgical testwork is ongoing as part of the current operations, with the results being 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 a combination of heap and vat leaching processes. The heap leach was the predominant processing method used during 2015.

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 via a standard elution and electrowinning process, with gold recoveries in the order of 67% being achieved during 2015. The barren heap leach material is then removed from the heap pad to a tailings storage area, which is then progressively rehabilitated during the year.

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 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.

8. MINING

8.1. MINING METHODS

The deposits at the Sokor Project are suited to conventional open pit mining methods, the primary reasons being:

- the deposits virtually outcrop with limited overburden
- the deposits dip at roughly 35° to 40°, which allows one wall of the pit to follow the footwall (minimal waste dilution)
- there are multiple parallel lenses that fall within the pit boundaries, resulting in low stripping ratios
- the width and dip of the ore zones and the dip would be problematic for underground extraction.

8.2. PIT OPTIMISATION

8.2.1. PROCESS

NPV Scheduler was used to determine the optimum pit limits. This program uses the input parameters of costs and revenues and applies these via an algorithm to create a series of "nested" pit shells, which are evaluated to find the shell with the highest NPV.

8.2.2. COSTS

Site costs were provided by CNMC for the past two years of production. The total costs were back calculated into unit costs ($/t) for use in the optimisations. It is understood that silver credits are used by CNMC to reduce the overall cost of gold production, and as such the revenue from silver was added to the CNMC provided costs. Additionally, it is understood that the CNMC costs reported to Optiro do not contain the final rehabilitation costs and these have been added back on based on known costs of similarly sized, geographically similarly located operations.

8.2.3. DILUTION AND RECOVERY

The ore zones at Sokor have reasonable width and are in an orientation amenable to good recovery through open pit mining. As such, dilution and recovery of the ore zone were estimated at 5% and 95% respectively.

8.2.4. GEOTECHNICAL

The geotechnical parameters on which the optimisation and subsequent design were undertaken were based on current operating practices for the Rixen pit. For Rixen, the slope angles used were:

- 40° for oxide material
- 42° for transitional material
- 45° for fresh rock.

At Manson's Lode and New Discovery an overall slope angle of 42° was used.

8.2.5. OPTIMISATION INPUTS

Table 8.1 Optimisation input parameters

Item	Units	Amount	Comment
Overall slope angle - Rixen			
Oxide material	deg	40	Oxidation states have not been logged at New Discovery and Manson's Lode, hence one overall wall angle which roughly approximates the Rixen average slope angle was used
Transitional material	deg	42	
Fresh material	deg	45	
Overall slope angle* – New Discovery	deg	42	
Overall slope angle* – Manson's Lode	deg	42	
Production factors			
Dilution	%	5	
Mining recovery	%	95	
Ore processing limit	Mtpa	1.0	
Mining costs			
Mining cost - Rixen	US$ /t	1.00	CNMC 2014 / 2015 data
Mining cost – New Discovery	US$ /t	2.65	Optiro estimate
Mining cost – Manson's Lode	US$ /t	3.38	Optiro estimate
Processing recovery			
Heap Leach	%	65%	CNMC 2014 / 2015 data
CIL	%	80%	Optiro estimate
Processing costs			
Heap Leach	US$ /t ore	1.90	CNMC 2014 / 2015 data
CIL	US$ /t ore	33.00	Optiro estimate
Administration and Royalty	US$ /t ore	3.10	CNMC 2014 / 2015 data
Revenue			
Gold	US$ / oz	1,100	

8.3. MINE DESIGN

The mine design was undertaken using industry accepted parameters, in line with current site operating practices and based on a conventional, drill, blast, load and haul mining scenario.

8.3.1. DESIGN PARAMETERS

Table 8.2 Mine design parameters

Item	Units	Amount
Batter angles		
Oxide and Transitional	deg	60
Fresh rock	deg	75
Batter height	m	10
Berm width	m	5
Ramp width		
Dual lane	m	20
Single lane*	m	10
Minimum mining width	m	30

** Single lane employed at bottom of pit and in small pits that do not warrant dual lane ramps*

8.3.2. PIT DESIGN

Figure 8.1 Final pit design - Rixen

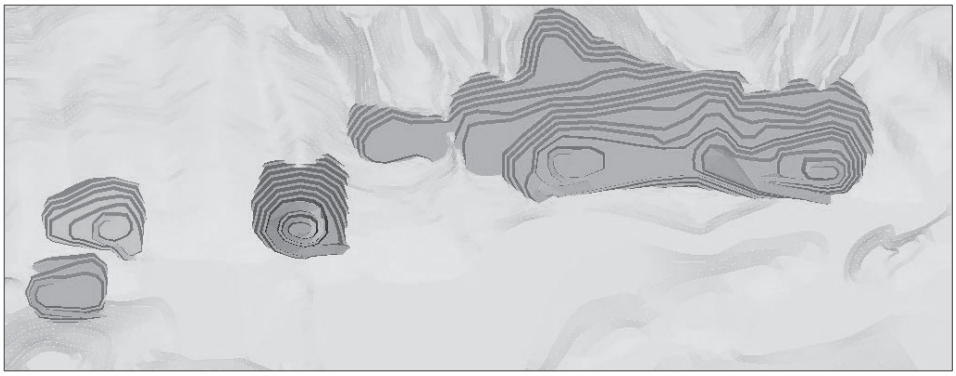


Figure 8.2 Final pit design - New Discovery

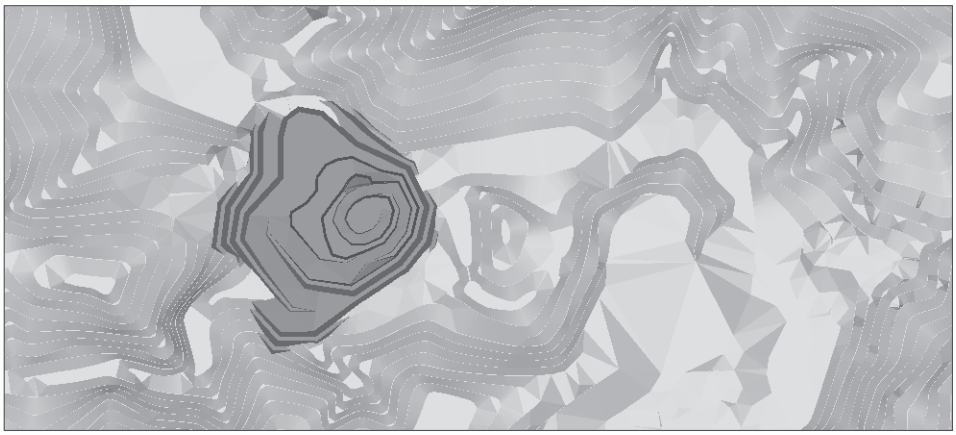
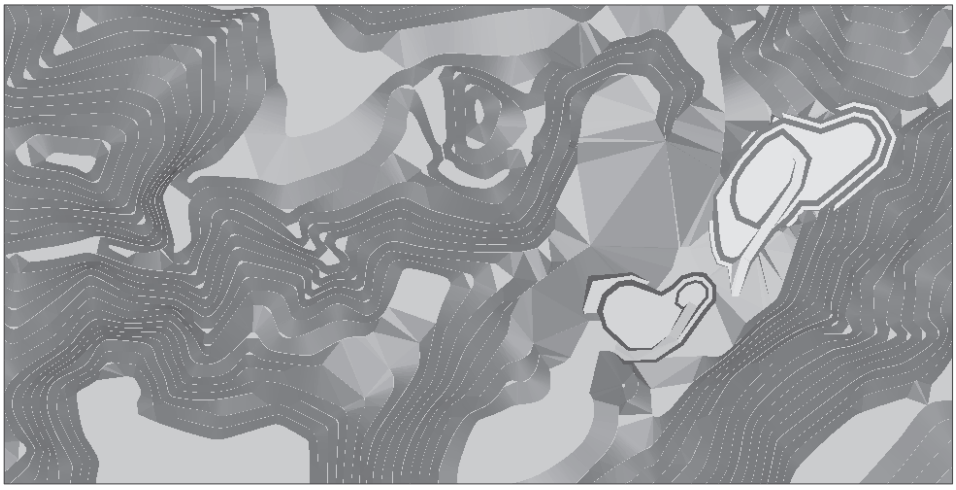


Figure 8.3 Final pit design - Manson's Lode



8.4. MINE SCHEDULE

The mine schedule was undertaken using NPV scheduler. The final pit design was imported into the optimisation package and merged with the surface topography to produce an ultimate mining surface. For Rixen, pushbacks were then created that:

- contained approximately 1 Mt of ore
- attempted to maintain similar stripping ratios.

Due to the small size of both the New Discovery and Manson's Lode pits, these were scheduled based on the final pit design, with no pushbacks.

8.4.1. SCHEDULING STRATEGY

The mine schedule had three primary objectives:

- achieve approximately 30 koz recovered gold per annum
- smooth overall material movement as much as possible to keep stripping ratio constant
- prioritise Heap Leach sources (Rixen, then New Discovery) and leave the higher cost vat leach / Carbon in Leach processing (Manson's Lode pit) to the latter part of the schedule. This is consistent with the current site mining philosophy.

Note that no Inferred Mineral Resources have been included in the mine schedule; this is a conservative approach. Under the JORC Code (2012), Inferred Mineral Resources can be included as long as the financial viability of the operation does not depend upon their inclusion and mining.

8.4.2. SCHEDULE OUTPUTS

The key outputs of the mining schedule are shown in Table 8.3.

Table 8.3 Mining schedule physicals

Source	Unit	Total	Year 1	Year 2	Year 3	Year 4	Year 5
Rixen							
Waste	kt	15,083	2,927	2,807	3,546	5,803	
HL ore	kt	4,615	1,247	1,247	1,247	875	
HL ore grade	g/t	1.14	1.12	1.07	1.10	1.34	
Gold mined (HL)	koz	169.4	44.9	42.7	44.0	37.7	
New Discovery							
Waste	kt	1,272				587	685
HL ore	kt	349				115	234
HL ore grade	g/t	3.31				3.10	3.42
Gold mined (HL)	koz	37.2				11.4	25.7
Manson's Lode							
Waste	kt	326					326
CIL ore	kt	144					144
CIL ore grade	g/t	3.40					3.40
Gold mined (CIL)	koz	15.7					15.7
Sokor Project - total							
Waste	**kt**	**16,681**	**2,927**	**2,807**	**3,546**	**6,390**	**1,011**
Total ore	**kt**	**5,108**	**1,247**	**1,247**	**1,247**	**990**	**378**
HL ore	**kt**	**4,964**	**1,247**	**1,247**	**1,247**	**990**	**234**
CIL ore	**kt**	**144**					**144**
HL ore grade	**g/t**	**1.3**	**1.12**	**1.07**	**1.10**	**1.54**	**3.42**
CIL ore grade	**g/t**	**3.4**					**3.40**
Gold mined (HL)	**koz**	**207**	**45**	**43**	**44**	**49**	**26**
Gold mined (CIL)	**koz**	**16**					**16**
Gold mined	**koz**	**222**	**45**	**43**	**44**	**49**	**41**

8.5. MINING OPERATIONS

8.5.1. MINING METHODS

The current mining method is conventional, drill and blast, load and haul in the open pit. The dip of the orebody (35° to 40°) aligns well with the conceptual overall pit slope. One wall of the pit has been designed to follow the footwall of the orebody.

8.5.2. WORKFORCE

The current operating workforce comprises both CNMC employees and various contractors. Administration and technical services staff are employed directly by CNMC. CNMC endeavours to employ labour from the local communities as required.

8.5.3. MINING FLEET

Due to the small volumes of material movement required, the pit is mined using a small fleet of machinery on a 24/7 operating basis. A number of back-hoe type excavators in the 60 to 120 tonne class are utilised in the mining of the ore and waste, as well as in the post-heap tails relocation and rehabilitation process. A mixed fleet of 10 wheel haul trucks and 30 tonne articulated haul trucks are used in the mining operations as required. Ancillary equipment for in pit work requirements, waste dump management and road maintenance is provided by a fleet of graders, dozers and front end loaders.

Drilling of blast holes is completed by a contractor and CNMC provides the blasting supervision.

9. 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 or Rixen, has not been included in this report.

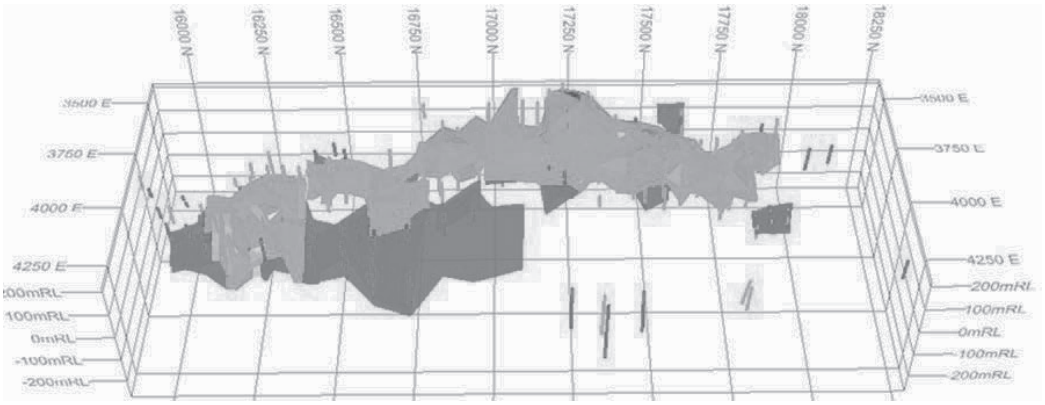
9.1. MINERAL RESOURCE

9.1.1. INTERPRETATION

CNMC provided 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. 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. Interpretation of the 2014 and 2015 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. The mineralisation interpretations prepared by Optiro were reviewed by CNMC's geologist and adjustments were made to reflect field observations by CNMC.

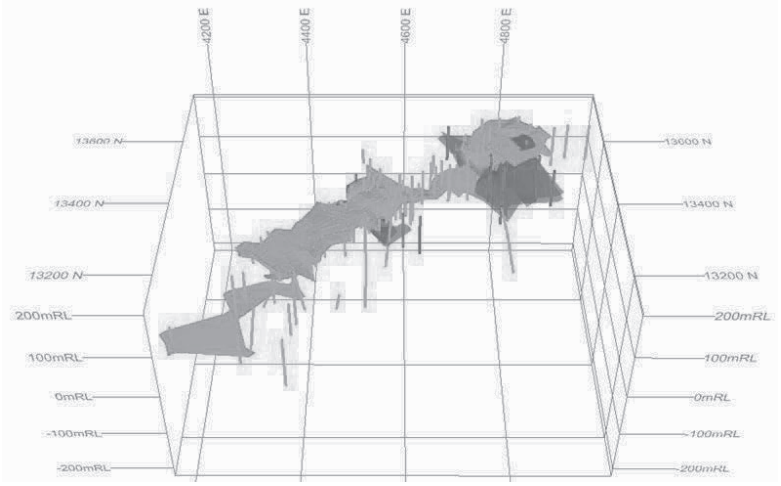
At Rixen, the 2015 drilling extended the resource to the east and to the south. The Mineral Resource extends for 2,000 m along strike (north-south), 500 m across strike (east-west) and up to 200 m from surface. The resource interpretation for 2014 and the updated interpretation for 2015 are illustrated in Figure 9.1.

Figure 9.1 **Rixen – Mineral Resource interpretation as at 2014 (green) and 2015 (magenta) and drillholes (prior to 2015 green and 2015 red)**



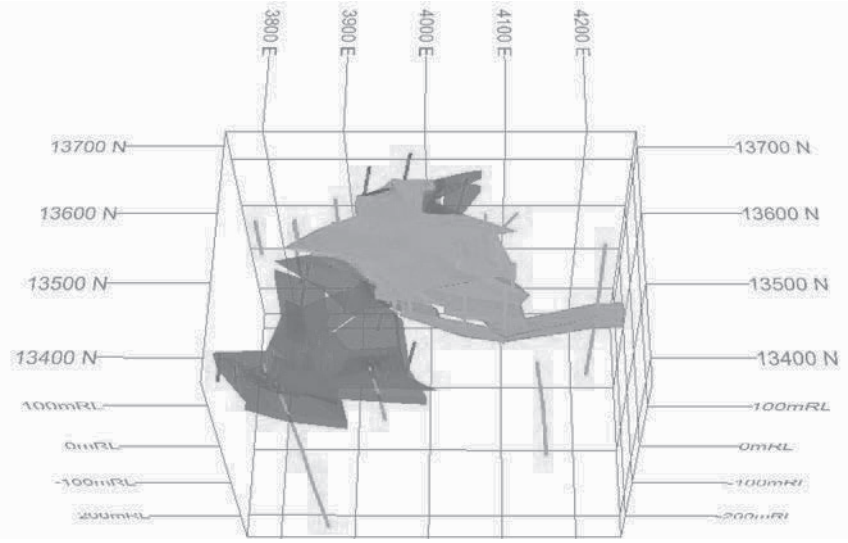
At Manson's Lode the 2015 drilling extended the mineralisation interpretation for gold and base metals down-dip to the south-east. The Mineral Resource extends for 750 m along strike (northeast-southwest), 240 m across strike (southeast-northwest) and up to 120 m from surface. The resource interpretation for 2014 and the updated interpretation for 2015 are illustrated in Figure 9.2.

Figure 9.2 **Manson's Lode – Mineral Resource interpretation as at 2014 (green) and 2015 (magenta) and drillholes (prior to 2015 green and 2015 red)**



At New Discovery, the 2015 drilling extended the resource to the south and some additional mineralisation was intersected within the northern area. The Mineral Resource extends for 325 m along strike (north-south), 300 m across strike (east-west) and up to 180 m from surface. The resource interpretation for 2014 and the updated interpretation for 2015 are illustrated in Figure 9.3.

Figure 9.3 New Discovery – Mineral Resource interpretation as at 2014 (green) and 2015 (magenta) and drillholes (prior to 2015 green and 2015 red)



9.1.2. 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-cuts affected the top 1% to 4% of the gold data.

At Manson's Lode, silver, lead and zinc grades were top-cut to 310 g/t Ag, 9% Pb and 2% Zn respectively within the backfill material and to 440 g/t Ag, 14% Pb and 17% Zn within the bedrock material. These top-cuts affected the top 1% to 4% of the data.

Mineralisation continuity was interpreted from variogram analyses to have an along strike range of 50 m to 115 m within the alluvial/eluvial and backfill material, and 75 m to 175 m within the bedrock mineralisation.

9.1.3. 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 to 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 2015 Mineral Resource estimates were 1.85 t/m^3 for the backfill material at Manson's Lode, 2.2 t/m^3 for the eluvial and oxide material at New Discovery and Rixen, 2.89 t/m^3 for the transitional and fresh material at New Discovery, and 2.64 t/m^3 for the transitional and 2.66 t/m^3 for the 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 multivariate least squares regression model between density and metal grade was developed and the following equation was used to determine the bulk density for the bedrock 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 2015. 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.

9.1.4. MINERAL RESOURCE TABULATION

The Mineral Resource estimate, as at 31 December 2015 for the Sokor Project is reported in Table 9.1. 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 and Ketubong, above a 0.4 g/t gold cut-off grade at New Discovery 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 9.1 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. The economic cut-off grades determined from Optiro's mining study of 0.3 g/t and 0.4 g/t gold were used to report the Mineral Resources at Rixen and New Discovery respectively. A slightly higher cut-off grade of 0.5 g/t gold was used to report Mineral Resources at Manson's Lode and Ketubong. This cut-off grade is lower than the current economic mining cut-off grade of 1.4 g/t gold determined for Manson's Lode and reflects potential future economic extraction.

Table 9.1 Sokor Project – Gold Mineral Resource statement as at 31 December 2015 (inclusive of material modified to generate Ore Reserves)

Deposit	Measured		Indicated		Inferred		Total	
	Tonnes (millions)	Grade (Au g/t)	Tonnes (millions	Grade (Au g/t)	Tonnes (millions	Grade (Au g/t)	Tonnes (millions	Grade (Au g/t)
Manson's Lode	0.33	2.6	0.17	2.4	0.42	1.0	0.92	1.8
New Discovery	0.23	3.8	0.22	2.7	0.52	1.4	0.97	2.3
Ketubong	-	-	0.11	3.9	0.73	2.4	0.84	2.6
Rixen	-	-	6.64	1.2	4.47	1.2	11.11	1.2
Total	**0.56**	**3.1**	**7.14**	**1.3**	**6.13**	**1.4**	**13.83**	**1.4**

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 9.2 above a cut-off grade of 0.5 g/t gold. Additional base metal mineralisation is present, which is external and additional to the interpreted gold mineralisation, and this has been reported above a 3% lead and zinc (Pb+Zn) cut-off grade in Table 9.2.

Table 9.2 Silver and base metal Mineral Resources at Manson's Lode as at 31 December 2015 (inclusive of material modified to generate Ore Reserves)

Cut-off grade	Measured				Indicated				Inferred				Total			
	Tonnes (millions)	Ag g/t	Pb %	Zn %	Tonnes (millions)	Ag g/t	Pb %	Zn %	Tonnes (millions)	Ag g/t	Pb %	Zn %	Tonnes (millions)	Ag g/t	Pb %	Zn %
0.5 g/t Au	0.33	63	1.7	1.7	0.17	73	1.7	1.9	0.42	44	1.2	1.1	0.92	56	1.5	1.5
3% Zn+Pb	0.001	144	5.6	1.2	0.001	63	1.4	3.1	0.29	5	2.4	2.1	0.29	6	2.4	2.1
Total	**0.33**	**63**	**1.7**	**1.7**	**0.17**	**73**	**1.7**	**2.0**	**0.71**	**28**	**1.7**	**1.5**	**1.21**	**44**	**1.7**	**1.6**

Note: Inconsistencies in totals are due to rounding

The total Mineral Resource, inclusive of material used to generate Ore Reserves, is presented in Table 9.3. This has then been depleted for material used to generate Ore Reserves and the corresponding tabulation, exclusive of and additional to the material used to generate Ore Reserves, is presented in Table 9.4.

Table 9.3 Sokor Project, Malaysia – Mineral Resources as at 31 December 2015 (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	0.56	3.1	56	0.46	3.1	45	-2%
Indicated	Gold	7.14	1.3	297	5.78	1.3	241	+4%
Inferred	Gold	6.13	1.4	265	4.95	1.4	215	+63%
Total	**Gold**	**13.83**	**1.4**	**618**	**11.18**	**1.4**	**501**	**+22%**
Measured	Silver	0.33	63	674	0.27	63	546	+2%
Indicated	Silver	0.17	73	398	0.14	73	322	+10%
Inferred	Silver	0.71	28	645	0.57	28	522	+36%
Total	**Silver**	**1.21**	**44**	**1,717**	**0.98**	**44**	**1,391**	**+15%**
Measured	Lead	0.33	1.7	5,632	0.27	1.7	4,562	+1%
Indicated	Lead	0.17	1.7	2,925	0.14	1.7	2,370	+11%
Inferred	Lead	0.71	1.7	12,245	0.57	1.7	9,918	+188%
Total	**Lead**	**1.21**	**1.7**	**20,802**	**0.98**	**1.7**	**16,850**	**+67%**
Measured	Zinc	0.33	1.7	5,535	0.27	1.7	4,483	+1%
Indicated	Zinc	0.17	2.0	3,299	0.14	2.0	2,672	+8%
Inferred	Zinc	0.71	1.5	10,781	0.57	1.5	8,733	+142%
Total	**Zinc**	**1.21**	**1.6**	**19,615**	**0.98**	**1.6**	**15,888**	**+51%**

Note: Inconsistencies in totals are due to rounding

Table 9.4 Sokor Project, Malaysia – Mineral Resources at 31 December 2015 (exclusive of material used to generate 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	210	2.8	29	170	2.8	23	-30%
Indicated	Gold	2,346	1.5	144	1,900	1.5	117	+25%
Inferred	Gold	6,166	1.4	279	4,994	1.4	226	+126%
Total	**Gold**	**8,722**	**1.2**	**311**	**7,065**	**1.2**	**252**	**+11%**

9.1.5. COMPARISON WITH DECEMBER 2014 MINERAL RESOURCE

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 (exclusive of stockpiles and inclusive of material used to generate Ore Reserves) was 10,810 kt at 1.5 g/t gold, with contained gold of 506,000 ounces. The Manson's Lode Mineral Resources contain silver, lead and zinc and, as at 31 December 2014, this comprised 940 kt with an average grade of 50 g/t silver, 1.3% lead and 1.4% zinc. The 2014 Mineral Resources have

been subdivided by resource category below in Table 9.5, and this table can be compared directly with Table 9.3.

Table 9.5 Sokor Project, Malaysia – Mineral Resource 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

Since the Mineral Resource was reported as at 31 December 2015, drilling data from 68 holes drilled at the Sokor Project were used to update the Mineral Resource estimates for Rixen, Manson's Lode and New Discovery.

At Rixen, this drilling extended the resource to the south and to the east. After depletion for mining at Rixen during 2015, the additional drilling has increased the Indicated Mineral Resource tonnage by 6% and decreased the average grade by 1%, with an overall increase of 4% in contained gold, increasing the Inferred Mineral Resource tonnage by 108% and increased the average grade by 3%, with an overall increase of 144% in contained gold. The total Mineral Resource tonnage at Rixen has increased by 32% and the average grade is the same, with a corresponding overall increase of 32% in contained gold.

At Manson's Lode, the 2015 drilling has extended the Mineral Resource down dip to the south-east. This drilling increased the total gold Mineral Resource tonnage of Manson's Lode by 9% and the average grade decreased by 3%, with an overall increase of 5% in contained gold. There was a small increase in the tonnage of the Measured Mineral Resource of 2%, a reduction in grade of 3% and an overall reduction in contained gold of 0.2%. For the Indicated Mineral Resource the tonnage, grade and contained gold all increased, by 12%, 2% and 14% respectively. The Inferred Mineral Resource tonnage increased by 14% and the average grade decreased by 3% for an overall increase of 10% in contained gold. The silver and base metal resources all increased significantly with an increase of 21% in contained silver, 28% in contained lead and 32% in contained zinc.

At New Discovery, the 2015 drilling has extended the Mineral Resource to the south and some additional mineralisation was intersected in the northern area of the deposit. Evaluation of the economic cut-off grade by Optiro, as a consequence of reduced mining costs, indicated that the cut-off grade could be reduced from 0.5 g/t (as used in 2014) to 0.4 g/t gold. The extensions to the interpreted mineralisation and reduced cut-off grade have resulted in an increase in the total Mineral Resource tonnage of 40%, a decrease in the average grade of 20%, and an overall increase of 11% in contained gold. The majority of the increase is from the Inferred Mineral Resource, with

an increase in tonnage of 100%, a decrease in the average grade of 14% and a subsequent overall increase of 71% in contained gold. There were small reductions to the Measured Resource, with a decrease of 3% in average grade for an overall decrease of 4% in contained gold, and the Indicated Resource tonnage increased by 7% and the grade decreased by 13% for an overall reduction of 7% in contained gold.

As at 31 December 2015, the total Measured, Indicated and Inferred gold resources for the Sokor Project (above a 0.3 g/t gold cut-off grade at Rixen, a 0.4 g/t gold cut-off grade at New Discovery and a 0.5 g/t gold cut-off grade at Manson's Lode and Ketubong) are 13,830 kt at 1.4 g/t gold with contained gold of 618,000 ounces (inclusive of material used to define Ore Reserves). Manson's Lode Mineral Resources contain additional silver, lead and zinc Mineral Resources of 1,210 kt with an average grade of 44 g/t silver, 1.7% lead and 1.6% zinc. The share of the Mineral Resource attributable to CNMC is 81% and the figures are summarised in Table 9.3.

Compared to the 31 December 2014 Mineral Resource estimate, there has been an increase in gold Mineral Resources of 3,022 kt at 1.2 g/t gold. This represents an increase of 22% in contained gold in the Mineral Resource. The increased tonnage at Manson's Lode, of 274 kt, has an average grade of 26 g/t Ag, 3.1% Pb and 2.4% Zn with contained metal of 225,000 ounces of silver, 8,253 t of lead and 6,608 t of zinc.

9.2. ORE RESERVE ESTIMATION

The Ore Reserve estimates as stated in this document have been reported in accordance with the guidelines of the JORC Code, 2012 edition. 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.

Previously Ore Reserves at Manson's Lode and New Discovery had been stated in accordance with the 2004 version of the JORC Code. The reason for the split in reporting Ore Reserves between 2004 and 2012 versions previously was that only Rixen has been actively mined previously and no material changes had occurred to the resource or mine design for New Discovery or Manson's Lode. Whilst no mining took place at these lodes during 2015, the cost inputs are now better understood and a revised pit optimisation and design has been undertaken; consequently this update was required to be classified and reported in accordance with JORC 2012.

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 9.3.

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.

9.2.1. RIXEN PIT ORE RESERVE

Between the period of 1 January 2014 and 31 December 2015, mining activities occurred at Rixen. CNMC reported to Optiro that for the period approximately 2,236 kt 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 2015 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 2015.

The Rixen Pit Ore Reserve estimate is reported above a 0.3 g/t gold cut-off grade, incorporating 95% mining recovery and 5% dilution at zero grade, and using a gold price of US$1,100 per ounce. The 2015 Ore Reserve estimate is quoted in Table 9.6. It is important to note that there is material included in the inclusive Mineral Resources (Table 9.1) which is not included in either the Ore Reserves or the additional Mineral Resources; for instance Inferred material which sits inside the pit.

Table 9.6 Rixen Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2015

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 (%)
Ore Reserves								
Proved	Gold	0	0	0	0	0	0	0
Probable	Gold	4,615	1.1	169	3,729	1.1	137	+8
Total	**Gold**	**4,615**	**1.1**	**169**	**3,729**	**1.1**	**137**	**+8**
Additional Mineral Resources								
Measured	Gold	0	0	0	0	0	0	0
Indicated	Gold	2,013	1.1	71	1,631	1.1	57	-17%
Inferred	Gold	4,516	1.2	173	3,658	1.2	140	259%
Total	**Gold**	**6,529**	**1.2**	**243**	**5,288**	1.2	197	83%

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 Mineral Resources and Ore Reserves is 0.3 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 2014 ORE RESERVES ESTIMATE - RIXEN

The variance between the 2014 and 2015 Ore Reserve estimates is due to increased Mineral Resources, depletion by mining activities, a reduced cut-off grade due to lower actual operating costs and an updated pit design. No other modifying factors have been changed in the Rixen Pit Ore Reserve between 2014 and 2015. The previous Ore Reserve was also reported as per the JORC Code, 2012 edition.

The operating cost base used for the 2015 Ore Reserves was based on the actual (weighted) cost base as reported to Optiro over the 2014 and 2015 production years. It should be noted that there has been a significant ramp up in production at Rixen during 2015, and this is now reflected in the lower actual cost base.

Pit surveys were taken for the end-of-reporting period of 31 December 2015, and these formed the basis of the depletion model. CNMC has reported to Optiro that for the period up to 31 December 2015, 2,236 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 mined 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 has assumed that the Ore Reserve portion was depleted prior to 31 December 2015.

As no detailed reconciliation data was provided to Optiro with respect to mine production, this Ore Reserve estimate (Table 9.6) 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 9.4 and Figure 9.5 show, respectively, the differences in tonnes and metal between the 2014 and 2015 Ore Reserve figures.

Figure 9.4 Waterfall chart showing variance in 2014 and 2015 Ore Reserve estimate for Rixen (ore tonnes)

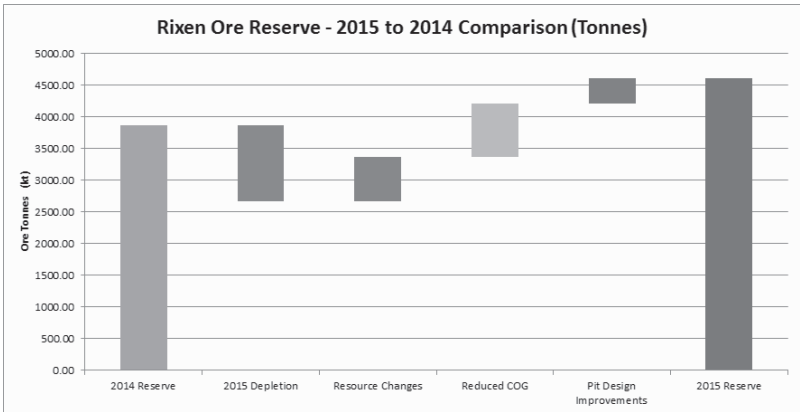
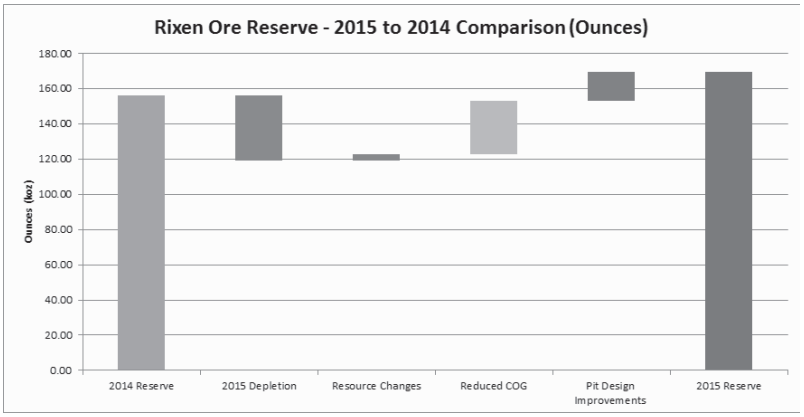


Figure 9.5 Waterfall chart showing variance in 2014 and 2015 Ore Reserve estimate for Rixen (gold ounces)



9.2.2. MANSON'S LODE PIT ORE RESERVE

Between the period of 1 January 2015 and 31 December 2015, no mining activity occurred at Manson's Lode.

Metals other than gold have not been included within this Ore Reserve estimate, nor has the impact on either credits or penalties for the presence of other metals and contaminants been included within the cost model or cut-off grade calculations. Metallurgical testwork was commenced to determine lead and zinc recoveries from previously stockpiled material from 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 a 95% mining recovery and 5% dilution at zero grade and a gold price of US$1,100 per ounce. The 2015 Ore Reserve is quoted in Table 9.7 with the 2015 Mineral Resource (additional to the Ore Reserve) presented below. As with the Rixen tabulation (Table 9.6) the total of the Ore Reserve and additional Mineral Resources will not equal the inclusive Mineral Resource, due mainly to the difference in cut-off grade between resource and reserve and the exclusion of Inferred Resources inside the pit designs.

Table 9.7 Manson's Lode Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2015

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 (%)
Ore Reserves								
Proved	Gold	126	3.5	14	97	3.5	11	+21
Probable	Gold	18	2.8	2	13	2.8	1	+20
Total	**Gold**	**144**	**3.4**	**16**	**111**	**3.4**	**12**	**+21**
Additional Mineral Resources								
Measured	Gold	183	2.1	12	148	2.1	10	-47
Indicated	Gold	149	2.4	11	120	2.4	9	+556
Inferred	Gold	407	1.0	13	330	1.0	11	+85
Total	**Gold**	**739**	**1.6**	**37**	**598**	**1.6**	**30**	**+14**

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 Manson's Lode Ore Reserves 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*
- *Cut-off grade for Manson's Lode Mineral Resources is 0.5 g/t gold outside pit design and 1.4 g/t gold for Inferred Resources within pit design.*

COMPARISON WITH 2014 ORE RESERVES ESTIMATE – MANSON'S LODE

The variance between the 2014 and 2015 Ore Reserve shows a marginal increase due to minor resource and cut-off grade changes. No other modifying factors have been applied to the Manson's Lode pit Ore Reserve between 2014 and 2015. The previous Ore Reserve was reported as per the JORC Code 2004 edition. Figure 9.6 and Figure 9.7 show, respectively, the differences in tonnes and metal between the 2014 and 2015 Ore Reserve figures.

Figure 9.6 Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Manson's Lode (ore tonnes)

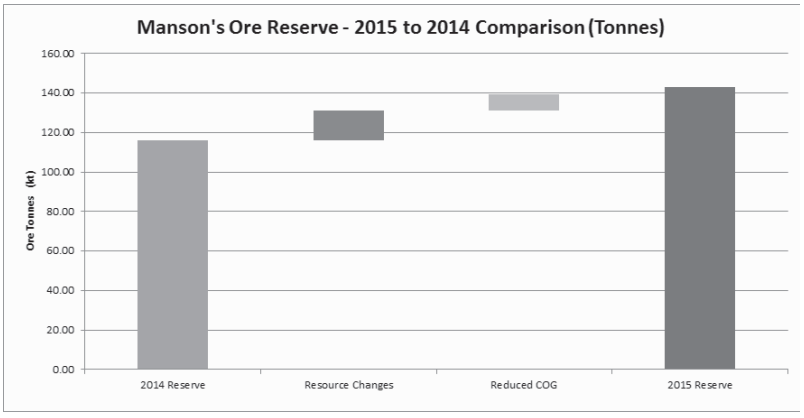
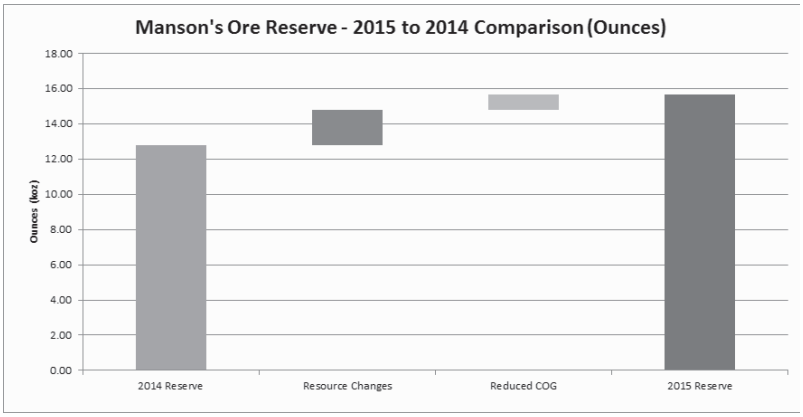


Figure 9.7 Waterfall chart showing variance in 2013 and 2014 Ore Reserve estimate for Manson's Lode (gold ounces)



9.2.3. NEW DISCOVERY PIT ORE RESERVE

During the reporting period there were no material mining activities at New Discovery. The New Discovery deposit is considered to be 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 has been 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 resultant Ore Reserve for the New Discovery pit is reported below in Table 9.8 and is applicable for 2015. As with the previous tabulations the total of the reserve and additional resource does not equal the inclusive resource tabulation due mainly to the exclusion of Inferred Resources within the final pit.

Table 9.8 New Discovery Pit Ore Reserve and Mineral Resource (additional to Ore Reserves) as at 31 December 2015

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 (%)
Ore Reserves								
Proved	Gold	201	3.8	25	165	3.8	20	+124
Probable	Gold	148	2.7	13	122	2.7	10	+108
Total	**Gold**	**349**	**3.3**	**37**	**287**	**3.3**	**31**	**+118**
Additional Mineral Resources								
Measured	Gold	27	2.7	2	22	2.7	2	-87%
Indicated	Gold	70	2.5	6	57	2.5	5	-62%
Inferred	Gold	515	1.4	23	417	1.4	19	+93%
Total	**Gold**	**612**	**1.6**	**31**	**496**	1.6	25	-31%

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 New Discovery Mineral Resources and Ore Reserves 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 2014 ORE RESERVE ESTIMATE – NEW DISCOVERY

The variance between the 2014 and 2015 Ore Reserve estimation is due almost entirely to a lower cut-off grade as a result of lower costs (the operating cost of the heap leach is significantly less than previously estimated). There was also a small change to the overall resource tonnes and grade in the pit area that had a very minor impact. No other modifying factors have been changed on the New Discovery pit Ore Reserve between 2014 and 2015.

Figure 9.8 and Figure 9.9 show, respectively, the differences in tonnes and metal between the 2014 and 2015 Ore Reserve figures.

Figure 9.8 Waterfall chart showing variance in 2014 and 2015 Ore Reserve estimate for New Discovery (ore tonnes)

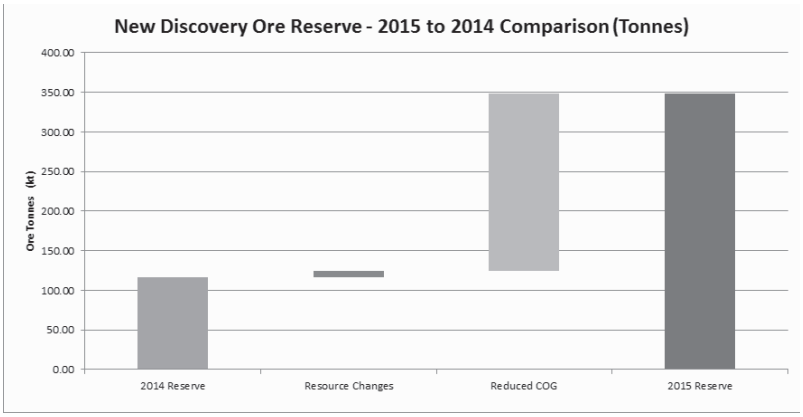
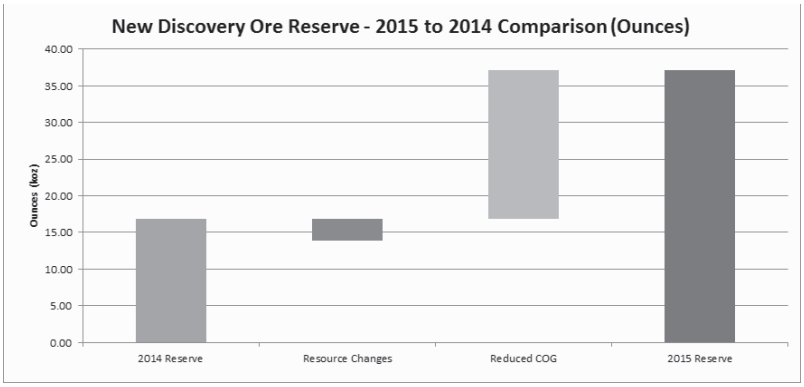


Figure 9.9 Waterfall chart showing variance in 2014 and 2015 Ore Reserve estimate for New Discovery (gold ounces)



9.2.4. KETUBONG

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

9.3. STATEMENT OF SOKOR MINERAL RESOURCES AND ORE RESERVES

The combined Ore Reserve estimate for Rixen, Manson's Lode and New Discovery deposits has been calculated and is shown in Table 9.9, accompanied by the Mineral Resource tabulation for Rixen, Manson's Lode and New Discovery deposits (reported exclusive of and additional to Ore Reserves) and for Ketubong (where Ore Reserves have not been defined).

Table 9.9 Combined Sokor Project Ore Reserves (Manson's Lode, New Discovery and Rixen) and Mineral Resources (at Ketubong and in addition to Ore Reserves at Manson's Lode, New Discovery and Rixen) as at 31 December 2015

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 (%)
Ore Reserves								
Proved	Gold	327	3.68	39	262	3.68	31	+73
Probable	Gold	4,781	1.14	183	3,864	1.14	148	+12
Total	**Gold**	**5,107**	**1.07**	**222**	**4,127**	**1.07**	**179**	**+19**
Additional Mineral Resources								
Measured	Gold	210	2.8	29	170	2.8	23	-30%
Indicated	Gold	2,346	1.5	144	1,900	1.5	117	+25%
Inferred	Gold	6,166	1.4	279	4,994	1.4	226	+126%
Total	**Gold**	**8,722**	**1.2**	**311**	**7,065**	**1.2**	**252**	**+11%**

Notes:

- *Mineral Resources and Ore Reserves reported as per the JORC Code 2012 edition*
- *Calculations have been stated to two significant figures, and totals may display rounding inconsistencies*
- *Cut-off grade for Rixen Mineral Resources and Ores Reserve is 0.3 g/t gold*
- *Cut-off grade for New Discovery Mineral Resources and Ore Reserves is 0.4 g/t gold*
- *Cut-off grade for Manson's Lode Ore Reserves (and Inferred Resources within the pit design) is 1.4 g/t gold and cut-off grade for Mineral Resources outside the pit design is 0.5 g/t gold.*
- *Cut -off grade for Ketubong Mineral Resources is 0.5 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.*

10. INFRASTRUCTURE, FACILITIES, ENVIRONMENTAL AND COMMUNITY ISSUES

10.1. INFRASTRUCTURE

10.1.1. 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.

10.2. 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.

10.3. ENVIRONMENTAL AND COMMUNITY ISSUES

Optiro understands that BDA reviewed the project's Environmental Impact Assessment in 2008, 2009 and Environmental Management Plan in 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 aspects and

issues have not changed since BDA's review in 2011 and the summary below is from the BDA report (BDA, 2011a)

10.3.1. 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.

10.3.2. 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.
- Waste water 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.
- CNMC advised Optiro, in June 2015, that there had been no reported breaches of the environmental conditions and that all monitoring requirements were being carried out as per the licence requirements.

10.3.3. 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.

10.3.4. 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.

10.3.5. 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 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 is controlled so as not to impact on surrounding surface waters.

10.3.6. TAILINGS MANAGEMENT

Originally it was proposed that the project would commence using alluvial and vat leach methods to develop the mine; however, since 2013 the ore is mainly processed via the heap leach circuit.

Optiro has 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. Optiro notes 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.

10.3.7. 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. CNMC has advised Optiro that all monitoring is being undertaken in accordance with the requirements of the licence conditions. There have been no reported breaches during the past 12 months.

10.3.8. 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.

10.3.9. 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.

11. FINANCIAL ANALYSIS

The current production schedule was updated by Optiro to reflect the depletion due to mining at Rixen. The schedule mines the deposits in an order as determined by current site operating philosophy (Rixen, then New Discovery and finally Manson's Lode) at rates to enable gold production of approximately 30 koz per annum. Whilst this mining schedule is adequate for an Ore Reserve 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. The mining schedule is presented in Section 8.4.2, Table 8.3 of this report.

11.1. 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's estimated costs and that CNMC plans to review the costs as part of further study work to be under taken during 2015.

11.2. 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 11.1.

Table 11.1 Mining unit costs and cut-off grade

	Units	Rixen	Manson's Lode	New Discovery
Mining and Processing costs				
Mining cost		1	3.38	2.65
Processing cost	US$ /t	5	36.1	10.02
Cost	US$ /t ore	9.26	43.05	17.3
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**	**0.3**	**1.4**	**0.4**

11.3. ECONOMIC EVALUATION

Economic evaluation of the Ore Reserves for the Sokor Project shows that the net cashflow from the operation is estimated to be $93.1 M, with a Net Present Value of $70M (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.

12. INTERPRETATION AND COMMENTS

The geology and mineralisation controls at Sokor are reasonably well understood, with mineralisation being both structurally and lithologically controlled. The Rixen, Manson's Lode and New Discovery deposits are well defined by drilling. The 2015 drilling has extended the mineralisation at Rixen to the east and to the north and has extended the gold and base metal mineralisation at Manson's lode down-dip to the south-east. At New Discovery, the 2015 drilling has extended the resource to the south and intersected mineralisation at New Found, to the south of New Discovery. Additional drilling is required at New Found to determine if a Mineral Resource can be defined within this area.

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 also warrants further testing.

To date, CNMC has focussed its exploration on the known prospects within the Sokor Block. There is considerable potential remaining in the Sokor Block mining licence to locate additional gold and base metal mineralisation. CNMC plans to expand its exploration programme in the future to assess these areas and also in the surrounding exploration licence area.

From an operational perspective, Optiro recommends that CNMC continues to improve the rigour that has been applied to the recording and reconciliation of operating activities during 2015. 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 grades.

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 2015.

On a similar note, the movement of material from stockpiles to leach pads was recorded during 2014 and 2015. Optiro recommends additional details are recorded going forward to ensure that CNMC has a more detailed basis for measuring the performance of the heap leach circuits. Without recording this additional information from the leach circuits, the basis for determining how the leaching process has performed during the month is sub-optimal. Optiro commends CNMC on the work initiated during 2015 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 commenced during 2014.

13. CONCLUSIONS AND RECOMMENDATIONS

CNMC purchased Datamine software in 2015 and CNMC's technical team has maintained the drillhole database and incorporated the additional information from the 2015 drilling programme. CNMC intends to undertake regular updates to the resource models. In addition, the following improvements have been implemented:

- A set of standardised codes for the geological logging are being used by CNMC to record oxidation, lithology and alteration.
- QAQC procedures include analysis of standard, blank and duplicate samples and analysis of duplicate samples at an umpire laboratory. The insertion rate is above industry standard, which is commended.
- Geological interpretation by CNMC includes 3D modelling of the faults zones at Rixen.

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

- Significant differences between the topographical surface data and the drillhole collars surveys remain and need to be resolved. The surveyed drillhole collars should be compared to the topographical survey data and, where there are inconsistencies, the drillhole collars should be re-surveyed.
- Infill drilling at Rixen is required where additional Inferred Mineral Resources were defined by the 2015 drilling, in order to upgrade these to Indicated Mineral Resources.
- Ongoing updates to the mineralisation interpretation should be undertaken during the drilling programme. This will assist with optimisation of the drilling programme and planning any additional drillholes.
- Depths to the base of oxidation and the base of transitional material should be logged from the existing drill core from Manson's Lode, New Discovery and Ketubong.
- A 3D interpretation of the lithology should be developed; this will improve the mineralisation interpretation and Mineral Resource definition.
- Pit survey pickups should be completed on a regular basis (at least at the end of each quarter, but ideally at the end of each month) and the Mineral Resource models should be reconciled against production at least on a quarterly basis.

Optiro has the following recommendations with respect to the data used for the Ore Reserve estimate at the Sokor Project. These are considered "best practice" recommendations:

- 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 recalculated and used in the life-of-mine schedule and for future mine planning and forecasting.
- Ongoing recording of monthly operational production figures is occurring to a reasonably good standard, but needs to be supported by appropriately detailed daily tracking of mining and processing activities that include more detailed records of the material source and destination locations; this reporting standard has improved during 2015.
- Surveys of mining face positions and stockpile profiles should continue to occur on a monthly 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 on rosters.

14. REFERENCES

Behre Dolbear Australia Pty Limited, 2011a. Independent Technical Report – Sokor Gold Project – Kelantan – Malaysia. Report prepared for CNMC Goldmine Holdings Limited and Prime Partners Corporate Finance Pte. Ltd., dated 12 August 2011.

Behre Dolbear Australia Pty Limited, 2011b. Mineral Resource Update Report – November 2011. Report prepared for CNMC Goldmine Holdings Limited, dated 11 November 2011.

JORC Code, 2012. 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, Australasian Institute of Geoscientists and Minerals Council of Australia (JORC), 2012 Edition.

Optiro, 2012. Sokor Gold Project – Updated Mineral Resource, Detailed Technical Report. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated May 2012.

Optiro, 2013a. Sokor Gold Project – Updated Mineral Resource and Ore Reserve Estimates as at 31 December 2012. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated April 2013.

Optiro, 2013b. Sokor Gold Project – Ore Reserves Estimate as at 31 December 2012 – Manson's and New Discovery Mines. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated April 2013.

Optiro, 2013c. Sokor Gold Project – Ore Reserves Estimate as at 31 December 2012 – Rixen Mine. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated April 2013.

Optiro, 2014a. Sokor Gold Project – Updated Mineral Resource and Ore Reserve Estimates as at 31 December 2013. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated April 2014.

Optiro, 2014b. Sokor Gold Project – Ore Reserves Estimate as at 31 December 2013 – Rixen and New Discovery Mines. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated March 2014.

Optiro, 2015a. Sokor Gold Project – Updated Mineral Resource and Ore Reserve Estimates as at 31 December 2014. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated April 2015.

Optiro, 2015b. Sokor Gold Project – Updated Mineral Resource 2014, Technical Report. Unpublished report prepared for CNMC Goldmine Holdings Limited, dated July 2015.

15. 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 2012.
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 2015 sample intervals range from 0.18 m to 3.42 m with an average interval of 1.29 m. • Samples were packed by experienced site personnel and sent to SGS (Malaysia) Sdn. Bhd. laboratory in Kuala Lumpur, Malaysia. • All sample preparation and analyses were undertaken by (Malaysia) Sdn. Bhd. laboratory in Kuala Lumpur, Malaysia. • Gold analyses of the 2015 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.

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate 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.*	• All drillholes were logged by geologists. • Logging data recorded includes interval from and to, colour, major mineral composition, 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. • 2015 sample intervals range between 0.18 m and 3.42 m with an average interval of 1.29 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 2015 included the submission of blanks, blind duplicate samples and standards with samples and submission of duplicate sample to an umpire laboratory (ALS Minerals laboratory in Perth, Australia). Sample submission rates are in excess of industry practise and are to be commended. • Four standard samples (G910-7, G307-8, G910-3 and G308-4) from Geostats Pty Ltd were used. • Analysis of the QAQC data indicates high levels of precision and with no bias.
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 orebody. • Signed copies of the assay certificates were used by Optiro to verify the assay data for 20% of the 2015 database. • Data validation included checking for out of range assay data and overlapping or missing intervals. • Below detection values were set to half the detection limit.

Criteria	JORC Code explanation	Commentary
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 2015, data from 69 additional vertical and inclined drillholes for a total of 7,700.6 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 perpendicular to the strike of the deposit. • 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 2015 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 and June 2015. Review of the sampling techniques did not reveal 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 support the ongoing 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. • Manson's Lode extends along strike for 750 m, across strike for 240 m and up to 120 m from surface. • New Discovery has a strike length of 325 m, an across strike extend of 300 m and extends up to 180 m at depth. • Rixen is located 3 km north of Ketubong and extends along strike for 2,000 m, 500 m across strike and up to 200 m from surface.

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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological 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.*	• Not applicable – drilling was designed for resource definition.
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 to further extend known mineralised zones at Rixen, New Discovery and Manson's Lode, 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 and June 2015 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 was 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.

Criteria	JORC Code explanation	Commentary
		• All available geological data has been used to interpret the mineralisation and to differentiate between mineralisation within eluvial/alluvial, backfill and bedrock. • 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-southwest and has a relatively flat orientation. It is 750 m along strike and 240 m across strike and extends from surface to a depth of 120 m. • At New Discovery the mineralisation strikes north-south and dips approximately 25° to the east. It is 325 m along strike by 300 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 2,000 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*	• 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 50 m to 115 m within the alluvial/eluvial and backfill material, and 75 m to 175 m within the bedrock mineralisation. • Parameters from Kriging neighbourhood analysis, undertaken in 2012 (Manson's Lode and New Discovery) and 2015 (Rixen) to optimise the block size, search distances and sample numbers, were used. • Grade estimation was into parent blocks of 10 m by 10 m at Manson's Lode, New Discovery

Criteria	JORC Code explanation	Commentary
	employed. • *Any assumptions behind modelling of selective mining units.* • *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.*	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; 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 70% of blocks at Manson's Lode and Rixen and over 60% 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, and Ketubong, 0.4 g/t cut-off grade at New Discovery 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*	• No metallurgical assumptions have been built into the Mineral Resource models.

Criteria	JORC Code explanation	Commentary
	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 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 Rixen deposits were calculated using measurements from 80 sections of diamond core. • Average bulk density values for New Discovery and Ketubong were calculated using measurements from 68 sections of diamond core from for New Discovery, Ketubong and New Found (adjacent to New Discovery). • Density measurements were obtained from 30 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).*	• 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.

Criteria	JORC Code explanation	Commentary
	• *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• 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.
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 are believed to be appropriate for 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, Manson's Lode and New Discovery deposits are classified as a JORC 2012 Mineral Resource Statement, and were completed by Mrs Christine Standing of Optiro on behalf of CNMC. • The Mineral Resources are reported exclusive of (additional to) the Ore Reserves 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 indicate why this is the case.*	• A site visit was previously undertaken in May 2012 and June 2015 by Mr Andrew Law (the Competent Person for the Ore Reserve estimate).

Criteria	JORC Code explanation	Commentary
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 the current 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 the recently re-done 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 geotechnical 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 factors applied.*	• 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 processing methodologies. No metallurgical

Criteria	JORC Code explanation	Commentary
	• *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?*	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 of the Rixen deposit. • There are no specifications applied to the mine production.
Environmental factors or assumptions	• *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 forecast 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 were converted to Ore Reserves as per JORC 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 an 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.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2016

Issued and paid-up capital	:	S$23,335,633
Number of shares	:	407,693,000
Number of voting shares	:	407,293,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per ordinary share

The Company holds 400,000 treasury shares.

DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.12	11	0
100 - 1,000	31	1.95	20,018	0.01
1,001 - 10,000	528	33.17	4,124,399	1.01
10,001 - 1,000,000	997	62.62	69,806,833	17.14
1,000,001 AND ABOVE	34	2.14	333,341,739	81.84
TOTAL	1592	100	407,293,000	100

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	INNOVATION (CHINA) LIMITED	106,987,500	26.27
2	BANK OF SINGAPORE NOMINEES PTE. LTD.	52,762,500	12.95
3	NG ENG TIONG	40,655,600	9.98
4	CITIBANK NOMINEES SINGAPORE PTE LTD	23,345,739	5.73
5	SBS NOMINEES PRIVATE LIMITED	15,000,000	3.68
6	RAFFLES NOMINEES (PTE) LIMITED	12,864,600	3.16
7	XU DEHAN	10,366,925	2.55
8	CHUA TEO LENG	9,265,000	2.27
9	DBS NOMINEES (PRIVATE) LIMITED	6,174,800	1.52
10	LIN SHIHUA	6,132,075	1.51
11	LIM PENG LIANG DAVID LLEWELLYN	5,565,000	1.37
12	LIM YEAN LENG	4,819,000	1.18
13	LEE JING YI	2,943,200	0.72
14	LING SIOW MENG	2,910,500	0.71
15	YEO HUNG HEE BENJAMIN	2,702,000	0.66
16	CIMB SECURITIES (SINGAPORE) PTE. LTD.	2,630,500	0.65
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,503,500	0.61
18	PHILLIP SECURITIES PTE LTD	2,294,900	0.56
19	BENJAMIN LEE HSIEN YEOW	1,900,000	0.47
20	OCBC SECURITIES PRIVATE LIMITED	1,702,700	0.42
	TOTAL	313,526,039	76.97

STATISTICS OF SHAREHOLDINGS

As at 18 March 2016

Statistics of Shareholdings

List of Substantial Shareholders as at 18 March 2016

As shown in the Company's Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Innovation (China) Limited[1]	106,987,500	26.268	–	–
Ng Eng Tiong	55,655,600	13.665	–	–
Messiah Limited[2]	52,662,500	12.930	–	–
Professor Lin Xiang Xiong @ Lin Ye[1]	1,100,000	0.270	106,987,500	26.268
Choo Chee Kong[2]	205,000	0.050	52,662,500	12.930
Lim Kuoh Yang[1]	–	–	108,087,500	26.538
Tan Swee Ngin[1]	–	–	106,987,500	26.268
Lim Sok Cheng Julie[2]	–	–	52,662,500	12.930

Notes:-

(1) Innovation (China) Limited is a private investment holding company incorporated in Hong Kong whose shareholders are Professor Lin Xiang Xiong @ Lin Ye (65%) and his wife, Tan Swee Ngin (35%). Lim Kuoh Yang is the son of Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin. As such, Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin are deemed interested in all the shares held by Innovation (China) Limited by virtue of their respective interests in Innovation (China) Limited and Lim Kuoh Yang is deemed interested in all the shares deemed to be held by Professor Lin Xiang Xiong @ Lin Ye and Tan Swee Ngin under Section 7 of the Companies Act.

(2) Messiah Limited is a private investment holding company incorporated in the British Virgin Islands whose shareholders are Choo Chee Kong (51%) and his wife, Lim Sok Cheng Julie (49%). As such, Choo Chee Kong and Lim Sok Cheng Julie are deemed to be interested in all the shares held by Messiah Limited under Section 7 of the Companies Act. The shares of Messiah Limited are registered in the name of Bank of Singapore Nominees Pte Ltd.

PERCENTAGE OF SHAREHOLDING HELD BY THE PUBLIC

Based on the information provided to the Company as at 18 March 2016, approximately 46.82% of the Company's issued ordinary shares are held in the hands of the public. Hence, Rule 723 of the Catalist Rules has been complied with.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of CNMC GOLDMINE HOLDINGS LIMITED (the "Company") will be held at 745 Lorong 5 Toa Payoh, #04-01 The Actuary, Singapore 319455 on Thursday, 28 April 2016 at 3.00 pm for the following purposes:-

AS ORDINARY BUSINESS

Resolution 1

1. To receive and adopt the audited accounts for the financial year ended 31 December 2015 together with the Director's statement and the Independent Auditors' Report.

Resolution 2

2. To declare a final one-tier tax exempt dividend of S$0.0018 per ordinary share and a special one-tier tax exempt dividend of S$0.00405 per ordinary share for the financial year ended 31 December 2015.

Resolution 3

3. To re-elect Professor Lin Xiang Xiong who is retiring by rotation pursuant to Article 89 of the Company's Constitution ("Constitution") and who, being eligible, offers himself for re-election as a Director.
[See Explanatory Note (i)]

Resolution 4

4. To re-elect Mr Choo Chee Kong who is retiring by rotation pursuant to Article 89 of the Constitution and who, being eligible, offers himself for re-election as a Director.
[See Explanatory Note (ii)]

Resolution 5

5. To approve the payment of Directors' fees of up to S$176,400 for the financial year ending 31 December 2016 to be paid quarterly in arrears. (FY2015:S$168,000)

Resolution 6

6. To re-appoint KPMG LLP as the Company's Independent Auditors and to authorise the Directors to fix their remuneration.

7. To transact any other ordinary business that may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

Resolution 7

8. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, and the Listing Manual (Section B: Rules of Catalist) (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the directors of the Company (the "Directors") to:-

(A) (i) allot and issue shares in the capital of the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(B) (notwithstanding that this authority may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this authority was in force,

provided that:-

(1) the aggregate number of Shares to be issued pursuant to this authority (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below) ("Issued Shares"), of which the aggregate number of Shares to be issued other than on a pro-rata basis to the existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority) does not exceed fifty per cent (50%) of the total number of Issued Shares;

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of issued Shares (excluding treasury shares) at the time this authority is given, after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time this authority is given, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares;

(3) in exercising the authority conferred by this Resolution, the Directors shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in general meeting) this authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."
[see Explanatory Note (iii)]

Resolution 8

9. To consider and, if thought fit, pass the following resolution as an Ordinary Resolution:-

"Authority to allot and issue shares pursuant to the CNMC Performance Share Plan

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, the directors of the Company (the "Directors") be authorised and empowered to grant awards in accordance with the provisions of the CNMC Performance Share Plan (the "Share Plan") and to allot and issue from time to time such number of shares in the capital of the Company ("Shares") as may be required to be issued pursuant to the vesting of the awards under the Share Plan, provided that the aggregate number of new Shares which may be issued pursuant to the vesting of awards under the Share Plan, when added to the number of new Shares issued and issuable in respect of all awards granted under the Share Plan and any other share-based incentive scheme of the Company for the time being in force, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) from time to time and such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is earlier." [see Explanatory Note (iv)]

Resolution 9

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

"Renewal of the Share purchase mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 (the "**Companies Act**"), the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("**Shares**") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") or, as the case may be, any other securities exchange on which the shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme as may be prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held;

(ii) the date on which Share purchases have been carried out to the full extent of the Share Purchase Mandate; or

(iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:

"**Prescribed Limit**" means not more than 10% of the issued ordinary Shares (excluding any Shares held as treasury shares) of the Company as at the date of the passing of this Resolution; and

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase : 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase : 120% of the Average Closing Price,

where:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-day market period;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities; and

(d) the directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution. [see Explanatory Note(v)]

BY ORDER OF THE BOARD

LIM KUOH YANG
Chief Executive Officer
Singapore
11 April 2016

Explanatory Notes

(i) Professor Lin Xiang Xiong will, upon re-election as a Director of the Company, remain as an Executive Chairman of the Company. Information on Professor Lin can be found on page 8 and 9 of the annual report.

(ii) Mr Choo Chee Kong will, upon re-election as a Director of the Company, remain as an Executive Vice Chairman of the Company. Information on Mr Choo can be found on page 8 and 9 of the annual report.

(iii) Under the Catalist Rules, a share issue mandate approved by shareholders as a ordinary resolution will enable directors of an issuer to issue an aggregate number of new shares and convertible securities of the issuer of up to 100% of the issued share capital of the issuer (excluding treasury shares) as at the time of passing of the resolution approving the share issue mandate, of which the aggregate number of new shares and convertibles securities issued other than on a pro-rata basis to existing shareholders must be not more than 50% of the issued share capital of the issuer (excluding treasury shares).

The Directors are of the opinion that the proposed share issue mandate will enable the Company to respond faster to business opportunities and to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company.

Ordinary Resolution 7, if passed, will empower the Directors from the date of the above AGM until the date of the next annual general meeting, to allot and issue Shares and/or Instruments. The aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted) which the Directors may allot and issue under this Resolution, shall not exceed 100% of the total number of issued Shares (excluding treasury shares). For issues of Shares and convertible securities other than on a pro-rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed 50% of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

(iv) Ordinary Resolution 8, if passed, will empower the Directors to grant awards under the Share Plan and to allot and issue Shares pursuant to the vesting of the awards under the Share Plan, provided that the aggregate number of new Shares which may be issued under the Share Plan, when added to the number of Shares issued and issuable in respect of all awards granted under the Share Plan and any other share-based incentive scheme of the Company for the time being in force, shall not exceed 15% of the total number of issued Shares (excluding treasury shares) from time to time.

(v) Ordinary Resolution 9, if passed, will renew the mandate to permit the Company to purchase or otherwise acquire its issued ordinary shares on the terms and subject to the conditions of the Resolution. Further details are set out in the Letter to Shareholders which is enclosed with the Company's Annual Report, as an Addendum.

Notes:

(1) Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

(2) Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary such as banks and capital markets services licence holders which provide custodial services and are members of the Company may appoint more than two proxies provided each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

(3) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(4) The instrument appointing a proxy must be deposited at the registered office of the Company at 745 Lorong 5 Toa Payoh, #04-01 The Actuary, Singapore 319455 not less than 48 hours before the time appointed for holding the AGM.

(5) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CNMC GOLDMINE HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119104K)

ANNUAL GENERAL MEETING
PROXY FORM

I/We _____ (Name)

of _____ (Address)
being a member/members of CNMC GOLDMINE HOLDINGS LIMITED (the "Company") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholding	
			No. of Shares	(%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholding	
			No. of Shares	(%)

or failing him/her, the Chairman of the Annual General Meeting ("**AGM**"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf, at the AGM of the Company to be held at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 on Thursday, 28 April 2016 at 3.00 pm and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1.	Audited accounts for financial year ended 31 December 2015 together with the Directors' Statement and the Independent Auditors' Report		
2.	Declaration of one-tier tax exempt final and special dividends		
3.	Re-election of Professor Lin Xiang Xiong as Director of the Company		
4.	Re-election of Mr Choo Chee Kong as a Director of the Company		
5.	Payment of Directors' fees of S$176,400 for financial year ending 31 December 2016 to be paid quarterly in arrears		
6.	Re-appointment of KPMG LLP as auditors of the Company		
	Special Business		
7.	General authority to allot and issue shares		
8.	Authority to allot and issue shares pursuant to the CNMC Performance Share Plan		
9.	Renewal of the Share purchase mandate		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolution as set out in the Notice of the AGM.)

Dated this _____ day of _____ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

_____
Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:-

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Such proxy need not be a member of the Company.

3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100% of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed as the alternate.

4. This proxy form must be deposited at the registered office of the Company at 745 Toa Payoh Lorong 5, #04-01 The Actuary, Singapore 319455 not less than 48 hours before the time set for the AGM.

5. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM provided that each proxy is appointed to exercise the rights attached to different shares held by such member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

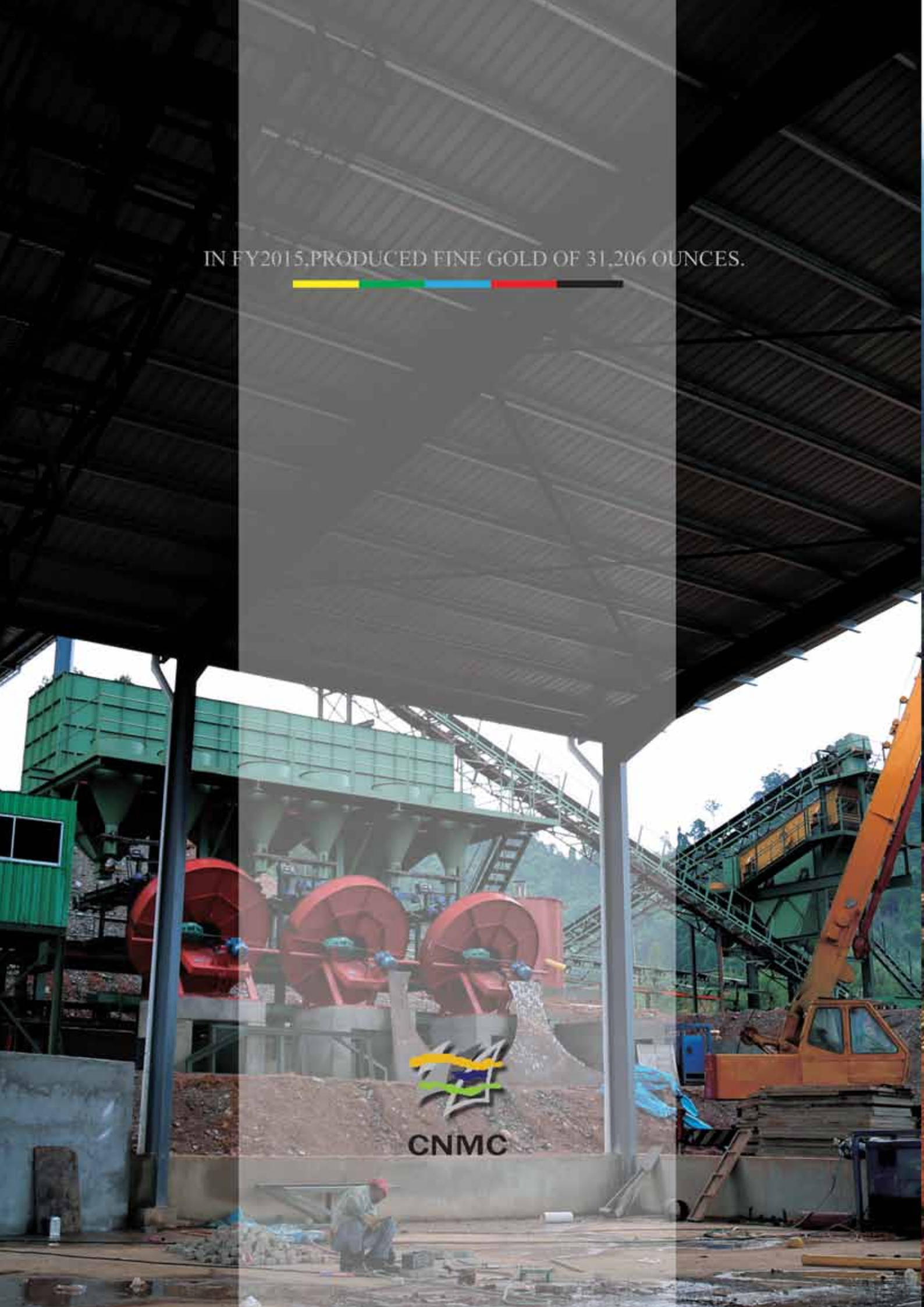
6. This proxy form must be under the hand of the appointor or of his attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

7. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.

8. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. By submitting this proxy form, a member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 April 2016.

TO BUILD A GREEN MINE


IN FY2015,PRODUCED FINE GOLD OF 31,206 OUNCES.
CNMC

www.cnmc.com.hk

TEL: +65 6220 4621 FAX: +65 6220 1270
745 Toa Payoh Lorong 5 #04-01 The Actuary
Singapore 319455